



Department of
Higher Education

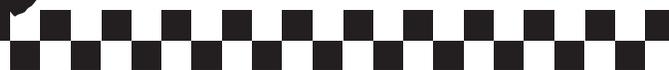


Making Certificates Count:

An Update on Ohio's Efforts to Identify, Strengthen,
Promote and Increase Certificates of Value in the Workplace



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Introduction

Ohio faces a workforce development imperative to address a widely reported mismatch between employer needs and job-seeker knowledge and skills. To successfully compete for business investment and jobs, Ohio must significantly increase the number of its citizens with postsecondary education credentials relevant in the workplace. For Ohio employers to prosper in a global economy, they must have world-class talent with verifiable knowledge and skills aligned with specific workplace needs. And for Ohio citizens to maximize their job, wage and career advancement opportunities, they must possess trusted credentials that reliably document their qualifications and readiness for employment.

Ohio faces an additional imperative to raise awareness among policymakers, employers, students and incumbent workers of the state's heightened efforts to align postsecondary credentials with workforce needs.¹ Stakeholder discussions about the quality, quantity and value of postsecondary credentials typically focus on associate, baccalaureate, graduate and professional degrees. Sub-baccalaureate credentials such as certificates, certifications and licenses often are overlooked in these discussions. While we need more people with all types of postsecondary credentials, for an accurate view of Ohio's workforce preparedness, so-called "completion" credentials also must include certificates, certifications and licenses.²

This is not simply a question of alignment to workforce needs. It's also a matter of efficiency and affordability. We live in a time of heightened public scrutiny of the cost and value of public postsecondary education. Certificates, which can be cost-effective ways to obtain postsecondary education credentials and a springboard to further education and gainful employment, can help mitigate the cost impact. We know, for example, that the most effective way to contain the cost of postsecondary education is to reduce time to completion. Certificates do just that: They enable students to quickly earn postsecondary credentials that have value in the marketplace while reducing both time to completion and expense.

The onus for producing qualified, globally competitive talent falls largely on Ohio's public system of higher education through our Ohio Technical Centers and public community colleges and universities. This paper reports on the status of a multi-year effort launched in 2012 by these schools, with support from the Ohio Department of Higher Education (ODHE), to increase the validity of certificates as valuable postsecondary education credentials. The work described herein ranges from identifying and counting existing and new certificates; strengthening certificates by universalizing clear pathways to further education and degrees; and promoting, incentivizing and increasing the "right kind" of certificates – i.e., those with documented labor market value and/or pathways to further postsecondary credentials. The information contained in this report will be useful to state policymakers, education and training providers, employers, students and individuals in search of a job, higher wages, career advancement and/or transition to higher levels of education.

1 In this document, "credential" is an umbrella term that includes degrees, diplomas, licenses, certificates, badges and professional/industry certifications.

2 In this document, "certificates" includes certificates, certifications and licenses; in any instance where distinctions among these credentials are important, the distinctions will be noted.

The Challenge

Certificates generally are cost-effective gateways to opportunity. They connect people to jobs. They serve as stepping stones to higher levels of education, often culminating in a college degree, which in turn, further enhances an individual's employability. And, in many instances, certificates position incumbent workers for higher earnings, greater mobility and advancement within a profession.

That being said, not all certificates are equal. That is, not all certificates result in significant labor market value. At one end of the spectrum are entry certificates that may build human capital and scaffold to further postsecondary credentials but have low pay; at the other end are certificates that lead to more substantial, quantifiable labor market outcomes. According to the Georgetown University Center on Education and the Workforce, for example, many workers with certificates earn 20 percent more on average than workers with only a high school diploma.³ From a policy perspective, Ohio should determine how to place a premium on certificates that meet the needs of the state's high-demand jobs *and* result in wages that outpace individuals with only a high school diploma.

