

# Building Credential Currency

Resources to  
Drive Attainment  
across K-12,  
Higher Education,  
and Workforce  
Development





### **3. Incentivize Attainment of Priority Non-Degree Credentials**



1. IDENTIFY



2. VALIDATE



3. INCENTIVIZE



4. REPORT

## Case Study: Strategies to Incentivize, Communicate, & Report on Industry-Recognized Credential (IRC) Attainment

### Florida's CAPE Policies and Practice

Once you have established your priority list of non-degree credentials, the next stage of this work is building energy among primary stakeholders—students, high school leaders and teachers, and higher education institutions—to make attainment a priority. In many instances, funding strategies provide the most direct and effective incentives. Whether its waived exam fees for students, bonuses for teachers who help students earn certifications, or additional funding for K-12 or postsecondary program budgets, funding is a “carrot” that appeals to a broad group of stakeholders—but it is not the only incentive strategy. Clear communication strategies can increase students’ awareness and understanding of the value of non-degree credentials and encourage them to pursue these options. Articulation agreements boost the value of non-degree credentials by imbuing them with postsecondary value, in addition to labor market value. Even the accountability and reporting strategies outlined in the next section (Report) incentivize education leaders to direct attention—and perhaps resources—to the work of increasing credential attainment.

The first tool in this section provides a closer look at strategies to incentivize students, families, and K-12 education systems through a case study of Florida’s long-established non-degree credential work. Subsequent tools in this section focus specifically on the variety of strategies states can take to incentivize K-12 and higher education systems.

The Florida Career and Professional Education (CAPE) Act was passed in 2007 to “provide a statewide planning partnership between the business and education communities in order to attract, expand, and retain high-value industry and sustain a strong, knowledge-based economy.”<sup>6</sup> The legislation contains many activities to support this objective, including articulating non-degree credentials to postsecondary-level credit.

Articulated credit is nothing new: Many career programs and pathways across the country have established articulation agreements to award postsecondary credit for coursework completed in high school; and the prospect of reducing time—and cost—to a degree by earning early college credit is an incentive for many students and families. Florida, however, has taken the practice further by awarding articulated postsecondary credit for high-value credentials—in addition to career readiness coursework—and incentivizing attainment of both credentials and postsecondary degrees. Further still, Florida’s policy acknowledges that not all credentials have the same value in the workplace. Through two tiered incentive structures—the articulation agreements themselves and school funding model—Florida prioritizes and rewards the attainment of its most valuable credentials.

This case study, organized around nine “key takeaways,” highlights both best practices and potential challenges to consider for states interested in increasing and incentivizing credential attainment among students.

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<sup>6</sup> Chapter 2007-216, Laws of Florida s. 1003.491, F.S.

# Incentivizing and Communicating Credentials

## 1. Incentivize students and families by minimizing redundancy—and cost—of education with early postsecondary credit opportunities.

In the current economy, postsecondary education and training is essential for finding stable, family-sustaining employment: In the aftermath of the Great Recession, 99% of new jobs created went to workers with some level of postsecondary education—though, importantly, not all of the workers held bachelor degrees. Only 1% of new jobs went to workers with a high school diploma or less.<sup>7</sup> Despite these trends, college costs—and student debt—continue to rise. This new reality compels schools to create and expand opportunities for students to develop critically needed academic, technical, and professional skills in high school and earn postsecondary credit for that prior learning. Most students (and their families) simply do not have the luxury of waiting until college to earn college credit or of repeating coursework for skills they have already developed.

Establishing articulation agreements helps mitigate these financial and time costs; and credentials that carry currency in both the workforce and postsecondary institutions are doubly valuable for students. Florida has recognized this, creating articulated credential options in nearly every career cluster. The rigorous process to establish these agreements is described below.

