Credential Engine™

Policy Brief

May 2021

Making Information About Credentials More Actionable

Through Increased Transparency and Quality Assurance

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Seven state leadership organizations and five workforce, education and data advocacy/technical assistance experts have come together to build awareness, understanding, and demand for how policy can integrate credential transparency into education and workforce development state strategies. This brief is one amongst a series of policy briefs that explore the ways that credential transparency can be supported, integrated, and leveraged within states. These briefs stem from the thought leadership of these organizations to extend the recommendations found within the State Roadmap and Action Guide for Transparency.

Specifically, this partnership:

- Builds awareness among state policymakers around the importance of credential transparency to their own state workforce and education goals and strategies;
- Elevates a common language about credentials for use in state policy;
- Increases demand among policymakers for credential transparency; and
- Provides specific actions policymakers can consider using to support integrating credential transparency into their larger human capital development efforts.

Members of the State Policy Partnership include:

Education Quality Outcomes Standards Board

ESG Education Strategy Group

National Skills Coalition — Every worker. Every industry. A strong economy.

DQC Data Quality Campaign

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ADVANCE CTE — State Leaders Connecting Learning to Work

NASWA National Association of State Workforce Agencies

SHEEO State Higher Education Executive Officers Association

NCSL National Conference of State Legislatures

CCSSO Council of Chief State School Officers

Education Commission of the States

National Governors Association

For more information on the State Policy Partnership or Credential Transparency, please contact Scott Cheney, CEO of Credential Engine, at 202.257.0279 or scheney@credentialengine.org. For general inquiries please contact info@credentialengine.org.

Acknowledgements

The rich partnership between these state leadership, workforce, education, and data advocacy organizations has greatly shaped the ideas, priorities, and practices shared across the various policy briefs in this series. We are grateful for the time and dedication these organizations have devoted to ensuring we can gather and provide greater access to timely, reliable, and transparent credential information. This also includes the singificant contributions of Whiteboard Advisors and Guidera Strategy who have helped to coordinate and advance this work. Through our combined thought leadership and expertise, we have created useful resources that others can apply within their contexts to work towards greater credential transparency.

We especially want to thank Education Quality Outcomes Standards Board (EQOS), Education Strategy Group (ESG), and National Skills Coalition (NSC) who co-authored this brief. Their continued partnership and relevant quality frameworks are important supports in this work. This brief greatly benefited from the direct input of Gabriel Ben-Jakov, Project Manager at EQOS, Amy Ellen Duke-Benfield, Senior Fellow at NSC, Kathleen Mathers, Principal at ESG, Kristin Sharp, CEO of EQOS, and Rachel Vilsack, Senior Fellow at NSC.

We also want to thank the states of Alabama, Colorado, Florida, Louisiana, and New Jersey for serving as examples that demonstrate how state leaders can work to advance credential transparency. Their dedication to this work serves as timely and informative examples for others to learn from and follow.

Recommended Citation

Credential Engine. (2021). *Making information about credentials more actionable through increased transparency and quality assurance.* Washington, DC: Credential Engine.

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Making Information About Credentials More Actionable Through Increased Transparency and Quality Assurance

The current economic recovery places a premium on knowledge and skills required by industries and occupations that have reaped increasing demand for their products and services. As a result, state policymakers are appropriately prioritizing high-quality, demand-driven career pathways that culminate in postsecondary credentials that lead to in-demand, high-wage jobs.

To do that well, states need to understand which pathways and programs help learners build the skills demanded by our recovering markets and earn the associated credentials that lead to a job that pays a family-sustaining wage. And they need systems that reliably identify those programs.

As the number of credentials offered nationwide nears 1 million, our education and training systems must act to make sense of this increasingly complex marketplace.

This policy brief offers state leaders a set of actions to make information about the quality of credentials more accessible, valuable, and useful.

A Pressing Need

With close to $2 trillion spent annually on an increasingly diverse education and training marketplace, this is a moment of exciting innovation and opportunity. The pandemic accelerated structural changes in both the demand and supply side of the labor market, including the increased use of robots, automation, and AI in low skill jobs, a growing need for specialized skills, and the emergence of new training providers of skills and competencies. Many of the millions unemployed over the past year lacked the knowledge, skills, and credentials required for high-value employment and found themselves searching for upskilling and reskilling opportunities through a complex web of online and short-term training programs.

