

# CREDENTIALS OF VALUE

STATE STRATEGIES FOR IDENTIFYING AND ENDORSING INDUSTRY-RECOGNIZED CREDENTIALS

## Introduction

In today's economy, a traditional high school diploma is no longer sufficient to prepare students for careers that offer a family-sustaining wage and pathways to advancement. By 2020, two-thirds of all new jobs are projected to require some education and training beyond high school, ranging from credentials and certificates to advanced degrees.<sup>1</sup> As employers demand more skills and career-ready employees, the U.S. education system must keep pace and ensure that students graduate with not only the academic, but also the technical and professional skills necessary for success in their future careers.

One increasingly popular way of ensuring students are entering the workforce with appropriate skills is through industry-recognized credentials. Credentials can be used to signal that an individual has acquired the knowledge, skills and abilities required in a specific occupation or industry, giving employers confidence in their new hires.

Industry-recognized credentials can also provide value to state and regional governments by helping them respond to the needs of the labor market, align education and workforce development efforts and measure program impact. In fact, 11 states currently include the attainment of industry-recognized credentials within their school accountability systems as a way that secondary students can demonstrate career readiness.<sup>2</sup> Many credentials are stackable, meaning they can build on previous skills and competencies through various stages of an individual's education and training, ultimately leading toward an advanced credential or degree. Such stackable credentials allow states to support career pathways that are aligned to workforce competencies that span across Career Technical Education (CTE) and workforce development systems.

However, despite the potential benefit of industry-recognized credentials, there is much work to be done to ensure that any credentials offered — and incentivized through accountability or funding systems — have true utility and value, and are quality measures of skill attainment. This question of utility, value and quality is complicated by the sheer volume of credentials on the market.

In the United States alone,<sup>5</sup> more than 4,000 certification bodies issue credentials in a number of different industries, making it difficult

for employers, states and students to ascertain the value of a given credential over another in the labor market. For example, while some credentials are required by employers in a particular industry and provide tremendous value for students seeking jobs or promotions, others have little or no value in the labor market.

### What is an Industry-Recognized Credential?

A credential is a qualification of a specific set of competencies related to a particular industry or occupation. Industry-recognized credentials of value are recognized in the labor market, are portable across state borders and are valid assessments of student skills. They can take many different forms, including educational degrees, certificates, certifications and licenses.<sup>3</sup>

The precise definition and use of industry-recognized credentials vary from state to state, but most include a few common elements, in that they are<sup>4</sup>:

- >>> Exam-based
- >>> Administered by third parties
- >>> Supplemental to a traditional postsecondary award.

Further, there are few processes currently in place at the state or national level to ensure that credentials on the market are high quality. A quality credential can serve as a form of currency<sup>6</sup> between job seekers and employers, providing a mutually-recognized signal that the student has developed the necessary competencies to be successful on the job. Yet there is little agreement in most states, and lack of consensus even within the employer community, as to how to evaluate or validate a credential's quality.

There is a need for processes and protocols that address this challenge. Students must have information about which credentials lead to high-demand, high-wage jobs and are valued by employers in the hiring process; which credentials are no longer valuable in the labor market; and which educational programs will adequately prepare them to earn the credential. With some assessments costing up to several hundred dollars, a lack of transparency about the value of the credential could be prohibitive to low-income job seekers. Finally, in a constantly changing economy, credentials must be nimble and adapt to the needs of the workforce, requiring states to also have responsive processes for identifying credentials of value.

## Lessons from the States

While several national initiatives have begun work detangling the massive web of credentials, nothing to date has netted a comprehensive national solution. In the meantime, there is a critical role for states to play in identifying, validating and endorsing credentials of value in their own economies. Under the New Skills for Youth Initiative<sup>7</sup> — a multi-year grant program designed to transform career readiness systems in the U.S. — participating states are exploring strategies to increase the number of students earning credentials of value. Others are looking to their example or implementing strategies of their own. States are well positioned to take on this work because they can convene representatives from education, industry and workforce development to ensure that industry-recognized credentials associated with CTE, workforce development programs and other educational pathways are accessible to students and have currency in the labor market. By building a list of endorsed credentials, states can also ensure that there is transparency in the certification and assessment of student competencies, and that students are encouraged to pursue occupations in high-demand fields. Job seekers and employers alike stand to benefit from such a system.

Some states — like **Florida, Kansas and Louisiana** — have already begun this work. This brief explores how they have tackled the challenge of navigating the universe of existing credentials and examines each state's process for verifying and endorsing credentials, their incentives for students to earn credentials of value, and the challenges they met along the way. While each process is different, some common trends emerge across the three states:

- >>> Business and industry is brought in early;
- >>> The credential review process involves a concerted, cross-institutional effort;

- >>> Credentials are differentiated based on rigor and industry demand; and
- >>> Systems are designed to be adaptive.