### IDENTIFYING PRIORITY NON-DEGREE CREDENTIALS

Before it can create articulation agreements for credentials, a state must first determine which credentials to prioritize. Florida does this through a formal application and review process. A workforce board or school district must formally submit a credential for inclusion on the Industry Certification Funding List. For each credential submitted, CareerSource Florida—the state’s workforce development agency—reviews each credential’s labor market value, working closely with the state’s Department of Education and the Department of Economic Opportunity. Once a credential is approved by CareerSource Florida, it has satisfied one of three criteria for inclusion in the CAPE Industry Certification Funding List.\*

*\*Note: Florida has a separate process for farm occupations. All farming credentials must be recommended by the state’s Department of Agriculture and Consumer Services.*

<sup>7</sup> Georgetown Center on Education and the Workforce. 2016. America’s Divided Recovery. <https://1gyhoq479ufd3yna29x7ubjn-wpengine.netdna-ssl.com/wp-content/uploads/Americas-Divided-Recovery-web.pdf>

## Florida's credential articulation process

Florida statute requires that all credentials on the Industry Certification Funding List be reviewed for potential postsecondary articulation. This process begins in the Florida Department of Education, with program specialists—individuals assigned to oversee one of 17 state-recognized career clusters and ensure program quality—who cross-reference a given credential's associated knowledge, skills, and abilities with the standards and competencies of related degree programs.

If significant overlap between a credential and degree program is identified, the process moves forward to representatives from the Florida College System. Within colleges that offer the related degree, discipline-specific faculty conduct an independent review of the credential's alignment to degree standards and competencies. If there is sufficient alignment, the faculty members propose the number of college credits the credential is worth and identify the specific courses to which the credential should articulate.

From the college system, the process moves to a negotiation between the Florida Department of Education and postsecondary partners to draft a formal articulation agreement. This agreement is then sent to a state-required articulation coordinating committee—consisting of representatives from Florida's university and college systems and school districts—for approval.

Upon committee approval, the final articulation agreement is sent to the State Board of Education for approval and adoption. Once adopted, the agreement is active until either the credential is removed from the Industry Certification Funding List or the degree program is closed.

From this process, Florida has established at least one articulated credential for more than half of its career clusters. As of May 2018, the [list](#) included over 120 agreements. While Florida's mission is to reduce students' time and spending toward a degree, the state nonetheless applies a critical lens to this work. Not every credential makes it through this process and articulates to college credit; and not every career cluster has a credential option that is relevant, rigorous, and valued enough to earn articulation.

As an added incentive to students and families, Florida has also instituted a [scholarship program](#) for students who earn credentials that generate at least five articulated credits (see Takeaway 3 for more information on credential value).

## 2. Incentivize schools and teachers prioritizing credential attainment with funding.

Students and families are not the only stakeholders for whom states should create credential attainment incentives. It is important to also provide clear signals to school leaders and instructors that offering students opportunities to earn high-value credentials is a priority for the state.

Florida communicates this priority through its school funding model. Each Industry Certification Funding List credential earned by students at the school generates supplemental funding in that school's budget. Additionally, Florida has established a bonus system for teachers who prioritize certification attainment in their classes. Credentials are also used as part of the college and career acceleration component of the school grading formula. See Takeaway 3 for the specific funding strategy Florida employs.

### 3. Not all credentials are created equal: Weigh incentives accordingly.

Points 1 and 2 lay the foundation for Florida’s work to incentivize credential attainment, but what sets Florida apart is that both incentive structures—articulation and funding—signal that some credentials are worth more than others. While all credentials on Florida’s Industry Certification Funding List have demonstrated *some* value (see the Identifying Non-Degree Credentials textbox on page 11), the actual value of individual credentials varies significantly. In both the articulation and funding processes, these differences are reflected in a tiered weighting system.

Among credentials that qualify for articulated credit, the amount of credit awarded is stratified: Credentials that are more difficult to earn and/or more valuable in the labor market carry more postsecondary credit than others. For instance, the FAA Aviation Mechanic—Airframe credential is worth 36.0 postsecondary credits through a statewide articulation agreement, while the Certified Phlebotomy Technician credential translates to just 1.0 credit.

