

Higher Education Certificate Programs

Legislative Program Review and
Investigations Committee

October 1, 2014

Presentation Overview

- Study scope
- Certificate definition
- Benefits
- Trend data
- Federal oversight
- State agencies
- Next steps

Study Scope

- Focus
 - Postsecondary sub-baccalaureate certificate program effectiveness in meeting workforce demands
- Areas of Analysis
 - Develop inventory and compare characteristics
 - Community college outcomes
 - Assess supply and demand
 - State comparisons
 - Identify barriers

Certificate Definition

- Definitions vary, no official definition
- Shorter-term postsecondary credential, below bachelor's degree, focuses on job-specific skills or knowledge
 - Awarded by educational institutions or other training providers
 - Credit or noncredit
 - Typically awarded for life

Certificate Definition

- Differs from:
 - Professional certification
 - Demonstration of designated skills, knowledge, ability
 - Awarded by certification body
 - Time limited
 - Occupational license
 - Granted by licensing agency (usually state)
 - Combination of degree attainment, certifications, certificates, assessment, apprentices, work experience
 - Time limited
- Certificates sometimes needed to obtain certification or license

Certificates Included in Study

- Institutions
 - Community Colleges and Charter Oak (13)
 - Private Occupational Schools (57)
 - Nonprofit colleges and universities (16)
- Noncredit and for-credit certificates
- Includes certificates that may lead to professional certifications or licenses

Certificate Benefits

- For employers:
 - Recognized credential
 - Indicates type of training and competency
 - Shorter time to develop, responsive to changing needs
- For students:
 - Less time
 - Less costly
 - More scheduling flexibility
 - Fewer or no general education requirements
 - Greater earnings potential
 - Increased job stability

Federal Data Collection

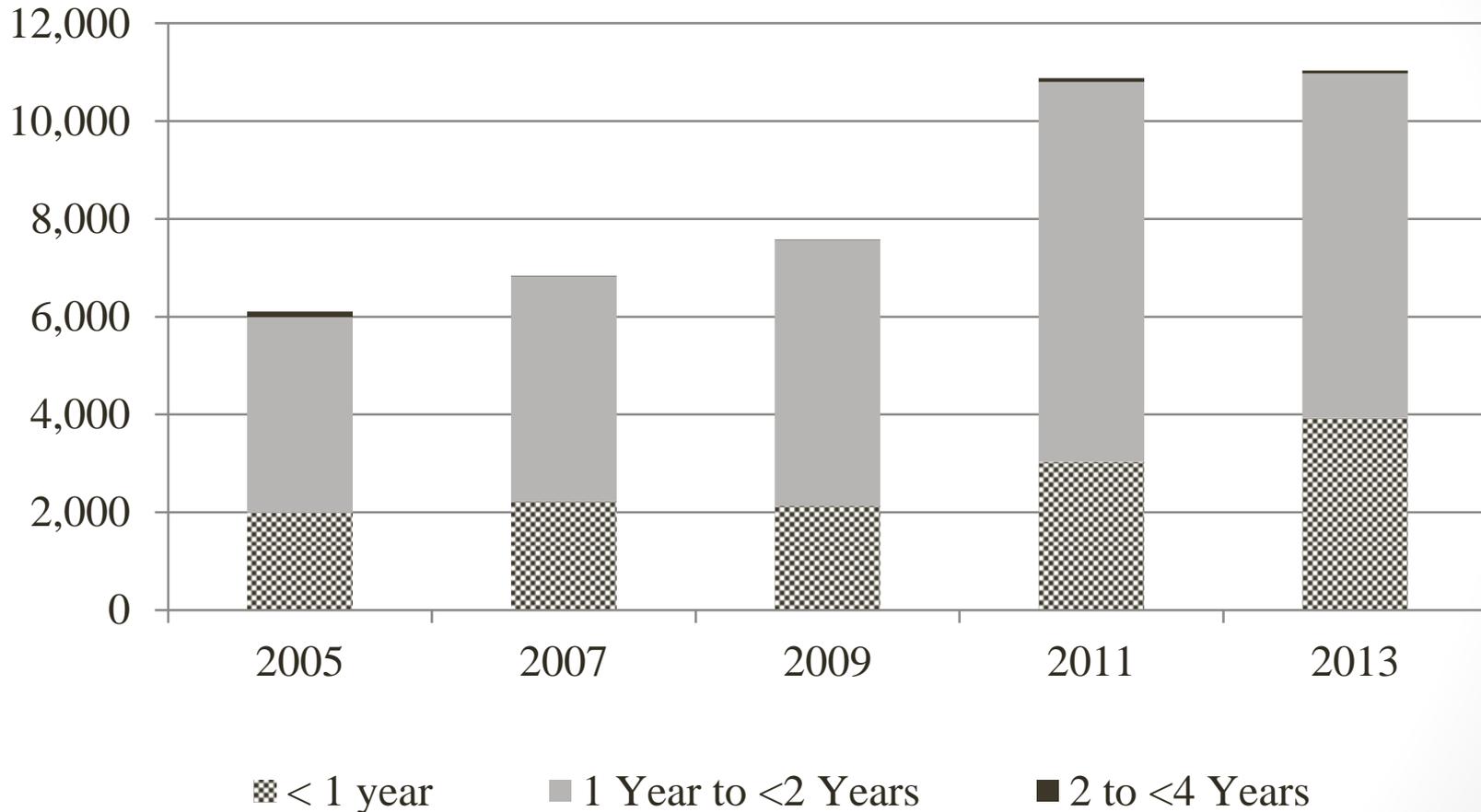
- Federal government collects data about schools that receive federal financial aid (Title IV)
- Integrated Postsecondary Education Data System (IPEDS)
- Over half (11,900) of Connecticut's certificate awards missing from federal data because not Title IV eligible

