



Building an AI-Ready Workforce: A Policy Playbook for a Skills-Based Labor Market

**Practical strategies to help employers
recognize skills, expand talent pools, and
prepare workers for the future of work.**

Part 1 of a Three-Part Policy Playbook Series

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Introduction

America faces a growing mismatch between talent and opportunity. Employers struggle to fill critical jobs while millions of capable workers remain overlooked — not because they lack the skills to succeed, but because the labor market often relies on outdated signals of talent rather than demonstrated capability.

This challenge is becoming more urgent as artificial intelligence (AI) and rapid technological change accelerate the pace at which skills evolve. Degrees, earned once and rarely updated, are increasingly insufficient indicators of what someone can do today. Employers need more dynamic ways to identify capability, and workers need systems that recognize skills wherever they are gained and throughout their careers.

No group illustrates this challenge more clearly than the more than 70 million workers who are Skilled Through Alternative Routes ([STARs](#)). These individuals have developed valuable skills through military service, community college, workforce training, apprenticeships, partial college, or — most commonly — on-the-job experience rather than through a bachelor's degree. Together, STARs represent more than half of the U.S. workforce and are essential to every sector of the economy. Yet many continue to face a persistent "[paper ceiling](#)," where degree requirements prevent employers from recognizing skills they already possess.

Because STARs represent the majority of the U.S. workforce — and are broadly representative across industries, occupations, geographies, and demographic groups — policies that work for STARs are not niche workforce policies. They are the foundation of a labor market that works better for all workers.

Policymakers have a critical role to play in building a labor market that keeps pace with these changes. By modernizing the policies and systems that shape how skills are recognized, developed, and connected to opportunity, government can help create a more dynamic labor market that works better for workers, employers, and the economy.

[Opportunity@Work's Policy Agenda](#) provides a roadmap for building a labor market where skills — not degrees — are the primary measure of value; where education, workforce, and employer systems are aligned; and where all workers have access to lifelong learning and advancement opportunities in a rapidly changing economy.

This playbook is designed to bring that agenda to life. Part I, focuses on **Policy Area #1: Promoting skills as the key measure of value in the labor market**, translating high-level policy priorities into practical strategies for policymakers. Through implementation guidance, real-world examples, and actionable policy options, Part I explores questions including:

- What does it mean to recognize skills as the primary measure of talent?
- What is the impact of removing unnecessary degree requirements from public sector jobs and contracts?
- What infrastructure is needed to implement and measure skills-based talent practices?
- How can AI support fair talent practices by improving how skills are identified, assessed, validated, and matched to opportunity?
- As AI reshapes how talent is recognized, how can policymakers ensure it expands opportunity rather than reinforce the existing barriers that all workers, including STARs, already face?

Whether introducing new legislation, taking executive action, or updating administrative practices, this playbook is designed to help leaders at every level of government choose the right policy levers and adapt proven approaches to their own context.

Ultimately, transforming the labor market requires more than a compelling vision; it requires practical tools to execute it. As AI reshapes the future of work, policymakers have a unique opportunity to ensure that policy and technology strengthen, rather than limit, opportunity. This playbook is intended to help policymakers accelerate that transition toward a more dynamic, resilient, and skills-based economy — one where STARS, and all workers can fully realize their potential and where opportunity is truly within reach for all.



How to Use this Playbook

This playbook is a practical, action-oriented guide for advancing skills-based talent practices through legislation, executive action, and administrative policy. It draws on real examples from across government to show how policymakers can remove unnecessary degree requirements to drive performance and expand access to jobs.

It is designed to help policymakers explain why skills-based hiring matters and identify concrete policy options to move from idea to adoption.

Intended Audience

This playbook is designed for executive and legislative policymakers, agency and department leaders, policy staff, and advocates at the state and local levels. It is especially relevant for those shaping executive actions, legislation, administrative rules, or internal policy guidance that influence public sector hiring, employment practices, and workforce systems.

While every reader will find value across the full playbook, the policy plays and tools here are most relevant depending on your role and authority. **Five archetypes reflect the primary audiences for this playbook:**

1

Executive Leaders & Staff

Role: Governors, county executives, and mayors with broad authority to set the policy agenda, direct agencies or departments to act, and initiate change through executive orders and budget decisions.

