# Shaping College Nondegree Programs: The Role of External Partners and Policy

American Council on Education®

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## PROJECT BACKGROUND

Nondegree programs continue to be an expanding field of interest and enrollment in the U.S. higher education landscape. Frequently developed in response to labor market needs, they offer alternative, flexible pathways to credentials that can be completed more quickly than traditional degrees. Nondegree programs typically refer to postsecondary education programs that yield nondegree credentials, which may include certificates, industry certifications, occupational licenses, apprenticeship certificates, badges, and other forms of microcredentials. These programs can be either credit-bearing or noncredit-bearing, and depending on institutional design, they may also be stackable with other degree or nondegree programs.

Despite their growing prominence, nondegree programs vary widely in definition, structure, purpose, and outcomes. This variability creates challenges for stakeholders—such as learners, institutions, employers, funders, researchers, and policymakers—who need to understand how these programs operate and how their value can be measured. Greater clarity can strengthen access to quality credentials and inform policies and incentives.

To build this understanding, the American Council on Education (ACE)—with support from Lumina Foundation—conducted a multi-part study of the ecosystem of nondegree programs. The study focuses on offerings within postsecondary institutions, examining their structures; the roles of colleges and external partners; the influence of policy environments; and the ways outcomes are defined and assessed. This work also informs ACE's ongoing effort to update the Carnegie Classification of Institutions of Higher Education, with the goal of advancing a more inclusive framework that reflects the diverse educational portfolios of institutions, including nondegree education. Together, this work contributes to a fuller and more accurate picture of postsecondary education and its impact.

The project was conducted by Ji Hye "Jane" Kim, Austin Freeman, and Erica Swirsky at ACE—in collaboration with Alisa F. Cunningham, John Archacki, and Elexus Robinson at Higher Ed Insight—under the direction of Hironao Okahana at ACE.

# Shaping College Nondegree Programs: The Role of External Partners and Policy

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# INTRODUCTION

The ecosystem surrounding U.S. college nondegree programs extends far beyond the institutions that offer them. This third brief—part of the Lumina Foundation–funded, four-part series on the ecosystem of college nondegree programs—examines two central external forces shaping the ecosystem in which these programs operate: external partners and the policy environment. They collectively influence how programs are designed, accessed, scaled, and recognized. While colleges and universities primarily design and deliver programs, they do not act alone—employers, technology platforms, philanthropic organizations, research groups, and community partners all play critical roles in their development, delivery, and recognition, while federal and state policymakers, accreditors, and quality assurance bodies determine how these programs are supported, funded, and regulated.

# EXTERNAL PARTNERS

External partners shape nearly every step of the process—from program design and delivery to funding, credentialing, quality assurance, and research. Key external partners can be categorized into several interconnected groups: employers and industry partners; technology platforms, intermediaries, and credentialing providers; philanthropic and research organizations; and community and workforce organizations. Government agencies and other policy stakeholders also play an important role in supporting these programs, which will be explored in depth in the following section on the policy environment.

## EMPLOYERS AND INDUSTRY PARTNERS

Colleges aim to design their nondegree offerings in close alignment with employer needs since the central purpose of these programs is to strengthen workforce readiness and improve labor market outcomes. Employers and industry partners help institutions identify skill gaps, develop program curricula, and align the programs with evolving job requirements. Their collaboration often extends beyond curriculum design to include work-based learning opportunities—such as internships and apprenticeships—that give students hands-on experience directly tied to career advancement. Employers frequently participate as advisers or committee members within colleges' program design or workforce development departments, providing ongoing guidance on industry trends and workforce priorities. Many also support programs financially, sponsoring programs or subsidizing employees' participation in college-offered nondegree programs through tuition assistance and training benefits, thereby lowering barriers for workers seeking to build new skills.

At the same time, employers are not only collaborators but also end users of nondegree programs. They determine the value of these programs by recognizing or requiring various nondegree credentials in hiring and promotion decisions, signaling which skills and credentials matter in the labor market. This dual role—shaping what programs look like and validating their worth in practice—is crucial in ensuring that nondegree programs remain relevant, credible, and responsive to shifting workforce demands. Their partnership with colleges is especially evident in rapidly changing sectors such as information technology, health care, and advanced manufacturing, where rapid innovation creates an urgent need for short-cycle, targeted training.