Federal Data Limitations

- Missing schools
 - Private occupational schools- only 10 of 57 report data
 - Hairdressing/cosmetology – 13 of 96 report data
 - Out-of-state schools – do not segregate awards by state
- Missing data
 - Noncredit awards from community colleges not included
- State-to-state comparisons questionable
 - Institutions decide if programs are to be Title IV eligible or not

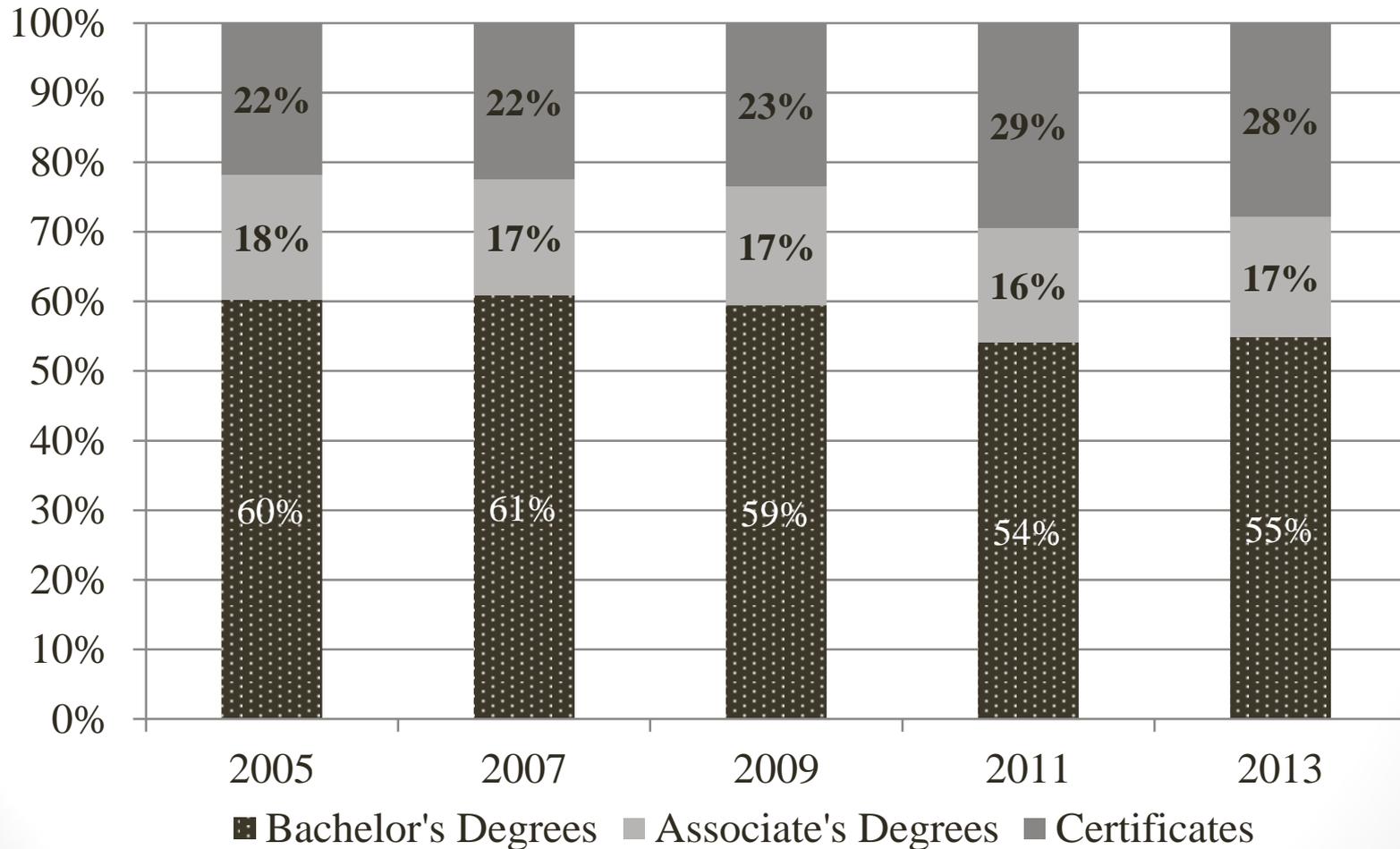
Certificates Awarded: 2005-2013

CT Certificates Awards Have Increased 81% Since 2005



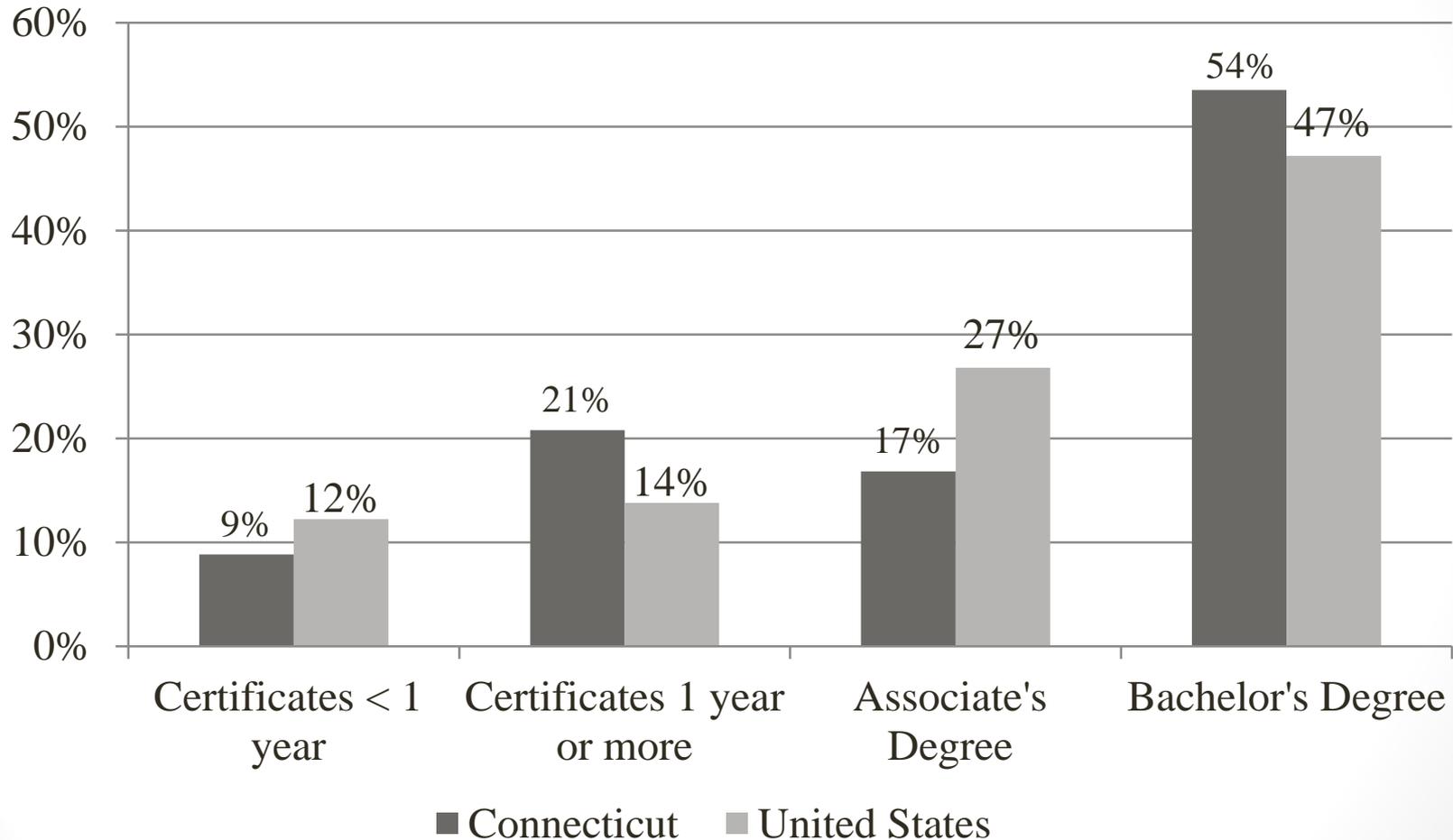
Proportion of Undergraduate Awards: 2005-2013

CT Certificates Increased from 22% to 28%,



Connecticut Compared to U.S.: 2012

Connecticut Awards More Certificates As Percentage of Undergraduate Awards Than U.S. Overall