All three states are still in the early years of implementing their credential review programs. All the same, there is much to learn from their unique approaches to building such systems and the lessons they learned along the way.

## Florida's Industry Certification Funding Lists

States are often well positioned to leverage economic data, educational resources and financial incentives to encourage credential attainment along the education continuum. In Florida, the State Board of Education annually publishes two separate lists of validated credentials that are eligible for incentive funding at either the secondary<sup>8</sup> or postsecondary<sup>9</sup> level. Getting a credential on either list is a rigorous process, particularly at the secondary level. Approved secondary credentials must be linked to workforce needs, require a specified number of instructional hours and be endorsed by industry leaders. Once a credential makes it onto that list, however, school districts, teachers and colleges become eligible for additional bonus funding for each student who earns an approved credential.

## Getting Started

Florida launched its credential incentive program in 2007 through the Career and Professional Education (CAPE) Act, a law that has become the structural backbone undergirding much of Florida's work in CTE. The law was designed to facilitate regional cross-sector partnerships, expand access to high-quality career academies and encourage more students to earn credentials of value. To ensure more students have access to high-quality credentials, CAPE directed the State Board of Education to create a process for annually identifying, endorsing and incentivizing credentials that are aligned to workforce needs.

CAPE first directed the Agency for Workforce Innovation to create a definition for "Industry Certification" based on "the highest available national standards for specific industry certification, to ensure student skill proficiency and to address emerging labor-market and industry trends."<sup>10</sup> This definition would set broad quality criteria and ensure transparency for both students and employers. The agency later decided that an official industry certification must be awarded by an independent, third-party certifying entity using predetermined standards for knowledge, skills and competencies, and must:

- >>> Be within an industry that addresses a critical local or statewide economic need;
- >>> Be linked to occupations that are included in the workforce system's targeted occupation list; or
- >>> Be linked to an occupation identified as emerging.<sup>11</sup>

## Vetting Credentials for Secondary Students

The above definition provided a framework around which the state developed its credential endorsement system — a rigorous, cross-sector process involving input from business and industry, workforce development, education and others. At the secondary level, the process starts with the state workforce development board, an independent non-profit organization called CareerSource Florida. Throughout the year, eligible applicants submit recommended credentials to CareerSource Florida, which vets the credentials to create a preliminary list.

Credentials already on the list carry over from the previous year as long as they continue to meet the state's criteria for quality and relevance. While only local workforce boards and public high school principals are permitted to submit a credential for review, other organizations can partner with an eligible entity to create a submission package.

The submission process serves as an early quality filter to ensure that the credential has currency in the institution's region. To be considered, recommended credentials must include letters of endorsement from a local workforce board, a Florida-based state or regional business/trade association, and an economic development organization. Once the submission period closes, CareerSource Florida then reviews the certifications against the Department of Economic Opportunity's list of in-demand occupations. This results in a preliminary list of recommendations that CareerSource Florida passes along to the Florida Department of Education for additional vetting.

The Department of Education uses its own criteria to further narrow the list. Across the universe of available credentials, some are too easy to be of value, others require little to no classroom instruction and still more are available through unproctored online assessments. To ensure that all approved credentials are accessible and high-quality, the Department removes any credentials that do not meet the following criteria:

- >>> Are on the list of CareerSource Florida recommendations;
- >>> Are achievable by students in a secondary level program;
- >>> Require a minimum of 150 hours of instruction (approximately one full school year); and
- >>> Are only offered through a proctored examination.

While CareerSource Florida transfers existing credentials from the previous year to the next year's preliminary list, they must still undergo the same rigorous vetting process so that outdated credentials do not remain on the list. This vetting occurs annually, ensuring that the list is adaptive and reflective of changes in the labor market.



## Matching Credentials to Labor Market Outcomes

One way to evaluate the quality of an industry-recognized credential is by matching student data with labor market outcomes to determine the return on investment. The Certification Data Exchange Project, an initiative led by the Association for Career and Technical Education and other state and national partners, has piloted several projects at the state level to determine return on investment for credentials.

In Illinois, the state partnered with CompTIA, an IT certification organization, to match basic test taker information to postsecondary and employment data. They found that students who earned a certification had slightly higher employment rates and substantially higher wages than their noncertified peers.<sup>12</sup> Similar projects are underway in several other states.