## EDUCATION TECHNOLOGY COMPANIES, INTERMEDIARIES, AND CREDENTIALING PLATFORMS

Education technology companies and intermediaries are key partners in expanding access to college-based nondegree programs. Online learning platforms such as Coursera and edX deliver courses at scale, codevelop content with faculty, manage online systems, and help colleges pilot innovative formats such as stackable certificates or short bootcamps. Workforce intermediaries like Guild and Kaplan act as brokers between employers and colleges, connecting learners to programs, negotiating tuition benefits, and providing advising support.

Credentialing platforms enable colleges to issue secure, verifiable digital badges and microcredentials, embedding metadata on competencies achieved and making it easier for employers to recognize nondegree credentials. Learners can share badges on professional networks, request transcripts, and stack credentials into pathways for career advancement. Examples of credentialing platforms include Credly, Badgr (Canvas Badges), and Accredible, which support U.S. colleges in issuing and tracking digital credentials (ACE 2025a). These platforms also provide analytics on badge usage and employer recognition, offering colleges feedback on program relevance and impact.

## PHILANTHROPIC FOUNDATIONS AND RESEARCH ORGANIZATIONS

Philanthropic foundations and research organizations are influential in providing funding and research evidence to advance college nondegree programs. Foundations such as the Lumina Foundation and Strada Education Foundation invest in research, innovation, and scaling efforts, providing both funding and strategic guidance to expand short-term credential pathways and improve program accessibility. Philanthropic foundations also act as conveners and thought leaders, partnering with colleges to test innovations, gather evidence on effectiveness, and elevate best practices. These partnerships help colleges sustain programs by demonstrating value to policymakers, employers, and learners alike.

Research organizations, including university-based centers and independent policy groups such as New America, Rutgers University's Education and Employment Research Center, George Washington University's Institute for Public Policy, and Georgetown University's Center on Education and the Workforce, study nondegree programs' design, labor market outcomes, and equitable access. These groups generate evidence that informs institutional practices and public policy, develop credential taxonomies, publish outcome studies, highlight equity gaps, and suggest frameworks for understanding the value and potential risks of nondegree programs. In doing so, these organizations act as both evaluators and agenda setters and shape the broader research agenda—often in collaboration with philanthropic funders.

## COMMUNITY AND WORKFORCE ORGANIZATIONS

Community and workforce organizations play a vital role in connecting learners to college nondegree programs, providing support services, and facilitating workforce entry. These organizations act as intermediaries, linking colleges with learners and employers and offering wraparound support such as career counseling, tutoring, or assistance with transportation and childcare. They help ensure programs are accessible, inclusive, and aligned with local workforce needs.

Organizations such as Year Up and Per Scholas partner with community colleges to provide tuition-free, sector-specific training and work-based learning opportunities. Goodwill Industries offers career training and workforce development programs that prepare learners for in-demand fields, while national intermediaries like Jobs for the Future collaborate with colleges to develop alternative credential pathways. By supporting recruitment, persistence, and program completion, these organizations enhance the reach, quality, and impact of college nondegree programs.

# POLICY ENVIRONMENT

In addition to the various stakeholders discussed in the previous section, local and national governments and policymakers play a crucial role in shaping the ecosystem for college nondegree programs. As these programs operate within a complex web of federal, state, and institutional policies, their growth and sustainability are significantly influenced by factors such as eligibility for public funding, accreditation standards, reporting requirements, and regulatory oversight. Together, these policy levers determine not only how programs are designed and delivered but also who has access to them and how their quality is assessed.

## FEDERAL POLICIES

Federal policy has increasingly recognized the importance of nondegree credentials in helping students connect more swiftly to the labor market. The Workforce Innovation and Opportunity Act (WIOA) is the primary federal workforce training law, distributing formula and discretionary funding to states for adult, youth, and dislocated worker programs. Community colleges deliver much of this training, often through short-term or noncredit programs. WIOA's structure, however, has been criticized for its complexity, and performance metrics vary in the extent to which they capture long-term labor market outcomes. Proposals for reauthorization have emphasized expanding investment, strengthening outcome reporting, and supporting sector-based strategies and learner services (Palmer and Jyotishi 2022).