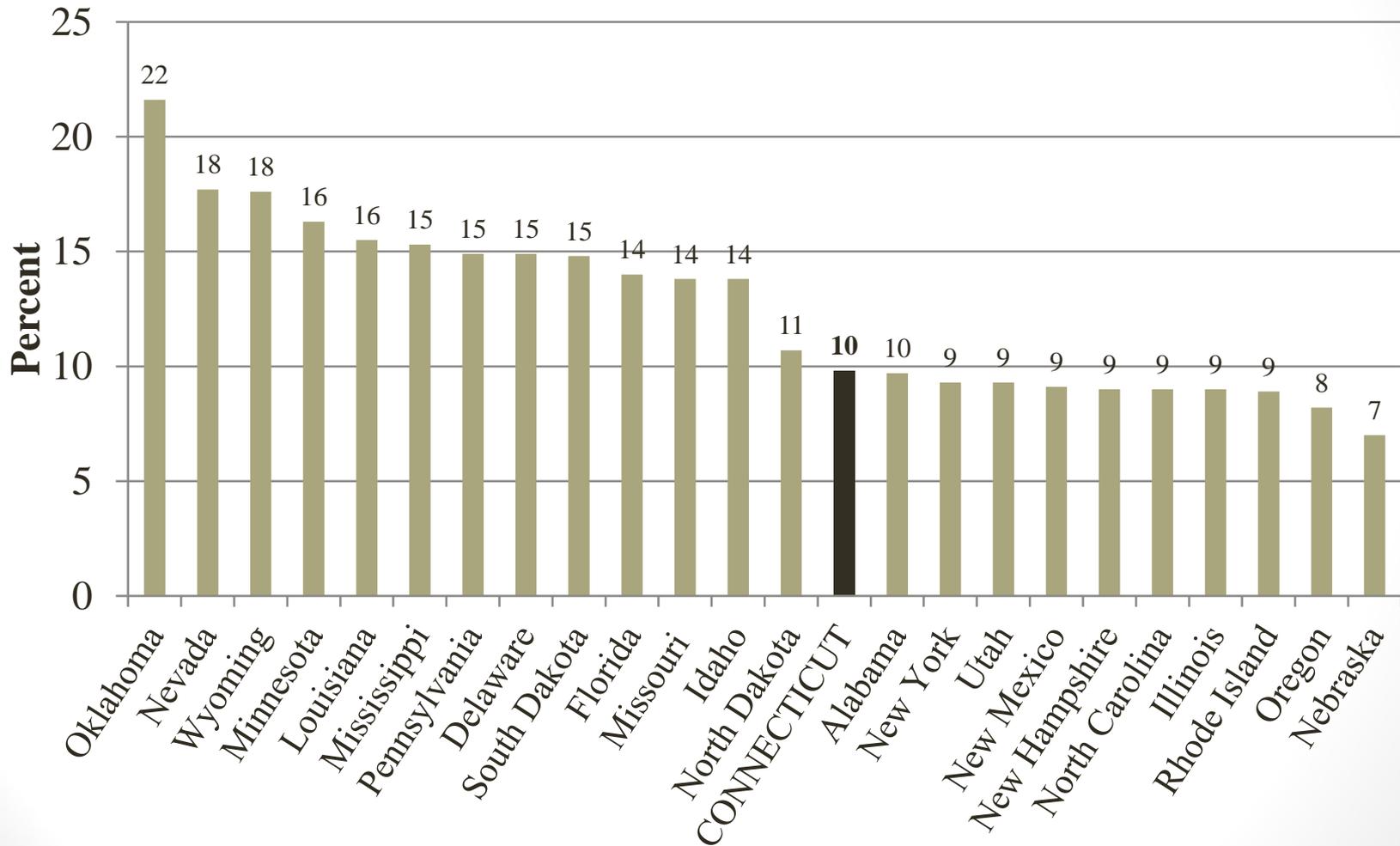
Regional Differences

For-Profit Institutions Award a Larger Share of Certificates in the Northeastern U.S.		Public Community Colleges Award a Larger Share of Certificates in the Southern U.S.	
<i>State National Ranking</i>	<i>For-Profits Share of Certificate Awards</i>	<i>State National Ranking</i>	<i>Public Community College Share of Certificate Awards</i>
New Jersey	87.0%	Wisconsin	84.2%
Nevada	86.8%	Arkansas	82.5%
Rhode Island	82.4%	Kentucky	82.3%
Connecticut	75.3%	North Carolina	81.9%
Massachusetts	67.9%	Georgia	78.7%
Maryland	67.7%	South Dakota	78.5%
Missouri	66.4%	South Carolina	77.4%
New York	65.9%	Minnesota	76.3%
Pennsylvania	65.5%	Louisiana	73.9%
Texas	65.2%	Washington	72.3%

Source: Carnevale, A. P., Rose, S. J., & Hanson, A. R. 2012 *Certificates: Gateway to Gainful Employment and College Degrees*, Washington, DC: Georgetown University Center on Education and the Workforce. Based on IPEDS 2010 data.
Data Limited

