

New Economy Workforce Credential Grant FY 2025 Annual Report

Resources and Planning Committee
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STATE COUNCIL OF HIGHER
EDUCATION FOR VIRGINIA

WCG Annual Report – FY 2025

- **Program Overview**
- **Demographics**
- **Wage Analysis**
- **Cost to Students**
- **Tuition Cap**
- **Workforce Pell**
- **2026 Legislative Updates**
- **Program Recognition**

Program Overview

- **New Economy Workforce Credential Grant (WCG) established by 2016 General Assembly.**
 - From 2017-2025, students have enrolled 97,950 times in WCG funded programs at VCCS institutions, Southern Virginia Higher Education Center, and New College Institute.
- **Three purposes:**
 - Train workers in programs aligned with high-demand occupations (closing gap between supply and demand).
 - Make that training and credentialing more affordable for workers.
 - Increase the interest of current and future Virginia workers in technician, technologist, and trade-level positions.



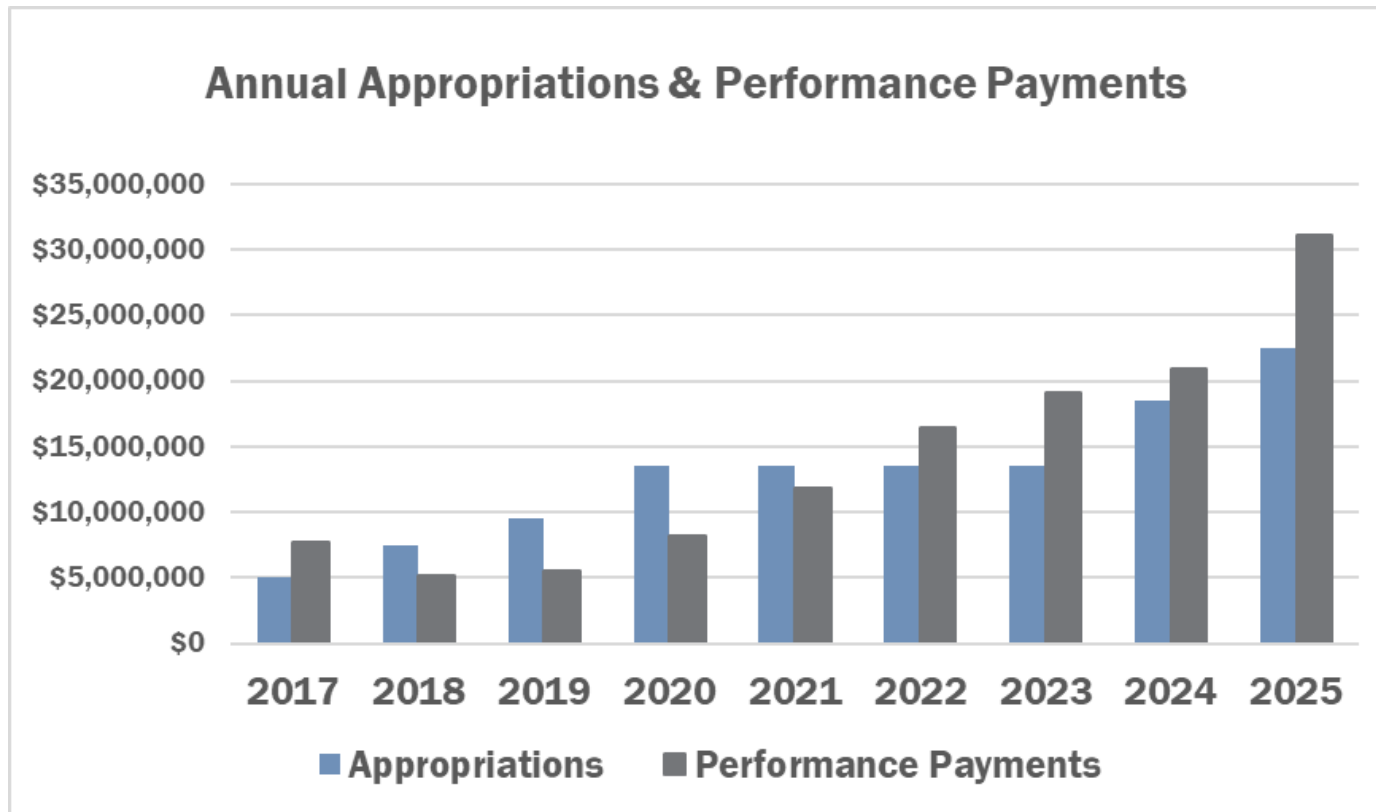
Program Overview – Industry Alignment

- **As directed in Code, the Virginia Board for Workforce Development (VBWD), in consultation with Virginia Office of Education Economics (VOEE), maintains a list of high-demand occupational fields for the Commonwealth.**
- **Institution boards identify and offer training programs aligned to those high-demand fields.**