## Differentiating Credentials

Credentials on the secondary list are divided into two tiers based on credit articulation agreements, which allow high school students to receive postsecondary credits by earning a credential. The first tier, called *CAPE Industry Certifications*, meet the aforementioned quality criteria and have articulation agreements that transfer up to 14 credits toward either an Associate of Science or an Applied Associate of Science degree. The second tier includes credentials with articulation agreements of 15 or more credits, which are known as *CAPE Acceleration Industry Certifications*. These credentials are difficult to achieve at the secondary level and are incredibly rare — on the 2015–16 list, only three out of more than 200 credentials met this bar.<sup>13</sup>

Students in earlier grades are also eligible to earn industry certifications after the state added *CAPE Digital Tool Certificates* to the secondary list in 2014. The process for reviewing and approving CAPE Digital Tool Certificates is different than for CAPE Industry Certifications and CAPE

Acceleration Industry Certifications, though it is still rigorous. Instead of going through CareerSource Florida, these credentials are vetted in-house at the Department of Education. To qualify as a CAPE Digital Tool Certificate, a credential must be achievable by elementary school and middle grade students, be part of a career pathway leading to a CAPE Industry Certification and assess one of a number of digital skills, such as word processing or coding. Florida statute limits the number of CAPE Digital Tool Certificates included on the list to 15 per year.

Once it finalizes the list, which includes all three types of credentials, the Department sends it to the State Board of Education for a final review and an official stamp of approval. The Department is required to publish a draft of the list by August 1 each year, just in time for the school year to begin.

## Extending Credential Attainment to Postsecondary

Over the years, Florida has expanded CAPE to the postsecondary level by developing articulation agreements for credentials earned in high school and by passing legislation to create a separate postsecondary credential list. These strategies have helped align educational systems and provide a seamless pathway into postsecondary.

Students earning a state-approved credential in high school can apply credit toward an Associate of Science or an Associate of Applied Science degree at any of Florida's 28 community colleges. A minimum guarantee of college credit is identified in the statewide articulation agreements adopted by the State Board of Education, although the precise number of transferring credits varies. To develop articulation agreements, the Department of Education and the state's community college system convene college faculty members to review knowledge, skills and abilities associated with each credential and to determine whether it aligns with an existing course or program of study. The Department then works with the college system to develop and publish credential articulation agreements that designate how many postsecondary credits a student can earn for each credential.<sup>14</sup> In the 2014–15 school year, CAPE participants earned 28,584 industry certifications with at least one articulation agreement.<sup>15</sup>

In 2014, the state legislature further amended the CAPE Act to establish an additional industry certification list at the postsecondary level.<sup>16</sup> Unlike the secondary list, which is initiated by the state's workforce development board, the postsecondary list is vetted at the Department of Education. In fact, the processes for developing the postsecondary list is entirely separate. Colleges and school districts (which are authorized to offer postsecondary clock hour instruction

through local technical centers) recommend credentials for review, and the Division of Career and Adult Education and Division of Florida Colleges within the Department work together to vet and approve them for the postsecondary list. Credentials must be aligned to legislated target occupational areas to be eligible for funding.

## Incentivizing and Evaluating Credential Attainment

To encourage more secondary students to earn industry-recognized credentials, the state created a tiered incentive system that rewards districts and teachers based on the number of students receiving credentials on the list. Under this system, a district's full-time enrollment (FTE), which determines its annual funding allocation, is weighted an additional 0.025 for each student earning a CAPE Digital Tool Certificate, up to 0.2 for each student earning a CAPE Industry Certification, and up to 1.0 for students earning CAPE Acceleration Industry Certifications.<sup>17</sup> Additionally, classroom teachers can receive bonuses of up to \$100 per student depending on the type of credential earned. The legislature has adjusted these weights over the years to simplify the funding calculation and eliminate some gaming of the funding incentive. While some districts use incentive funds to cover the cost of certification examinations, others pay for the program using state operating funds, Carl D. Perkins Career and Technical Education Act of 2006 funds or a combination of those funds.

At the postsecondary level, districts and colleges can receive up to \$1,000 per student who receives a credential on the legislature's list of target occupational areas, although this amount depends on available appropriations. Additional credentials that do not qualify for funding are often included on the list as well as to fulfill the state requirement that dual-enrolled CTE students attain a credential in their pathway.

Florida tracks and publishes data on credential attainment, including information on pass rates and return on investment by certification. In the 2013–14 school year, students in grades 6–12 earned over 75,000 industry-recognized credentials, up from only 954 in 2007–08.<sup>18</sup> State statute also requires schools to notify parents of the estimated cost savings for students earning postsecondary credentials in high school compared to those paying the full tuition and fees associated with the same number of credits. State college savings per student range from \$106 to more than \$3,800, depending on the type of credential.<sup>19</sup>

## How Kansas Is Tackling Credential Quality

To ensure that state-approved credentials are high-quality and relevant, states need to develop strict criteria for evaluating eligible credentials. Kansas is making notable progress in this area, adopting collaborative processes at both the secondary and postsecondary levels to identify and promote credentials of value for CTE students. While these processes are separate, secondary CTE programs are structured to align with postsecondary pathways, often promoting credentials that are aligned to those offered in community and technical colleges. In order to complete a CTE pathway, secondary students are required to attain an industry credential (if one is available) that articulates to at least one postsecondary institution in the state.