Certificates are tremendous assets to workforce preparedness because, ideally, they signal specific skills for specific jobs, and – critical in a world of constant technology innovation – they can quickly be adapted to meet evolving workplace needs. For these reasons, Ohio must increase and

³ Georgetown University Center on Education and the Workforce, *Certificates: Gateway to Gainful Employment and College Degrees*. June 2012

Definitions of Key Terms

Certificate: A form of postsecondary education usually requiring six months to one year in full-time study of required courses (or the part-time equivalent). Certificates are granted primarily by community colleges and adult career centers after successful completion of study for specific occupations. Upon completion of a program of study, a certificate does not require any further action to retain.

Certification: An award not tied to a specific educational institution but typically awarded through assessment and validation of skills by a business, trade association or other third-party industry group. Certification indicates competency in, or mastery of, specific knowledge, skills or processes that can be measured against a set of accepted standards. Individuals awarded a certification often must meet ongoing requirements to maintain the currency of their certification.

License: A legal permission, typically granted by a government agency or board, to allow an individual to perform certain regulated tasks or occupations. A license can be obtained by meeting certain requirements set forth by the licenser, usually by completing a course of education and/or assessment. Upon receipt of the license, ongoing requirements may be necessary to maintain the license.

Source: Ohio Department of Higher Education; Association for Career & Technical Education

intensify efforts to report, promote, increase and reward certificates that demonstrate labor market value, whether as stand-alone or stepping-stone programs.

Historically, however, this has not been the case. Both from a policy perspective and a cultural perspective, the higher education system has typically undervalued and underreported certificates. Degrees have been viewed by “the academy” as the only credentials of importance. Until quite recently, most institutions had little or no financial incentive to report on the availability, quality and value of certificate programs, particularly with regard to alignment with workforce requirements.

Accurate reporting on certificates faces two different, but related, historical challenges:

1. **Imprecise data on the percentage of the population that has earned a postsecondary certificate.** The U.S. Census Bureau historically has captured only the proportion of the population with postsecondary degrees, lumping certificates and college drop-outs together into the broad category of “Some College, No Degree.” Currently, according to the Census Bureau’s American Community Survey, nearly 1.3 million – or 21 percent – of Ohioans age 25 to 64 have some college but no degree. The Survey of Income and Program Participation (SIPP) data from the Census Bureau suggests that 11 percent of Ohioans have a postsecondary certificate.⁴ Further analysis of this data set by the Georgetown Center for Education and the Workforce finds that just 5 percent of Ohioans have postsecondary certificates that result in wages at least 20 percent greater than the average of people who are just high school graduates.⁵ Efforts are under way at the Census Bureau to more effectively capture certificate completion data, but more accurate results won’t be available for a couple of years.
2. **Imprecise data for the production of certificates by public postsecondary education institutions.** In addition to better understanding the proportion of the population with a postsecondary certificate, Ohio needs to more accurately capture the production of certificates by its postsecondary institutions. Because Ohio Technical Centers and public community colleges and universities historically have had differing reporting requirements for certificates, Ohio has been inconsistent in reporting how graduates of these institutions are earning important credentials that meet workforce needs. The variations in reporting have not allowed Ohio to produce a consistent, accurate and comprehensive count of validated credentials and demonstrations of skills valued by employers. The reporting challenge has been exacerbated by a lack of precise data about the value of certificates, especially in comparison to the data available for associate degrees and bachelor’s degrees. ODHE has been working to address these gaps and inconsistencies.

Inconsistent, incomplete credentialing of certificates is problematic on several levels. Employers are confused by, and skeptical about, certificates that lack external validation, which makes it more difficult to determine whether prospective hires are truly qualified for available jobs, which is why many employers rely upon certification and licensure over certificates for hiring decisions. Students and incumbent workers find it more difficult to determine the education and/or training options most likely to assist them in achieving

4 Ibid

5 Lumina Foundation, *A Stronger Nation Through Higher Education*. 2016 Ohio report.

their employment goals. And state policymakers find it more difficult to determine which certificate programs merit support with scarce public dollars. While it is difficult for Ohio to improve the precision of the population data, opportunities exist to improve certificate production.

Making Certificates Count

In response to these challenges, Ohio has affirmed a statewide commitment to drive increased production of certificates that are known to actually lead to jobs. The goal: A consistent, accurate and comprehensive count of certificates earned at Ohio's public postsecondary education institutions. Institutions value what they count. The systematic collection of labor market data is a step toward greater valuing of certificates in the postsecondary world.

