

Moving from a Degree-Centric Postsecondary System to an Incremental Credentialing System: *What Happens to Learners' Financing Options?*

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Section 1: Executive Summary

Credential As You Go is a national movement to establish an incremental credentialing system that improves education and employment outcomes for all Americans. Such a system would be more complex than our traditional system of degrees and certificates because it would encompass an array of non-degree credentials and approaches. These would include noncredit-to-credit bridge strategies as well as stackable pathways that prepare individuals with the knowledge and skills needed for employment. Also, creditable learning in this system would include skills and knowledge gained outside traditional higher education institutions—a must, as valuable credentials are increasingly being awarded by employers, third-party organizations, and other entities.

The work of Credential As You Go focuses on 10 areas, as depicted in Chart 1.

CHART 1: CREDENTIAL AS YOU GO'S TEN AREAS OF WORK



Though student financing is not listed as a discrete focus area, it is nevertheless a vital issue—one that touches nearly every area of the initiative’s work. For example, options for financing are typically a policy focus, an approach to addressing equity and inclusion, a learner support, and an area of professional development for those working in incremental credentialing. Financing issues also have implications for technology, particularly in how it might be used to help learners navigate the system.

Despite the massive growth of incremental credentials, student financing options remain overwhelmingly oriented toward the traditional financial aid system—one that has always been oriented toward traditional age learners (18 to 22-year-olds). This leaves tens of millions of adult learners, many of them working students, with fewer acceptable finance options. This is unfair and unworkable in a 21st century learn-and-work ecosystem.

In such a dynamic and complex environment, issues related to finance have come up at many Credential As You Go events in the past several years—at Board meetings, Credential As You Go Affinity and Large Group Network meetings, and conferences. At the same time, there has been promising movement on student financing in the policy arena. For example, Short-Term/Workforce Pell is increasingly being considered at the federal level. Nonprofit investment organizations are establishing outcomes-based and zero-interest loans. More states are providing financial aid for targeted groups, particularly in high-demand fields. And employers are developing tuition assistance programs to encourage workers’ participation in short-term training programs.

On December 13, 2023, the National Advisory Board of Credential As You Go devoted its meeting to a panel discussion on financing options in incremental credentialing. The panelists shared their perspectives and discussed with the Board what action the Board might take to help learners participating in incremental credentialing. Before the meeting, several questions and issues were shared with the Board to help inform and enrich the discussion:

- What is the landscape on financing policies? What policies are in place or should be implemented to support this work?
- What are examples of financing options available to learners who are seeking incremental credentials?
- How are these funding opportunities communicated to learners?
- How can the various approaches to financing incremental credentials be assembled (collectively and centrally) to inform the Credential As You Go Network? Should we partner with other groups on financing issues? If so, what organizations are working on this, and which ones should we reach out to?
- What can we do as a Board, and within your organizations? What is the Board’s role in the discussion on student financing?

This report provides an abridged and edited transcription of the Board’s discussion. It also offers articles on specific financing options pulled from the Learn & Work Ecosystem Library, which is a companion initiative to Credential As You Go.

The Board meeting discussion—as well as the panelists’ preparatory conversations prior to the meeting—yielded several common perspectives. We hope these perspectives, summarized in Table 1, will inform and prompt the actions needed to support the financing of incremental credentialing. [\[Page 05\]](#)

**TABLE 1: COMMON PERSPECTIVES OF CREDENTIAL AS YOU GO NATIONAL
ADVISORY BOARD ON FINANCING OPTIONS IN INCREMENTAL CREDENTIALING**

#	Perspective	Description
1	Complexity of financing options	Financing options for learners are complex, in part, because they derive from multiple sources: federal, state, institutional, employer and workforce, and learners themselves.
2	Financing issues are learner-centric	Learners are at the center of this topic. Despite the strong policy focus in the financing arena, what is happening at the institutional level to help learners pay for participating in incremental credentials is paramount.
3	Level of knowledge needed by advisors about financing options	Given the multiplicity of options for financing, they have become and must be “blended” or “braided.” This requires college and university staff (or third-party financial counselors) to be knowledgeable and available to assist learners in determining their best finance options.
4	Inadequate staffing for advisors	Most higher education institutions are too poorly staffed to provide adequate finance navigation assistance to learners, be they traditional age or adult learners.
5	Long learning curve for navigation advisors	It can take years for financial aid advisors to develop the knowledge and skills needed to help learners. This places a tremendous challenge on our system to prepare finance navigation specialists.
6	It is unrealistic to think learners can navigate on their own	Learners can’t easily help themselves in this complex system. Few learners know what questions to ask, understand the intricacies of financing options, or know how to blend their current debt with future educational plans. Most employers—even those with tuition assistance and/or upskilling programs—have limited staff to provide navigation assistance to employees seeking education and training.
7	Each learner is unique; “group” services are generally unrealistic	Every learner needs tailor-made advice on financing. Each learner is unique and needs a customized review of his or her background, education and career interests, and financing options. Group approaches are rarely, if ever, effective.
8	There are special circumstances for adult learners that impact ability to benefit from finance options	With growing attention to the adult learner population, there is growing understanding that many already have a track record that affects their ability to benefit from existing finance options. Also, since many already have loans from their previous education experiences, they often have no appetite to borrow further.
9	Technology is emerging as a useful tool, but it’s not a panacea	Technology is beginning to be helpful in identifying financing options for learners. However, most learners will do better with the “human touch,” and technology is not expected to be the panacea for the challenges we face. The goal is to incorporate technological tools into the approaches that best serve learners. A combination of human and tech-assisted advising seems most promising.

While the nation has a long way to go to transform its degree-centric postsecondary system into an incremental credentialing system, there are promising developments underway and on the drawing board.

Clearly, many more discussions about student financing will be needed to help support these developments and move the incremental system closer to reality. We hope the material that follows will help inform that effort.