In the face of so many different learning options—in person, online, short-term, for-credit, non-credit, two-year and four-year degrees, certificates, licenses—learners need comprehensive, comparable data on quality across all credentials to understand which lead to in-demand, family-sustaining wage employment,

and which do not. Learners have long struggled to find comprehensive and reliable information from the traditional postsecondary education system about credentials themselves, their value in the marketplace, and their impact on individual learner's lives and economic mobility. This lack of information makes it difficult for learners to navigate the many education and training options.

The time is right to expand our perspectives on quality assurance in higher education beyond standard accreditation practices, especially for non-degree programs. The need for learners to have information about the quality of credentials is particularly timely given the exponential growth of short-term credentials and workforce training programs, many of which are ineligible for federal financial aid, and therefore do typically participate in the accreditation process. The work toward an outcomes-based paradigm for quality is evolving, and learners are asking less about inputs and more about value.

Americans need clear and reliable information about their educational options and how to navigate them in order to select a path that leads to economic and career success. Everyone benefits from quality information because:

- **Learners and opportunity-seekers** can better understand the skills and competencies required for good jobs in their region. When there is a single framework describing quality options, it is easier for them to identify the programs with proven outcomes that provide quality credentials to prepare them for those jobs and continued long term career growth.
- **Employers** can describe the competencies, skills, and knowledge they are seeking in job applicants more efficiently, which reduces the risks of hiring unqualified candidates.
- **Education and training providers** can meet the changing needs of the workplace using data that helps them align their programs to local labor markets.
- **Policymakers** can ensure that public dollars are being spent on programs and credentials that lead to good jobs (such as those defined by Georgetown's Center for Education and the Workforce as one that pays $55k per year) and continued education and training; meet the changing and increasing needs of the workplace; and serve the population equitably.

Given the growing demand for higher-level skills and competencies and the increasingly diverse and numerous education and training options, it is critical for states to have clear processes to determine which credentials provide value to workers, businesses, and other stakeholders. State policymakers can play an essential role to clearly define the quality and value of credentials, determine and communicate which credentials meet those indicators, and report information about credentials and the providers who offer them.

This paper outlines key components to make sense of the credential marketplace, including the need for:

- Common definitions of educational outcomes and ways to measure them.
- Consistent language describing the outcomes data that learners, employers and policymakers use to judge the quality of programs.
- Frameworks that provide the tools, resources, and measures to gauge quality.

- Platforms and policies that can incentivize programs that provide quality credentials.
- State leaders to align the pieces of this work to serve learners and employers.

Increasing the Power of Transparency by Assuring Quality of Credentials

There have been calls for a focus on outcomes in postsecondary education and training for decades. But these conversations have happened largely between similar providers or programs. The frameworks and metrics of quality and definitions of "outcomes" haven't been consistent or comparable. Education and training providers use inconsistent and opaque systems to report outcomes, which makes it almost impossible to gauge quality.

This is changing, however. Recently, several organizations, including Education Strategy Group, the Education Quality Outcomes Standards Board (EQOS), and National Skills Coalition (NSC) have been developing frameworks to contribute to the conversations around credentials' value and quality including:

- **Market alignment:** Is the credential relied upon or prioritized by employers hiring for in-demand, high-wage roles? Is it industry recognized?
- **Equity:** Are there gaps in or credential attainment or other outcomes by race, gender, or other student characteristics?
- **Outcomes:** Are outcomes connected to a specific credential comparable and reliable? Are the data related to credentials around job placement and earnings defined using the same metrics and consistent definitions? Is the credential attainment data reported reliable? Valid? Audited by a third party?

These three organizations are collaborating with Credential Engine to map their quality assurance frameworks to the Credential Transparency Description Language (CTDL). This will ensure that no matter which framework is used by a state, it will be available in a consistent, common language. States will also be able to more easily highlight credentials of value and compare their results through the Credential Registry.

