



## Labor Market Alignment

POLICY BRIEF 4

### Expand Access to Marketable Non-Degree Workforce Credentials

The widest gap between the current number of adults with credentials or degrees and the [2M by 2030](#) goal is in the number of adults with high-quality, marketable credentials: non-degree-granting programs that provide the skills and tools necessary for such in-demand, living-wage jobs as law enforcement, engineering, and specialized construction. Nationally, only about 5% of working-age adults have earned these credentials.<sup>1</sup> In North Carolina, more than one half of all employers say it is difficult to fill positions—a proportion that has grown steadily for many years—with applicant lack of technical skills and credentials among their top reasons for this difficulty.<sup>2</sup>

#### Recommended Legislative Actions 2021

A handful of states are leading the way on increasing commitment to high-quality credentialing by providing financial support and training for students and employers alike.<sup>3</sup> Similarly, during the 2021-22 Session, the North Carolina General Assembly should:

- **Increase Supports for Credentialing Students**

#### myFutureNC Commitments for 2021

- Formalize a Process for Validating High-Quality Credentials and Projecting Future Credentialing Needs
- Identify Ways to Open More Pathways to High-Value Credentials

More than

**one half**

of North Carolina Employers say it is difficult to fill positions.



Among top reasons for this difficulty are lack of:

- **Technical Skills**
- **Credentials**



## Recommendations

### Increase Supports for Credentialing Students

**Action: Expand Enrollment and Completion Supports.**

Incentivize enrollment and completion of high-value secondary and postsecondary credential programs and pathways by [paralleling the supports](#) (financial aid,<sup>4</sup> exam fees,<sup>5</sup> advising) [already available to degree-seeking students](#).

**For 2021:** The state can begin to address this need by providing support for: a) NC GROW's focus on incentivizing community college students in programs that align with high workforce demand; and b) NCDPI's request to increase coverage for credentialing examination fees that boost the number of students who complete high school with marketable, industry-recognized credentials.

### myFutureNC's Commitments for 2021

Much of the foundational work in this Pathway does not yet require legislative action, and myFutureNC will continue to focus a significant proportion of its energy here in 2021.

#### Formalize a Process for Validating High-Quality Credentials and Projecting Future Credentialing Needs

In 2020, myFutureNC and education and workforce sector partners<sup>6</sup> created the NC Workforce Credentials Initiative, an effort to identify the priority, high-value credentials that will be of greatest value to North Carolinians in the coming years. In 2021, the Initiative began the process of reviewing credentials for seven of the state's 14 industry categories and vetting their results with workforce sector representatives, but much more work remains. myFutureNC will:

- **Encourage Sector Leaders to Formally Establish a North Carolina Workforce Credentials Council.** The Council—comprising representatives from NCDPI, NCCCS, the NC Association of Workforce Development Boards, and Commerce—should carry on the work of the Initiative by establishing a process for periodically [reviewing and updating the list of credentials of value](#).

(myFutureNC commitments continued on next page)





## myFutureNC's Commitments for 2021 (continued)

### Identify Ways to Open More Pathways to High-Value Credentials

In 2019, North Carolina employers relied heavily on in-house (97%) and private-sector (42%) training for their employees; much fewer turned to community colleges (17%) and universities (8%)<sup>7</sup>. myFutureNC will:

- **Support Sector Efforts to Develop More High-Demand Training Pathways.** For example, myFutureNC will encourage Sector leaders to consider options for leveraging recently-implemented local needs assessment tools to incentivize development of new courses, update existing courses, support instructors, purchase equipment, and reserve space to [address identified gaps](#) between the supply of in-demand, trained workers and labor force demand.<sup>8</sup> The intent of these efforts is not for public-sector providers to compete with private training providers but instead to fill gaps not covered by the private market.
- **Support Sector Efforts to Identify Long-Term Funding for the NCCareers Online Portal.** NCCareers<sup>9</sup> connects users to information about high-quality jobs and careers that match their interests and skills, local employer needs associated with those careers, and relevant education and training opportunities. The portal's fiscal support currently comes from federal grants and Sector contributions.

### Looking Ahead: Actions to Consider for 2022-23

The actions above will be a good start, but on their own they are not enough. Going forward, the state should consider additional actions such as:

- **Identifying Barriers to Development of High-Demand Training Programs.** For example, the state could charge the Credentials Council (proposed above) with the task of identifying and proposing revisions to extant statutes and policies that inadvertently hinder the development of these training programs.

### Key Sector Legislative Contacts

**NC Community College System**  
Alex Fagg  
(919) 807-7077  
fagga@nccommunitycolleges.edu

**NC Department of Commerce / NC Works**  
Lex Janes  
(919) 807-7300  
lex.janes@nccommerce.com

**NC Department of Public Instruction & NC State Board of Education**  
Jamey Falkenbury  
(919) 733-7350  
jamey.falkenbury@nc.gov

Freebird McKinney  
(984) 236-2248  
freebird.mckinney@dpi.nc.gov

**Office of the Governor**  
La'Tanta McCrimmon  
(919) 814-2000  
lt.mccrimmon@nc.gov

**myFutureNC**  
Cecilia Holden  
(919) 605-8418  
cecilia@myfuturenc.org

<sup>1</sup> Strada and Lumina (2019)

<sup>2</sup> 56% of surveyed employers in 2019, up from 50% in 2017 and 39% in 2015 (NCDOC, 2020)

<sup>3</sup> E.g., Indiana's [Next Level Jobs](#) program; Florida's Career and Professional Education Act (for [secondary](#) and [postsecondary](#) students); Virginia's [FastForward](#) program.

<sup>4</sup> E.g., Indiana's [Workforce Ready Grant](#) and Maine's [Competitive Skills Scholarship Program](#).

<sup>5</sup> E.g., in the 2019-20 school year alone, NC public high school students and their districts invested nearly \$13.6M in credentialing test fees above the current state allotment (\$1.4M)

<sup>6</sup> NC Community College System, NC Department of Commerce, NCWorks Commission, NC Department of Public Instruction, and the Office of the Governor

<sup>7</sup> NCDOC, 2020

<sup>8</sup> E.g., Florida provides a [weighted allocation](#) per industry-recognized credential offered in each district.

<sup>9</sup> [NC Careers.org](#)