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ADVISORY: **TRAINING AND EMPLOYMENT GUIDANCE LETTER NO.** 5-13

TO: ALL SECTION 166 INDIAN AND NATIVE AMERICAN GRANTEES

FROM: ERIC M. SELEZNOW
Acting Assistant Secretary

SUBJECT: Pilot Study on Credential, Degree and Certificate Attainment by Participants of the Native American, Section 166, Workforce Investment Act (WIA) Adult Program

1. **Purpose.** To notify WIA Section 166 Indian and Native American (INA) grantees of a pilot study on credentials[1] received by participants of the Native American Employment and Training program and to provide guidance on how to define a credential. The pilot study will be for one year, from July 1, 2013, through June 30, 2014. All grantees will be included in the pilot study, however, no additional information will be required from grantees as the data will be obtained from the Standard Participant Information Record (SPIR) file that grantees already submit every quarter. Upon completion of the study, the Employment and Training Administration (ETA) – in consultation with the Secretary of Labor's (Secretary) Native American Employment and Training Council (NAETC) – will establish a "credential goal" for the Native American, Section 166 program. The purpose of the credential goal will be to promote increases in training that lead to the attainment of industry recognized credentials and employment. The credential goal will be in addition to the existing three performance measures for the Native American program (entered employment, employment retention and average earnings).

2. **References.**

   - Section 166 of WIA located at: http://www.doleta.gov/dinap/cfml/wiapage.cfm;
   - Regulations implementing the WIA Section 166 Indian and Native American Program located at: http://www.doleta.gov/dinap/cfml/wiapage.cfm;
   - TEGL 15-10, *Increasing Credential, Degree, and Certificate Attainment by Participants of the Public Workforce System*, located at: http://wdr.doleta.gov/directives/attach/TEGL15-10acc.pdf;

[1] For the purposes of this TEGL, "credential" is an umbrella term that encompasses educational certificates or degrees, occupational licenses, Registered Apprenticeship, and industry-recognized certifications. A definition is provided later in this document.

RESCISSIONS None	EXPIRATION DATE Continuing

- TEN 49-11, *Reporting on Attainment of Industry Recognized Credentials*, located at: http://wdr.doleta.gov/directives/attach/TEN/TEN_49_11.pdf; and
- Career Pathways Initiative: https://learnwork.workforce3one.org/.

3. **Background.** President Barack Obama has promoted a vision to have the United States lead the world in the percentage of Americans with postsecondary degrees and industry-recognized credentials. To help advance this goal, ETA has identified the attainment of credentials by participants of the public workforce system as a High Priority Performance Goal and affirmed this commitment in TEN 49-11.

   According to recent statistics, 23.4 percent of American Indians and Alaska Natives ages 25 and over did not complete high school[2] compared to 14.9 percent of the general U.S. population.[3] Only 13.1 percent of American Indians and Alaska Natives have at least a bachelor's degree,[4] which is less than half the rate of the general U.S. population.[5]

   Educational attainment varies by place of residence, with particular subpopulations demonstrating even lower levels of educational attainment than the broader Native American population. For example, American Indians living in American Indian Areas[6] and Alaska Natives living in Alaska Native Statistical Village Areas were more likely to have dropped out of high school and less likely to have completed some college or additional education when compared to their counterparts living outside those areas.[7]

   Native Hawaiians show fewer disparities in educational attainment than American Indians and Alaska Natives. They have a high school graduation rate of 85.9 percent, which is comparable to that of the total population.[8] However, their achievement levels lag behind that of the general U.S. population at higher education levels, with only 14.4 percent completing a bachelor's degree, compared to 29.3 percent of whites.[9]

   Given the well-known positive relationship between earnings and level of education, the economic value of obtaining a credential is clear. For example, recent government statistics show that those whose highest level of education is a high school diploma or GED, earned a

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[2] Table DP02, Selected Social Characteristics in the United States, U.S. Census Bureau, 2006-2010 American Community Survey American Indian and Alaska Native Tables.

[3] Table S1501, Educational Attainment, 2006 -2010 American Community Survey 5-Year Estimates.

[4] Table DP02, Selected Social Characteristics in the United States, U.S. Census Bureau, 2006-2010 American Community Survey American Indian and Alaska Native Tables.