Within both the school funding model and teacher bonus system, the weight of credentials is similarly stratified in accordance with its labor market value. Florida uses the amount of articulated credit each credential carries as a proxy for determining labor market value, as labor market analyses are already embedded into the articulation process. The school funding formula separates credentials into four tiers, using the amount of articulated credit as a proxy for labor market value:

- Credentials with no articulation are weighted at 0.1 FTE.
- Credentials articulating to 14 credits or less are weighted at 0.2 FTE.
- Credentials articulating to 15 to 29 credits are weighted at 0.5 FTE.
- Credentials articulating to 30 credits or more are weighted at 1.0 FTE.

The teacher bonus system reflects these tiers:<sup>8</sup>

- \$25 for credentials with 0.1 FTE weight
- \$50 for credentials with 0.2 FTE weight
- \$100 for credentials with 0.5 or 1.0 FTE weight

Further, Florida removed its cap on teacher bonuses (originally \$3,000 per teacher per year). If multiple teachers provided the direct instruction leading to student credential attainment, each teacher receives the bonus amount.

Varying credential value protects the fidelity of Florida’s incentive system. In its initial system, the state weighted all credentials equally at 0.3 FTE. Such a system not only blurred the (often significant) differences in real labor market value of credentials, it also lacked any incentive for schools and teachers to prioritize more rigorous credentials. Despite the labor market value of credentials, each credential earned would generate the same amount of funding—and credentials with lower economic value are often easier for students to earn.

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<sup>8</sup> Florida also has four “special innovation courses,” which are weighted at 0.3 FTE. Teachers receive \$75 for students who earn the embedded credentials in these courses.

Understandably, even in the stratified system, few students earn the highest-tiered credentials, due to the immense difficulty of those exams and rigor of additional requirements. The majority of credentials awarded in Florida's high schools fall in the second and third tiers (14 to 29 postsecondary credits per credential), and still make significant contributions toward an A.S. or A.A.S. degree.

#### **4. Clearly communicate the benefits to students and families.**

Florida legislation requires school districts to inform parents and students about the return on investment from these opportunities. This [correspondence](#) includes information on the number of postsecondary credits that can be earned by attaining a credential in high school, and the value of tuition saved in doing so.

In addition to communicating the return on investment credentials carry, Florida is currently working to enhance its advisement strategy. Determining the classes in which to offer credentials—and when students should participate—is an important consideration in Florida, as articulated credit is only guaranteed for three years after the student earns the credential. Students who earn credentials early in their high school careers or who do not enroll in college immediately after high school, for instance, may be ineligible to receive postsecondary credit for their work—though colleges could decide to honor the agreement past expiration at their discretion.

Advising around college and career options broadly is also being built out. Articulated credit is valuable when students pursue specific programs at specific schools. An FAA Aviation Mechanic credential is less valuable for a student pursuing a degree in history, for instance. Additionally, Florida's articulation agreements are established for A.S. and A.A.S. degree programs, which are typically comprised of older students. Many high school students who enroll in two-year degree programs pursue an A.A. degree as a stepping-stone toward a four-year degree, and may be unaware of the benefits to pursuing a more technical degree.

## **Sustaining the Work**

#### **5. Revisit and re-evaluate your past decisions.**

Florida's process is continually developing. Looking forward toward the next phase of this work will be a process of looking back. Recognizing that the workforce is constantly evolving, credentials that have been reviewed for, but not granted, articulation will be revisited and re-evaluated for articulation. The process will still be guided by alignment of credentials to both in-demand occupations and degree programs; but adding in a re-evaluation schedule for previously rejected agreements acknowledges the fluidity of this process. Labor market demand changes as new occupations and industries emerge and as others fade. Postsecondary programs, too, change. New majors are added and others phased out, as do courses and standards within majors.

#### **6. Consider your impact beyond K-12 students.**

Florida's statewide articulation agreements for priority credentials benefit a wider audience than its K-12 population, as well. Anyone—student or adult—who has earned a credential that is articulated for postsecondary credit is eligible to claim articulated credit in partnering schools. Rather than focusing on the institution in which the credential was earned, Florida's

articulation agreements are concerned with the credential itself. This significantly widens the pool of individuals eligible for articulated credit, including military members who earn credentials during their service and students who pursue workforce training after high school before pursuing a college degree.