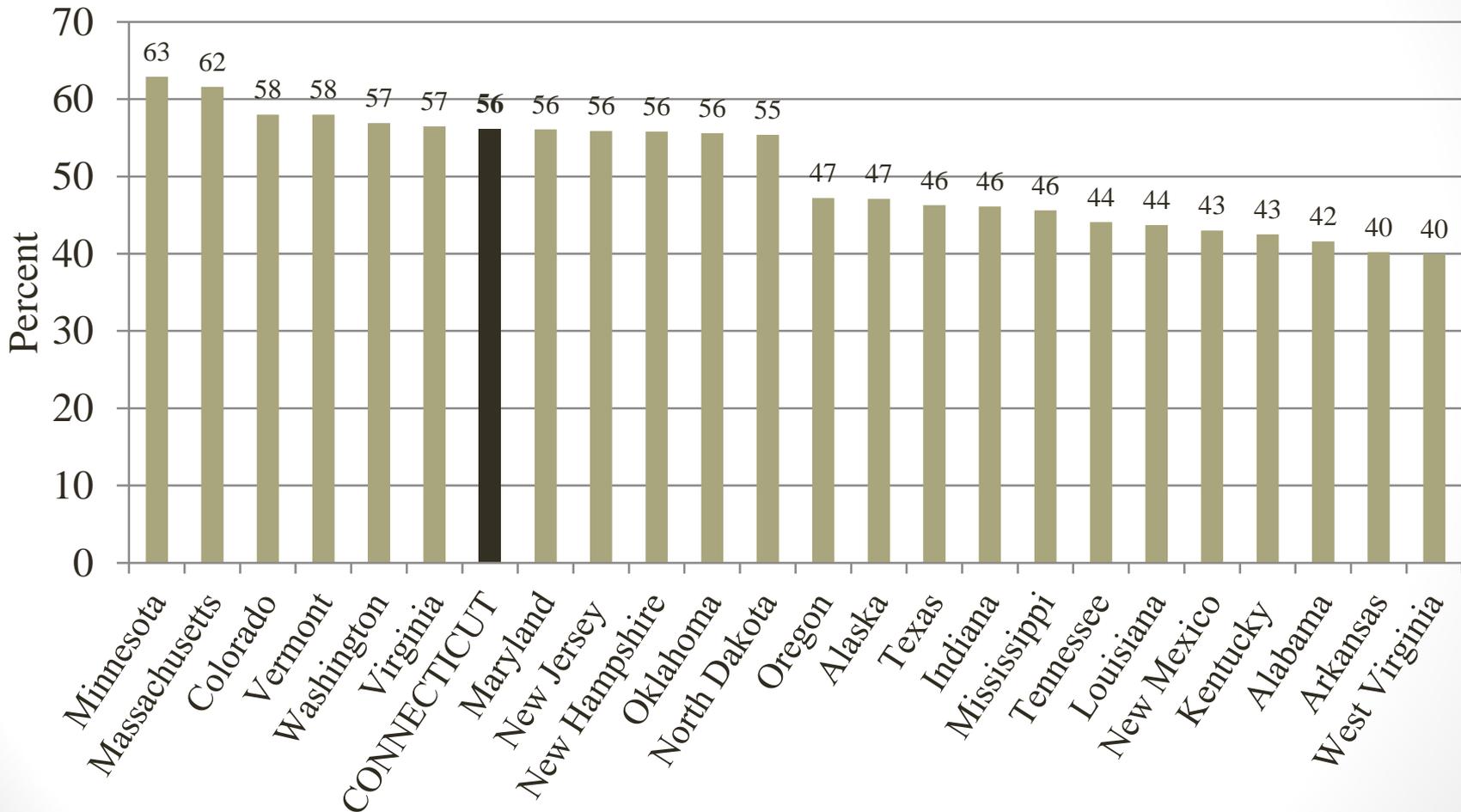
Highest Educational Attainment

Percent of 25-64 Year Olds with Certificates, Top and Bottom 12 States, 2008



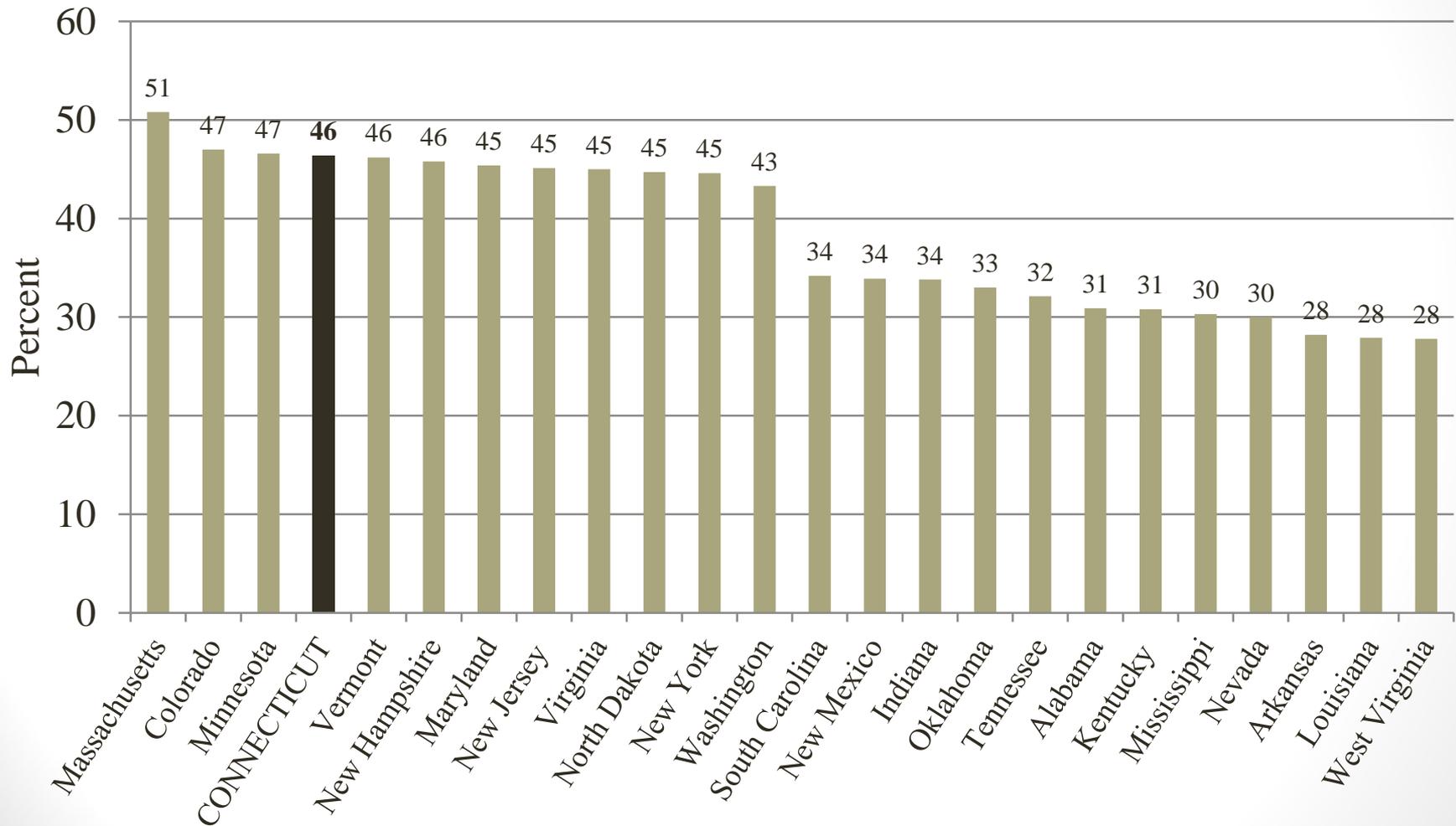
Highest Educational Attainment

Percent of 25-64 Year Olds with Certificates and Higher, Top and Bottom 12 States, 2008



Highest Educational Attainment

Percent of 25-64 Year Olds with Associates and Higher, Top and Bottom 12 States, 2011



Summary

- Certificate awards increasing, especially since 2009, and at a rate faster than other undergraduate awards
- Connecticut awards more certificates as percentage of undergraduate awards than U.S. overall
- For-profit institutions tend to be main provider of certificates in Connecticut, like other states in Northeast
- Connecticut has low percent of certificate holders compared to other states but relatively high educational attainment overall

Three Areas

- Federal Oversight
- State Agencies
- Next Steps

Federal Oversight

- Federal oversight only performed on institutions participating in Title IV funding (federal student aid program)
- Three main ways in which U.S. Dept. of Education conducts oversight:
 - Sets criteria for institutions to become Title IV Eligible
 - Require Title IV institutions report student demographic and debt information to IPEDS
 - Require Title IV institutions disclose student cost and completion rates

Postsecondary Institutions Eligible for Title IV Funds

- Three types can participate:
 - Institutions of higher education – public or private but must be nonprofit
 - Proprietary institutions (in Connecticut, know as postsecondary schools) – private only and must be for profit
 - Postsecondary vocational institutions – either public or private but must be nonprofit

Title IV Criteria that Certificate Program Must Meet

- Accredited by federally-approved accrediting body
- Be authorized by the state to operate
- Admit students with high school diploma or GED, or beyond age of compulsory school attendance