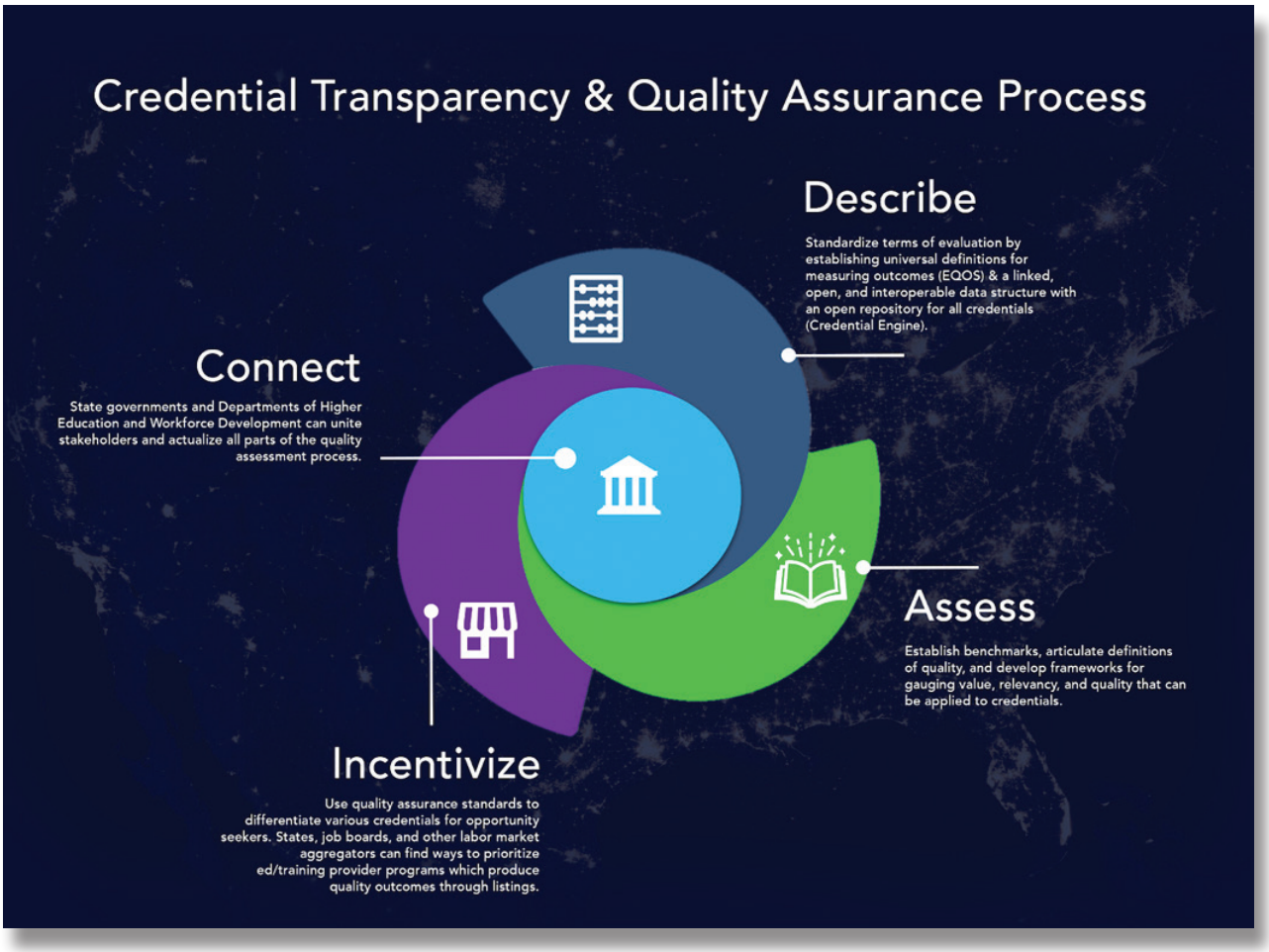
Quality Assurance: Why and How

States do not lack for education and workforce data; every state has implemented a longitudinal data system which captures data from early childhood through education and workforce development (often referred to as a P20W data system). Many states are already collecting data on credentials from degree-granting and non-degree granting providers. But most state leaders desire *quality* information to improve decision making from the State Capitol to the classroom to the kitchen table of individual opportunity

seekers. Quality information is timely, comparable, reliable, and useful. Decision makers at all levels require quality data around job opportunities, skill and knowledge demands, and which credentials and pathways to pursue.