## **7. Generate buy-in from your partners.**

Generating buy-in from the beginning—particularly among postsecondary partners—is crucial. The Florida Department of Education sought buy-in from its community and state college system in two ways: First, it engaged its accreditation body (SACS) in the process to ensure it was developing a process that protected program and institutional integrity. Additionally, the value proposition was reframed to appeal to postsecondary partners. Florida began by framing the work in terms of the value students gain—increased time and cost savings to encourage students to enroll in, and persist through, postsecondary education—rather than what an institution might lose in awarding credit for prior learning.

## **8. Document your process—and changes you make along the way.**

Florida's process has been an iterative one, and the team at the Florida Department of Education credits clear documentation as key to sustainability. Since 2007, the processes to determine credentials' labor market value, establish articulated credit for credentials, and provide funding incentives has adapted. Documenting results of trial and error, updates to processes, and anomalies in the system is crucial for sustaining the work despite potential changes to personnel, policy, or priorities.

## **9. Codify the work in state legislation.**

Prioritizing credential attainment within a state's larger workforce strategy requires institutional sustainability. Legislation is the gold standard solution by offering greater protection of the work over time and throughout political change.





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## Strategies to Design & Implement Funding Incentives

*While identifying high-value, non-degree credentials is a critical first step in helping more students attain such credentials, states committed to advancing their attainment agenda should consider designing and adopting incentives to signal the importance of the work. Funding incentives in particular have proven to be an effective attainment driver in leading states.*

They tend to fall into three broad categories:

1. Providing funding to cover the cost of credentialing examinations;
2. Awarding funds to schools and districts for each high-value credential earned; and
3. Providing merit-based bonuses to teachers of students who attain high-value credentials.

### State Funding Incentive Examples

A number of states have tested funding incentives to grow non-degree credential attainment. Each may offer helpful lessons learned to states considering similar work. Brief descriptions of several of those incentives and links to additional information are provided below.

#### Covering credential examination costs

- **Virginia:** Each year, Virginia's General Assembly approves an [allocation](#) from lottery funds to cover the cost of industry certification exams, licensure tests, and occupational assessments that have been approved by the State Board of Education. Total allotment each year is calculated using a funding formula per student enrolled in CTE courses. Schools and CTE centers are eligible for these reimbursement funds, which are also used to support credentialing for teachers. In the most recent year, the funding formula was \$2.95 per CTE student, which generated \$1.8M in total allotment for the state.
- **Tennessee:** Education leaders in Tennessee have leveraged an option within the Carl D. Perkins Career and Technical Education Act that allows them to make grants available to Local Education Agencies (LEAs) for specific purposes to facilitate high-quality CTE. One of the [grants](#) LEAs may apply for is funding to offset the cost of exams tied to student capstone industry certifications as defined by the Department of Education (TDOE). TDOE caps the grant awards at \$12k per LEA.
- **Louisiana:** The Louisiana Department of Education (LDOE) in 2014 formally recognized through the [Career Development Fund](#) that providing a high-quality CTE program like JumpStart costs more than traditional academic courses because of specialized equipment that must be purchased and credentialing and training that must take place. As a result, LDOE leverages both Perkins funding and the Career Development Fund (CDF) to cover the cost of exams for *statewide* industry-based credentials (i.e., not other

types of industry credentials) that are approved by the state's Workforce Investment Council. CDF provides an additional \$238 to the per pupil funding formula per student (in addition to a basic 6% per student "add-on") enrolled in a CTE course.