Discussions from the December 2023 Meeting of the Credential As You Go National Advisory Board

Panel Discussion

What follows is an abridged and edited version of the transcript of the Board’s discussion on December 13, 2023. A panel of experts provided perspectives on a range of financing issues related to incremental credentialing, prompted by these framing questions:

- What is the landscape on financing policies? What policies are in place or should be implemented to support this work?
- What are examples of financing options available to learners who are seeking incremental credentials?
- How are these funding opportunities communicated to learners?
- How can the various approaches to financing incremental credentials be assembled (collectively and centrally) to inform the Credential As You Go Network? Should we partner with other groups on financing issues? If so, what organizations are working on this, and which ones should we reach out to?
- What can we do as a Board, and within your organizations? What is the Board’s role in the discussion on student financing?



Julie Peller

Discussion moderator

Julie Peller (Discussion moderator) — We are going to be talking today from our varied perspectives and have a lot to cover from our different deep knowledge and expertise. As a bit of background, I’m the executive director of Higher Learning Advocates, a federal policy advocacy organization focused on changing federal policies for how and who is in postsecondary learning today. And that centers around who we call today’s students. Others have called them non-traditional learners or today’s learners. They are “today’s” students. We know that today’s students are looking at non-degree pathways, are pursuing non-degree pathways, and are not easily able to finance them. At the federal level there are siloed ways in which the federal government is trying to address this problem.

I think of three big buckets that are quite active right now. We’ve seen a considerable investment related to our infrastructure as legislation and effort that the administration and Congress put forward a couple of years ago. There is quite a bit of money hitting the street to train, retrain, provide credentials, and provide certificates to get people into jobs related to those investments. Those are happening in one bucket. Then we have our system of WIOA, the Investment Opportunity Act set of investments and training programs. The newest conversation is how to use Pell grants for shorter-term programs.

This is a late-breaking update on the last two. Just yesterday (Dec. 12, 2023), the House Committee that considers these issues reviewed and passed a bipartisan bill to provide Pell grants to shorter-term programs that are between essentially 8-15 clock hours, as well as a bipartisan Workforce Investment Act. While both of those are connected to our conversation and a way to finance incremental credentialing, what’s interesting is that they are not always requiring a credential in the short-term Pell conversation. There is some conversation about “Shouldn’t these programs result in a credential?” and “Can that credential take a learner somewhere if it’s in a stackable program requiring that it is stackable if it needs to be portable so that it’s not just for one employer?” So Congress is starting to consider not only how do we finance it, but what means quality that will have the federal dollars behind it.

This is the furthest we’ve gotten on the short-term Pell conversation to date. There’s still a long road between here and the president’s desk, and things are not moving swiftly in Washington, D.C., these days. But this has bipartisan support in the Senate as well. So perhaps in early 2024, we’ll continue to see iterations and conversations and slow-but-sure forward movement on using Pell Grants in this manner. One other note about the short-term Pell program. There is debate on where these dollars can go.

It has been centered around higher education institution-based programs. But there is debate and the House version includes for-profit colleges and online programs. The Senate versions do not include either of those, but when we talk about Title IV and the federal aid programs we are only talking about institution-provided programs, not any non-institutional providers. So there's a bit of a limitation in that conversation.

That's some opening context on the federal scene. Let's turn now from the very macro to the student perspective.



**Sarah
Wilson
Sparrow**
SUNY Schenectady

Sarah Wilson Sparrow, SUNY Schenectady Community College — On the student front where I focus, it's almost as if education assumes that students know a lot more than they do about how we work and how we run—but they don't. I often share the story that someone asked me if I was matriculated when I was 37 and coming back to school as an adult—and I thought it was a sickness. I said yes—and I was actually right.

We talk a lot about matriculation, and I can use the term very well now that I'm in the field. But assuming that folks understand what these words mean and what this vernacular is all about is just silly. We learned the lingo because we work in the business. So when we talk about pathways, we also assume the student will know what that is, like a pathway to an LPN is a pathway to registered nurse. They don't know that, and they're woefully ignorant. Ignorant is too strong a word and it's not a pejorative in this case, but they are ignorant just like all of us were when we entered into something new and didn't understand what it meant. And in that space, they don't understand the opportunities available to them—or the funding streams that can help to augment support for them as they walk through these incremental pieces of the big hole that they're trying to get to.

So what we try to do is vet every single student so that they are aware that possibly they have some information to help them say, "Oh, you know what? This might be a prior learning assessment opportunity. I've been working in real estate for 10 years. Could I get credit for something for this?" Or they have a certification in something and that may count for something. Or they took a college English course 10 years ago—it's probably still just fine to count for learning recognition.

We're trying to get those sort of conversations going with students. Not having distance relationships with those students, but having in-person relationships where you're talking through what their goals are, what they're looking for. And then we help to fit those in with the many different opportunities and pathways they can merge onto.

Basically that's what we try to do. And even in our application process at the college, having a mirror image of that in a dropdown menu in their application is useful so that they start thinking about it right from their first interaction with us. So we're working to have that available (using technology assistance) with our IT department.

Julie — Thanks so much, Sarah. Becky, CAEL recently published a report on finance issues related to adult learners, and Sarah has pointed out the complexity of the pathways. I think there's also a lot of complexity in adult learners' lives and how they interact with higher education. Can you talk a bit about the policies and practices that you think need to be better around financing for adult learners?



**Becky
Klein-Collins**
CAEL

Becky Klein-Collins, CAEL — For our [How They Pay](https://www.cael.org/how-they-pay-report) report (<https://www.cael.org/how-they-pay-report>), we conducted a national survey of adult learners and then held one-on-one interviews with about 48 individual adult learners from 13 different institutions. We wanted to hear what their experiences were in terms of decision-making around what finance options to use, what resources they had available to them, and how they viewed their past decisions on financing.

A lot of adult learners are people who have some college but no degree. So they've had some previous experience with higher education that likely did not produce any sort of credential. They stopped out for whatever reason. And they're coming back to a postsecondary learning experience with that experience hovering over them. We found that this affected them in a number of ways. One is that there was some hesitation and skepticism about taking on new loans.