2

Legislative Leaders & Staff

Role: Legislators, county commissioners, and city council members who shape and pass laws, resolutions, and budget appropriations.

3

Agency & Department Leaders

Role: Appointed agency and department heads who set administrative policy and drive policy change within their own operations.

4

Chief Human Resource Leaders

Role: Appointed human resource heads and civil service administrators who oversee talent management, job classification, and workforce policies across government.

5

Advocates & Supporters

Role: Stakeholders at organizations and coalitions who build the public case for policy change and equip policymakers with the information and arguments to pull various policy levers.



NAVIGATION TIP: Explore [policy levers](#) and [policy plays by archetype](#) in the Appendix and the [interactive version](#) of this Policy Playbook.

How this Playbook Can Help

- **Clarify what's possible:** Provides examples of policy actions that have filled in-demand roles, broadened the public sector's talent pool, and enhanced employee performance.
- **Support policy design and advocacy:** Offers practical options and considerations for developing and advancing skills-based policies.
- **Strengthen enabling infrastructure:** Highlights how data systems, AI, internal capacity, and cross-agency coordination can help advance policy.
- **Guide stakeholder engagement:** Shares approaches for building alignment across legislators, agencies and departments, and other partners.
- **Ground decisions in evidence:** Encourages the use of data and lessons learned to inform policy choices.

HOW TO USE THE EXAMPLES: Most examples in this playbook come from state and local governments, where significant action has taken place in recent years. However, the policy plays and strategies outlined here are applicable across all levels of government – federal, state, and local. We encourage readers to adapt what's here to their own context.

What the Playbook Does Not Do

- **Does not provide a comprehensive HR or workforce policy manual:** It focuses specifically on policies that remove degree requirements and promote skills-based talent practices.
- **Does not substitute for legal or HR expertise:** Users should consult subject-matter experts as needed.
- Does not serve as an implementation guide for skills-based talent practices: For implementation support, refer to [Opportunity@Work's Government as Employer Playbook](#) or [Opportunity@Work's STARs Hiring Playbook](#).

How to Approach Using this Playbook

- **Start with your context:** Identify where degree requirements create barriers and where policy can drive change.
- **Use what's relevant:** Pull the examples and policy options that align with your goals.
- **Pair policy with purpose:** Clearly communicate why skills-based practices matter.
- **Use it to drive action:** Inform strategy, shape proposals, and move from idea to policy change.



NAVIGATION TIP: Use embedded hyperlinks throughout the playbook to quickly navigate between sections and access tools and resources. Use the search function (Ctrl+F on PC or Cmd+F on Mac) to quickly search for key terms, policy ideas, or examples.

Policy Ideas – At a Glance

Before diving in, here's what to expect: each policy idea outlines why it matters, what it takes, and actionable options and examples to move from concept to adoption.

Why This Policy Idea Matters

Explains the problem the policy addresses and why it's important for expanding access to opportunity for STARS, improving economic outcomes, or advancing skills-based talent practices.

What It Takes

Outlines the key conditions, decisions, and investments required to develop, implement, and sustain the policy over time.

Potential Policy Plays

Presents actionable policy options across different levers that policymakers can use to advance this idea.

Highlighted Promising Practice

Highlights a real-world example that demonstrates how this policy can be applied and what others can learn from it.

Tools & Resources

Provides practical resources, examples, and guidance to support policymakers and advocates.



Making the Case for Skills-based Talent Practices in the Era of AI

Artificial intelligence is reshaping the nature of work, accelerating the pace at which skills evolve and changing how organizations identify, develop, and deploy talent. In this environment, skills-based talent practices are no longer simply a hiring innovation—they are becoming an essential strategy for building a workforce that can adapt to technological change, respond to emerging needs, and deliver results.