At the moment, the Department of Education does not use criteria to validate high-quality credentials aligned to career pathways. However, the state does have a separate program called Excel in CTE that identifies and incentivizes credentials in high-demand occupations. Further, Kansas is engaging in work to make the credential review system more rigorous to support both secondary and postsecondary programs.

### How Excel in CTE Works

Excel in CTE was enacted by the state legislature in 2012 with the aim of preparing more secondary students for the workforce by incentivizing credential attainment at the district level.<sup>20</sup> The law sets aside a pool of money for a CTE Incentive Program, which allocates \$500 (originally \$1,000) to school districts for each high school student graduating with a credential on the state's Qualifying Credential Incentive List.<sup>21</sup> Postsecondary colleges and technical institutions are also eligible to receive compensation for dual enrolled students at private secondary schools who attain a credential through their programs.

According to state statute, credentials on the Qualifying Credential Incentive List must be aligned with "those occupations in highest need of additional skilled employees."<sup>22</sup> To compile the list, the Department of Labor identifies high-demand occupations and works with the Board of Regents and the Kansas Department of Education to research and review credentials associated with those occupations.

The Department of Labor creates a list using the following criteria:

- >>> Occupations must have an industry credential;
- >>> Courses leading to that credential must be available to high school students;
- >>> The credential must be attainable within six months of graduation (or before);

- >>> Wages for the occupation must be at least 70 percent of the average wage in Kansas (unless the credential is stackable);
- >>> The education level for the occupation must require at least a high school diploma; and
- >>> Occupations must be considered in-demand based on an evaluation of job vacancy, short-term job projections, long-term job projections and wage data.<sup>23</sup>

If an identified credential meets these criteria and passes the Department of Education's vetting, it becomes eligible for CTE Incentive Program funds. While CTE Incentive Program funds can be used to cover half of the cost of the credential assessment, recent budget cuts in the state have left local districts and students responsible for the remaining costs associated with assessments.

Excel in CTE has significantly increased the number of Kansas students graduating with credentials, in part due to the incentive program and in part due to a communications budget of \$50,000 that the Department of Education has used to develop brochures, videos, posters and other resource materials.<sup>24</sup> Since the 2011–12 school year, the number of high school students receiving industry-recognized credentials has doubled, with more than 1,200 students in school year 2015–16 earning a credential in a high-demand industry within six months of graduation.

### Three Tiers for Kansas Credentials

Kansas has also begun to focus on the broader issue of credential quality, spurred in part by education leaders who, in 2014, raised concerns over the lack of policies and procedures to control the quality of state-approved credentials. Many credentials offered at the secondary level do not undergo an assessment to ensure they are of value in the workplace, align to labor market projections, and are delivered through impartial, third-party organizations. Even those offered through Excel in CTE, which must be aligned to in-demand occupations, are not evaluated against other dimensions of quality.

To address this concern, the Kansas Board of Regents contracted with an independent consultant to help design a set of criteria and a process for properly vetting industry credentials. The proposed framework, which has yet to be launched, includes differentiated criteria based on three tiers of credential quality: *required by law, industry mandated and employer preferred*.

The first tier, credentials required by law, includes those credentials and licenses that are mandated by law or regulation in the state. Examples of credentials in the first tier would include licenses for being a registered nurse or driving commercial vehicles. The second tier includes credentials that are required by at least two companies or organizations

in a specific industry and serve as a gateway for students pursuing a career in that field. The third tier of credentials could be considered “nice-to-have” credentials that, while having value in the labor market, are not essential to begin an entry-level job.