They may have some loans that they're still paying off. Many don't want to do anything more with borrowing, they just have a bad taste in their mouth from that. They may also distrust federal financial aid generally; they may distrust your financial aid advisors on this topic, too. So there may be some hesitation in even asking for help.

We also talked with a lot of learners who just didn't know that they should have asked for help and guidance, and maybe didn't realize there were opportunities available beyond loans. And so they were just trying to muddle through on their own. We talked with a lot of students who did their own research and were convinced that they knew what was going on, only to find out later, "Oh, I wish I had known about Pell Grants."

So there's missed opportunities they have—that aspect of it. But there's also the aspect of if they've already been in higher education, they may already have used the Pell system so they already may have bumped up against their lifetime limits. They have satisfactory academic progress (SAP) issues potentially. So they're carrying a lot of stuff from their previous history that is carrying into their desire to do something now.

In terms of institutional policies, one thing is the financial aid offices are often understaffed, so they don't have the luxury of going out and trying to make sure, as Sarah was talking about, that we are talking with them about what's available. Not every institution has the staffing to be able to do that. And there are often long waiting lists for students to get in to talk to a counselor. So there's that kind of barrier to getting good information to students, along with this need to be more proactive with adults.

In terms of shifting that to a federal policy perspective, it would be great if we could get some way to reset Pell for some people who are some college/no degree because they're different people now than they were 10 years ago. And if we want them to get new credentials, we need to find some way to forgive their previous history.

Julie — Thanks, Becky. At Higher Learning Advocates, we've long been advocating for resetting Pell lifetime eligibility limits as well as resetting satisfactory academic progress. Those are two things that—particularly for that population that started college and didn't finish and need to come back—could be really helpful. Dustin, states have a big role to play in financing options for students as well. What state changes are you seeing?

Dustin Weeden, SHEEO — There is a lot of innovation right now and definitely a lot of interest at the state level. SHEEO [surveyed](#) CEOs for what their top priorities for 2024 are going to be, and "workforce development" was the top issue.



Dustin Weeden
SHEEO

There are a couple of financing mechanisms I wanted to talk about. The biggest one—where states invest most of their money—is through general operating support to institutions. As long as students are in credit-bearing courses working toward credit-bearing credentials, even certificates, they're often included in state funding formulas. We're tracking about 35-40 states' operating funding formulas. As long as students are in credit-bearing courses, they'll be counted as inputs for enrollments. This is a point of contention for some states whether or not they want to count certificates in their outcomes-based models. But many do. So that is a conversation that's happening. More and more states are starting to return to including those as long as there's value attached to them in some capacity.

But on the non-credit side, those students are often not funded for general operating support. It's at the institution level. SHEEO's state higher education finance report for fiscal year 2022 shows that states and local governments invested \$93 billion in general operating support, but only \$60 million of that was for non-credit or continuing education purposes. This is a big gap in the general operating support. We think where you have seen states invest a lot of their dollars in short-term credentials is through financial aid programs. And there have been some really good innovations in recent years. To highlight a few state models:

- Washington has made apprenticeships eligible for their primary need-based grant. This is a little bit unusual. Most primary need-based grants are tied to the degree-seeking students.
- Nebraska has a Community College Gap Assistance program that specifically targets students who are enrolled in non-Pell eligible programs. If short-term Pell comes available, this might create some innovation in Nebraska.
- Virginia has a program tied specifically to non-credit bearing students who are working toward non-credit-bearing certificates.

We think there's a lot of innovation at the state level. Where state conversations are going is, it's not just about the production of a credential. The credential has to have value behind it, and oftentimes that requires some labor market analysis and that requires data and analytic capacity at the state level to accomplish that. That's another area states are investing in.

Julie — Great. Thanks so much. Mary Beth, what is going on in Minnesota?



Mary Beth Lakin

*Minnesota State
Colleges and
Universities*

Mary Beth Lakin, Minnesota State Colleges and Universities — I love what Sarah had to say about language. We're definitely working on that and assumptions that students or learners know how to navigate the path. We make assumptions that the rest of us know how to do that too. So we're all in the same boat together.

In Minnesota, workforce training funds can be used for credit and non-credit secondary credentialing, and there also are funding programs to help Minnesotans change or advance in their careers. These funds can be used for credit for prior learning fees, for individualized assessments like credit by exam, but we don't have clear enough language for that for campuses, local workforce boards, and students to understand how that funding can be used. So that's a way we need to improve.

There are 26 technical and community colleges and seven universities that can receive \$2,500 workforce development scholarships across multiple sectors. This scholarship can be used for credit for prior learning fees. That's another place where we need to make that clear to all constituents.

And because there are so many different options for different sectors coming from a range of sources—not just public, but also employers, professional associations, community-based organizations—it can really feel like a hodgepodge. A map could really come in handy—to help us get beyond the, “it depends” answers. One of the things I'm excited about is Minnesota's Department of Education. They just completed an inventory of resources including financial supports for the Early Childhood Education (ECE) workforce. I don't have to tell anybody why we're focused on that; you're probably all experiencing the same extreme shortages in ECE. So if I'm working in child care and want to get my child development associate credential or CDA, I can get funding for that training that's required for the application and on down the road for renewal. And that's often pipelined through providers. That gives employer support as well. So if I'm a new American and completed high school or some college coursework outside the U.S., I can get funding to pay for the evaluation of my transcript as an early childhood educator. Now that we have the inventory, we need the map to show if you're a client or employee or student, there are funds for child care, there are funds for college application fees—whatever needs to be covered in that learner's educational journey.

Julie — That's incredibly helpful. Cyndi, please share what's going on at SUNY.



Cynthia Proctor

*State University
of New York*

Cynthia Proctor, State University of New York — I'll start with state news because it is quite relevant. We are very fortunate in New York to have the support of the governor, legislature, state agencies like the Department of Labor, and local workforce investment boards for incremental credentials. We have support of leadership of the two state public higher education systems, SUNY and CUNY. And my colleague from CUNY has recently joined Credential As You Go. SUNY has been doing this type of work since 2018. We've been talking about promoting and reporting on our progress on microcredentials for some time. And that has helped us.