Recently, Congress approved a reconciliation bill adding the Workforce Pell Grant Program to the Higher Education Act of 1965. Beginning on July 1, 2026, Pell eligibility will extend to short-term programs of at least 150 but fewer than 600 clock hours (or the credit-hour equivalent), lasting between eight and 15 weeks.[1] Previously, Pell Grants could only be applied to programs of 600 hours or more. Providers offering these shorter programs must be Title IV institutions and meet certain goals for learner outcomes. However, the legislation does not impose new reporting obligations, which limits policymakers' ability to monitor program quality or outcomes. On the student side, the expansion permits individuals who already hold a bachelor's degree to access Pell funds for these programs, though graduate degree holders remain ineligible. The current rule does not allow bachelor's degree holders to use Pell for other programs (JFF 2025; Zampini 2025).

At the same time, a new accountability measure will require Title IV institutions to demonstrate that the majority of completers earn more than working adults without college experience. Programs failing this standard for two out of three consecutive years will lose access to federal loans but retain access to Pell Grants. Because the rule excludes nondegree certificate programs, accountability standards remain uneven across credential levels (ACE 2025c; Franz 2025). Overall, these changes can expand access to college nondegree programs but still leave some questions, particularly regarding quality assurance, outcome measurement, and equitable accountability across different types of credentials.

## STATE POLICIES

States are also increasingly supporting and investing in nondegree programs through grant programs, accountability frameworks, workforce boards, and partnerships with higher education systems. By late 2024—according to HCM Strategist's 2024 report—at least 32 states had established more than 70 initiatives that fund and support nondegree

1 One Big Beautiful Bill Act, Pub. L. No. 119-21, 195 Stat. 351 (2025). https://www.congress.gov/bill/119th-congress/house-bill/1/text

programs, representing more than $5.6 billion in public investments (Murphy 2024). Alongside funding, at least 12 states are also building quality assurance frameworks and data systems to ensure that college nondegree programs produce meaningful outcomes (Bloomquist 2025).

One common state strategy is broadening access to financial aid for nondegree programs at eligible institutions. Arkansas's Workforce Challenge scholarship and New York's expansion of the Tuition Assistance Program (TAP) illustrate this trend. Both states extend aid to students pursuing noncredit or short-term certificates in high-demand fields, thereby integrating nondegree programs into established higher education funding structures (Stiddard and Cruse 2024; SUNY 2024). Indiana's Workforce Ready Grant reflects a similar approach—offering tuition-free access to community college certificate programs in targeted sectors—and includes evidence of wage gains for completers (Smalley and Jacquinot 2023).

Another approach centers on establishing standards for program quality. The Tennessee Higher Education Commission (THEC) is building a statewide framework to define quality nondegree credentials, ensuring that institutional offerings are transparent, standardized, and tied to labor market demand. Louisiana also embeds nondegree credentials into its statewide attainment goal, requiring that those credentials meet standards such as industry recognition, wage premiums, and documented employment outcomes (Smalley and Jacquinot 2023).

Some states are experimenting with new institutional models. California's Calbright College is a fully online, tuition-free community college established to deliver nondegree training programs in fields such as IT support, cybersecurity, and health care. Its creation signals an attempt to scale nondegree education through dedicated infrastructure, rather than layering programs onto existing colleges. Florida has taken another path by requiring its public universities to integrate nondegree offerings into their strategic missions, integrating alternative credentials within traditional institutions (Smalley and Jacquinot 2023). These efforts highlight how states are embedding nondegree programs into the mission of higher education, expanding access for adult learners while strengthening alignment with workforce needs.

## ACCREDITATION AND QUALITY ASSURANCE

Federal and state funding expansions bring greater attention to the quality and legitimacy of nondegree programs—particularly whether public support for these programs is a sound investment for students and taxpayers since reported evidence on the labor market outcomes of these programs has been inconsistent (Andrew et al. 2025; Zampini 2025). Traditional accreditors—national institutional accreditors recognized by the U.S. Department of Education—primarily review and validate institutions, ensuring that each institution meets certain quality standards.[2] This institutional accreditation applies to all credit-bearing offerings, including nondegree programs. This means most short-term nondegree offerings are indirectly covered under an institution's accreditation status if they are offered by a Title IV–participating institution.

For example, the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC)—one of the nationally recognized traditional accreditors—states that its accreditation policy applies to all educational programs of the institution for which academic credit is awarded. In particular, SACSCOC mandates that institutions maintain clear guidelines on nondegree credentials and credits. Institutions must clearly communicate whether nondegree credentials carry academic credit, can be added to transcripts, may be stacked with other credentials, and are transferable (SACSCOC 2024).