 - In the case of the community colleges, the list of training programs is submitted to the State Board for Community Colleges for review and approval.
 - Institutions may request regional exceptions to the list to allow them to offer programs that fulfill specific local/regional needs.
- **Eligible institutions: Public 2-Year Institutions & Higher Education Centers**

Program Overview – Model

- **Pay-for-performance system breaks cost of program into thirds:**
 - **1st third paid by the student.**
 - Some financial aid is available from institutions.
 - **2nd third paid by the state to the institution for training program completion.**
 - Student pays for 2nd third if they do not finish the training program/drop out.
 - **3rd third paid by the state to the institution for completion of credential.**
 - Institution does not receive the final third reimbursement if the credential is not earned.
- **Maximum combined reimbursement to the institution per program and credential completion: \$4,000.**

Program Overview - Funding



From 2017-2021, surplus funds were carried forward to the following year. In 2022, that surplus was exhausted.

Annual increases in enrollment has led to performance payments outpacing appropriations.

A one-time transfer of VCCS funds in FY25 was completed to cover the funding gap, the account does not carry a negative balance.

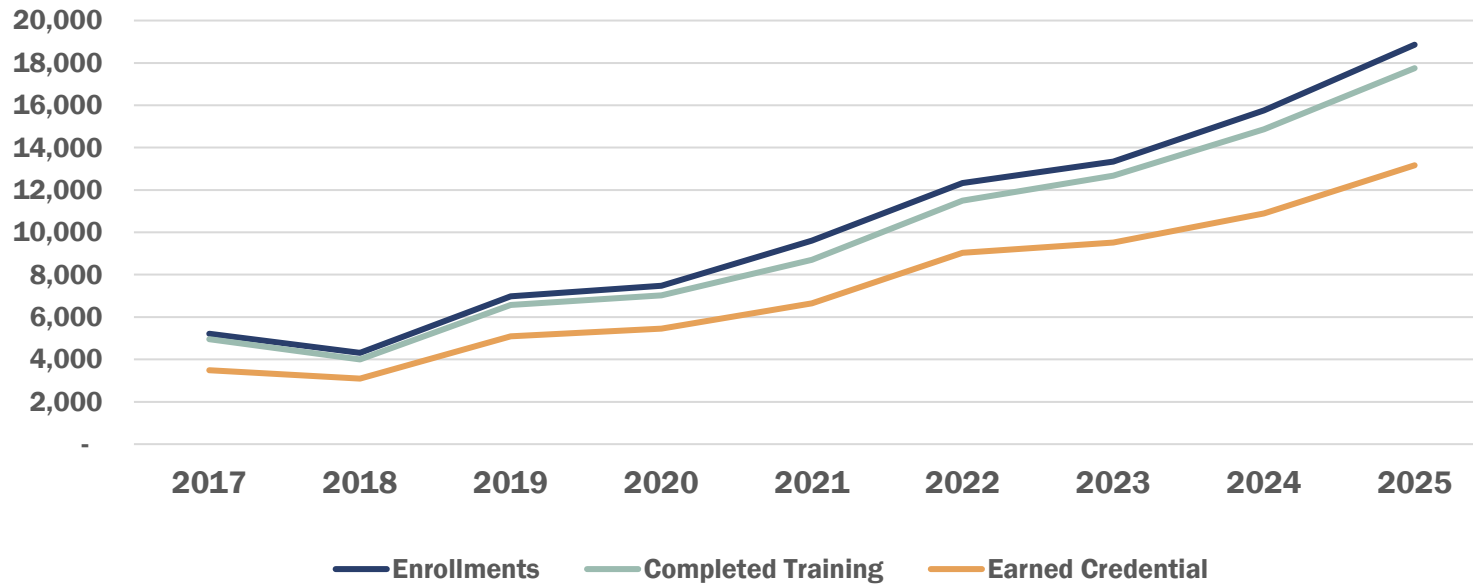
Institutions have been advised to manage enrollments to stay within the limits of appropriated funds.