Our microcredential-takers in New York can utilize WIOA funding. Also local, regional, and state workforce grants have all been specifically made eligible for supporting microcredential development or microcredential-takers. That's been a significant support. We promote the Educational Assistance Program from the CARES Act of 2020, trying to get employers to support microcredential completion. We are going to be announcing soon that SUNY's own tuition assistance program in certain locations will also be eligible for microcredential-takers, which is exciting. We have in New York state full funding for the educational component of apprenticeships. And most recently, we have a new category of our state's Tuition Assistance Program—a TAP for part-time students. It's called Tuition Assistance Program Part B. We just adopted it on December 7, 2023, and hope to have it in place this spring semester.

So we face a communications challenge: how to tell folks that this aid exists. I would note, too, that this new program does have very strict income-eligibility requirements. And it is for only certain things:

- It is for microcredentials or non-credit coursework at community colleges or technology colleges in our state.
- It is limited to credentials identified by the state as connecting to significant industries.
- It is limited to credentials where you take the credential by itself all alone, and that credential allows you to get a job or advance in a job. And on the non-credit side, they will fund non-credit credentials, but the students must be able to receive credit upon matriculation. So you do have to have a credit for prior learning process done so that students can have that credit awarded.

All to say, we have all of these different piles of money with different restrictions and regulations in New York. Sarah uses a term called “braiding,” as in braiding your hair. The idea is to braid the funding. But that takes heroes on our campuses to be able to sit down and help people navigate all that. This is just incredibly challenging. So on the one hand, we're fortunate to have all of these pieces, but it is not easily navigable—and we don't have enough staff to support effective communication.

We promote the Educational Assistance Program from the CARES Act of 2020, trying to get employers to support microcredential completion.

Cynthia Proctor

Julie — That is such an incredibly important point. Learners or people just in general don't enter into one type of program and that's it, or one need and that's it. The idea of an evolving map over here for 8-15 weeks could be helpful, but then you might want to go over to someplace else but the same kind of funding doesn't translate. Sarah, how do you make sense of that for braiding those pieces together?

Sarah — Thank you for saying that, Cyndi. It is a herculean effort, truly, because when you get in there with somebody, like you said Julie, they're a person who needs your attention but all of us in academia are doing more with less. We're trying to hire new people. But it takes such a long time. We're just all really strapped doing the work that we do. I had a student stop by recently, and it was a completely inconvenient time for me. But I thought, “If I don't stop for this student, I have no business being here. Might as well just pack up my stuff and go.” This requires a lot of work and time that is not, to Cyndi's point, compensated for or covered really.

Another reality: Of the myriad supports that are out there, 85%-90% of the people to whom these are entitled, don't know anything about them and don't know the first thing about how to navigate it and then how to braid it. I was recently able to help a person get unemployment insurance after a workman's compensation issue, and also file a 599. If you're not familiar with the Department of Labor, a 599 allows you to pursue training for your work for that period of time as long as it's to an industry

that has openings and that kind of thing. That sector approach makes sense. I was able to get the 599, the unemployment insurance extended, the access to VR because he had injured himself, and to pay SUNY rate for that. Then he had another unmet need, and we had another grant for that.

All to say, there are all these finance options out there, but we need help to provide the finance navigation, because if you don't navigate it, it's like the support doesn't exist. One of the tactics we've used to help augment this is to, in all of our new grants, have some level of unrestricted funds that can be accessed quickly... Our students are in real time—just like we are—and they need us to be able to support them quickly.

Of the myriad supports that are out there, 85%-90% of the people to whom these are entitled, don't know anything about them and don't know the first thing about how to navigate it and then how to braid it.

Sarah Wilson Sparrow

So I would advise a combination of braiding those things, but also having something upfront in your grants you can pull from. As an example, we had three students who came in with bills from previous work with us. We were able to pay those off because we had unrestricted funds set up as a safety net. And that was the difference between serving and not serving those students. Now think about it: We're all dying for enrollments, and we saved three enrollments. That's worth our time and effort. So as much as you can, understand what those things are, braid them together as you can, and then have unrestricted funds to fill in gaps as well.

Julie — Mary Beth, we're seeing comments in the chat as well as you mentioned that this kind of navigation work is the invisible work often happening on campus. You indicated we need to get beyond the, "it depends" and map options. Is there a technology play here, a way to at least get most of the way at scale beyond the individualized approach we really see as needed on campus?

Mary Beth — I think it's a both/and. We find there are technology issues no matter how friendly and how accessible something is. Our learners have technology issues, they have access issues. I wouldn't want to depend on that. We've seen ways to streamline and share information, but there has to be that person there—or a network of people. We have seen funding come and go through different initiatives for navigators and so on. At the campuses, we see people playing multiple roles and trying, as Sarah was talking about, to braid all this together—and it is invisible. It's not appreciated until you start trying to find the answers yourself, then you appreciate it. A lot of students, a lot of adults, still want that connection with a human being. They want somebody to go to. And if I were a new American, I'd hate to be put on a laptop and into a platform and told, "Here's how you do it." I don't see this working right now very well for the populations of learners we serve.

Julie — Becky, how much does this go to the trust in the work you all did in both the survey and the focus groups? How will technology—or will it—engender trust?

Becky — It does raise trust issues—would we trust a machine as well as or at all? But it is also learner self-confidence, the sense of belonging. Many of the learners coming to us are often questioning whether they belong there and what they are they doing here. There are certain learners who are going to need somebody to really reassure them that they are in the right place, acknowledge their life experience as being valuable, that their life choices are not hampering their future, that they haven't made some sort of wrong turn that they should feel bad about in some way. Instead, our systems need to meet them where they are at this particular point in their life and their learning journey. That's where it's about trust and treating people as individuals, how they see themselves as learners and the ways that we make the system work for them regardless of where they are and what their previous experiences have been.