No institution has a greater opportunity to lead this transformation than government. As one of the nation's largest employers, a purchaser of billions of dollars in goods and services, a regulator, an investor in education and workforce systems, and a powerful market signaler, government shapes how talent is recognized and rewarded throughout the economy. The choices governments make influence not only their own workforce, but also the practices adopted by employers, educators, technology providers, and workforce partners across the labor market.

Part 1 of this playbook focuses on two of government's most immediate and influential roles: **government as employer** and **government as purchaser**. Together, these functions enable public leaders to modernize their own workforce while encouraging broader adoption of skills-based talent practices throughout the economy.

A government's ability to deliver essential services depends directly on the strength of its workforce. The public sector is one of the nation's largest employers, employing more than 15% of workers; yet, that workforce is under strain. Persistent [vacancies](#) — worsened by the aftermath of the 2020 pandemic and rooted in longer-term trends dating back to the Great Recession — have left state and local governments struggling to fill critical roles.

These challenges are compounded by the public sector's continued reliance on college degrees as a means to screen qualified job candidates. Compared to the private sector, public sector roles are [significantly more likely](#) to require a bachelor's degree, even when the job's core competencies do not require one. This practice restricts access to a vast and overlooked talent pool — more than 70 million workers who are [Skilled Through Alternative Routes \(STARs\)](#). Despite having developed valuable skills through routes such as community college, military service, apprenticeships, certifications, and on-the-job experience, many STARs remain excluded from consideration because of degree requirements.



Over the past two decades, STARs have seen their access to stable, good-paying public sector jobs [decline](#), even as the number of such jobs has grown. The result is a paradox: governments struggle to fill critical positions while millions of capable workers remain locked out by outdated hiring practices. As AI increases the need for more agile and adaptable talent systems, governments can no longer afford to overlook workers with the skills to meet their workforce needs.

The good news is that government has powerful tools to change this.

Government's influence on the labor market extends well beyond hiring its own workforce. Public sector leaders have powerful levers through contracting, occupational licensing, and funding the talent systems that prepare students and workers for career opportunities. Modernizing these policy areas to focus on demonstrated skills can help governments scale skills-based talent practices across the broader economy. And there is growing evidence that when governments act, it works.

Since 2020, the federal government and more than 30 states, cities and counties have taken executive or legislative action to reduce unnecessary degree requirements and shift toward skills-based talent practices. Our [analysis](#) of the first 18 states to take executive or legislative action showed that they opened more good-paying jobs to STARs than they had in the year prior to their commitment. In doing so, they moved closer to a public workforce that reflects the communities they serve and is equipped with the skills needed to deliver the services their residents expect.

The importance of this shift is only growing. Governments are operating in an environment defined by tightening budgets, rapid technological change, and rising demands. Skills-based approaches enable more strategic use of limited resources by focusing hiring, training, and advancement on the capabilities that directly drive performance. They also provide the flexibility needed to respond to emerging demands, including the integration of new technologies like AI, which are reshaping job roles and skill requirements at an unprecedented pace.

At the same time, AI is increasingly shaping how talent is screened, assessed, and matched to opportunity. This creates both an opportunity and an imperative for policymakers: when designed and applied intentionally, these tools can help surface skills, screen in qualified applicants, and widen access to good jobs rather than reinforce outdated barriers.

Ultimately, skills-based talent practices do two things at once: they build a workforce better matched to the actual demands of the job, translating into stronger performance, higher-quality services, and governments better equipped to meet the changing needs of constituents. They simultaneously expand access to good, stable jobs for the millions of STARs currently locked out by arbitrary degree requirements. Together, these outcomes make skills-based talent practices a powerful tool for strengthening government performance while expanding economic opportunity.

Policy Levers

Policymakers and government leaders have multiple levers available to advance policy change, each with distinct advantages and limitations. Understanding the best use for each lever helps you choose the right tool for your goal and context.