Toward that end and with input from Ohio Technical Centers, public community colleges and universities, and the Ohio Department of Education, ODHE has developed new requirements for reporting institutional certificates (both credit-bearing and non-credit programs), state occupational licenses and industry-recognized certifications and licenses awarded to students by third parties that are consistent across all public postsecondary providers. This also include guidance for reporting certificates students obtain en route to a degree.

As part of the ODHE-led process to improve reporting and reliability of information about postsecondary certificates and industry-recognized certifications and

Lumina Foundation's Credentials Framework

Experts from the Corporation for a Skilled Workforce and the Center for Law and Social Policy have developed for The Lumina Foundation a beta "Credentials Framework" to help stakeholders compare the value of and suitability of different types of credentials. The Framework is:

- Organized around competencies that are broken into two learning domains: knowledge and skills. The skills domain is broken into three sub-domains: specialized skills, personal skills and social skills.
- Structured in eight levels that indicate the relative complexity, breadth and/or depth of learning achievement, rather than subject matter.
- Flexible in that it allows for precise analysis and reflection on the attributes of each individual credential rather than attempting to peg all credentials of a certain type to a fixed level.
- Able to establish a profile of levels of knowledge and skills associated with a given credential as well as an aggregate level of that credential. Application of knowledge and skills as embedded throughout the Framework; application is crucial to ensure that knowledge and skills are meaningful.

Source: Lumina Foundation, Connecting Credentials: A Beta Credentials Framework

licenses, updated definitions of certificates were adopted in April 2014. For reporting purposes, certificates now fall into one of two categories: technical certificates or general certificates.

- **Technical certificates** must (1) include an organized program of study (not just a “one-off” course); (2) lead to an occupation or a specific employment opportunity; and (3) prepare students for a valid, available, industry-recognized credential, such as an occupational license or third-party industry certification. When a third-party credential is not available, institutions must provide additional information to demonstrate labor market value.

Technical certificates can be reported in two categories:

- » One-year technical certificates (at least 30 semester credit hours or 900 clock hours, with a majority in a prescribed technical area) that have clear pathways to degrees
- » Less-than-one-year technical certificates (fewer than 30 semester credit hours or 900 clock hours)

Technical certificates must be reported to ODHE and require “designation” (for colleges and universities) or “approval” (for Ohio Technical Centers) by ODHE.

- **General certificates** require completion of an organized program of study at the post-secondary level below the baccalaureate degree. These certificates are classified by the U.S. Department of Education’s Integrated Postsecondary Education Data System (IPEDS) as “less than one year;” “at least one but less than two academic years;” or “at least two but less than four academic years.”

Ohio currently is putting a premium on all technical certificates for Ohio Technical Centers and some technical certificates at the community colleges in the state’s performance-funding formula but has retained the general certificate category to match IPEDS reporting and for institutional flexibility. Certificates that do not meet the technical certificate criteria – i.e., that on their own do not lead to an occupation – may still be offered by institutions for personal student enrichment, but are reported separately (under the general certificate category).

Verification of Credentials

In addition to refining definitions for certificates, ODHE has implemented a new, uniform process for distinguishing certificates that meet the “technical certificate” criteria that demonstrate labor market value. To assist in verification of the validity of third-party credentials, ODHE has worked collaboratively with the Ohio Department of Education (ODE) to develop an initial list of valid industry certifications and licenses.⁶

This initial ODE process determined if specific certification names were listed as requirements in online job listings. For those certifications not on the list, ODHE created a process

⁶ The list of valid industry certifications and licenses will be updated continuously by ODHE. The current list can be accessed here: https://www.ohiohighered.org/sites/ohiohighered.org/files/uploads/Link/OBR_Aproved_Industry_Credentials_8-4-15%281%29.pdf

Incentivizing Certificate Productivity

Certificates aligned with labor market requirements are valuable assets for strengthening workforce preparedness. They are beneficial to Ohio employers and help demonstrate career readiness for skilled workers. To ensure that certificates emphasize the specific knowledge and skills that employers value and demand, ODHE has implemented a performance-based funding formula that links state appropriations for Ohio Technical Centers (completely) and public community colleges (in part) to certain categories of certificates.