Julie — Dustin, you brought up how states are thinking about their funding as credit-only. Yet a lot of this work is happening on the non-credit side. Could you dive down deeper into how that difference is changing and if we should be thinking about financing in those two different silos. Or should we be thinking about needing to change and blend and be saying that the for-credit/non-credit distinction doesn't matter anymore?

Dustin — One of the drivers has been the labor market and where the demand for positions are in a state and in a region within a state. They're not always bachelor's-and-above credentials that are needed. That started to make a shift. The big challenge is states only have so much money they can invest in any particular area in higher education itself. So to change the financing scheme would be a huge fight in a number of states because the four-year institutions will push back, unless they're building in non-credit into their own programs or starting non-credit credential offerings. Predominantly, those types of opportunities are at the community college level, and that could potentially create some political issues in a state. I do think it is something states need to be thinking about, and that's where they traditionally seem to have landed—going the financial aid route rather than trying to shift around funding to institutions. This also goes back to the challenges we've talked about: How do students find out about those opportunities? Just by making it financial aid only means that students have to know those opportunities exist.

Julie — Cyndi, of the many funding options New York has, you noted some are for both, some are for one or the other. How do you think about this for the for-credit/non-credit divide, the way that we've structured programs?

The big challenge is states only have so much money they can invest in any particular area in higher education itself. So to change the financing scheme would be a huge fight in a number of states because the four-year institutions will push back.

Dustin Weeden

Cyndi — I've been at SUNY for 24 years and since my first year, I remember our institutional research office saying, "We don't have good data on non-credit, we don't have a good handle on what is happening there." Now it's 24 years later. In a lot of the conversations around this work, SUNY has said, "We need to get a handle on this." So we do have a task force that's working on what kind of data system is right for non-credit. Can it be put into the student information system? Can it be a separate system? How do we manage it? There is conversation around learning outcomes assessments for non-credit, documenting persistence and completion, and then through the funding mechanism. It's this idea of, from the beginning, thinking about how non-credit could stack to credit-bearing activity.

I think increasingly that is going to be the focus—that we're going to support non-credit activity if it meets certain criteria. And that bridge-to-credit is going to become increasingly important. To do that, we need to have the data, need to understand these programs, and some of these programs are tracked on an Excel spreadsheet or there are paper forms people are admitted to. Getting our arms around that as a system is a significant task. I know from talking with my colleagues across the country that we're not the only ones who don't have good non-credit data. We're glad this conversation is giving us the opportunity to look at that. And for some of our faculty, it's been an eye-opener. They didn't realize what was happening on the non-credit side of the house. So talking about these pathways has been a positive experience.

Julie — I'm seeing in the chat some questions about paying for non-credit courses. I often like to say that federal student aid in particular does not pay for learning—it pays for the opportunity for you to learn, for the time for you to be at an institution to learn. Are others on the panel seeing developments around assessments or certification exams where these are tied to non-credit programs?

Sarah — Assessment means a lot of things. Assessment is: "Did you like it? Did it give you what was promised? What was your grade?" It can take a lot of forms on the WIOA side of the world

(Workforce Innovation Opportunity Act). The workforce development boards are so important to development of programs from the beginning—because if you develop a program in isolation and then go to your workforce development board, they're going to be like, "No, we had nothing to do with this. We had no stake in this. We're not going to support it." Having stakeholders that hold the keys to the money with you when you develop programs—and having industry there too—is the most effective way. Because again, thinking about the student, if you deliver something to them and they brought that piece of paper to that HR person and HR says they don't know what this is, you have not helped the student.

We are seeing that things are getting more about industry and "If I give this money to this X, Y, Z person to do this thing, it had better deliver." Tracking data is becoming more important; you can narratively say all kinds of things, but if you don't have the data to back up that you did this and it did have an efficacious outcome, then it's not real and it didn't happen because there's no evidence. We're trying to tighten up our data points, how we report back, and how we advocate even from the beginning if we create this microcredential, get it all approved and sent forward. Does industry like it? Will they use it and will they give that promotion to the individual? So assessments are very complicated and layered. We need to think about the priority of the assessments, what's most important. Not that you got the enrollment—which is important because it's institutional self-interest—but did it do what it was supposed to do? That's the information that we should be reporting back.

Tracking data is becoming more important; you can narratively say all kinds of things, but if you don't have the data to back up that you did this and it did have an efficacious outcome, then it's not real and it didn't happen because there's no evidence.

Sarah Wilson Sparrow

Julie — Mary Beth, can you quickly talk about financing for assessments as part of a program or separate from a program?

Mary Beth — At Minnesota State, we've got a couple of buckets. One is external assessment, which is what we've been talking about: industry certifications or any kind of training or certification where an assessment is built in. The challenge is: Where can we find different sources of funding and link that together? We have mentioned workforce development funding as well as employers and associations. If that can be financed, then it's a great way to go because the crosswalks are built in. With validated training, there is no need for additional, internal or individualized assessment. If we have to do additional assessment for workplace or community-based experiences, then we charge a fee. It is minimal, but it's not something that can be covered by financial aid. We're looking for different ways to cover costs of individualized assessments.

The great thing about internal or individualized assessments at Minnesota State is that they count as credit meeting the residency requirements a program may have. We keep thinking about ways to fund different CPL options. One comprehensive model I know is Indiana's. That's a great model for us to look at.

Julie — I would add just a few things that CAEL and now HLA are both advocating for—changes to federal policy so that things like credit for prior learning can be eligible expenses under Title IV. We talk to institutions all the time about trying to do more with evaluation of industry credentials for the reasons that Mary Beth just articulated as well. We've talked about how to incorporate credit for prior learning evaluations into the overall cost of the experience of the students. That is, building it into the cost model of the institution so that there aren't quite so many extraneous fees that students who are dependent on Title IV funding, for example, are not likely to have available to them. The other thing I would mention is that sometimes the students have won the lottery in the fact that they are eligible for employer tuition assistance. Those are the greatest cases because that takes care of a lot of out-of-pocket expenses, particularly for students who may have maxed out other forms, but not these employer programs. The employer programs are not all built the same, and

some may not pay for things like credit for prior learning evaluations. So there's some education needed with employers about what that means and how that can help learning workers reach their goals more quickly. An area for future exploration is employer tuition assistance—what we could be doing to leverage that kind of investment from the private sector.