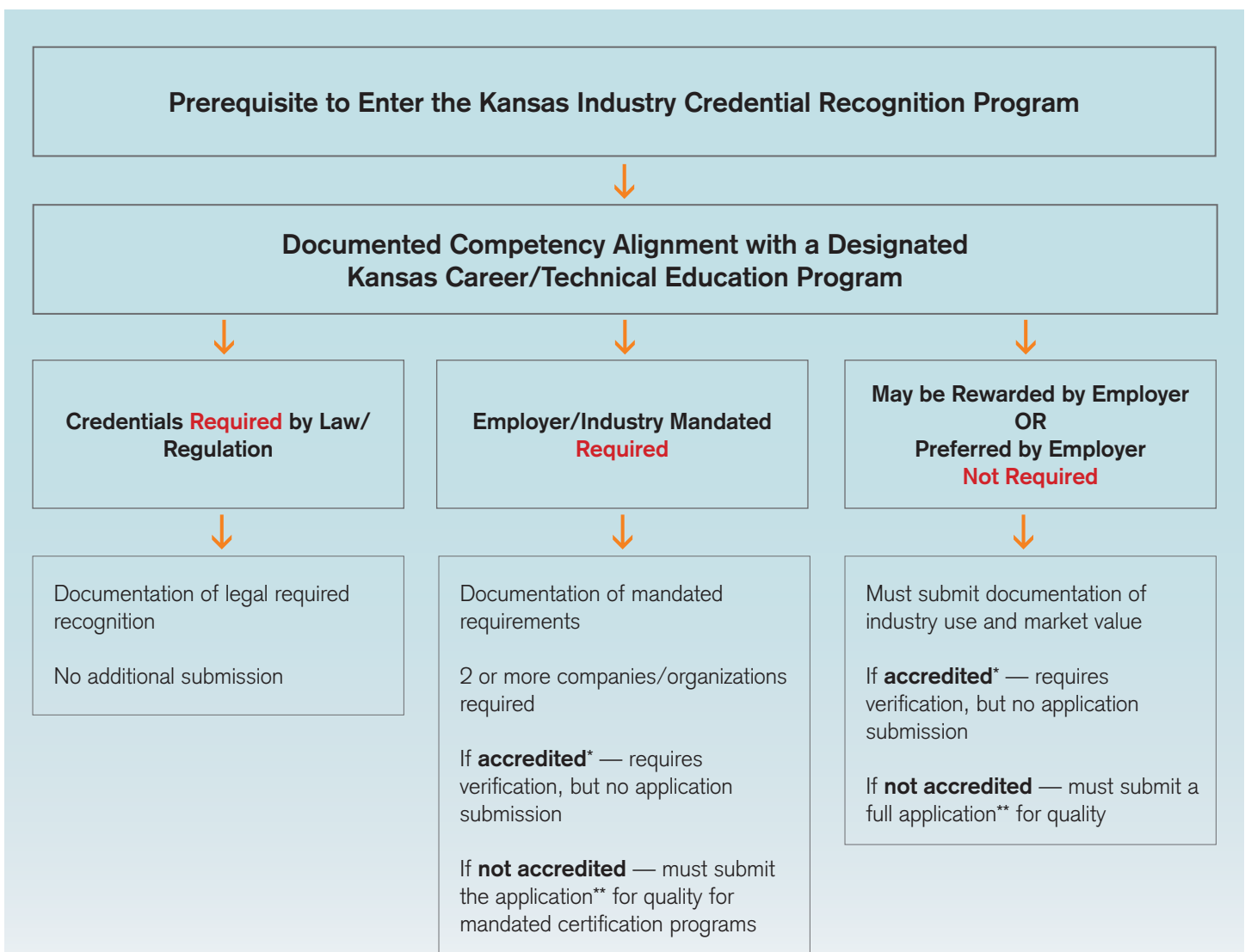
This framework would allow the state to differentiate credentials based on their value in the labor market. Employer preferred credentials may provide value to job seekers, but their value is marginal compared to credentials that are mandated by law or required by employers, without which a job seeker would be barred from a specific occupation or industry. In a system saturated with credentials of varying value, this provides a helpful quality indicator for students and educators.

Under the framework, state-approved credentials would require accompanying evidence to ensure that the certifying body is impartial and that the process for receiving a credential is fair and transparent. Evidence would come in the form of policies and procedures

demonstrating that the credentialing organization meets explicit requirements for, among other things:

- >>> Organizational structure;
- >>> Recordkeeping and disseminating information;
- >>> Developing and maintaining a certification scheme; and
- >>> The certification process itself.

Although the framework is in the final stages of development, Kansas is soliciting feedback from members of the business and industry community before adopting the recommended credential review process. High-quality credentials must have currency not only in the classroom, but in the workforce as well. The state is hesitant to move forward without first receiving input from employers, whose recognition and use of vetted credentials in hiring decisions is critical to their value. Kansas plans to implement the framework in the 2016–17 school year.



Adapted from Swift, Roy and Johnson, Rita. (2015). “Validating a Proposed Three-Tiered Industry Credential Recognition Model (ICRM) for your State — A Process to Recognized Quality Certifications.” Workshop Presentation.

## Mapping Quality Credentials to Graduation Pathways in Louisiana

A number of states have begun to offer alternative diplomas or graduation requirements for students pursuing career pathways.<sup>25</sup> Louisiana, however, leverages its Jump Start program to not only provide students with alternative graduation pathways, but also to increase the number of students earning industry-recognized credentials in high-demand fields. Jump Start was launched in 2014 with a four-year plan to reboot and repair the state's career diploma. Through regional public-private partnerships involving representatives from secondary, postsecondary and industry, the state has developed and approved 47 graduation pathways in a variety of career fields,<sup>26</sup> each culminating in an industry-recognized credential.<sup>27</sup> Each pathway credential is approved and endorsed through a rigorous review process involving input from both the public and private sectors.