[5] Table S1501, Educational Attainment, 2006 -2010 American Community Survey 5-Year Estimates.

[6] Includes Federal reservations and/or off reservation trust lands, Oklahoma tribal statistic areas, tribal designated statistical areas, state reservations, and state designated American Indian statistical areas.

[7] Table DP02, Selected Social Characteristics in the United States, U.S. Census Bureau, 2006-2010 American Community Survey.

[8] Ibid.

[9] Table DP02, Selected Social Characteristics in the United States, U.S. Census Bureau, 2006-2010 American Community Survey Selected Population Tables.

median annual income of $35,035, in comparison to the $42,419 earned by those with an Associate's Degree and $55,865 earned by those with a Bachelor's Degree.[10] Even certificates that can be earned in less than two years can have strong payoffs in the labor market, with one study showing a 20 percent earnings increase after workers obtained an occupational certificate through one year of postsecondary study.[11] Another study showed that participants completing a Registered Apprenticeship program earned an average of $240,037 more over the course of their career than similar non-apprentices.[12] Moreover, projections are that nearly half of all new jobs created from 2008 to 2018 will require a postsecondary vocational award or degree,[13] and that the United States will not have enough credentialed workers to meet employers' demands in the coming decade.[14]

In addition, the NAETC and Section 166 grantee community recommended to the former Secretary of Labor the need and importance of providing an enhanced mechanism for INA grantees to report on educational attainments, which the community asserts is a significant investment of its training dollars. The NAETC believes it is important for the workforce system and key stakeholders to acknowledge this investment. The credential goal will recognize grantees for the substantial amount of training services they provide, which is not reflected in the current employment related measures.

The study will: (a) identify any challenges that grantees currently have in recording and reporting the attainment of credentials in the current Bear Tracks management information system; (b) recommend changes to Bear Tracks to allow more accurate recording and reporting of credentials; and (c) provide preliminary estimates of the number (and percentage) of individuals who attain a credential at both the grantee and national level. ETA will conduct webinars to provide training on how to improve such attainments.

4. **Definition of a Credential.** Within the context of workforce development generally, the term credential refers to an attestation of qualification or competence issued to an individual by a third party (such as an educational institution or an industry or occupational certifying organization) with the relevant authority or competence to issue such a credential. A credential is awarded in recognition of an individual's attainment of measurable technical or occupational skills necessary to obtain employment or advance within an occupation. These technical or

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[10] Source: U.S. Census Bureau, Current Population Survey, 2011 Annual Social and Economic Supplement, PINC-03. Educational Attainment--People 25 Years Old and Over, by Total Money Earnings in 2010, Work Experience in 2010, Age, Race, Hispanic Origin, and Sex.

[11] Kazis, Richard. Community Colleges and Low Income Populations: A Background Paper. Jobs for the Future, Boston, 2002, p. 15.

[12] Mathematica Policy Research. July 25, 2012, An Effectiveness Assessment and Cost-Benefit Analysis of Registered Apprenticeship in 10 States.

[13] Lacey, T. Alan and Benjamin Wright. 2010. Employment Outlook, 2008-2018: Occupational Employment Projections to 2018. Bureau of Labor Statistics. Available at: http://www.bls.gov/opub/mlr/2009/11/art5full.pdf.

[14] Prince, Heath and Vickie Choitz. 2012. The Credential Differential: The Public Return to Increasing Postsecondary Credential Attainment. Center for Law and Social Policy. Available at: http://www.clasp.org/admin/site/publications/files/Full-Paper-The-Credential-Differential.pdf

occupational skills are generally based on standards developed or endorsed by employers. Certificates awarded by Native American grantees or by state and local workforce investment boards are not included in this definition, nor are work readiness certificates because neither of them document "measurable technical or occupational skills necessary to gain employment or advance within an occupation." See TEGL 15-10 (December 15, 2010), page 6.