Mary Beth — I'd like to add something quickly about internationally trained professionals. We have a couple of initiatives we just started focused on internationally trained healthcare professionals, and we're expanding to other industry sectors as well. If you can't access your credentials, credit for prior learning assessments offer a pathway. Our initiatives cover fees for credential evaluation and individualized assessments—but that's funding for a couple of years for a limited population. And we keep saying: "We've got this started, we need to keep it going and we need to expand and figure out ways to sustain it." A lot of the stop and start for the funding does not help our learners.

Julie — Absolutely. You uplifted a point that we got to in our pre-panel discussion that we didn't get to hear of today: How this looks different at the graduate levels versus an undergraduate framework. But we're out of time, and I recognize this is just the beginning of future discussions on this important area of financing incremental credentialing.



**Holly
Zanville**
*Credential As You
Go Team*

Thank you all for a really informative conversation. In our in-depth discussion next with the entire Board, let's address several questions Holly put in the chat: "What can the Board do to weigh in on the integration and complications between requirements and program design as well as financing options? And how does this all get communicated to the potential end users—the individual?"

Holly Zanville (Credential As You Go Team) — Thank you so much, Julie. So many members of the Board have been adding comments in the chat during the panel. Melissa and I will help moderate this next discussion. A key question is, does the board have a taste for doing something further on this topic? Do you think we should be bringing these ideas together into a report? Are there other ways of sharing and lifting up the issue around financing these shorter-term credentials?

Open Board Discussion

Board member — Mary Beth mentioned a map idea, and I think at the very least, a list would be incredibly illustrative just in its complexity of seeing the many finance options, or different programs tied to funding options, seeing the different methods they use. Putting all that together would be fascinating to see just how complex the finance system is.

Board member — I was thinking about a question that spanned the entire panel, which was about adults and navigating colleges, not knowing what we don't know as practitioners, and what they don't know—and the stakes are so high. My shop, the National College Transition Network, NCTN, did a publication called Mapping Your Financial Journey. It was for adults. It's not that the information is different, it's that it was just the voice was directed at adults—not as parents of students, but as prospective students, which we think is so important. It's outdated now (e.g., the Pell amounts are incorrect at this point). It focused on adults transitioning to credit-based higher education and not a full scope of financing training. So we have never redone it, but this conversation reminded me how important it is. I am wondering if any folks have put something together or seen something or use something in your own institutions geared toward adults that talks about how to pursue financing or education and training, knowing that some of that is state-based and local, but at least directing people to where they might go and the kind of questions they'd ask.

Mary Beth — We're starting on the mapping idea. It is bigger than the financial support, it's what you have to do to go from here to there, We're doing a lot of research now, focusing on ECE and internationally trained healthcare professionals.

Board member — This sounds like career pathway maps that you're talking about, what I would call a career pathway map?

Mary Beth — Yes, it's the supports along the way: wherever you come in, how you might use prior learning, what's your next step, from application to job placement. It's everything directly connected with the education pathway, as well as assistance and guidance that helps you continue on that pathway.

Board member — One of the things I'm thinking about is that in some respects, we're looking at an educational system that is a closed system versus an open system. We're talking about credentials, and 50% of the credentials are outside higher education—yet we don't think of it in an integrated way about how both can contribute. Then a lot of the financial funding has to beat all these higher education rules, not rules about credentials in general. So the myopic-ness of higher education affecting how people can move between non-degree credentials outside of academic, non-credit, and credit are like three separate pillars. And which rules we're under. Should we be done with a higher education lens in this regard? I think, whatever paper is done, it should be a critical review of the situation. It shouldn't be a listing of, "Well, here's this finance option and here's this one," because we've already heard the student is overwhelmed by, "Oh, well you got to meet this criteria, we'll have to try to figure out some credit for you here if we're going to make you eligible here." It's too complex to really facilitate change in this regard. I have worked with several other organizations that the whole idea of putting non-degree credentials outside the academic system in degree pathways or the certificate pathways really needs some thought about financing in that regard. I would encourage us (if we're going to write something) to first write a critical approach that may be helpful to decision-makers and program-makers and have a more encompassing thought about financing that includes all of credentialing. I was glad Julie said that maybe industry certifications might be included in short-term Pell. Initially that was not the case because certifications are not considered an educational credential. So if it's not an educational credential, it's not going to be considered. That gets into then what is a qualified faculty member in credit. There are so many barriers in our rules that affect financing. I would encourage that if we write something, we write what are the real barriers that are stopping a lot of our people from taking advantage of even what we've got to offer.

Holly — What about doing a survey to find out how folks are financing programs and learners, but also surfacing what the barriers are? Something that I think has been a thread throughout the discussion is this notion of a lack of outcomes data on these various different types of credentials. That also influences and causes barriers in many ways.

Sarah — Really great comments. We talk so much in terms of non-credit and credit or credit-free or whatever. Corporate doesn't care about that. The student does not care about that. That is our own contrivance within higher education—nobody else cares about it but us. So why do we care about it so much? It overly complicates that there's a student or an industry in your community that needs your help and you have to spend so much of your time navigating all of this. I'm trying to do something with a group in this community and because of a rule, I've wasted eight months and that corporate partner is like "Bye-bye"—and I don't blame them. We need to move into more of a model of it's in and out of education as you need it—whether it's credit-bearing or not is not important. Because if they take a little chunk, you always want them to have the pathway to get to that full degree. We know the people in the pandemic who fared better or people like us who had higher-level degrees, all fared better; the statistics are there. So we're not going to throw away getting a higher level of education because we know that's important. But it has to be in a manageable chunk that makes sense to our audience.

Board member — And being learner-centric, there's no question about that. And there are different learners who have different needs.