### How Credentials Get on the List

Jump Start credentials fall into one of three categories: “*Statewide*” credentials are those that have value and portability in the state economy and are used by employers in high-demand occupations; “*regional*” credentials prepare students for career paths relevant to the regional economy; and “*complementary*” credentials, such as first aid or computer literacy, have value across industry sectors. Statewide credentials are further categorized into two tiers depending on rigor: “Basic” (typically first level industry certification) and stackable “Advanced” credentials.

Louisiana Code assigns the responsibility of reviewing and endorsing industry credentials to the state's Workforce Investment Council (WIC), which publishes a Focus List of statewide certifications aligned to high-

growth, high-wage job sectors.<sup>28</sup> The WIC is made up of representatives from business and industry, organized labor, state and local government and community organizations. To begin the process of adding a credential to the Focus List, regional Jump Start teams come together to discuss local labor market needs and identify credentials related to in-demand career pathways.

Representatives from the employer community play a significant role in these discussions, helping to prioritize the credentials that are most valuable when they make hiring decisions. Regional teams, with consultation from the business community, then prepare and submit application packages to be reviewed by the WIC. Applications must include evidence of employer endorsement, national recognition, alignment to Jump Start curriculum and more.

The state WIC convenes throughout the year to review submissions against rigorous criteria covering multiple dimensions of quality such as portability, alignment with high-demand and high-wage occupations, employer support, stackability and assessment validity. While “statewide” credentials must be reviewed and approved by the WIC, a “regional” credential can be approved at the state level by a cross-agency panel that evaluates regional labor market data to ensure there is sufficient demand for the credential.

To ensure that the Focus List is relevant and up to date, the WIC reviews each credential every two years using labor market information and pathway completion data. Starting with the graduating class of 2018, the state also plans to map credentials to wage earnings data to calculate return on investment. Credentials that fail to meet the state's standards of quality upon further review will be removed from the list. The process of continually reviewing and vetting credentials will ensure that the state-approved list is adaptive to changes in the labor market and reflects competencies and skills aligned to high-demand, high-wage occupations.

### KEY JUMP START IMPLEMENTATION TIMELINE<sup>29</sup>

#### 2014–2015

Regional teams form and develop/adopt graduation pathways. Districts within regional teams start to determine which graduation pathways they will implement with their students.

#### 2015–2016 & 2016–2017

Districts utilize new CTE funding sources to develop their instructional capabilities. CTE instructors attain the credentials they'll need to help students attain industry certification. Students have the option of graduation via Jump Start graduation pathways.

#### 2017–2018

Fall Jump Start implementation. AOCs no longer count toward a graduation. Basic Diplomas are no longer awarded.

Once a credential is finalized on the Focus List, the Louisiana Department of Education maps it to one or more of the 47 state-approved Jump Start career pathways. An Emergency Medical Responder credential, for example, maps to both the Emergency Medical Tech pathway (one of Louisiana's statewide graduation pathways) and a regional Public Service pathway. The Department publishes fact sheets that describe each credential, the expected wages for the applicable occupation, the certification process and costs and the aligned Jump Start graduation pathways.<sup>30</sup> This provides an additional level of transparency for students and coordinators in the program, while providing educators essential information for training teachers and developing Jump Start implementation budgets.

The cost for certification examinations is covered at the local level through both Perkins and the Louisiana Career Development Fund. The Career Development Fund was set up in 2014 with the understanding that CTE programs often require costs above and beyond those covered by a baseline per-pupil funding formula. The fund provides additional support for students in state-approved technical courses.<sup>31</sup>

Jump Start is a secondary-level program, but the industry credential list benefits students at any learning level. In fact, many credentials on Louisiana's Focus List are available at the state's community and technical colleges.

## How Louisiana Incentivizes Credential Attainment

Louisiana primarily uses two levers to encourage students to earn a Jump Start credential: the state accountability system and a multi-faceted communications strategy. In 2014, the Louisiana legislature passed legislation that restructured the state's accountability system so that career diplomas would be weighted equally to the standard diploma.<sup>32</sup> Under the new system, a school or school system receives 100 points towards its Graduation Index score (which makes up 25 percent of the overall accountability score) for each student who graduates with either a standard diploma or a Jump Start career diploma.