Policy Lever	Advantages	Limitations	Best Use
Legislative Action Laws passed by a legislative body that establish enforceable requirements	- Durable and permanent mandate - Strong public signal - Cross-agency consistency - Enables public accountability through reporting - Difficult to repeal or change	- Long timeline to enact - Implementation depends on administrative follow-through - Requires political capital	- Systemic, long-term change that survives leadership transitions - Long time horizon
Executive Action Formal directives issued by an executive to guide executive branch operations	- Quick deployment - Strong signal of executive leadership	- Temporary and reversible; vulnerable to political or leadership change - Limited to the executive branch authority - May lack dedicated funding	- Legislative action is not feasible or timely - Speed is important - Falls within existing authority - Piloting new approaches - Short time horizon
Regulation / Rulemaking Formal rules issued by agencies under existing authority	- More durable than executive orders - Includes public input - Creates consistency across agencies - Has the force of law	- Long process - Limited to existing authority	- HR policies are codified in regulations - Technical detail matters - Falls within existing authority - Medium to long time horizon
Administrative Action Internal policies or guidance issued by agencies	- Fast and flexible - Tailored to agency operations	- Limited enforcement authority - Implementation can vary across agencies - Less public awareness	- Remove internal barriers - Drive early adoption before formal policy is in place - Operationalize policy intent - Short time horizon
Resolution Formal statements adopted by a governing entity to express intent or encourage action	- Can lay the groundwork for future policy - Fast and flexible - Signals leadership and policy intent - Builds awareness and momentum	- Non-enforceable - Limited direct impact on policy change - Requires follow-through to drive real change	- Early-stage alignment - Build broad support and engage stakeholders - Prepare for future policy action - Short time horizon
Resources Appropriations or funding sources that incentivize and enable policy action	- Incentivize policy change and accelerate adoption - Support capacity building - Strong public signal	Time-limited (annual or biennial); vulnerable to fiscal constraints or political shifts	- Implementation requires resources - Systems change and scale - Short to medium time horizon
Public-Private Partnership Formal collaboration between government and external partners to advance a shared goal	- Access specialized expertise and funding - Shared ownership and alignment across sectors - Ability to influence broader employer policies and practices	- Requires coordination capacity - Less direct control over execution - Sustainability depends on partner commitment and funding	- Build employer alignment across sectors - Supplement government capacity and resources - Medium to long time horizon



DESIGN TIP: Policy change often leverages multiple levers over time. For example, leaders may start with an executive action to initiate a new policy, follow with administrative guidance to operationalize change, and ultimately pursue legislation to institutionalize the policy.

Choosing the Right Policy Lever

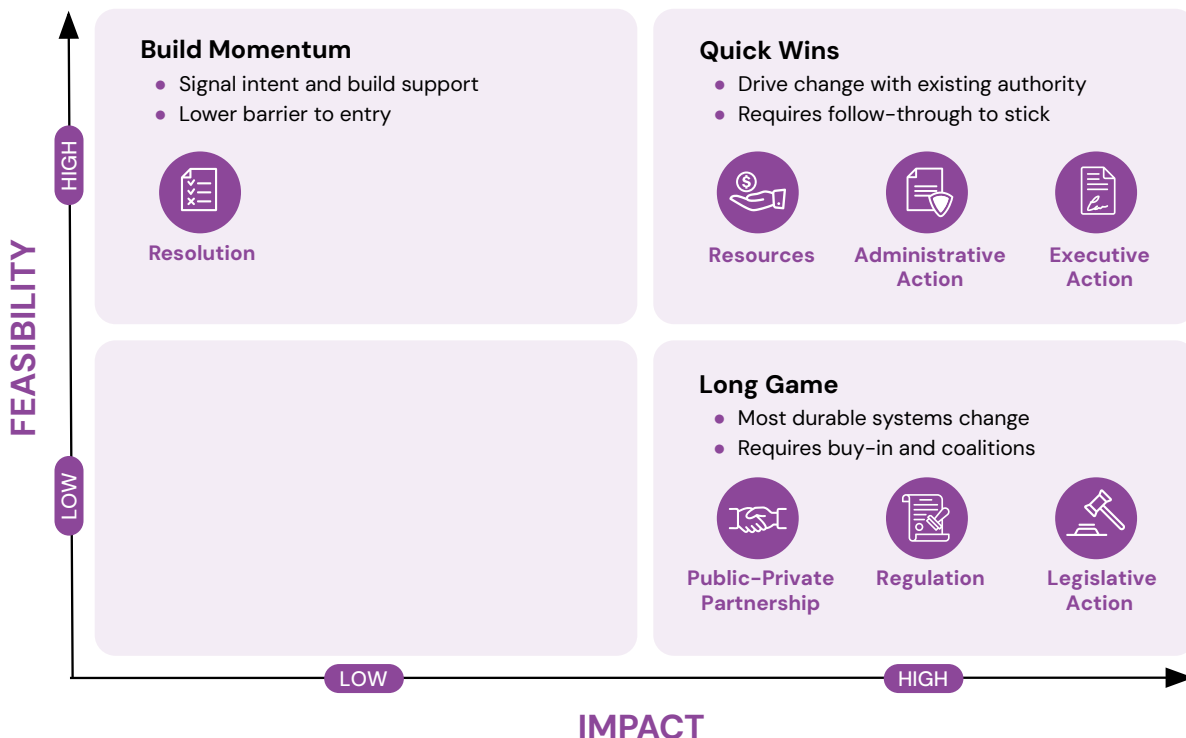
The right policy lever depends on your role, authority, and context. The matrix below maps the seven policy levers across two dimensions: the potential impact of the lever on advancing skills-based talent practices, and how feasible it is to pursue given your legal authority, capacity, and political capital.