Program Overview - Performance

- Institutions reported 18,858 enrollments in FY 2025, a 16% increase from FY 2024 and the most since the inception of the program.
- Completion and credentialing rates remained stable from FY24.
 - 94% complete training
 - 70% go on to earn credential – 1% increase from FY24

Program Overview - History

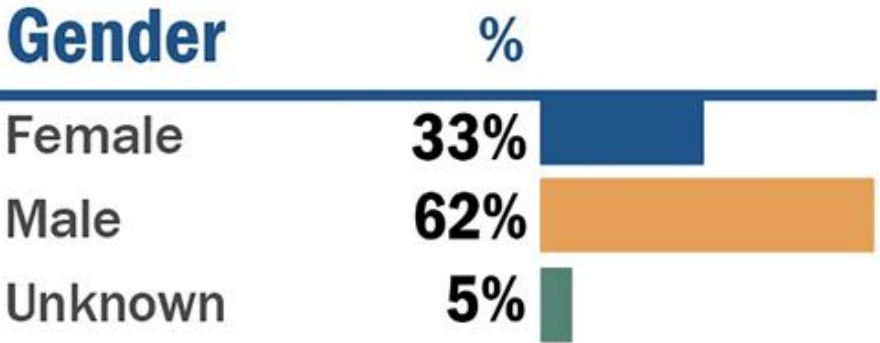
History of Workforce Credential Grant Program



As enrollments have grown, student success rates have remained steady.

Credentialing gap is affected by data collection pinch points but is improving.

Demographics: FY 2025



Age Group	#	%
Less than 18 years	477	3%
18 to 24 years	6,570	35%
Age 25 to 34 years	5,183	27%
Age 35 to 44 years	3,490	18%
Age 45 to 64 years	2,954	16%
Age 65 years and older	188	1%
Total	18,858	100%

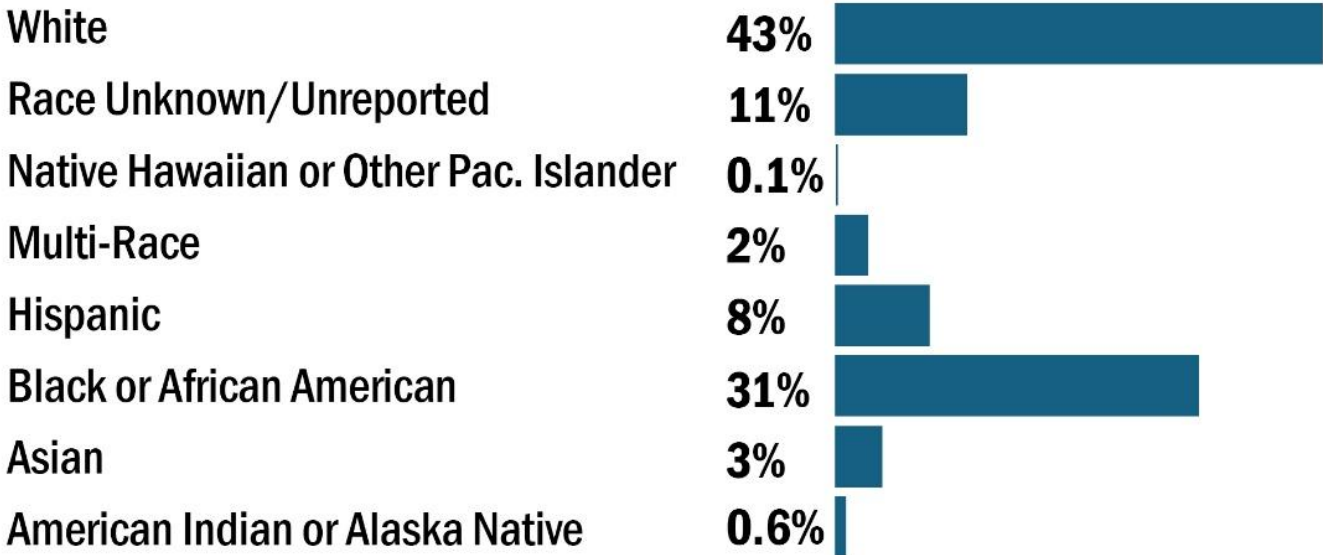
Median student age: 32

**Institutions are not required to collect demographic information at enrollment for WCG programs; this data is backfilled when students are matched to SCHEV data collected through prior enrollments.*

Demographics: FY 2025 (continued)

- Program ethnography remained largely the same when compared to FY 2024, with no significant change in group percentages.