Board member — Thank you for the presentation panel and this conversation. I loved what Mary Beth was saying about what's going on in Minnesota because we worked with Minnesota, Michigan, and Arkansas to begin to try to map out the state funding streams in each of the states that were going to support shorter term non-degree credentials. In Minnesota's case, as Mary Beth described, there are so many options for folks to get access to funding. It's overwhelming to people who actually understand the system—as everybody is saying. One of the things that might be helpful is for us to think about how to do something that helps us understand what the learner and student experience is with navigating any of this in a state or two and figuring out whether or not their experience also

impacts outcomes and for which students and workers. I don't think policymakers have heard a strong enough case. They're hearing we need to invest more, but there's also investing differently—and making it easier for people to access these funds, whether they're coming from SNAP, ENT, WIOA or financial short-term Pell. I think we need to connect the dots between the funding available and how students do or don't access it effectively. And then the role of the institutional leaders in this: their ability, knowledge and the experience of helping folks connect any of this stuff, that's all phenomenal. But again, there's no sustainable funding. So we need to make a case for that as well—show the relationship between success, the role of the data, and information the navigators, but also the impact that these cumbersome systems are having on the learner.

Board member — I would like to add, and it has to do with what we should do as Credential As You Go Board, the idea of a sociological model that uses student interviews to identify barriers. Writing a paper probably isn't going to be that effective, but if we can add a research paper that deals with reality of barriers to students across many, many systems and demonstrate that and show the themes, that would be much more powerful.



**Kirk
Knestis**

*Credential As You
Go Researcher*

Kirk Knestis (Credential As You Go Researcher) — What I heard from focus group participants last winter about this time, and there's been a lot of conversation today about funding, was how to generate the finances to afford these opportunities. One of the things that popped up on various occasions were influences on the prices that learners would be expected to pay that then impact how much money's got to be secured. Fees have come up, external fees like for industry certifications and so forth. But there were also hints about some perverse incentives in the case where an employer might be subsidizing a particular program at a particular institution. If that program is available, a certificate program is available for somebody else who's not employed, but the barrier to entry might be higher because the price is reflective of the subsidy that's included in this. So I wonder about other influences on the price that gets paid for the credits or for the non-credit enrollments that add up to these new credentials.



**Melissa
Goldberg**

*Credential As You
Go Team*

Melissa Goldberg (Credential As You Go Team) — Are there are issues in Canada like in the U.S.?

Board member — I find this conversation fascinating because of some of the differences. There's the same complexity in navigating. I'm actually working on a report right now and was just citing some of the research that's come up today about how different the context is in the states in terms of the non-completion problem and maybe the skepticism about the value of a traditional degree. But we have the same struggles in Canada and in the research being discussed here. I'm more curious to reach the people who decided not to pursue the credential and figure out why the people who are getting to someone like Sarah, they're overcoming certain barriers even to get to that point. So what are those barriers? Even though the price tag might be a bit lower in Canada, so there's slightly less of a barrier in that sense, there's still the same informational barriers about how to get started, what you're eligible for. We have federal grants and loans, and provincial grants and loans. We have opportunities through the institutions themselves. And as a researcher, I find it difficult to navigate—and it's my job to do that. So I am struck that for an adult learner trying to get through all these things, it would be so helpful to inventory all these things for people. But at the same time, how stable is that document going to be? Because, at least in my province in Ontario, with each government the name of the grant changes, the criteria change. It's just kind of a constantly evolving issue.

Holly — Are industry certifications increasingly relevant in Canada as they are in the U.S.?

Board member — I'm not sure. There are a lot in our system, we have our universities and our colleges. The colleges tend to be more directly working with employers, and they do develop a lot of industry-aligned programming. We are seeing a lot of right now of that because our government has injected a lot of funding like microcredentials that are industry-aligned and things like that.

Board member — I've worked with the Canada Standards Association. Also, industry certifications are much more relevant in the United States than in Canada. But a lot of the U.S. credentials go across the border and are aligned with some of the degrees like project management, cybersecurity,

a lot of the generic across-industry type of certifications. But Canada does not generate as many industry certifications as the U.S., which supposedly has 8,000 different certification agencies.

Board member — Canada definitely doesn't have 8,000.

Holly — The panel mentioned technology to help with the communications issues in finance navigation. What are your ideas about using humans and AI for navigation? Is there room for both? And Sarah, you indicated it took you several years to really get on top of everything. Can we use AI to go faster for professionals to learn the various funding options? How is anyone going to be expert if it takes that long to understand the funding world?

Sarah — I remember tech solutions before it was called AI. There was *benefits.gov*. I think that was a federal site where you could pop in your client's information and they would bump out, "OK, you might qualify for X, Y, Z suite of support services." I used that when I first became a case manager. I realized there was all of this information out there I could have accessed and it would've made my life so much easier when I was a working learner trying to find my way through the system. But I had no idea about it. There should be within our training modalities some tools, for when new people come online that are working with us. We have three new staff working with us now. It's my job to make sure that they understand how to do this work. I am wondering if a tech platform of some kind could help to at least spit out a range of services that are there, and then the person can come in and receive various contacts to pursue those. At least we might use AI first, because AI can update faster than we can.

Board member — There's a collective platform in Ontario, our application service, working on using AI to direct students applying to college to a centralized service. They're working to try to look at what others have pursued, determine patterns, e.g., if others pursued a similar program and also looked into X, Y, Z. So this might emerge as a small way to help get information to people using tech.

Melissa — Thank you all for today's discussion and input. We'll be sharing what we have learned in various formats going forward.

Additional Information from Preparatory Discussions

Becky — One of our findings is that we need policy resets. People with prior experience with higher education like adult learners who are returning, who may have taken out loans, used Pell, etc., are not fitting in well with the policy-driven finance options in place. There are many gaps in what finance options are available to this group. WIOA can cover a lot of the training, how to streamline from noncredit to credit, for example. Some finance options are working well for some populations and not others. Some students may have received poor advice from financial advisors. Students need to hear it's OK to ask questions.

