



**Jamie P. Merisotis, President, Lumina Foundation**  
**Written testimony Prepared for the Subcommittee on Economic Opportunity, House**  
**Committee on Veterans' Affairs on the topic: *A Review of Licensing and Credentialing***  
***Standards for Servicemembers and Veterans: Do Barriers Still Remain?***

**September 10, 2015**

Chairman Wenstrup, Ranking Member Takano, members of the Subcommittee, thank you for inviting me to testify this afternoon. I very much appreciate the opportunity to speak with you about licensing and credentialing issues and how they relate to members of the armed services and military veterans. These issues are vital, not just to the millions of individuals who are directly affected, but to the growing demand for talent that will impact our entire nation and its future.

I am Jamie Merisotis, President and CEO of Lumina Foundation, a private foundation based in Indianapolis. Lumina is the nation's largest private foundation focused specifically on increasing students' access to and success in postsecondary education. I've been at Lumina since 2008, and throughout my tenure, we've been working toward one specific, clearly focused goal. We call it Goal 2025.

The goal, simply stated, is this: By the year 2025, we want 60 percent of Americans to hold a college degree, certificate or other high-quality postsecondary credential. We are convinced that this level of educational attainment is a national necessity – that it's the only way to ensure that our nation can thrive in today's dynamic, global economy. And we are not alone in this view. Labor economists and other experts tell us that the overwhelming majority of new jobs require some form of postsecondary credential – as will two-thirds of ALL jobs in this country by the end of this decade.

Unfortunately, only about 40 percent of Americans now hold at least a two-year degree, with perhaps another 5 percent holding a quality credential at the sub-associate-degree level. That's a long way from the 60 percent goal that we're working toward, which means we're a long way from having the strong, flexible, well-prepared workforce this nation needs to succeed in the 21<sup>st</sup> century.

Certainly, servicemembers and military veterans are a growing and increasingly vital part of the dynamic workforce that this country so desperately needs. They are now returning from service and entering postsecondary programs in large numbers – and that represents a tremendous opportunity for our nation's future. Our service members and veterans are a huge economic and social asset – a rich source of talent that can move America forward by great strides. Unfortunately, the vast potential of these dedicated individuals is not being fully realized, in part because of barriers imposed by the issues this subcommittee is here today to explore: issues related to education credentialing.

At Lumina, we've done a lot of work in the credentialing area in recent years – work that stems directly from our commitment to the Goal 2025 effort I just mentioned. When we committed to that goal, we realized very quickly that things would have to change significantly for the nation's attainment rate to reach 60 percent. Simply put, we realized that our nation's postsecondary system would have to be redesigned so it could serve far more students than ever before – including millions of military veterans and active duty servicemembers – and serve them better.

In short, our higher education needs to change because our *students* have changed – dramatically.

Today, there are more than 20 million people enrolled in the nation's two- and four-year institutions, including over 1 million military veterans. A sizable majority of these 20 million Americans – including all of the veterans and servicemembers – are students who do not fit the profile of a traditional college student. About 40 percent are 25 years old or older. More than one-third attend part time, and nearly 20 percent are holding down full-time jobs as they attend college. About 40 percent of today's students attend community colleges or for-profit schools – and this is true of a much higher percentage of first-generation students, and those who are African American or Latino, and those who come from low-income families. If traditional students are those that go to college directly from high school and attend full-time, that's less than a third of today's students. Those who are also identified as a dependent on their parent's tax return and live on campus are an even smaller percentage. I would argue that federal policy has been overwhelmingly focused on students who are a small and shrinking share of all the students and potential students we should be considering. When more than three out of four students are considered “non-traditional,” it's time to rethink some of our assumptions.

Today's veterans are a window into who today's students really are. They are older. They have significant work and life experiences. Many of today's students, including most veterans, are working adults, with responsibilities and commitments that extend far beyond the classroom.

In other words, today's “typical” student, if such a thing even exists, is nothing like the student that higher education was originally designed to serve and that federal policy is based on. That means it's time – past time, really – for a redesign. What we need is a system that is structured specifically to meet the varied needs of *today's* students – a system that is flexible, affordable and committed to quality.

Fundamentally, a commitment to quality boils down to one thing: assuring that educational programs result in genuine learning – that they give students the knowledge, skills and abilities they need to succeed in the modern workplace and in life. Unfortunately, most postsecondary programs aren't set up to assure genuine learning. Students earn their degrees and credentials, not by demonstrating actual knowledge or skills, but by earning a specified number of credits by spending a certain number of hours in classrooms or labs.

Again, the approach here is institution-centric; it's not designed around the needs of students. That has to change. We need a student-centered system – one in which credits and credentials are awarded, not when a certain amount of time is served, but when the proper knowledge and skills are demonstrated.

In short, we need a system that recognizes and rewards actual *learning* – and it shouldn't matter where or how that learning is obtained. The knowledge, skills and abilities that individuals develop in non-academic settings – on the job, in volunteer roles, and certainly during military service – all of this learning matters. And that means it all needs to count. Students should be credited for that learning, be able to apply it toward a postsecondary credential, and be assured that that credential will be recognized when they seek employment or further education.