Race/Ethnicity



Prior Postsecondary Enrollment

The proportion of students with prior postsecondary enrollment has grown over time – from 16% in FY 2017 to 39% in FY 2025.

The data supports the idea that in addition to students finding success in short term workforce training programs, students are turning to WCG programs to re-skill or up-skill in their careers.

Fiscal Year	Enrolled	No Prior Virginia PS Enrollment	No Prior Virginia PS, % Enrolled	Prior Virginia PS Enrollment	Prior VA PS, % Enrolled
FY 2017	5,205	4,373	84%	832	16%
FY 2018	4,307	3,538	82%	769	18%
FY 2019	6,980	5,124	73%	1,856	27%
FY 2020	7,489	5,058	68%	2,431	32%
FY 2021	9,618	6,914	72%	2,704	28%
FY 2022	12,367	8,391	68%	3,976	32%
FY 2023	13,453	9,221	69%	4,232	31%
FY 2024	15,753	10,381	65%	5,580	35%
FY 2025	18,858	11,484	61%	7,374	39%

Wage Analysis - Background

- Wages were matched through the Virginia Longitudinal Data System with Virginia Employment Commission (VEC) wage records.
 - Individuals that are not included in UI wage data:
 - *Employees whose wages are held in another system (federal, military), or self-employed/independent contractors (1099).*
 - VEC data does not identify:
 - *Specific occupation, number of hours worked.*
- Wage analysis includes records where one year of pre- and post-wages were matched:
 - 27,263 training program completers with wages successfully matched.
 - 21,040 credential earners with wages successfully matched.

Wage Analysis - Earnings

- Annual wages for identified training completers increased an average of \$10,025, or 39% from 2017 to 2025.
- Identified credential earners' median wages increased \$11,936 during the same period, boosting their median wages by 49%.
- Median wages increased in all industries.
 - Students who earned credentials in 'Construction & Extraction' earned the highest median wages at \$58,633.
 - Students who earned credentials in the 'Education, Training, and Library', and 'Production & Manufacturing' fields saw the largest median wage increases.

Cost to Students

- **Average Tuition for Students: \$997**
 - **Average Reimbursement to Institutions: \$2,046**
- **Financial aid available to alleviate the financial burden on students:**
 - **Workforce Financial Assistance (FANTIC – VCCS)**
 - **G3 (VCCS)**

Tuition Cap

- From FY 2017 to FY 2023, a reimbursement limited to \$3,000 per individual credential completion.
- Recognizing inflationary pressures on salaries and equipment, the 2023 General Assembly raised the limit on reimbursements to \$4,000, effective July 1, 2023.
- Of the 13,165 credentials earned in FY 2025:
 - 2,398 required reimbursements to the \$4,000 cap;
 - 863 credentials required reimbursements between \$3,000 and \$3,999.
- As inflation continues to drive program material and operation costs up, there may be a need to revisit the reimbursement cap in future.

Workforce Pell (OBBBA)

- **Passed July 4, 2025, effective July 1, 2026**
- **Expands federal Pell Grant program eligibility to include short term, non-degree programs aligned to state workforce needs – does not expand overall pool of Pell dollars to support.**
- **Will not replace or be utilized in combination with WCG funding**
- **Workforce Pell program requirements exclude almost all programs currently funded by the WCG**
- **Potential for building academic pathways for career development from WCG funded to Workforce Pell eligible certificates/diplomas and then to degrees?**

2026 Legislative Update

- The NEWCGP continues to receive bipartisan support in the legislature.
- Appropriations have been proposed as follows for the next biennium:
 - FY 2027: \$35,600,000
 - FY 2028: \$39,100,000
- Both the House and Senate proposed biennium budgets increase funding for FY 2028 to \$40,000,000 (as of 3/2/26)

Program Recognition

- **As a result of the WCG's success, Virginia has developed a national reputation as a leader in workforce development education programs:**
 - SCHEV is leading a team for Virginia in the multi-state Credentials of Value, Return on Investment Community of Practice organized by Arnold Ventures & ESG.
 - SCHEV is representing Virginia in the National Governor's Association, Data and Nondegree Credentials Learning Community
 - Virginia selected to participate in the Lumina FutureReady States project, focused on identifying opportunities to develop student postsecondary pathways to credentials of value
 - Other states are using the WCG as a model for creating their own workforce development grant programs, seek our feedback on their strategies.

Questions?

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