While this provides a baseline level of legitimacy for nondegree programs, it does not directly assess whether specific programs align with labor market needs or produce strong employment outcomes—key factors in evaluating their value. Institutional accreditors typically require institutions to collect and use evidence of student achievement, such as retention, graduation, or licensure pass rates, and in some cases, job placement. Yet these measures are not consistently

2 The U.S. Department of Education removed geographic restrictions for regional accreditors in 2019. As a result, these accreditors can now evaluate institutions across the entire country.

required across institutions or programs and are often left to the institution's mission to define. By contrast, many specialized and professional accreditors, such as those overseeing nursing, allied health, or technical fields, mandate job placement or licensure outcomes as part of quality assurance.

To fill this gap, some independent initiatives such as the QA Commons and the Education Quality Outcomes Standards (EQOS)—now housed within Jobs for the Future (JFF)—have developed voluntary frameworks centered on employment outcomes. QA Commons certifies programs through its *Essential Employability Qualities Certification (EEQ CERT)* framework, which requires reporting on job placement and salary (QA Commons 2024). EQOS provides the *EQOS Signal of Quality: Methodology Overview* for transparent reporting on employment, earnings, and equity (Spitze et al. 2024). In practice, however, adoption has been limited. Only a few colleges have earned QA Commons certification, and a small number of states have piloted EQOS-aligned measures to evaluate postsecondary providers (Yadzinski et al. 2022). These initiatives show promise but remain experimental and far from widespread.

Some institutional accreditors have also gone further by proactively creating new mechanisms for assessing noncredit education, which has long functioned separately from traditional accreditation. The New England Commission of Higher Education (NECHE) has piloted a recognition framework for noncredit providers with several institutions, emphasizing agility, student supports, and demonstrable return on investment in the form of employment outcomes. NECHE's recognition operates on five-year cycles with annual reporting. Similarly, the Higher Learning Commission (HLC) has piloted an endorsement process for alternative noncredit providers and established a "Credential Lab" to support institutions navigating this marketplace. In doing so, NECHE and HLC are proactively positioning themselves as leaders in noncredit quality assurance (Weissman 2025).

Together, these efforts highlight a turning point: traditional accreditors continue to cover credit-bearing nondegree programs through traditional accreditation processes, while some independent frameworks and proactive accreditor initiatives are beginning to address the employment outcomes and the noncredit landscape directly. The result is a fragmented but evolving ecosystem where employability, return on investment, and labor market alignment are becoming more central measures of quality.

# CONCLUSION

This brief shows that the growth and sustainability of college nondegree programs are shaped not only by institutional design but also by the influence of external partners and the policy environment. Employers, intermediaries, philanthropic funders, research organizations, and community groups shape how programs are designed, delivered, and valued. Federal and state policies, accreditation systems, and emerging quality assurance efforts determine the conditions for support, funding, and regulation. Together, these external forces influence both the accessibility of programs and their long-term role in higher education.

Looking ahead, sustained attention will be needed as partnerships and policy frameworks continue to evolve. Neither are static. Employers' skill demands, learner circumstances, and community needs shift continuously, while new policies redefine eligibility, funding, and accountability and face implementation barriers. For example, higher education associations have urged delaying new accountability and aid requirements under the reconciliation bill, citing concerns about clarity, staffing, and timelines (ACE 2025b). Research also shows that short-term nondegree credentials produce uneven labor market returns even in high-demand sectors, highlighting the need for careful implementation and evaluation (Andrew et al. 2025).

These dynamics also carry important implications for institutional classification systems. Expanded Pell eligibility and similar policy initiatives are likely to accelerate the growth of short-term programs, increasing their share of colleges' overall educational offerings. As these programs become more prominent, they will influence enrollment strategies; access pathways; student support services; and outcomes. Future classification frameworks will need to recognize these changes to provide a more accurate picture of how colleges operate in a rapidly evolving environment.

Ultimately, the future of nondegree education will hinge on balancing innovation with accountability. How institutions adapt—and how classification systems recognize these adaptations—will determine whether nondegree programs become a durable and equitable part of the U.S. postsecondary ecosystem. Given that existing evidence on program outcomes remains inconsistent and not generalizable due to limited and noncomparable data, further research will be essential to validate their value and guide policy and practice.

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