- Eligible certificate programs
 - Programs must contain certain number of hours
 - “Gainful employment in a recognized occupation”

Reasons Some Participate in Title IV Funding and Others Do Not

- Why an eligible school participates:
 - Student with scant financial resources can potentially enroll
 - Immediate revenue stream for schools: Private occupational schools can receive up to 90% of revenue from student financial aid
- Why a school does not want to participate:
 - Costly and time-consuming for institutions
 - Accreditation requirements
 - Federal reporting requirements
 - Doesn't meet credit or clock hour requirement

“Gainful Employment in a Recognized Occupation”

- Term used in original 1965 HEA but never defined
- Gainful employment requirements apply to:
 - For-credit certificate programs in community colleges, and nonprofit colleges and universities, and
 - Noncredit programs in private occupational schools.
- Regulations defining it were adopted in Oct. 2010
 - Contained financial metrics,
 - sanction if annual student loan repayment rate for a cohort of graduates was not at least 35 percent
 - Partially struck down by court as arbitrary
- New regulations proposed
 - Comment period closed in May
 - Expected to be adopted in October
 - Contain one new and one similar financial metric

Accountability Measures for Title IV Eligible Certificate Programs

- Proposed gainful employment measures include:
 - Debt-to-earnings metric:
 - Graduate can not spend, on average, no more than 8 percent of their annual income, or 20 percent of their discretionary income, on their student loan payments.
 - Program cohort default rate metric:
 - no more than 30 percent of the students who enrolled or completed a particular program could default on their student loans
- Graduated sanctions with loss of Title IV eligibility if program fails either metric over a certain period of time