Examples of credentials include:

- Educational Diplomas (such as high school diplomas or State recognized equivalent), GEDs, and Certificates (typically for one academic year or less of study);
- Educational Degrees, such as an associate's (2-year) or bachelor's (4-year) degree or higher degree;
- Registered Apprenticeship Certificate;
- Occupational Licenses (typically, but not always, awarded by state government agencies; gaming licenses for occupations in tribal casinos would also fall in this category);
- Industry-recognized or professional association certifications, also known as personnel certifications; and
- Other certificates of skills completion.

A variety of different public and private entities issue credentials. Below is a list of types of organizations and institutions that award industry-recognized credentials.

- A state educational agency or a state agency responsible for administering vocational and technical education within a state.

- An institution of higher education described in Section 102 of the Higher Education Act (20 USC 1002) that is qualified to participate in the student financial assistance programs authorized by Title IV of that Act. This includes community colleges, proprietary schools, and all other institutions of higher education that are eligible to participate in Federal student financial aid programs.

- An institution of higher education which is formally controlled, or has been formally sanctioned or chartered, by the governing body of an Indian tribe or tribes - also known as tribal colleges.

- A professional, industry, or employer organization (e.g., National Institute for Automotive Service Excellence certification, or a National Institute for Metalworking Skills, Inc., Machining Level I credential) or a product manufacturer or developer (e.g., Microsoft Certified Database Administrator, Certified Novell Engineer, or a Sun Certified Java Programmer) using a valid and reliable assessment of an individual's knowledge, skills and abilities.

- ETA's Office of Apprenticeship or a State Apprenticeship Agency.

- A public regulatory agency, upon an individual's fulfillment of educational, work experience, or skill requirements that are legally necessary for an individual to use an occupational or professional title or to practice an occupation or profession (e.g., Federal Aviation Administration aviation mechanic license, or a state licensed asbestos inspector).

- A program that has been approved by the Department of Veterans Affairs to offer education benefits to veterans and other eligible persons.

- Job Corps centers that issue certificates.

For further information about the various types of credentials, consult TEGL 15-10.

5. **Basic Criteria for Identifying a Credential.** There are many types of credentials awarded by various organizations, educational institutions and employers, and most – if not all - industry sectors have accreditations that are specific to their industries. Therefore, it is not possible to provide a complete listing of all allowable credentials that a WIA participant may receive. However, for a participant to be deemed to have attained a credential, an attestation of the individual's qualification or competence must be issued by a credentialing authority (such as an educational institution, state agency, or industry or occupational certifying organization) in recognition of an individual's attainment of measurable technical or occupational skills developed or endorsed by employers.

6. **Tools for Identifying Credentials**. Listed below are useful on-line tools for identifying a credential.

   - The CareerOneStop Web site provides a "Certification Finder" tool that allows users to search for various certifications. The certification finder is located at: http://www.careeronestop.org/EducationTraining/Find/Certification.aspx. If a particular certification is not found on the certification finder it can still be counted as a certification as long as it meets the basic criteria indicated in four through five above.
   - Two-year colleges offer short-term training programs. These programs can be one semester long or up to two years in length. After completing a program, a certificate of completion generally is issued. The CareerOneStop Web site provides a "Short Term Training Finder" located at: http://www.careeronestop.org/EducationTraining/Find/Short-TermTraining.aspx.
   - The Department of Education provides a search tool to find accredited institutions. The Web site is located at: http://ope.ed.gov/accreditation/Search.aspx.

7. **Calculating the Credential Rate.** For purposes of the pilot, ETA will calculate the credential rate by dividing the number of exiters who attain a credential by all program exiters (see illustration below).

Illustration of the Credential Rate Calculation

$$\frac{\text{Number of exiters that attained a credential}}{\text{Total number of exiters}}$$

Note that the base for this rate is different than the Secretary's High Priority Performance Goal for State workforce agencies. Whereas State workforce agencies only include exiters who participated in a training activity in the base, the credential goal for the Native American, 166 program will include *all* exiters. Calculating the rate in this way serves to acknowledge the value of both increasing the number of individuals placed in training and increasing the number of individuals who obtain a credential from among those who train. Specifically, under this methodology a grantee could achieve exceptionally high performance on the credential rate only if it advanced two goals, consistent with the ETA's High Priority Performance Goals:

1. Place appreciable numbers of participants into training; and
2. Work to ensure that high proportions of trainees attain a credential.