## Awarding funds to schools and districts

- **Florida:** Undoubtedly, Florida has been a clear leader in the industry-recognized credential (IRC) space for a host of reasons, including financial incentives. Currently, Florida awards differentiated funding to schools based on the value and number of approved IRCs that students earn. Funds are generated based on a [weighted full time equivalency \(FTE\) calculation](#) ranging from 0.025 FTE for a basic digital tool certificate to 1.0 FTE for an advanced IRC that articulates to 30 or more college credits in specific degree programs at higher education institutions. Florida multiplies their basic per student allocation (\$4204.02 in 2018-19) by a district cost of living differential and the FTE weight of the credential to arrive at a total dollar amount to be awarded per credential to each LEA in the state.
- **Kansas:** In 2012, Kansas passed [SB 155](#) and founded the [Excel in CTE Initiative](#) that provides incentive dollars to LEAs based on the number of approved industry-recognized credentials earned by their students. Incentive funding was originally capped at \$1.5M per year but has since been reduced by the legislature to \$750k per year. The original legislation stipulated that local boards of education pay half the cost of a relevant credentialing exam per student, not to exceed \$1k per exam, and not to exceed two attempts per student to pass the exam. Currently, per student amounts are capped at \$450. In addition, students have until the end of December of their graduating year to pass an IRC exam.
- **Colorado:** Like Florida and Kansas, Colorado passed legislation with funding attached to spur students' attainment of IRCs. Currently, \$2M is made available statewide through the [Career Development Incentive Program](#). LEAs and charter schools are able to "earn" \$1k per student who attains an approved IRC between July 1 and June 30 of the program year per [state guidelines](#). To date, the number of qualified credentials earned has exceeded the funding available by a margin of 3:1. LEAs and charter schools must signal their intent to participate by the end of March each year and submit their reports of student IRC attainment by June 30.

## Providing bonuses to teachers

- **Florida:** To further incentivize high-value IRC attainment, Florida has developed a merit-based [bonus program](#) for teachers based on the number of students who earn IRCs and the type of IRCs they earn. The program is directly tied to the FTE credentialing weights described above. Those middle and high school teachers who provide direct student instruction toward IRC attainment are eligible to receive financial bonuses ranging from \$25 per 0.025 FTE credential to \$100 per 1.0 FTE credential. In addition, Florida has recently removed the cap to this funding, so there is no longer a maximum dollar award that teachers can receive. However, they have issued clear [guidance](#) requirements as a step towards maintaining integrity in the process.
- **North Carolina:** The North Carolina General Assembly passed legislation to award bonus funding to CTE teachers of students who earn an approved industry-recognized credential. Total awards per teacher are capped at \$3,500 per year. Individual teachers

accumulate bonus funding through a formula that awards \$25 per “tier two” credential and \$50 per “tier three” credential (and \$0 per “tier one” credential), which have been classified according to employment value (entry wages, sector growth rate, and projected job openings) and academic rigor, both of which are explained further in the state’s annual [report](#).

While the examples described above are practiced exclusively within K-12, there are strong related practices emerging within higher education that states may consider as they design funding incentives for non-degree credentials. Rather than covering the cost of credentialing exams specifically or providing bonus funding to schools, higher education leaders in states have begun providing funding to spur enrollment within postsecondary programs that are offered in priority fields. Indiana and Ohio offer strong examples:

- **Indiana:** The Hoosier state has created Workforce Ready Grants for working-age adults that provide funding to cover tuition and mandatory fees for specific high-value certificate programs offered through approved higher education institutions. Eligible programs are those that culminate in postsecondary certificates that lead to jobs in the state’s highest demand industries based on employer demand, wages, job placements, and program completion rates.
- **Ohio:** The Buckeye state now offers a Short-Term Certificate Program that provides needs-based financial aid to students who enroll in qualifying short-term (i.e., less than 12 months) postsecondary certificate programs that lead to an in-demand industry-recognized credential. In-demand fields are those that are aligned with occupations that pay a median hourly wage of \$13.47.

