

<b>TRAINING AND EMPLOYMENT NOTICE</b>	<b>NO.</b> 25-19
	<b>DATE</b> June 8, 2020

**TO:** STATE AND LOCAL STAKEHOLDERS IN THE WORKFORCE  
 INNOVATION AND OPPORTUNITY ACT  
 STATE WORKFORCE AGENCIES  
 STATE WORKFORCE ADMINISTRATORS  
 STATE WORKFORCE LIAISONS  
 H-1B JOB TRAINING PROGRAM GRANTEES  
 INDIAN AND NATIVE AMERICAN (INA) PROGRAM GRANTEES  
 NATIONAL FARMWORKER JOBS PROGRAM GRANTEES  
 NATIONAL DISLOCATED WORKER GRANTEES  
 STATE DIRECTORS, OFFICE OF APPRENTICESHIP  
 STATE APPRENTICESHIP AGENCIES  
 REENTRY EMPLOYMENT OPPORTUNITIES (REO) GRANTEES  
 SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM  
 (SCSEP) GRANTEES  
 TRADE ADJUSTMENT ASSISTANCE (TAA) LEADS  
 YOUTHBUILD GRANTEES

**FROM:** JOHN P. PALLASCH /s/  
 Assistant Secretary

**SUBJECT:** Understanding Postsecondary Credentials in the Public Workforce System

1. **Purpose.** The information in this notice is intended to assist the public workforce system in better understanding the key elements of credentials and identifying credentials that help individuals acquire and leverage the skills needed for quality in-demand jobs that meet the needs of the business community.
2. **Action Requested.** Employment and training grantees should share this notice with staff and federal, state and local workforce partners to assist job seekers and businesses identify, select, and promote appropriate credentials.
3. **Summary and Background.**
  - a. Summary –This notice complements Training and Employment Guidance Letter (TEGL) 10-16, Change 1, *Performance Accountability Guidance for Workforce Innovation and Opportunity Act (WIOA) Title I, Title II, Title III and Title IV Core Programs* and TEGL 14-18 *Aligning Performance Accountability Reporting, Definitions, and Policies Across Workforce Employment and Training Programs Administered by the U.S. Department of Labor (DOL)*, which provide policy guidance on credentials and reporting credential attainment. TEGL 15-10 *Increasing Credential, Degree, and Certificate Attainment by Participants of the*

*Public Workforce System*, has been superseded by TEGL 10-16, Change 1 and TEGL 14-18.

- b. Background – As part of WIOA, State and local workforce development boards (WDBs) and other DOL programs using WIOA performance indicators to evaluate their performance are charged with increasing credential attainment among jobseekers. Businesses are also increasingly focused on identifying credentials that will indicate workers have the skills they are seeking; however, new credentials are continually being developed and offered. This TEN seeks to provide up-to-date information on various types of credentials, attributes of high quality credentials, and ways the public workforce system can expand the use of credentials to meet America’s workforce needs.

#### **4. The Value of Credentials in Supporting a Workforce Talent Pipeline.**

- a. Businesses are looking to hire workers with relevant skill sets and postsecondary credentials can assist in identifying qualified workers, upskilling their current workforce, and helping them better compete in the marketplace. For job seekers, obtaining credentials can improve their employability by documenting the skills and competencies they bring to an employer, and can lead to higher earnings, greater advancement opportunities, and enhanced job security.

Evidence shows that education and training beyond high school increases jobseekers’ ability to attain family-supporting wages in today’s economy, and well-paying jobs in high-demand industries generally require some form of postsecondary education or training. The earnings gains that accompany postsecondary credentials are well established.<sup>1</sup> A report from the Georgetown University Center on Education and the Workforce also found earnings differentials for certain credentials:

*On average, certificate holders earn 20 percent more than high school graduates without any postsecondary education. However, the economic returns vary according to: the certificate holder’s field of study, whether the certificate holder works in field...For example, 44 percent of certificate holders work in field. Certificate holders who work in field earn 37 percent more than those who work out of field. On average, a certificate holder who works in field earns nearly as much as the median associate’s degree holder – only 4 percent less.<sup>2</sup>*

For many job seekers, certificates or certifications which can be earned in as little as six months to two years, offer viable alternatives to more lengthy and costly undergraduate degrees. These certificates and certifications can be valuable to

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<sup>1</sup> Bureau of Labor Statistics, <https://www.bls.gov/emp/chart-unemployment-earnings-education>.

<sup>2</sup> Carnevale, Anthony P. *et al.* 2012. Certificates: Gateway to Gainful Employment and College Degrees. Georgetown University, Center on Education and the Workforce, page 4.

diverse populations including young adults entering the labor market, adults updating their skills to change careers, individuals with barriers to employment, or those who find the cost of an undergraduate degree prohibitive.