Credentials begin to make sense of the plethora of data sitting in states' P20W data systems by connecting the dots between various data silos. Efforts to make this connected data more transparent through a shared, common open space and using a shared language are a critical step, but the value of this credential transparency rises exponentially when it includes assurances of quality.

Providing decision makers at all levels with frameworks to describe the attributes of a quality credential is one that requires partnership across state policymakers and with other stakeholders such as employers, education and training providers, advocates, and accreditors. The four organizations authoring this brief offer an emerging description of the quality assurance process so that state policymakers better understand the opportunities to support quality information about credentials of value. The components captured in the descriptions and graphic below are illustrative of the phases that organizations working with states have identified as necessary to develop a shared definition of quality credentials and the policies to nurture an effective and efficient labor market.



State Policymakers, working together with critical stakeholders, can lead efforts to prioritize high-quality and high-value credentials through the following actions:

Describe: Universal descriptions make it possible to compare data across various providers and credentials. To support assurances of quality credentials, there needs to be consistent definitions and descriptions of credentials themselves, the outcomes of those earning a credential, and its labor market value.

1. *Description of CREDENTIALS*: The skills, competencies and knowledge signaled by attainment of the credential are described through a linked, open data structure that allows for interoperability, portability, and comparability of all credentials.
2. *Description of OUTCOMES*: The outcomes of programs granting credentials need to be defined in the same way and measured using agreed upon common metrics in order for them to be comparable. This is critical, for example, to ensure that all programs are describing and measuring job placement of people earning the same credential in the same way to ensure comparisons across programs are reliable and valid.
3. *Description of HIGH-VALUE CREDENTIALS*: The attributes of a credential of value include validation by employers, recognized labor market need, and has measurable positive employment and earnings outcomes. These consensus descriptions of quality make it possible to compare credentials within or across states.

Assess: While the first step of quality assurance is to articulate and adopt definitions of high-quality, high-value credentials, the impact emerges only after states establish benchmarks to capture it, and develop frameworks for gauging value, relevancy and quality that can be applied to both credentials and providers of credentials. As greater numbers of states adopt and implement a shared common framework that assesses quality and value, the more comparability there is across the field, which leads to greater insights and transparency.

Incent: Quality assurance standards and frameworks created and adopted by states, employers, job platforms/boards, and other labor market aggregators can help differentiate and highlight credentials of quality and value. This makes it easier to also create and implement incentives that

What Are the CTDL and the Credential Registry?

Credential Transparency Description Language (CTDL) is an open-source common descriptor language that lets states catalog, organize and compare credentials with uniformity, making it easier to match educational programs with careers. Credential data in CTDL are uploaded into the Credential Registry, which is a public, cloud-based repository that collects, maintains and connects information on all types of credentials – from diplomas, badges, certificates and apprenticeships to certifications, licenses and degrees of all types and levels. Users, including employers, job seekers and students, can explore competencies, learning outcomes, up-to-date market values and career pathways. We have mapped our partner organizations' quality frameworks to the CTDL and you can access their Registry data here.

prioritize learners' pursuing recognized credentials. This differentiation by quality and value is also critical to the state's role to protect consumers against predatory or non-quality programs.

Connect: State leaders are critical to ensuring the quality assurance process is a coordinated and aligned system that serves all learners well. Policymakers, education and training institutions, state agencies, philanthropy, and advocates can all collaborate to ensure the players, programs and providers are working together to create a system that works for the opportunity seeker and employer.

This Quality Assurance process has emerged through the efforts of thought leaders, policy leaders and advocates who care about ensuring that critical information about education and training programs and credentials is available to everyone. The graphic and these descriptions of the "phases" of the process will continue to evolve as more organizations and states join the discussion.

Quality Assurance Frameworks

National Skills Coalition (NSC)

National Skills Coalition developed a consensus definition of quality non-degree credentials with four components:

- Evidence of substantial job opportunities related to a credential, and employers must confirm that the credential is used in hiring, retention or promotion decisions.
- Evidence that credential-holders master competencies. Seat time isn't as important as whether the learner has the skills needed to do the job.
- Availability of information, including the employment and earnings outcomes of individuals after obtaining a credential—disaggregated by race, ethnicity, gender and other characteristics when possible.
- Proof that the credential is one step along a career pathway. Non-degree credentials should be embedded in or lead to additional educational and training opportunities.