## Design Principles of Funding Incentives

Each type of financial incentive should be designed and implemented with substantial thought to anticipate both intended and unintended consequences. While state strategies across types of funding incentives will vary appropriately, there is one universal imperative to which states must be fully committed:

*Ensure that your state has reliably identified non-degree credentials with labor market value and require that each financial incentive rewards attainment of only those credentials.*

Any degree of “drift” away from this commitment could inadvertently encourage students to pursue credentials that do not lead to in-demand, high-skill, high-wage opportunities. And, given that many states are leveraging these incentives to help more students from underrepresented populations earn high-value credentials, it could also unintentionally steer those students down a dead-end career path.

In addition, states must ensure that high-value credentialing opportunities are widely available to all students. Barriers such as exam location and cost should be removed to the extent possible. Credentials should be attainable within a reasonable amount of time following course completion, and all necessary courses leading to the credential must be available to all students.

## Design principles: Covering credential examination costs

**Incentive objective:** To expand student access to high-value non-degree credentials and remove financial barriers that often interfere with students' ability to attain those credentials.

### Key considerations

- **For which priority non-degree credentials will your state cover exam fees?** Will it cover the cost of exams associated with any non-degree credential on its priority list? Will it cover only those that also count for postsecondary credit in a degree program? Those that are required for in-demand, high-skill, high-wage jobs (versus those that are “complimentary” to such jobs)? What criteria will your state use to decide on the credentials to be included in the policy?
- **How much of the exam fee will your state cover?** Will it cover the full cost of exams? Will it set a maximum dollar amount per exam? Will it award fixed-cost grants to LEAs to be used to cover exam fees, or will it use a funding formula that takes into account cost of living for each LEA to differentiate the per district amount it will cover?
- **What funding source will your state use to cover the cost of credentialing exams?** Will it use Perkins reserve funds? Does it have a lottery from which to pull funds? Will it request an annual appropriation from the General Assembly? Will it be driven through the per pupil funding formula?
- **For whom will your state making funding available?** Will funds only be available to LEAs? Will returning adult learners be eligible for exam fee reimbursement?
- **Which students will be eligible for credential funding?** Will your state fund more than one credentialing exam if students do not pass an exam on their first attempt? Will funding be available only if students have also completed the associated program of study or career pathway? How long do students have to take and pass an exam that is funded?
- **How will students, families, and educators know about the financial aid policy?** What communications outreach and resources will your state make available to help stakeholders learn about the opportunity?

## Design principles: Awarding funds to schools and districts

**Incentive objective:** To increase student attainment of high-value, non-degree credentials through incentive funds to schools or districts that increase student access to high-quality career preparation programs.

### Key considerations

- **Which priority non-degree credentials will your state “count” for incentive funds to schools and/or LEAs?** Will it count attainment of any non-degree credential on your priority list? Will it cover only those that also count for postsecondary credit in a degree program? Those that are required for in-demand, high-skill, high-wage jobs (versus those that are “complimentary” to such jobs)? What criteria will your state use to decide which credentials will be included in the policy?
- **What dollar amount will be awarded per credential?** Has your state differentiated or “weighted” credentials on its priority list according to the employment value they offer? If so, will your state consider a corresponding differentiated structure in its funding awards to schools and/or LEAs?
- **What is the maximum amount of funding that any one school or LEA is eligible to earn?** Beyond the differentiated per credential funding that your state may consider (in the second bullet above), will your state differentiate maximum award values to schools or LEAs that take into consideration the cost of living for a particular geographic area? Or will your state employ a uniform maximum funding value irrespective of the location of schools and LEAs?
- **In what ways can schools and districts spend the incentive dollars?** In what categories can funds be spent, e.g., supporting teacher training; improving facilities or equipment; purchasing materials; providing transportation for students? In what ways can the funds not be spent?
- **What funding source will your state use to award incentive funds to schools/LEAs?** Does it have a lottery from which to pull funding? Will it request an annual allocation from the General Assembly? Will it be driven through the per pupil funding formula?

**TIP!** If your state has included any “stepping stone” credentials on its list that don’t themselves lead to good jobs, think twice about including them in financial incentives. Data in other states shows that students earn those complimentary credentials at much higher rates than higher-level credentials when given the option.

**TIP!** Avoid creating a tiered funding system that allows lower value credentials to be bundled to create the impression of adding up to a higher value credential.

