

# Affordability for Nondegree Credentials

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## Background

The high costs of postsecondary education and subsequent student debt levels have garnered significant attention from policymakers and media coverage. While nondegree programs are typically shorter and less expensive than traditional degree programs, program cost still creates barriers, particularly for working adults who may also forgo earning potential while completing the credential program. A [2023 survey](#) from Gallup and Lumina Foundation found that program cost is the largest reason why students are not enrolled in a degree or credential program.

Program cost for nondegree credentials can differ from traditional costs associated with a bachelor's or associate degree. Many programs require work-based learning or certification exams which can range widely in cost. Additionally, most short-term programs are not [eligible](#) for Federal Pell grants, although [numerous legislative](#) proposals have been considered to expand Pell eligibility to include additional short-term programs. While navigating these dynamics, learners in these programs, who are often adult students, may also navigate [costs beyond tuition](#) and program expenses, such as childcare, housing, transportation, and food.

## State Policy Case Studies

State policymakers have created or modified state financial aid programs to promote and support nondegree credential attainment. States have created specific programs designed to promote nondegree offerings and upskilling, expanded programs designed to address workforce shortage area, and designed state financial aid programs to serve adult learners, who are more likely to enroll in short-term credential programs.



## Key Takeaways

- The cost of credential programs, as well as related non-tuition costs such as child care, housing, transportation and food can be significant barriers for students looking to obtain a nondegree credential.
- States continue to expand financial aid programs that aim to alleviate workforce shortages and boost graduates in high-demand professions as well as supporting adult learners.
- State policymakers have also created new financial aid programs designed to promote nondegree credential offerings and training such as upskilling and employer trainings.

## MISSOURI AND OHIO: UPSKILL CREDENTIAL GRANT PROGRAMS

In 2023, Missouri passed [HB 417](#), which creates a short-term upskill credential program in the Department of Economic Development. The program provides a reimbursement grant program to employers who help current employees earn short-term credentials in certain areas such as healthcare or technology professions.

The program is modeled in part on TechCred, an initiative first launched in Ohio by Lt. Gov. Jon Husted in 2019 and then created in statute by [HB 2](#) in 2020. The TechCred program allows employers to receive reimbursement up to \$2,000 per employee and up to \$30,000 per year in total, and was funded with an appropriation of \$25.2 million in fiscal year24. In [July 2022](#), the program announced it had met its initial goal to fund 20,000 industry-recognized, tech-based credentials each year.

## COLORADO AND SOUTH CAROLINA: SCHOLARSHIP PROGRAMS FOR WORKFORCE FIELDS

In 2023, Colorado passed [HB 1246](#) which created the In-Demand Short-Term Credentials Program, which will offer scholarships that provide free tuition, fees, and materials for in-demand credentials in key state workforce areas including early childhood education, law enforcement, firefighting, forestry, construction, and nursing. The legislation provides a \$38.6 million appropriation to fund the program for FY24.

In 2022, South Carolina passed [HB 3144](#) which created the South Carolina Workforce Industry Needs Scholarship. The scholarship provides free tuition, fees, and related course materials at the state's sixteen technical colleges for students pursuing a credential in a high-demand workforce field including health-care, manufacturing, hospitality/tourism, construction, transportation, distribution and logistics, criminal justice, early care and education, information technology and human services.

## TENNESSEE AND MICHIGAN: ADULT RECONNECT SCHOLARSHIP PROGRAMS

In 2017, Tennessee passed [HB 531](#), the Reconnect Grant Act, which created a last-dollar scholarship for adult students (23 years or older) to attend community college and earn a postsecondary credential. The Reconnect program supplemented [Tennessee's Promise Scholarship](#), which provided graduating high school students with last-dollar scholarships to attend up to two years of community college. A review by the Tennessee [Comptroller's Office](#) in 2022 found that the Reconnect Program did boost credential attainment, but also found the program saw a declining number of applicants during the course of the COVID-19 pandemic.

In 2020, Michigan enacted [SB 268](#) which created the Michigan Reconnect Grant. The Reconnect program provides financial aid for adult residents (25 years or older) seeking associate degrees or industry-recognized credentials from certain educational jobs and training programs. The legislation defines a credential as: a certificate or credential that is portable and is sought or accepted by multiple employers within an industry for purposes of recruitment, hiring or promotion. [Data](#) from the state shows more than 120,000 students have applied and been accepted into the program which has awarded nearly 3,000 certificates and degrees. In 2023, the state [expanded](#) program eligibility to residents age 21 and up.

## Additional Resources

- NCSL—[State Approaches to Nondegree Credentials Policy Brief](#)
- NCSL—[Measuring the Quality of Nondegree Credentials](#)
- NCSL—[Costs Beyond Tuition Policy Brief](#)