In 2020-21, the National Skills Coalition held its Quality Postsecondary Credential Policy Academy to help states adopt a cross-sector definition of quality non-degree credentials; develop a policy agenda to increase the number of residents with quality credentials; and advance data policies to support such efforts. Alabama, Colorado, Louisiana, New Jersey, Oregon and Virginia participated.

Education Equality Outcomes Standards Board (EQOS)

EQOS is a nonprofit that develops universal quality outcomes standards and their indicators. The organization's mission is to establish a consistent process for collecting and reporting results data across all postsecondary education and training programs so that learners can compare them.

EQOS outlines basic definitions, metrics and guidelines for postsecondary providers to track and evaluate student success through its quality assurance framework. The framework provides universal guidelines for all postsecondary providers to assess their students' learning, completion, placement, earnings and satisfaction. For more information, read about the EQOS framework and methodologies.

The framework has five metrics around provider outcomes:

- **Learning:** Pre- and post-program assessments that delineate expected learning outcomes; assess student proficiency; ascertain credential attainment; and evaluate student competency.
- **Completion:** The percentage of learners who graduated within the expected time.
- **Placement:** A breakdown of students eligible to receive a credential in the past 36 months, including the percent who moved to relevant positions within 180 days completion.
- **Earnings:** The median annual earnings the first full calendar year post-graduation, as well as the change over time during the next five years.
- **Satisfaction:** Pre- and post- program assessments gauging students' purpose for attending, preliminary expectations and the likelihood of recommending the experience. It also includes a survey gauging the likelihood of employers to rehire graduates.

EQOS offers toolkits, templates, and technical assistance to education and training providers as they collect and report their data. It offers an EQOS Certification of Quality for providers that complete the process and have their outcomes data audited by a third-party source.

Education Strategy Group (ESG)

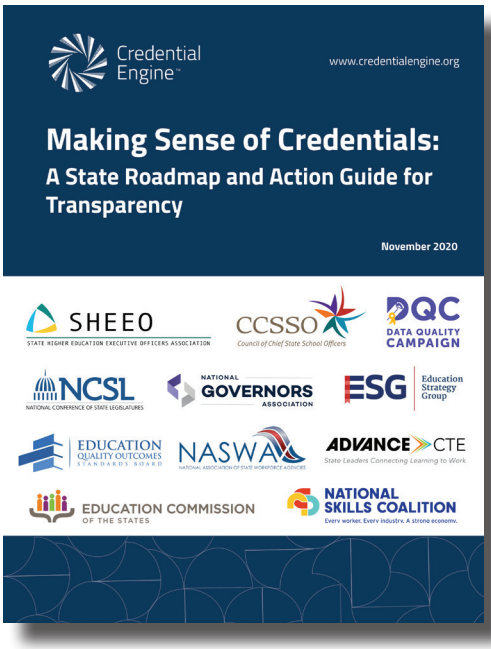
ESG convened a cross-sector expert workgroup in 2018 to develop strategic recommendations to help states and communities identify and define high-value credentials; determine policy-based incentives to drive attainment of those credentials; and develop strategies to collect and report on credential attainment. They define high-value non-degree credentials as those that are required or preferred for in-demand roles that pay a family-sustaining wage and that "stack" through continued education and training to additional credentialing opportunities.

In 2019, ESG built a corresponding toolkit—Building Credential Currency. It offers a start-to-finish process that can be modified and adapted to identify in-demand, high-skill, family-sustaining wage occupations and the credentials associated with them; validates the importance of those credentials with their employer community; and incentivizes learner attainment.

Since then, ESG has led its Credentials of Value Institute to help Florida, North Carolina, Massachusetts, Kentucky, Washington and Ohio define and identify high-value credentials. It also helped the Hawaii Chamber of Commerce and Hawaii P-20 identify priority credentials, which they're using to better align to promising credentials and re-envision their data systems to track and bolster equitable credential attainment.

Recommended State Policymaker Actions

As outlined in the State Roadmap and Action Guide, state policy leaders play a vital role in advancing credential transparency as a critical part of their larger economic and education strategy. Action 4 encourages state policy leaders to integrate transparency with efforts aimed at quality, attainment goals, equity and affordability.



