

# CWDB CREDENTIALING FRAMEWORK

## POLICY STATEMENT BY THE INCREASING SKILLS & CREDENTIAL ATTAINMENT WORKGROUP OF THE CALIFORNIA WORKFORCE DEVELOPMENT BOARD

14 JUNE 2016

### A NOTE ON THE PURPOSE AND PRINCIPLES OF THIS DOCUMENT

- **Context:** Given the national focus on — and confusion about — “industry-recognized credentials” as a benchmark for skills and a tool for labor market advancement, the Board can add tremendous value with a policy statement that establishes key quality indicators for credentialing, and sets a course for regionally-coordinated deployment in California.
- **Definition:** The Board does not presume to identify and measure a static set of credentials. Industry-recognized credentials must be defined, validated, and deployed by *industry* — firms, workers, and organizations that collectively represent them in any given sector.
- **Value:** In alignment with the vision articulated in its State Plan, the Board privileges quality over quantity — credential attainment means little if it is not meaningful to firms and workers, delivering value in the labor market.

### OVERVIEW – WHY CREDENTIALS MATTER

The California Workforce Development Board can advance its core goals of regional prosperity and economic mobility by helping as many Californians as possible obtain meaningful credentials. To do so, the Board supports quality credentialing as a key element of its skills agenda. All of the Board’s initiatives — from WIOA implementation to Sling Shot and beyond — will pay attention to quality credentials, helping firms to identify and workers to earn them.

Why focus on credentials? Credentialing is a fulcrum for modern labor markets. Done right, it allows workers to know the specific skills required for entry and advancement, and enables employers to readily assess the pipeline of regional talent. But despite a robust national conversation on the merits of credentialing, including a remarkable flowering of policy and program innovation from federal to local levels, there is no coherent system. Workers and firms struggle to find consistency in the vast range of credentials documenting achievement across many education and training systems. And many observers are left asking, “Just what is a credential, anyway?”

Smart investment of public resources into this promising but bewildering marketplace requires a step back to clarify and focus. This statement is designed to do just that, broadly sketching the universe of credentials, its metrics of quality, and its relationship to the broader work of the Board.

## THE UNIVERSE OF CREDENTIALS

Credentials benchmark skill attainment. Documenting everything from work readiness to technical proficiency, they may be awarded for credit hours earned, programs completed, or competencies demonstrated. They may bear credit or not. They may involve online or classroom or experiential learning or some combination thereof.

Learning happens in a wide variety of settings, not just formal institutions of higher education. The state needs all kinds of post-secondary credentials to be economically competitive, and to provide opportunities for the broadest possible array of Californians. Across the state's driver industries, many credentials matter — certificates and certifications, licenses and degrees, badges and diplomas. The Board believes that their quality matters as much as their attainment: A valuable credential is not merely a measure of education and experience, but a critical tool in the increasingly complex American labor market.

Beyond the new wave of badges, micro-credentials, and nano-degrees, traditional forms of credentialing include:

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### CERTIFICATES

“Certificate” is a term of art that differs by institution: It may signal completion of or participation in programs offered by colleges and universities, community-based organizations, industry associations, labor-management partnerships, and others. Nimble, effective, and remarkably diverse, certificates vary dramatically in rigor and scope. They may describe a program of study, or document a competency, and can be awarded for everything from one-day continuing education workshops to multi-year registered apprenticeships.

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### DEGREES

Awarded by formal educational institutions, these are the high-profile and perhaps most familiar post-secondary credentials: associate, bachelor's and post-baccalaureate degrees.

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### LICENSES

Licensure is a mandatory system. Regulations vary by state, industry, and occupation, with widely varying requirements for testing, experience, and education. Licensing boards may circumscribe access to and scope of work for particular occupations.

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### CERTIFICATIONS

Certification is a voluntary system of standards. Typically a capstone credential, certification sets a very high bar for skills, knowledge, and experience. Many personnel certifications, with standardized skill sets and third-party verification, operate at the high end of the labor market, where they have traditionally accompanied advanced professional achievement. Unlike certificates, certifications expire. They are based on industry and occupation-specific competencies rather than credits or learning events.

## THE PARAMETERS OF QUALITY

Clear goals like economic mobility or competitiveness can easily disappear in the thicket of 21<sup>st</sup>-century credentials — a bramble of skill metrics that defy standardization, are often confusing or irrelevant to industry, and frequently overwhelming or inaccessible to students and job-seekers. The true value proposition of credentialing rests in the quality of the credential. Attainment means little if it is not meaningful to firms and workers.