If there's one barrier to postsecondary success facing our returning veterans, that's it: being recognized for what they've learned while in service. Any workable redesign of higher education must address this barrier. It starts with embracing what educators often call students' "prior learning." Institutions and states must find better ways to assess this learning, grant academic credit for it, and include it in the record that qualifies a student for a credential.

Awarding credit for prior learning is critically important, but our work has shown it is not enough. Like you, we have concluded that we must find ways to better integrate and organize the often-bewildering array of education credentials being offered.

There are myriad credentials in today's postsecondary landscape, including degrees, educational certificates, occupational licenses and industry certifications. New types of credentials, such as digital badges and enhanced transcripts, are also emerging. However, there's little clarity about what these various credentials actually mean – their value, their quality and how they connect.

The confusion isn't really surprising; it merely reflects the unstructured development of the U.S. credentialing marketplace over many decades. That marketplace is now a complex, loosely connected collection of education and training providers, personnel certification bodies, accreditation organizations and federal/state regulatory agencies and boards. The result: a highly fragmented, multi-layered system that presents major challenges for anyone attempting to obtain a credential to get a better job or advance their career, as well as employers and education providers who need to compare and evaluate different credentials. In short, we have an ever-growing group of providers offering a vast array of credentials that don't always connect – to each other, to other educational opportunities, or to careers.

We need a credentialing system that does connect – one that actually functions as a *system*, not as a group of disparate parts. We need a system with common definitions – one that engenders trust and facilitates student movement and progress, much like a currency exchange enables international financial transactions.

At Lumina, a great deal of our recent work has been focused on reimagining and helping to build this type of interconnected system. In fact, we have helped forge a growing partnership of national organizations – more than 80 so far – that have begun a national dialogue on this important topic.

Some of our thinking about how to improve the system is presented in a brief report that is included with your copies of this testimony – a report titled *Connecting Credentials: Making the Case for Reforming the U.S. Credentialing System*.

I won't go into too much detail here about that report, but I do want to highlight one important section. It's a list of the five key attributes that the reshaped American credentialing system should have.

- ***First, it should be easily understandable.*** All postsecondary credentials – from badges to degrees and beyond – should be based on competencies, making them easier to understand and use by students, employers, educators and workforce agencies.
- ***Second, it should assure quality.*** Users must be able to rely on the quality of credentials, including their accuracy in representing the competencies possessed by a credential holder.
- ***Third, the revamped credentialing system should be up to date.*** Credentials should be continually updated and validated to ensure they stay relevant to employer needs.
- ***Fourth, it should be interconnected.*** All students should understand how credentials connect and be able to see several pathways to increase career and economic mobility. Users also must be able to combine credentials to fit their needs and inform their education-career planning, including job transitions.
- ***Finally, it should enable comparisons.*** Stakeholders must be able to compare the value of various credentials and determine which credential best fits their needs.

Clearly, a system with these five attributes would be of enormous benefit to military veterans as they make the transition to civilian life. It would make their educational and career pathways much more clear – thus saving time and helping to ensure the best return on the investment of public dollars for education benefits.

Such a system would convey other benefits as well; these are detailed in the *Connecting Credentials* report, which I commend to your attention. I also urge you to visit a website that we've established to provide a platform for the national dialogue that I mentioned earlier. The website is called ***connectingcredentials.org***.

I want to make it clear that neither our current credentials system nor the stronger, revamped system I am describing is a federal system in any way, shape, or form. However, the effort to improve postsecondary credentialing is one that will require concerted action by a range of stakeholders – including the federal government.

The federal government has supported credentials reform through its leadership, funding and participation in research. There is more to be learned and there are already discussions underway to test approaches to supporting and funding a more inclusive system of credentialing for all students. As I noted above, while the need for the reforms is clear for all students, it is especially so for veterans and service members. I am glad to see that you, too, are considering approaches to break down these barriers and find ways to recognize already-achieved learning and skills.

I have thought a lot about these issues in recent years, particularly the need to recognize skills and knowledge whenever, wherever, and however they have been obtained. In fact, in my new book *America Needs Talent*, published this month by RosettaBooks, I endeavor to show how the national need to develop and recognize talent is driven by more than meeting the growing demand for educational and economic opportunity, as vitally important as that is. I argue that our economic and social future as a nation will in large measure be determined by our ability to build

a system that expands talent. There is no better place to start than by assuring that the talent of our veterans is recognized, that they obtain appropriate credentials for what they know and can do, and that they have opportunities to develop their talent for the benefit of themselves, their families, their communities, and the nation.

I needn't tell you that these men and women deserve our very best efforts – and that we as a nation can gain immeasurably by giving them every opportunity to succeed. I stand ready to answer any questions and would be happy to provide further information on the work we are pursuing in this area.

Again, I appreciate the opportunity to offer testimony to the Subcommittee this afternoon.

Thank you.

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