State policymakers can support quality assurance of credentials through the following actions:

1. **Prioritize and coordinate efforts to assure credential transparency and quality.**

   - Colorado has leveraged their P-20 Data system to create a "data trust" which makes it more efficient to link data from disparate data collections to produce more actionable

information. As part of this effort, credentials that are offered in Colorado will be available on the Credential Registry so state policymakers and opportunity seekers can make more informed decisions. Through work with the National Skills Coalition, Colorado has adopted criteria to define quality non-degree credentials which increases the usefulness of the information reported on the Credential Registry. Colorado is also piloting the EQOS standardized definitions of outcomes for credential providers to help develop potential uniform results metrics which facilitates more reliability and compatibility among credentials.

2. **Conduct a scan of existing quality frameworks and processes** to determine which agencies have the authority and responsibility for defining credential quality and value. Encourage the coordination across definitions and frameworks and if feasible, the adoption of one set of criteria across education and training sectors within the state for consistency and comparability. States with a robust P20W governance structure are poised to foster this alignment and coordination.
   - Florida passed HB1507 in April 2021, which facilitates a cross-sector approach to defining and identifying credentials of value. The legislation requires CareerSource, the state workforce board, to appoint a Credentials Review Committee (CRC) comprised of leaders from state and local K-12 and postsecondary education, local workforce boards, industry associations, economic development leaders, and others to define and identify high-value degree and non-degree credentials for approval by the State Board of Education and develop a corresponding Master Credentials List. ESG is working with key cross-sector stakeholders in Florida to undertake preliminary work to understand promising practices to define and identify non-degree credentials that lead learners to good jobs.

3. **Require that outcomes are published on public open source portals** (such as the Credential Registry).
   - Leaders in Alabama are intentionally linking credential quality and transparency efforts with the launch of the Alabama Compendium of Valuable Credentials. This list of high-value credentials aligned with regional and state career pathways are made available in a common language by being mapped to the CTDL and allow for a greater connection of systems and tools to advance the success of all Alabamians.

4. **Support the creation of tools, services and systems with robust navigation and guidance capabilities that incorporate quality assurance measures** (Roadmap action #8) so users have access to consistent information when setting their education and employment goals.
   - New Jersey is focused on eliminating barriers and clearing up confusion about quality credentials by creating a single definition of quality regardless of type—with the aspirational goal of incorporating the universe of degree programs—and by describing credentials through the CTDL and adding them to the Credential Registry.

5. **Compel education and training leaders to define high-quality credentials as those that meet rigorous labor market skill and demand thresholds;** lead to a job with a family-sustaining wage; and offer an opportunity to "stack" to additional credentials and degrees.

- The Louisiana Board of Regents led a cross-sector team—representing workforce, economic development, secondary, higher education and community college leadership—to approve a quality credentials of value policy to classify which non-academic credentials provide value in the marketplace and lead to strong opportunities and good wages. These credentials of value will be counted towards the state's attainment goal.

If you would like more information regarding the contents of this brief, the overall State Policy Partnership, or about Credential Transparency, then please contact Scott Cheney, CEO of Credential Engine, at scheney@credentialengine.org.

Glossary

Credential: Credential Engine uses the term "credential" broadly. It refers to diplomas, badges, certificates, apprenticeships, licenses, certifications and degrees of all types and levels. Each credential represents unique competencies that signal what a holder can do in the workforce.

Credential Registry: A cloud-based library that collects, maintains, and connects information on all types of credentials—from diplomas, certificates and apprenticeships to certifications, licenses and degrees of all types and levels. The registry holds detailed information in an easily-accessible format. Users can explore competencies, learning outcomes, up-to-date market values and career pathways.

Credential Transparency Description Language (CTDL): An open-source language that lets states catalog, organize and compare credentials with uniformity, making it easier to match educational programs with careers.

P-20W Data System: Infrastructure that securely brings together specific data so leaders, practitioners and community members can better understand educational opportunities and pathways. Key sectors include early childhood, K–12 and postsecondary education and the workforce.

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Credential Engine is a non-profit whose mission is to map the credential landscape with clear and consistent information, fueling the creation of resources that empower people to find the pathways that are best for them.