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### IDEAL CHARACTERISTICS

A consensus on the fundamental characteristics of a quality credential has emerged from a decade of study and practice:

- Accessible — Affordable and readily available at places and times convenient for working adults
- Transparent — Clearly articulated costs and prerequisites; accurate picture of what skills, knowledge and abilities are benchmarked by a given credential, and the value it carries in the labor market
- Stackable — One of multiple manageable chunks that add up to a more substantial credential and do not require starting over at each new step
- Portable — Transferable between firms, regions and educational institutions
- Meaningful — Actually has value in the labor market;
- Connected — To a job or an educational pathway

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### INVESTMENT INDICATORS

Additional factors may in some cases serve as likely indicators of return on investment, including the degree to which a given credential is

- Relevant to industries with high demand
- In a sector characterized by quality jobs or pathways to them
- Tied to groups of firms, and informed by a region's best employers
- Connected directly to a job or the next step in a career pathway
- Accessible and meaningful to a wide range of small and medium businesses

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### PROGRAM METRICS

Quality is also an intrinsic matter, and may be determined by structural criteria for program excellence:

- Based on a current job task analysis or other industry-validated standard.
- Aligns learning objectives with assessments.
- Qualified instructors.
- Continuous, systematic program evaluation

- Validation through ongoing, systematic input from industry.
- Standard process for assessment, development, maintenance, and administration.
- Transparent policies guide all credentialing decisions, including code of ethics and due process.
- Where relevant, offered by an impartial and transparent independent governing body.

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## INDUSTRY VALUE

USDOL guidance offers a clear definition of “industry-recognized credentials,” but offers no indication of how many exist, in which regions and sectors — and only the sketchiest of playbooks for identifying them. This is the challenge addressed by the Board. What does industry recognize, and how? The answer is critical to determining the value of a particular credential. Industry value emerges from two related but distinct elements:

- The *establishment* of credentials: Is industry insight baked into the process of creating and updating a scheme or program, with full engagement of employers and workers in developing competencies, curricula, and qualifications for a given credential?
- The *deployment* of credentials: Are firms willing to use these credentials to hire and promote? What advantage does the credential provide in the labor market?

Cracking the code of industry value is the project at the heart of the Board’s call, via the State Plan, for a dramatic increase in high-quality credential attainment over the next decade.

## GETTING TO A MILLION

The State Plan calls for the production of a million industry-recognized credentials over the next ten years. This vision is not about a million individual tally marks. It is about developing a credentialing agenda for shared prosperity. The plan is at once aspirational and practical, conjuring a robust, integrated future: A highly skilled, competitive, and prosperous California, created through a regional workforce and education system that increases access and equity for all learners; guides workers to invest in credentials that matter; and helps employers to efficiently upskill and recruit, maximizing human capital investments while reducing costs. To get there, the state needs to build a market for quality credentials. Working with regional industry partners to identify and invest in skills that matter to high road employers, the Board intends to do just that.

Because of its commitment to skills as a tool for intergenerational income mobility, and because post-secondary credentials are critical to labor market advancement in the 21<sup>st</sup> century, the State Board focuses on those required for middle-skill jobs — the vast array of occupations undergirding key California industries that require something between a high-school and 4-year college degree. The actual number and type of credentials produced will be determined regionally through systematic industry engagement via new and existing partnerships of business, labor, community, education and public sector leaders, including local workforce boards.

The State Board is also interested in the intermediate credentials that could mark progress along bridges to career pathways at the lower end of the labor market, benchmarking occupationally contextualized basic skills education. This encourages access, persistence, and advancement for lower-skilled adults in a system otherwise geared to measure and value higher level credential completion.

California needs more high-quality, industry-driven, post-secondary credentials for business to compete, workers to advance, and regions prosper. There are diverse legitimate credentials. We should perhaps spend less time counting their attainment and more time assessing, translating, and communicating their value.

Credentialing is not simple. There are currently more than a hundred documented efforts underway to align U.S. credentialing initiatives. Here in California the Board's efforts support and align with the tremendous efforts of the Community College Chancellor's Office and other key leaders. There is work for all. The Board's next step will be to move the quality parameters laid out here into guidance for regional planning, state policy conversations as appropriate, and field investments across California.