Using all exiters as the base of the rate ensures that a credential rate could be measured for all or most INA grantees.

An alternative of using only trainees in the base of the measure was considered. However, this alternative suffers from three deficiencies:

- It does not explicitly advance ETA's goal of encouraging grantees to place appreciable numbers of participants into training.
- It would permit grantees to achieve high credential attainment rates even if very few of the grantee's participants received a credential. If the base of the rate counted only trainees, a grantee could place very few of its participants into training and still achieve a high credential attainment rate; however, using the alternative methodology, the grantee's credential rate could approach 100 percent, even if very few credentials were awarded.
- The alternative methodology would cause the credential rate to be volatile or undefined for many INA grantees that currently place very few participants into training. This is because small sample sizes are less reliable and subject to more volatility than large sample sizes. As an example, 38 percent of INA grantees placed five or fewer exiters into training based on data from the program's SPIR on participants who exited the program from July 1, 2011, to June 30, 2012. For these grantees, the alternative specification of the credential attainment rate could be highly volatile, changing from year to year based on the experiences of just a few of the grantee's trainees.

In light of the advantages of defining the credential rate using all exiters in the base, and the strong disadvantages of defining this rate using only trainees in the base, ETA will define the credential rate using all exiters in the base of the rate for this pilot.

8. **Expected Outcomes of the Pilot.** Using the most recent SPIR data, staff in ETA's Division of Indian and Native American Programs (DINAP) calculated the credential rate for Program Year (PY) 2010 and PY 2011 as 6.2 percent and 6.4 percent, respectively. While these percentages seem low, it is important to remember that: (a) the rate is calculated based on all exiters, including those exiters that were not placed in an activity that would result in a credential (e.g. work experience participants) and had no interest in attaining a credential, and that (b) the eligibility requirements of the Native American employment and training program are designed for the "hard-to-serve" individuals and therefore, it is a significant achievement when participants of the program attain a credential. Furthermore, DINAP's staff are concerned that the attainment of credentials as it is currently being reported in the SPIR may understate the true incidence of credential attainment. The pilot study is designed to identify if and why underreporting occurs and to recommend modifications to Bear Tracks that will promote more accurate reporting.

   Upon completion of the pilot study, the DINAP – in consultation with the Secretary's NAETC– will state what the credential goal for the program will be. An example is provided below of figures showing an increase from a 6.4 percent credential attainment rate (which was the actual credential rate for PY 2011) to a hypothetical goal of 10 percent.

GRANT_NUMBER	Exiters	Entered[15] Training	Attained Credential	% Entered Training	% Attained Credential
PY 2011 Actual	8,299	3,126	531	37.7%	6.4%
10% Goal	8,299	3,500	830	42.2%	10.0%

9. **Collecting Credential Information in the Bear Tracks Software.** As indicated above, the credential rate would be calculated by dividing the number of exiters who attain a credential at the time of program exit by all program exiters. This information is calculated in Bear Tracks as follows:

   1. Numerator: Of the exiters in Bear Tracks for the performance period, those individuals that have attained a credential as indicated in the "Attainment of Degree / Certificate" pull down menu on the "Outcomes / Follow-Up" tab.
   2. Denominator: All exiters for the performance period in Bear Tracks.

[15] Individuals counted as Entered Training included training activities that typically do not lead to a credential attainment such as on-the-job training and job readiness training. However when the credential rate is fully implemented, the Bear Tracks software will be revised to only include training that will lead to a credential such as occupational skills training or adult basic education training.

The current version of the Bear Tracks software can calculate the credential rate as defined above. However, during the pilot period, the DINAP – in consultation with the Advisory Council's Information Technology and Reporting workgroup – will be working to revise the Bear Tracks software to improve the accuracy of training-related data and allow grantees to add a training credential while participants are still active.

10. **Action Required.** WIA Section 166 INA grantees are encouraged to engage in the pilot study by participating in upcoming webinars on the credential attainment goal. The DINAP provided training on the credential goal at the 34th National Indian and Native American Employment and Training Conference in Acme, Michigan, April 28 – May 3, 2013, and will provide continuous training throughout PY 2013.

11. **Inquiries.** Please direct questions to your designated Federal Project Officer provided below.

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