The system attributes additional points for students graduating with a "Basic" or "Advanced" statewide Jump Start credential. Students graduating with "Basic" credentials are valued at 110 points (equivalent to a student who passes at least one Advanced Placement, International Baccalaureate or dual credit course) and students graduating with "Advanced" credentials are valued at 150 points (equivalent to students earning a test score at a qualifying level on the AP, IB or CLEP exam). The most points a school can earn per student is 160 points for a student who both earns an "Advanced" industry-based credential and achieves a test score at a qualifying level on the AP, IB or CLEP exam.

### Emerging Policies from the States

While Florida, Kansas and Louisiana are further along in the industry credential recognition process, several other states have recently launched promising policies that are worth keeping an eye on:

- >>> Under the Complete 2021 plan, **Virginia** aims to triple the number of community college students earning credentials by 2021. Community colleges must submit credentials to be included on the list, which the state evaluates to ensure they are stackable, portable, competency-based, validated by a third party, reviewed for articulated credit and awarded through certification assessments.<sup>33</sup>
- >>> **Tennessee's** credential system identifies credentials that are valued by industry, aligned to CTE programs of study, transferable to postsecondary, and lead to high quality employment.<sup>34</sup> In 2015 the state also launched a pilot program that covered industry certification fees for 215 students.<sup>35</sup>
- >>> In 2016, **North Carolina** authorized a pilot program to reward teachers up to \$50 for each student that obtains an industry-recognized credential. The Department of Commerce and State Board of Education are responsible for designating the amount of the award depending on the credential's academic rigor and employment value.<sup>36</sup>
- >>> **Colorado** passed a law in 2016 creating a pilot program that awards school districts \$1,000 for each high school student who, among other activities, earns an industry certification tied to an in-demand job.<sup>37</sup>



By restructuring the way it calculates the graduation index, Louisiana has positioned the Jump Start program as a viable alternative graduation pathway and created school-level and systems-level incentives for graduating students with industry-recognized credentials.

Louisiana has also encouraged credential attainment through a multi-faceted communications strategy that aims to raise awareness about Jump Start at every level — from the school district down to individual students and parents. The state is currently working with educators to create YouTube videos highlighting the Jump Start program and the benefits to students, and will soon launch a statewide contest for digital media classes to develop a Jump Start video. Additionally, the state is rolling out an automated text response system that will provide information to students and parents about career pathways and Jump Start credentials through an interactive mobile platform. Through both the accountability system and communications strategy, Louisiana has elevated the Jump Start program as a viable graduation pathway, and ensured that students graduate with a credential of value.

## Conclusion

Industry-recognized credentials have the potential to provide tremendous value to both students and employers, particularly in industries where credentials are required for entry-level jobs, but the current lack of transparency around the quality of such credentials can make it difficult to identify those with labor market value. This is detrimental to both job seekers and employers. As such, there is a growing need for states to step up and create a systematic process to identify, validate and endorse credentials of value. Florida, Kansas and Louisiana have already begun this work. Though each state approaches the challenge in a unique way, some trends emerge:

**>>> Business and Industry is Brought in Early:** Credentials that are not recognized and accepted by employers provide negligible value to job seekers and are merely “nice-to-haves.” Leaders from business and industry can provide crucial insight about which credentials are valued when making hiring decisions. Both Florida and Louisiana require each credential submitted for the state list to include letters of endorsement from the employer community, providing an early quality filter to ensure that each one has value in the labor market.

**>>> The Credential Review Process Involves a Concerted, Cross-Institutional Effort:** To do this work well, no state agency can operate in a vacuum — in fact, each of the examples explored in this paper involve actors from multiple agencies and levels of government. In Florida, the state workforce development board conducts the initial round of vetting to ensure that credentials are aligned to high-need industries, allowing the Department of Education to use additional criteria to conduct a second review. Louisiana uses a bottom-up model, requiring regional councils of secondary, postsecondary and industry representatives to submit recommended credentials to the state. Meanwhile, Kansas involves the Department of Labor, the Department of Education and the Board of Regents in the process of reviewing and endorsing credentials.

**>>> Credentials are Differentiated Based on Rigor and Industry Demand:** In the universe of industry credentials, some are easy to attain but are not valued in the labor market. Others require months of training but do not lead to in-demand occupations. One distinguishing feature of the state lists featured in this brief is that they differentiate credentials based on quality, often structuring incentives to reward schools for graduating students with higher-quality credentials. In Kansas, the state will be dividing credentials into three tiers based on employer preference. Florida uses postsecondary credit articulation to identify and differentiate high-quality credentials. In Louisiana, credentials are classified based on their utility at the regional versus the state level, and whether they are “Basic” or “Advanced.”

**>>> Systems are Designed to be Adaptive:** States should not expect to get it right on the first try. Every state is unique and so must be prepared to adapt to unexpected challenges at every level of implementation. Leaders in Florida recognized early on that the credential incentive program was not structured appropriately to encourage the right behavior at the local level. The state quickly adjusted the formula to address challenges with the system. Likewise, Kansas decided to develop a new framework for evaluating credentials once it realized that the current process was insufficient.