Use the matrix to identify your best starting point. Select your archetype to see which levers are most actionable given your role — primary levers are those most directly within your authority and control; secondary levers may require additional partners or enabling conditions. Levers in the upper right offer the highest impact and are most feasible for most executive leaders to pursue; levers in the lower right deliver the most durable, systemic change but require more conditions to pursue. Start where you can, and build toward where you want to go.



DIVE DEEPER: Explore the [interactive version of this playbook here](#). Use this interactive playbook to explore **executive** and **legislative** actions and the plays most relevant to your role and context.

Find Your Starting Point



Policy Plays & Resources

Policy Area 1: Promote skills as the key measure of value in the labor market.

Recognize skills as the core measure of talent.

Eliminate unnecessary degree requirements in public sector job classifications by updating minimum qualifications to focus on skills.

Shifting minimum qualifications to skills and competencies broadens the talent pool and helps governments fill critical roles with qualified candidates. It also helps build an agile and responsive talent system as work and roles continually evolve in the era of AI.

Why This Policy Idea Matters

Outdated degree requirements often exclude highly capable workers, including STARs, and limit access to qualified talent. In fact, nearly [32 million STARs](#) have skills for higher wage roles today, but are held back by arbitrary degree requirements. By focusing on skills and competencies rather than degrees, public sector employers can expand the candidate pool, better align hiring with actual job requirements, and build a workforce that better reflects their community.

Shifting to skills-based qualifications also helps address persistent labor shortages and retention challenges by opening roles to a broader set of qualified candidates. In doing so, governments can strengthen workforce quality and performance, while promoting more equitable access to public sector jobs. As AI rapidly reshapes job roles and skill needs, static degree requirements are an increasingly poor proxy for capability — skills-based qualifications give governments greater flexibility to adapt.

What It Takes

Implementing this policy requires updating minimum qualifications within job classification systems to emphasize relevant skills and competencies. In many states, this involves working through established civil service or personnel board processes, which may operate on fixed timelines and require formal review and approval. It may also include negotiation with unions.

Agencies need dedicated staff capacity — particularly within HR and classification teams — to review roles, revise job requirements, and align classifications with skills-based practices. Engage hiring managers to ensure revised job descriptions reflect real job needs and provide guidance on acceptable alternative pathways, such as work experience, military experience, certifications, and apprenticeships, to ensure consistent application across agencies.

Potential Policy Plays

- **Remove degree requirements from job classifications and set skills-based standards**

EXECUTIVE ACTION **LEGISLATIVE ACTION**: Direct agencies to revise minimum qualifications to focus on skills and competencies rather than degrees, and establish clear criteria for when degrees are required. For example, the [City of New Orleans](#) is mapping skills and competencies to the city's core values to enable skills-based performance management.