WIOA reinforces the workforce system's role in facilitating access to training options that help workers advance along a career pathway within a specific sector or occupational field. As all workforce development activities occur within the context of a regional labor market and its businesses, a well-designed career pathway leads to the attainment of stackable and portable credentials that are recognized by businesses and used in hiring decisions. Successful career pathway frameworks include: 1) strong partnerships with businesses of all sizes in the identification of skill gaps and the development of high-quality training programs, 2) strong coordination with other public agencies, including education, economic development, and human services, to effectively leverage public resources aimed at increasing the skills of American workers, and 3) thorough analysis of labor market information on industry staffing patterns and in-demand occupations and the related occupational or technical training credentials that will provide workers with greater employability. **ProTip:** *Technical assistance about career pathways programs and how to implement a successful framework is available on WorkforceGPS in the Career Pathways Community of Practice at: <https://careerpathways.workforcegps.org>.*

## 5. The Role of the Public Workforce System in Credential Attainment.

- a. The public workforce system has a vital role to play in developing a skilled workforce that meets the needs of business; and credentials can play an important role in this endeavor. A strong workforce development strategy should offer training that provides the skills needed for in-demand jobs and leads to credentials that attest to an individual's skills and competencies. Such credentials can serve as an important signal to businesses that they are hiring qualified individuals. It is important to conduct a thorough assessment of a candidate's basic and occupational skills and provide services that support the successful completion of postsecondary credentials. **ProTip:** *Integrated education and training (IET) programs provide basic skills instruction contextually and concurrently with workforce preparation and occupational training for a specific occupation or occupational cluster. Partnerships with adult education programs can effectively establish IET programs that meet regional needs and provide pathways to educational and career advancement.*

However, identifying all the relevant credentials in a local area may be challenging. Credential Engine (<https://credentialengine.org>), for example, has identified hundreds of thousands of different credentials available in the U.S. from certificates to degrees, certifications to licenses; and yet new credentials emerge regularly. It can be challenging for jobseekers, workers, and workforce professionals to identify which credentials and which training programs are the best fit. Employment and training grantees will need to consider local economic conditions, local employer need, and the skill gaps in the local workforce, which

also change over time. **ProTip:** *The information in Attachment I can help establish guidelines for identifying relevant credentials.*

Employment and training grantees should identify and regularly review valuable credentials that meet the needs of the local economy. While many credentials are valuable in many economic areas, grantees should analyze local labor market information and job postings data and consult with local employers to validate which credentials are valuable. Some basic issues to consider when selecting credentials to address local workforce skill needs include:

- **What type of credential is it?** (Associate's degree, occupational license or certificate, or a career and technical education certificate, for example)
  - If the credential is a *certification* has it been endorsed by a relevant industry association, or been accredited?
- **What type of organization is offering the credential?**
  - If it is offered by an educational institution, is the institution accredited?
  - Is the training provider offering the credential included on the WIOA Eligible Training Provider (ETP) list?
- **Is the credential valued by industry?**
  - Is the credential endorsed by an industry or professional association?
  - Do employers prefer job seekers who have earned the credential?
- **Does the credential result in occupational or technical skills that prepare for entry into or advancement in an occupation?**
  - WIOA funds can be used to provide training for credentials attesting to general skills such as work readiness, hygiene or safety, but credentials can only be counted toward recognized postsecondary credential attainment if they prepare a person with the competencies required to perform a specific occupation.
  - Is the credential cost-effective, readily available, and can it be completed in a reasonably short period of time?
- **Is there evidence that the credential leads to positive employment outcomes and earnings?**
  - Performance data that is reported under WIOA for ETP may provide relevant information regarding credential attainment and/or other outcomes.
- **Is the credential portable to other employers or other geographic areas?**
  - While state occupational licenses may not always be portable to other states, they still have high value as they are typically required to obtain employment in the licensed occupation.

An important element in identifying appropriate credentials is learning what competencies and/or credentials businesses need. Some employers may be very clear on their needs for specific credentials; however, others may need assistance in tying the competencies they are seeking to a particular credential. Workforce boards are particularly well-positioned to convene diverse stakeholders, including local community colleges, to identify which credentials may be of greatest value to the local/regional economy, and that will meet the skill needs of employers.

State and local WDBs can incorporate credential attainment strategies in their state and local plans, local sector strategies, and career pathway models. For example, the State of Florida publishes three lists of high-quality, in-demand industry certifications that have been vetted by the state education and workforce agencies for various purposes related to career and technical education, academic credit, and state reimbursement criteria that includes demonstrated demand from businesses in the state, among others.<sup>3</sup>

Effective credit for prior learning policies can shorten the time it takes to earn meaningful credentials. Credit for prior learning has been particularly helpful for adult workers who already have work experience and need to reskill or upskill quickly. Attachment II includes a brief summary of “credit for prior learning” and available resources.

6. **Inquiries.** Questions regarding postsecondary credentials and credential attainment should be directed to the appropriate ETA Regional Office, or to the Office of Workforce Investment ([DOL.WIOA@dol.gov](mailto:DOL.WIOA@dol.gov)).
7. **References.** See Attachment IV.
8. **Attachments.**
  - Attachment I: Credential Resources
  - Attachment II: Credit for Prior Learning
  - Attachment III: Some Models of Existing Industry-Recognized Stackable Credentials
  - Attachment IV: References

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<sup>3</sup> Prebil, Michael and Mary Alice McCarthy. September 2018. Building Better Degrees Using Industry Certifications: Lessons from the Field. New America Foundation.  
<https://www.newamerica.org/education-policy/reports/building-better-degrees-using-industry-certifications/>.