Beginning with the state's biennial budget for FY 2014-2015, state funding for Ohio Technical Centers has been completely based on certificate productivity. In the most recent biennial operating budget (FY 2016-2017), the state began funding public community college technical certificate programs that require more than 30 credit hours, which was enabled by the improved counting and designation of "technical" certificates. With better data available, consideration is being given to funding completions of programs with fewer than 30 hours; these heightened financial incentives, together with more consistent labor market value data, will help drive programs currently with fewer than 30 hours to meet the criteria required to achieve "technical" designation.

Longer term, ODHE hopes to integrate certificate production even more deeply in the state's performance-based funding formula for all public postsecondary education institutions, including Ohio's four-year public universities and their regional campuses. Further consideration also should be given to incentivizing certificates for jobs on the Governor's Office of Workforce Transformation's list of In-Demand Jobs, and that also provide the certificate holder with a labor-market payoff of 20 percent or more in wages than wages for workers with just a high school diploma.

for submitting additional certifications by demonstrating external labor market value through other means. It also should be noted that if an industry-recognized credential is not approved or not applicable to the data ODHE seeks to report, this does not in and of itself preclude schools from using the credential.

The new reporting requirements for certificates were implemented with the Ohio Technical Centers and public community colleges beginning in 2014. By the end of 2015, the new process has resulted in approximately 800 approved/designated technical certificates at 55 Ohio Technical Centers and 23 community colleges. ODHE is still in the early stages of implementation with public universities and their regional campuses. Deployment of the new certificate review process with universities began in January 2016, and they have begun to submit certificates to the state for technical designation. Having a more consistent,

Criteria for Industry-Recognized Credentials

Ohio's new criteria for industry-recognized credentials, the primary factor for earning "technical" designation, include the following:

- All occupational licenses and registries from professional boards
- Apprenticeship completion certificates issued by the Ohio State Apprenticeship Council (Apprenticeship completion certificates issued to students who achieved journeyman status for programs not registered with the state also may be reported.)
- Approved industry certifications from valid third parties
 - » Demonstrated preparation for an occupation or occupational cluster
 - » Governed by regional, statewide, national or international body for the related field or industry
 - » Recognized and valued by employers, especially sector partnerships, as leading to employment (Certificates that are valued only for association or affinity group membership are not recommended.)
 - » Related to learning objectives of the program of study
 - » Awarded based on results from standardized and reliable assessments that measure designed competencies of the occupation or skill set. (The state also prefers, but does not require, that assessments are independently graded from the education institution.)
 - » Note: An embedded skill certification – i.e., a minor certification in and of itself but also a component of a more comprehensive industry certification – may be collected for the purpose of reporting outcomes, but standing alone may not qualify a certificate program as "technical" according to ODHE criteria.

accurate count of what technical certificates are being produced in Ohio's public postsecondary institutions is aiding the state in understanding its workforce supply.

To address any ambiguities that may arise during the review of existing or new certificates, and to determine whether a certificate meets the "technical certificate" criteria, ODHE established, in spring of 2015, a Certificate and Credential Case Review Committee, comprising nine representatives from public postsecondary institutions across the state, to make determinations regarding appeal of a program's "technical certificate" status.

Pathways to Degrees

In addition to better counting certificates, ODHE has been working to implement clearer pathways from certificates into degree programs. These certificate programs are college-level learning and, where possible, should be applied to further postsecondary credentials.

Students earning certification can attach to the labor market immediately with their credential and then look to earning additional certificates or degrees. Fortunately, Ohio has developed pathways from certificates to degree programs. For students earning certifications from the Ohio Technical Centers, for example, the One-Year Option and Career Tech Transfer Assurance Guide (CTAG) processes enable students to be awarded credit that can apply toward a degree upon enrolling in college. For students with certifications earned through career-technical education while in high school, there are pathways to degrees through the Secondary Career Tech Alignment Initiative (SCTAI). Additionally, ODHE has been encouraging community colleges to describe pathways to degrees for their certificate students. These opportunities recognize the value of building human capital and having clear pathways from certificates into degrees. Certificate and degree providers should inform and advise students of these opportunities to leverage their certificates into additional education.