- **How will educators learn about the bonuses?** What communications outreach and resources will your state make available to help stakeholders learn about the opportunity?
- **How will your state reliably collect and verify credential attainment data?** What reliable method will your state use to collect verifiable data (i.e., not self-report data) from LEAs in terms of the credentials that were earned and by which students? How will your state require concrete evidence of credential attainment?

**TIP!** Accepting self-report data from students regarding whether or not they passed the test is unreliable, especially when bonus dollars are at stake. States should put in place a more robust system that collects actual score reports and/or copies of credentials from credentialing vendors.

## Design principles: Providing bonuses to teachers based on credential attainment

**Incentive objective:** To increase student attainment of high-value, non-degree credentials through incentive funds to teachers who provide relevant, direct instruction to students who earn those credentials.

### Key considerations

- **For which priority non-degree credentials will your state award bonuses to teachers?** Will it count attainment of any non-degree credential on your priority list? Will it cover only those that also count for postsecondary credit in a degree program? Those that are required for in-demand, high-skill, high-wage jobs (versus those that are “complimentary” to such jobs)? What criteria will your state use to decide which credentials will be included in the policy?
- **What dollar amount will be awarded per credential?** Has your state differentiated or “weighted” credentials on its priority list according to the employment value they offer? If so, will your state consider a corresponding differentiated structure in its funding awards to teachers?
- **Which teachers or instructors are eligible to earn bonus funding?** Will the bonus funding be provided exclusively to K-12 teachers, or will other instructors/professors be eligible? Within K-12, will your state specify that the incentives are only aimed at CTE teachers, or will teachers of other academic areas be eligible? How will your state ensure that the teacher most responsible for helping students attain credentials is awarded the bonus?
- **What is the maximum amount of funding that any one teacher is eligible to earn?** Beyond the differentiated per credential funding that your state may consider (in the second bullet above), will your state differentiate maximum award values to teachers

**TIP!** If your state has included any “stepping stone” credentials on its list that don’t themselves lead to good jobs, think twice about including them in teacher bonuses. Data in other states shows that students earn those stepping stone credentials at much higher rates than more valuable credentials when given the option. High-value credentials should be heavily incentivized.

that take into consideration the cost of living for a particular geographic area? Or will your state employ a uniform maximum funding value irrespective of the location in which the teacher is employed?

- **What quality assurance requirements will your state put in place to protect against “gaming”?** Will your state require that an impartial third party administer the exam? Must proctors also be present? Will students be permitted to retake the credentialing exam as many times as needed to pass, and will their teachers earn a bonus no matter how many attempts it took their students to pass? Will students who are unsuccessful on their first exam be required to wait a certain amount of time before retaking the credential exam (since they have already seen the exam questions)? How will your state verify that all rules and procedures have been followed with integrity?
- **How will educators learn about the bonus system?** What communications outreach and resources will your state make available to help stakeholders learn about the opportunity?
- **How will your state reliably collect and verify credential attainment data?** What reliable method will your state use to collect verifiable data (i.e., not self-report data) from LEAs in terms of the credentials that were earned and by which students? How will your state require concrete evidence of credential attainment?





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# Strategies to Design & Implement Attainment Incentives for Higher Education

*Ensuring that students pursue and attain high-value, non-degree credentials is not a task for K-12 educators alone. In fact, the priority credentials identified by your team in Step 1 and validated by employers in Step 2 represent statewide priorities; and attainment of these credentials likely spans across K-12, higher education, and even employers themselves. This tool focuses on incentivizing your state's higher education community to prioritize high-value, non-degree credential attainment.*

Incentives for higher education tend to fall into two categories:

1. Providing funding to cover student participation in programs culminating in priority non-degree credentials; and
2. Including the highest-value non-degree credentials in state postsecondary attainment goals.

## Funding Incentives

A number of states provide funding to cover the cost of student participation in programs culminating in priority non-degree credentials. These funds are often needs-based and generally cover the full cost of a certificate or credentialing program, rather than covering the credential exam cost itself. While some states provide funds to higher education institutions to redistribute to students, others provide assistance directly to the students themselves.