A high school diploma on its own is no longer sufficient to prepare students for the first day on the job, but the future is bright. As the role of the U.S. education system adapts to a changing economy, states have already started playing a role in preparing students for the workforce by endorsing and incentivizing high-quality credentials. Still, there is much work to be done. States early in this work can turn to Florida, Kansas and Louisiana for strategies to get started.

## Comparing State Systems for Endorsing Credentials of Value

	Florida	Kansas	Louisiana
<b>Engaging Employers</b>	<ul style="list-style-type: none"> <li>Submitted applications must include letters of endorsement from a local workforce board, a Florida-based state or regional business/trade association and an economic development organization.</li> </ul>	<ul style="list-style-type: none"> <li>At the moment, Kansas does not formally engage employers in this process.</li> </ul>	<ul style="list-style-type: none"> <li>Regional Jump Start teams, which include industry representatives, identify and propose credentials based on labor market needs.</li> <li>Applications must include employer endorsements.</li> </ul>
<b>Agencies Involved</b>	<ul style="list-style-type: none"> <li>Actors include the Agency for Workforce Innovation; the Department of Economic Opportunity; CareerSource Florida (Florida's workforce development board); The Department of Education, Division of Career and Adult Education; and the Department of Education, Division of Florida Colleges.</li> </ul>	<ul style="list-style-type: none"> <li>In Kansas, this process involves the Department of Labor, the Board of Regents and the Department of Education.</li> </ul>	<ul style="list-style-type: none"> <li>Louisiana's credential review process engages the state's regional Jump Start teams, the Workforce Investment Council and the Department of Education.</li> </ul>
<b>Measures Used to Determine Credential Quality</b>	<ul style="list-style-type: none"> <li>Credentials on the secondary list are evaluated based on alignment to in-demand occupations, accessibility to secondary students and assessment through a proctored examination.</li> </ul>	<ul style="list-style-type: none"> <li>Credentials on the CTE Incentive Program funding list are evaluated based on accessibility to secondary students; alignment to high-wage, high-demand occupations; and whether or not they require at least a high school diploma.</li> <li>Kansas is considering additional criteria for vetting all state-approved credentials. These criteria may include specifications related to organizational structure; recordkeeping and disseminating information; developing and maintaining a certification scheme; and the certification process for the certifying body.</li> </ul>	<ul style="list-style-type: none"> <li>State-approved Jump Start credentials are evaluated based on portability, alignment with high-demand and high-wage occupations, employer support, stackability and assessment validity.</li> </ul>

## Comparing State Systems for Endorsing Credentials of Value (continued)

	Florida	Kansas	Louisiana
<b>How Credentials are Differentiated</b>	<ul style="list-style-type: none"> <li>• Credentials on the secondary list are categorized into two tiers based on articulation agreements.</li> <li>• CAPE Digital Tool Certifications are also available to students in elementary and middle grades.</li> </ul>	<ul style="list-style-type: none"> <li>• Kansas is considering differentiating credentials into three tiers: required by law, industry mandated and industry preferred.</li> </ul>	<ul style="list-style-type: none"> <li>• Statewide Certifications have value and portability in the state economy and are used by employers in high-demand occupations.</li> <li>• Regional Certifications prepare students for career paths relevant to the regional economy.</li> <li>• Complementary Certifications have value across sectors.</li> <li>• Credentials are further classified by rigor as “Basic” or “Advanced”.</li> </ul>
<b>Adaptability</b>	<ul style="list-style-type: none"> <li>• The state has adjusted its funding formula to incentivize appropriate behavior at the local level.</li> <li>• Credentials on the list are evaluated annually to ensure they continue to meet quality criteria.</li> </ul>	<ul style="list-style-type: none"> <li>• Kansas re-evaluated its credential approval framework once it realized the existing criteria were insufficient.</li> </ul>	<ul style="list-style-type: none"> <li>• Credentials are reviewed every two years using labor market information and pathway completion data.</li> <li>• Jump Start regional teams continually propose new credentials for review.</li> </ul>
<b>Incentive Structure</b>	<ul style="list-style-type: none"> <li>• Florida incentivizes credential attainment through adjustments to the per-pupil funding formula based on credentials earned at the secondary level; bonuses for secondary teachers whose students receive state-approved credentials; and bonuses to districts whose students earn credentials.</li> </ul>	<ul style="list-style-type: none"> <li>• School districts are compensated for each high school student graduating with a credential on the state’s list.</li> </ul>	<ul style="list-style-type: none"> <li>• Louisiana awards additional points to school and district accountability scores for students graduating with a “Basic” or “Advanced” statewide Jump Start credential.</li> </ul>

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