On the employer side, there is growing attention to an older tool discussed widely among states and nationally decades ago—Lifelong Learning Accounts (LILAs)—though only a few states like Washington moved into that space. The LILAs developed a three-legged-stool approach to finance, where states and employers put funds into an account that would stay with the student or learners, who also put in funds, and then that fund could be used at the learner's choice over a lifetime.

There are many employer tuition assistance programs—referred to as TAPS—as well. But sometimes employees do not know about them, or the employer will only permit the employee to participate in some programs, like degree programs, but not short-term programs. So there is a lot to understand about whether employer-assisted financing has kept up with the larger credentialing changes going on around us.

Furthermore, employer commitment to training—upskilling and reskilling—is increasingly confused within the incremental credentialing discussions we've seen.

It is clear that we need to think about new methods of financing postsecondary education and workforce. People are starting to talk more about options coming from outside the public system, especially how to leverage more private sector financing.

Folks new to workforce might have a lot of options; others who have been to college before and are coming back might have fewer. There are a lot of “it depends,” a lot of variables.

Mary Beth

Mary Beth — States offer different initiatives that can be used in high-demand workforce areas and apply toward tuition. But we don’t make it clear to students they can use this for credit for prior learning.

Campuses can apply some funds for state-level programs (work-based training/learning), like students taking professional certifications. But it is still such a hodgepodge. Finance options depend on who you are talking about.

Folks new to workforce might have a lot of options; others who have been to college before and are coming back might have fewer. There are a lot of “it depends,” a lot of variables. That’s where a map would be great. A map that would show, “If you are X, here is what is available. If you are Y, here is what is available.”

Dustin — We have learned we have to be cautious on some private sector finance options—with shady finance schemes that have developed in the past.

Overall discussion — We should also think about the funding options from military reimbursements. They provide funds for prior learning assessments and cover costs for “navigators” (this is especially important for military/veterans).

Julie — What are ways to collect approaches to financing incremental credentials (collectively and centrally) to inform the Credential As You Go Network? Are there other groups that are working in this space that Credential As You Go should try to collaborate with—to pull information that would be helpful to our networks? If so, who is working on this? As example, my organization, HLA, does pull together information on Title IV change needs, and we have mounted the Today’s Student Coalition to put finance issues front and center.

Holly — What about new finance options: interest-free loans and outcomes-based loans? There’s a growing need to assist learners to finance their training programs, and for providers of training to offer wraparound services to improve the quality of their programs. These wraparound services are substantially raising the cost of delivering training programs and often require a lot of up-front capital. Examples are career and mental health counseling, child care, stipends to cover lost work hours, intensive mentoring, relationship-building activities. To help meet the costs, some entities such as investment alliances and state governments (including New Jersey and Colorado) are offering funding to learners and/or providers. The nonprofit Social Finance is one example. Their investment approach has developed two types of interest-free tools: outcomes-based loans and interest-free loans. These are often thought of as “pay it forward funds.” Are we going to see spread of tools like this?

Related Articles on Financing Options from the Learn & Work Ecosystem Library

Learn & Work Ecosystem Library

Those working to improve the learn-and-work ecosystem need accurate and timely information. Unfortunately, information is too often siloed and difficult to access and synthesize. The wiki-model [Learn & Work Ecosystem Library](#), launched in December 2022, is designed to make information about the ecosystem easier to find and use. It will maximize reach for those who require information (historical, recent, and curated) as they work to improve the system.

The Library collects, curates, and coordinates resources around 12 key components (building blocks) of the learn-and-work ecosystem: Alliances & Intermediaries; Career Navigation; Communications & Technology; Credentials & Providers; Data, Databases, Standards (Data Ecosystem); Employers & Workforce; International Developments; Policy; Quality & Value; Research; Transparency; and Verification/Recordkeeping.

Key Features and Types of Content at the Library
Glossary of key terms
Index of Library artifacts
Key components of the ecosystem
Topics of importance within the components of the ecosystem
Initiatives working to improve the learn-and-work ecosystem
Topics of importance within the components of the ecosystem
Initiatives working to improve the learn-and-work ecosystem
Organizations (alliances, partnerships) working to serve and improve the ecosystem.
Relational maps depict how a topic, initiative, or organization that is searched relates to glossary terms, other topics, other initiatives, other organizations, and key components of the learn-and-work ecosystem
Translation option for multilingual users
Digital accessibility consideration for images and screen readers
Archive of historical documents
Newsroom containing articles, blogs, reports, and other documents
The Library uses a wiki model to enable continual updating by the community of users. Users may submit wiki forms requesting revisions in content and submissions of new entries
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Related Articles at the Library on Financing Options

Several articles on financing options related to incremental credentialing are available at the [Learn & Work Ecosystem Library](#)¹. They are listed here, along with the Library category in which they appear.

- [Adult Learners: Second-chance Options, Accelerated Options](#) (Topic)
- [College-in-Prison Programs](#) (Initiative)
- [Education Finance Council](#) (Organization)
- [Employer Tuition Assistance Program / Employee Tuition Reimbursement – Finance](#) (Topic)
- [Employer Tuition Assistance Program / Employee Tuition Reimbursement – Finance](#) (Glossary Term)
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- [GradPLUS loans / Finance Option](#) (Topic)
- [Income Sharing Agreements \(ISA\)](#) (Topic)
- [Interest-Free \(Zero-Interest\) Loans](#) (Glossary Term)
- [New Finance Options: Interest-free Loans & Outcomes-based Loans](#) (Topic)
- [ParentPLUS Loans / Finance Option](#) (Topic)
- [Pell Grant](#) (Glossary Term)
- [Pell, Short Term Pell, Workforce Pell](#) (Topic)
- [Prisons As A Credential Provider](#) (Topic)
- [Short-term Credentials, Short-term Training](#) (Topic)
- [Social Finance](#) (Organization)
- [WIOA Workforce Programs](#) (Initiative)

¹ Also see: How They Pay: The Voices of Adult Learners on College Affordability, and How Institutions Are Responding. <https://www.cael.org/how-they-pay-report>