Reason for Defining Gainful Employment

- Concerns that certificate programs were:
 - Not training students in skills to obtain and maintain jobs
 - Providing training for low wage occupations that do not justify program cost
 - High student withdrawal rates – leading to high loan default rate
 - Students left with high loan debt compared to earnings

Gainful Employment Information Data Published by U.S. Department of Education

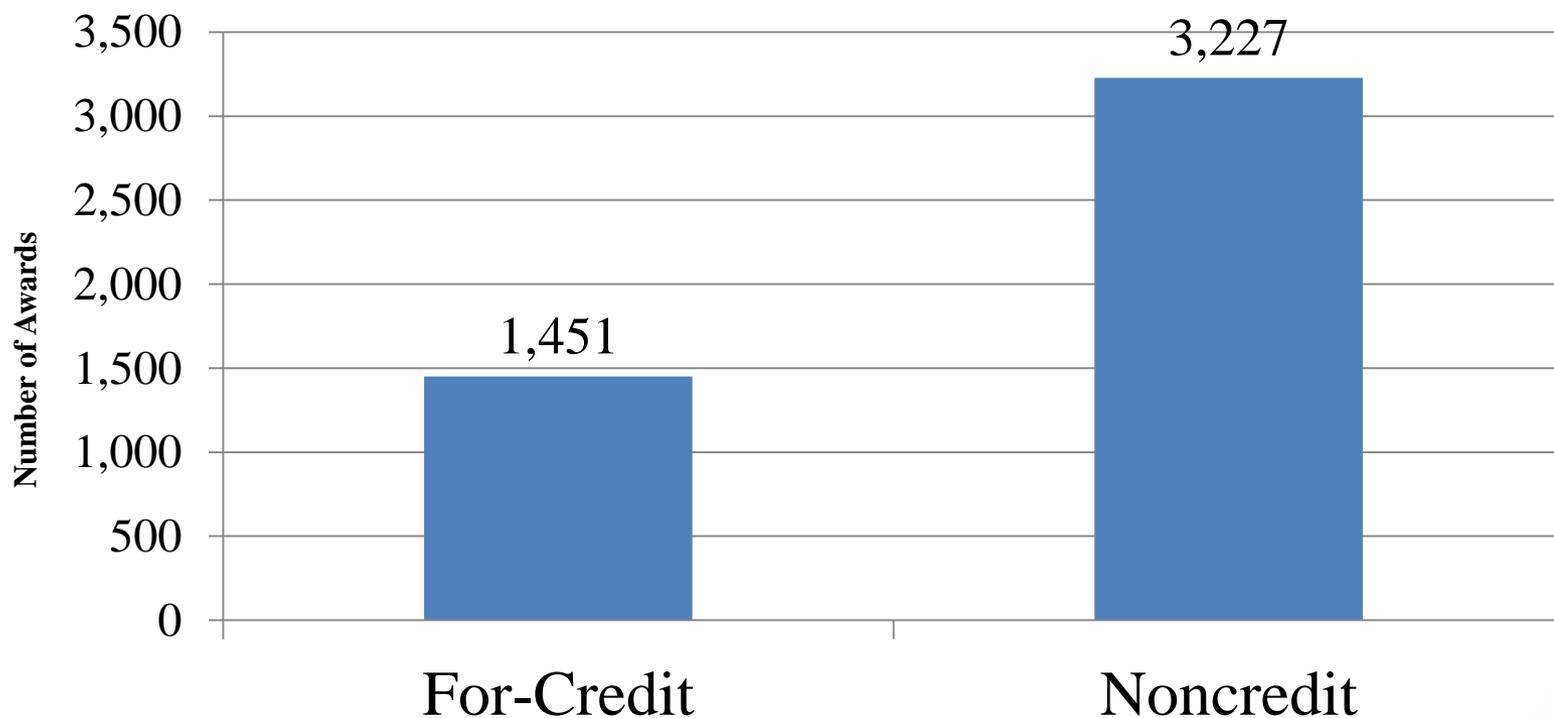
- Gainful Employment data published so schools could see potential impact of regulation
- In Connecticut
 - Repayment rate ranged from about 12% for a program in culinary arts to 75% for massage therapy certificate graduates
 - Debt-to-earning annual rate, ranged from 8.23 for a certificate program in motorcycle maintenance and repair to 1.43 to one in massage therapy
 - Median Title IV loan amounts, ranged from a low of \$700 to a high of \$16,535 for LPN certificate

Student Disclosures

- Name of occupations that program prepares student to enter and links to occupational profiles
- On-time graduation rates
- Tuition and fees
- Typical costs for books and supplies
- Job placement rate for student completers
- Median loan debt incurred by students (including federal financial aid, institutional aid, and private loans)

CT Community College Awards

More Community College Certificate Awards Were for Noncredit vs. For-Credit Programs in 2012-2013*

