

# State Approaches to Nondegree Credentials

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## Background

Interest in nondegree credentials continues to accelerate among students, institutions and employers. [The nonprofit Strada Education Network reports that 40%](#) of working-age adults have completed a nondegree credential. Interest in shorter, more targeted learning has grown since the COVID-19 pandemic. A survey from Cengage found that among workers who resigned or quit jobs in 2021 and enrolled in education or training programs, [62%](#) chose programs that were less than three months in duration.

Nondegree credentials include a range of programs such as certificates, industry certifications, microcredentials, occupational/professional licenses, and apprenticeships. These options are far shorter in duration and less costly than traditional degree programs. Providers offering nondegree credentials include colleges and technical schools as well as industry and government groups. There were more than 500,000 nondegree credentials offered in the United States in 2022, according to the nonprofit [Credential Engine](#), which compiles education and workforce data.

Nondegree credentials are expanding to a variety of career and workforce fields and can be used to access a growing number of well-paying professions that no longer require a degree. Data from the Burning Glass Institute found that between [2017 and 2019](#), 46% of middle-skill and 31% of high-skill occupations showed declines for degree requirements on job postings. Traditionally, middle-skill jobs such as retail managers, bookkeepers and clerks did not require a four-year degree. That changed with “[degree inflation](#)” in the past decade, though the trend now appears to be reversing. A [2021 survey from Strada](#) found that median annual incomes of learners with nondegree credentials were similar to those with associate degrees, while job satisfaction rates were higher.

Nondegree credential programs can help states solve workforce shortages and boost postsecondary educational attainment. To ad-

## Key Takeaways

- Learners, higher education institutions and industry partners are increasingly turning to nondegree credential options to meet workforce needs.
- Nondegree credentials include certificates, industry certifications, microcredentials, occupational/professional licenses, and apprenticeships.
- State policymakers have designed a variety of goals, programs and financial incentives to support nondegree credential attainment.

dress challenges such as transparency, affordability and value, states are designing policies to measure and boost quality of credentials and make the programs more affordable for students and their families. State Policy Case Studies

## ■ INDIANA

### Workforce Ready Grant and Next Level Jobs Program

As part of Indiana Gov. Eric Holcomb’s Next Level Jobs Initiative, legislators have enacted several programs to support nondegree credential attainment for state residents. The [Workforce Ready Grant \(SB 198; 2017\)](#) allows residents who have earned a high school diploma but not a postsecondary degree to enroll in no-cost training programs in certain high-demand fields. The grant may be used only for 125 high-value certificate programs in advanced manufacturing, building and construction, health and life sciences, IT and business technology, and transportation and logistics. By the [end of 2021](#), more than 25,000 Indiana residents had earned certificates through the program and reported an average wage increase of \$6,800. The Workforce Ready Grant Program was funded with a \$3 million appropriation in [fiscal year 2022](#).



Another bill ([HB 1002](#); 2018) created the [Next Level Jobs Employer Training Grant Program](#) to employers' costs when training new employees. Employers can qualify for up to \$5,000 per employee trained, or up to \$50,000 per employer. Employers must offer training in high-value industry programs and provide at least 40 hours of training that leads to a certificate with a wage gain for the employee. The Next Level Jobs Employer Training Grant Program was funded with a \$17 million appropriation in [FY 22](#).

## ■ NEW JERSEY

### Value of Credentials and Accountability

In 2017, New Jersey launched the [65 by 25: Many Paths, One Future](#) campaign to support 65% of state workers having a high quality, industry-valued postsecondary credential by 2025. The plan emphasizes the importance of short-term certificates and creating connections with businesses to obtain credentials with relevant workforce skills. The state labor department published a [list](#) of credentials that are valued by employers, teach transferable skills, lead to opportunities for continued education and training, and offer higher wages and career advancement.

New Jersey has enacted legislation over multiple years to address credential quality and higher education accountability. One bill ([SB 1271](#); 2021) established new requirements for academic programs, including sufficient academic quality, evidence of labor market demand, lack of duplication, and requirements for additional state resources. Another bill ([AB 1695](#); 2022) created performance quality standards for career-oriented programs and required the higher education secretary to develop minimum standards for state programs. The legislation also included provisions for the dissemination of information related to enrollment costs, institutional success metrics, and composition of teaching faculty.

## ■ LOUISIANA

### Quality Standards and MJ Foster Promise Program

In 2020, Louisiana's Board of Regents incorporated statewide quality standards for nondegree credentials into its [higher education master plan](#). The standards, developed with the state higher education system, workforce commission and other state agencies also had the support of the [National Skills Coalition](#). Quality credentials must meet certain thresholds, including maintaining a 20% wage premium over a high school diploma in the state. Analysis from [Jobs for the Future](#) found that the new standards propelled some community colleges to shift to credentials that meet higher wage thresholds for students.

Louisiana also created the [MJ Foster Promise Program](#) ([SB 148](#); 2021), which focuses on credentials in high-demand and high-wage industry sectors such as information technology, manufacturing, construction, transportation and health care. The program is a "last-dollar" scholarship that can be used at all community and technical colleges in the state as well as some proprietary schools licensed by the Board of Regents. [Several](#) community colleges have seen enrollment increases since the program launched.



## ■ VIRGINIA

### FastForward Program

Virginia's [FastForward](#) program ([HB 66](#); 2016) was designed to create and sustain a demand-driven supply of credentialed workers for high-demand occupations in the state. Most FastForward programs are between six and 12 weeks and are offered at all of the state's 23 community colleges. Programs are funded by the "[paying for success](#)" model, where students pay only one-third of tuition costs upon registration. An additional third is covered by the state upon training completion, and the final third is paid by the state when a credential is earned. The [average age](#) of FastForward students is 34, 40% of them are minorities and 56% have dependents while enrolled. Over 32,000 certificates and credentials have been issued in 40 in-demand careers across the state, and the average wage gain from program completion is \$11,626. FastForward also aligns with the [G3 program](#), which provides financial aid to families with incomes below \$100,000 and provides stackable credentials toward an associate degree.

As interest in nondegree credentials accelerates, state will continue to focus on program affordability, quality and value. The examples above illustrate the unique strategies and challenges considered by state policymakers.

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