Increased Value

Increased recognition of the value of certifications as a postsecondary credential is at the core of Ohio's "making certificates count" efforts. What is counted is valued and a more accurate, consistent and comprehensive count of credentials, generally, and certificates, specifically, will deliver multiple benefits to employers, students and incumbent workers.

Expected value-added benefits include the following:

- **Employers**
 - » Opportunities to incentivize In-Demand Jobs certificates
 - » Stronger alignment of postsecondary education offerings with the knowledge, skills and competencies employers value
 - » Better understanding of the knowledge and skills associated with certificates
 - » Enhanced ability to assess qualifications of prospective hires
- **Students** (traditional, age 18-24; and adults, age 25 and older)
 - » More certificates with labor market value in desired jobs and careers
 - » More up-to-date information about how well a specific program will prepare them for getting a job, earning higher wages, and/or advancing in a career
 - » Easier comparison of the quality and value of various certificates
 - » More comprehensive information on the specific workforce skills required for entering and succeeding in the workplace

- » Clearer pathways to education and training required for success in jobs and careers
- » Attractive to many adults needing to increase their skills in a short period of time
- » Easier transition from non-credit to credit-bearing programs
- **Incumbent workers**
 - » Increased opportunities (due to shorter length) to earn a credential that will lead to labor-market gains
 - » Enhanced mobility and flexibility throughout a career
 - » Easier, increased transition from certificates to degrees
- **Higher Education**
 - » Spotlight on the quality and productivity of public education institutions (for purposes of incentives, recognition and improvement)
 - » Greater collaboration and shared accountability among education providers

“Certificates with economic value are cost-effective, partly because they are the quickest education and job training awards offered by American higher education... These bite-size educational awards also provide the on-ramp to college education and middle-class jobs for low-income, minority and immigrant Americans who are often the first in their families to attend college. For incumbent workers, certificates can be the most effective way to catch up, keep up and get ahead in their chosen field. For the employed and underemployed, certificates can offer a jumpstart on the labor market.”

Georgetown University Center on Education and the Workforce, *Certificates: Gateway to Gainful Employment and College Degrees*, June 2012

Future Enhancements

Much progress has been made in Ohio in the last five years to create a more robust and reliable inventory of technical certificates. Building on that progress, ODHE has identified a number of next-phase enhancements to the continuing effort to identify, strengthen, promote and report certificates with labor market value:

- Expand ODHE’s responsibility for designating for-credit certificate programs to also include responsibility for designation of non-credit programs at colleges and universities as well.
- Refine and expand the current analysis of outcomes data for certificates to more effectively determine their true labor market value.
- Examine the possibility to enhance collection of third-party industry credentials data, which currently are self-reported by Ohio Technical Centers, to include the collection of similar data from public community colleges and universities in Ohio.
- Explore opportunities to deepen the inclusion of certificates in the state’s performance-based funding formula.
- Prioritize and incentivize certificates that have a clear, documented labor market payoff, especially certificates that prepare individuals for In-Demand Jobs as identified by the Governor’s Office of Workforce Transformation – and incentivize certificates that ensure a clear pathway to higher-wage jobs requiring high-demand credentials for individuals who have initially earned certificates with low labor market payoff.
- Implement automatic awarding of certificate credentials to students who have completed certificate requirements but are still working to complete a degree program.

Focused effort on realizing these outcomes will help ensure continued progress in Ohio to narrow the gap between employer needs and worker knowledge and skills. If we are successful, Ohio employers will be more confident that postsecondary certificates are reliable indicators of the knowledge and skills possessed by prospective hires; job seekers will be better able to determine which certificate programs will best prepare them for success in entering, succeeding and advancing through higher levels of education and the labor market; and our state will be more competitive in the global economy and a more attractive place for business investment and job creation.