### Examples

- **Indiana:** Indiana's [Workforce Ready Grant](#) supports adults (aged 18 and over) pursuing high-value certificate programs at a variety of institutions. The grant covers tuition and mandatory fees associated with required coursework for certificate programs for up to two years. Support is limited to programs in five high-demand sectors: advanced manufacturing, building and construction, health sciences, IT and business services, and transportation and logistics. Programs may be credit-bearing or non-credit-bearing, though all are aligned to a certificate or credential necessary for jobs in these high-demand areas. Examples of supported programs include the CompTIA Security+ program at Hope Training Academy, the CNC Production Machinist program at Ivy Technical Community College, and Aviation Maintenance Technology programs at Vincennes University.
- **Maine:** Like Indiana, Maine's [Competitive Skills Scholarship Program](#) also incentivizes priority credential attainment by directly funding adult students who pursue related programs, though Maine specifically targets students who do not currently hold any marketable postsecondary degree and have a household income below 200% of the federal poverty level. The grant covers tuition and fees that are not covered by other financial aid, and can also be applied toward other necessary supports for adult students, including childcare, transportation, and remedial coursework. Awards can range up to



\$6,000 per year for full-time students and up to \$3,000 per year for part-time students. Total awards and funding amounts are allocated by county.

- **Ohio:** Rather than funding students directly, Ohio distributes funding for short-term certificate programs to higher education institutions, which may create need-based financial aid awards for students already enrolled in supported programs. This grant supports only programs with a duration of less than one year (30 semester hours or 900 clock hours) that culminate in credentials aligned to pre-determined in-demand jobs that pay at least \$13.47 per hour (threshold set by [OhioMeansJobs](#)).

## Postsecondary Attainment Goals

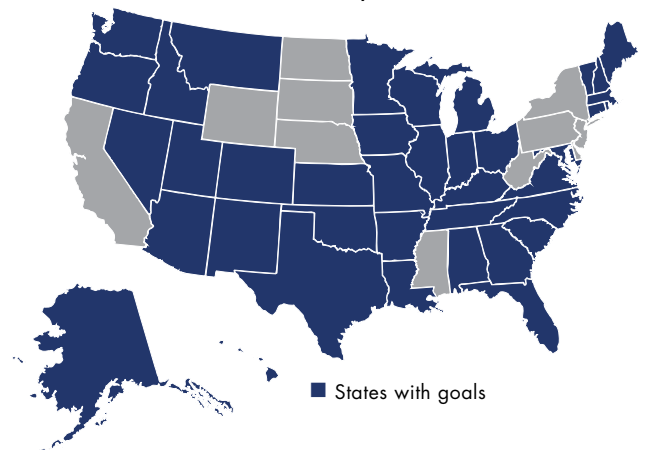
Higher education systems also have clear opportunity to take meaningful steps to encourage student attainment of high-value, non-degree credentials. As states begin to leverage their performance funding systems as an opportunity to increase degree completion and shorten students' time to degree, they might also include priority non-degree credentials within those systems as an additional strategy to meet their goal.

Incorporating the highest-value non-degree credentials into state's postsecondary attainment goals is another option to incentivize attainment at the postsecondary level. Currently, 42 states have set ambitious attainment goals to increase the number of adults with a postsecondary credential. With deep investment in promising strategies, states have begun to move the needle on reaching that goal, but every state has a ways to go.

While these goals are clear about including a variety of postsecondary degree types—from associate to master and professional degrees—few have incorporated parameters for including the non-degree credentials that are equally valuable in the labor market.

To this end, Education Strategy Group will be working with a select group of states through the Credentials of Value Institute to build potential decision rules and processes for incorporating non-degree credentials into statewide postsecondary attainment goals. Promising practices will be made available as an addendum to this toolkit in Spring 2020.

States with Postsecondary Attainment Goals



Current Postsecondary Attainment Rate by State