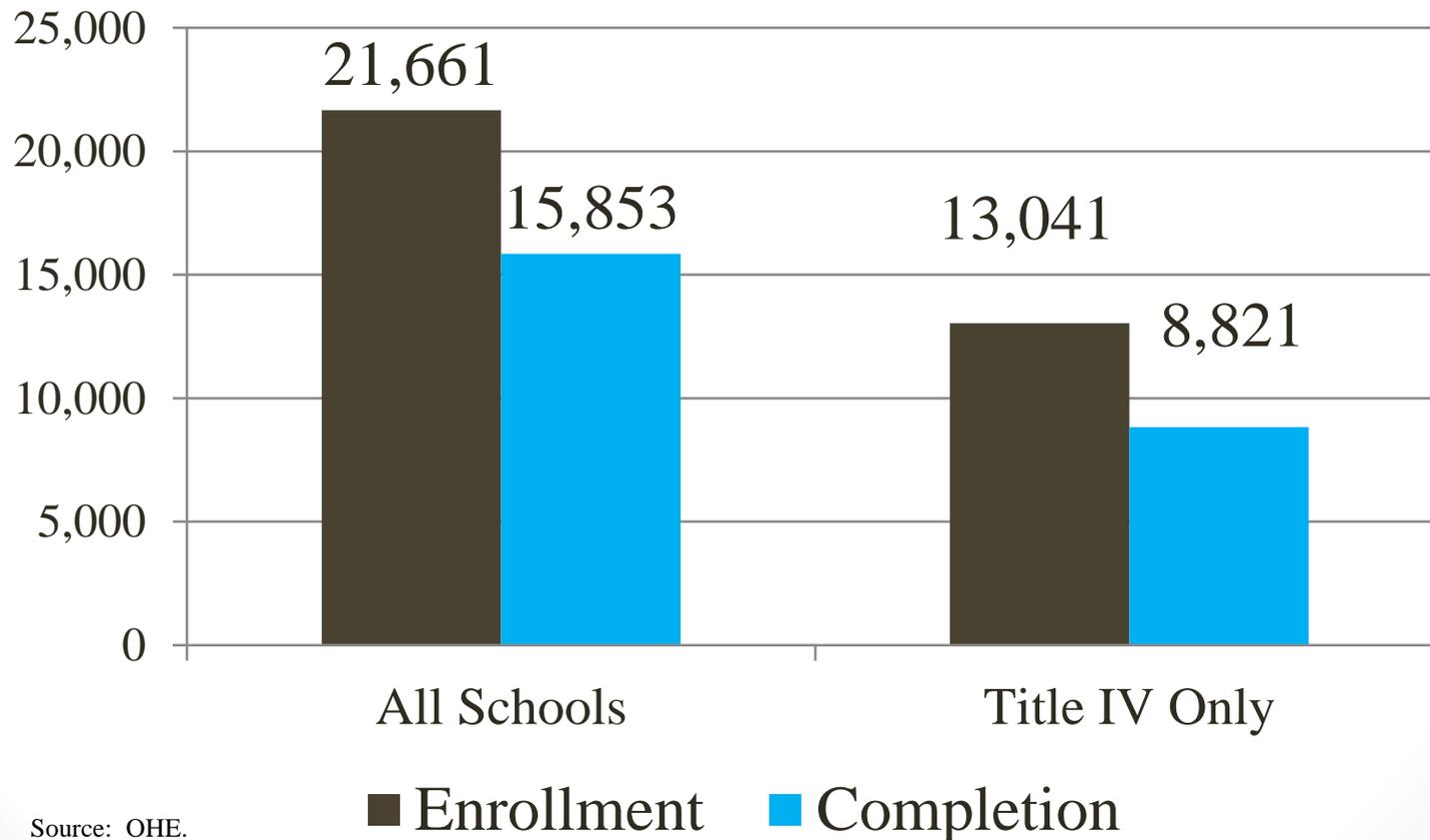


*Noncredit awards shown are minimum number awarded because not all of these awards are centrally captured

Source: Board of Regents

Postsecondary Occupational School Completions

Number of Postsecondary School Enrollments and Completions for 2011-2012 Academic Year Was Much Higher When All Schools are Included in Data (Not just those reporting to IPEDS)



Source: OHE.

State Oversight

- ***Board of Regents for Higher Education (BOR)***
 - governs 17 Connecticut State Colleges, including 12 community colleges
- ***Office of Higher Education (OHE)***
 - nonprofit colleges and universities
 - 57 private occupational schools
- ***Connecticut Department of Labor (DOL)***
 - workforce and occupation demand
- ***Office of Workforce Competitiveness (OWC)***
 - Governor's principal workforce development policy advisor
 - Staff to CETC
- ***Connecticut Education and Training Commission (CETC)***
 - Proposes policy and strategy to coordinate workforce efforts

Next Steps

- Developing profile of certificate programs offered by CT's community colleges, Charter Oak State College, private occupational schools, and nonprofit universities and colleges
- Analyzing outcomes of community college certificate completers
- Examining overall supply of certificates, comparing completions to demand by specific occupations
- Developing study findings and recommendations

Higher Education Certificate Programs

PUBLIC HEARING

2:00

Room 2D – LOB

http://www.cga.ct.gov/pri/2014_HEC.asp