DIVE DEEPER: Learn about how the City of Chicago *eliminated unnecessary degree requirements and unlocked opportunity for nearly 2 million STARs in O@W's Case Study "From a Billboard to City Hall: How Chicago Tore the Paper Ceiling."*

- **Codify skills-based hiring policies to ensure consistency and durability** **LEGISLATIVE ACTION**: Enact legislation to make skills-based policies permanent, sustaining changes across leadership transitions and improving consistency across agencies. For example, in 2023, [Virginia](#) announced removing degree requirements for more than 90% of Virginia state jobs, as part of the state's shift toward skills-based talent practices. In 2025, the state's skills-based approach to talent acquisition was **codified** in law, which promotes hiring on the basis of direct experience and prohibits state agencies from requiring a bachelor's degree as a condition of hiring eligibility.
- **Establish accountability and reporting requirements for adoption** **EXECUTIVE ACTION** **LEGISLATIVE ACTION**: Require agencies to track and report on updates to job classifications, use of alternative qualifications, and impacts on hiring outcomes. [Connecticut](#) requires the Commissioner of Administrative Services to conduct a study to explore the feasibility of eliminating college degree requirements for certain appointments to state classified services and establishing a program to provide alternative routes to appointment to state classified service. The bill also requires the Commissioner to submit a report with the findings of the study to the joint standing committee of the General Assembly. [Texas](#) requires the classification office to evaluate ways to expand career advancement opportunities for state agency employees who do not hold a bachelor's degree and provide recommendations to the budget office and the Legislative Budget Board. [Indiana](#) requires the State Personnel Director to provide written reports of progress to the governor on initiatives set forth by the executive order including participation rates, job placement outcomes, and the impact on workforce shortages, to ensure accountability and continuous improvement.
- **Align skills-based hiring policies across state and local government** **LEGISLATIVE ACTION**: When setting skills-based policy at the state level, consider including county and local governments too. For example, [Hawaii](#) prohibits degree requirements for both **state and county positions** except where justified.
- **Use convening power to influence adoption across sectors** **EXECUTIVE ACTION** **PUBLIC-PRIVATE PARTNERSHIP**: Leverage state leadership to encourage adoption of skills-based hiring beyond government. For example, after **directing** state agencies to implement skills-based hiring, **Massachusetts** created the [MassSkills Coalition](#) to bring together employers, labor partners, education providers, and workforce organizations to accelerate skills-based hiring statewide.

Highlighted Promising Practices

The **Iowa Auditor of State** conducted a review of job classifications to determine which roles could be opened to STARs without requiring a degree. Using clear evaluation criteria – including roles with existing educational equivalency, demonstrated STAR success, and alignment with private sector practices – the office identified twenty-eight positions across six job series where degree requirements could be removed or replaced with experience-based alternatives. With a structured review, public report, and press conference, the Auditor’s office not only advanced its own hiring strategy but also created momentum across state government.



DIVE DEEPER: Learn more about how the Iowa State Auditor’s Office identified roles to remove or replace degree requirements with experience-based alternatives in O@W’s Case Study [“How to Get Started Tearing the Paper Ceiling in Your State Government: Learnings from Iowa’s Auditor of State.”](#) Auditor Sand also practices skills-based hiring in his role as a hiring manager. Learn more about why he hired CJ Petersen, a STAR, to be his Director of Communications in [O@W’s State of the Paper Ceiling Report](#).

U.S. Representative Angie Craig (MN-2) eliminated college degree requirements for all positions in her congressional offices, directing that candidates be evaluated based on relevant work experience and training instead of formal credentials. This change reflects her broader efforts to expand access to workforce training, including advancing investments in career and technical education and supporting apprenticeship programs. By aligning hiring practices with these priorities, her office demonstrates how skills-based approaches can be implemented in practice and modeled for others. Leading by example can help normalize skills-based hiring and build momentum for broader adoption across the public sector.

The bipartisan [Federal Jobs for STARs Act of 2026](#) requires federal agencies to remove unnecessary degree requirements for federal jobs and embed skills-based hiring across federal employment. The legislation builds on a [2020 Executive Order](#) directing agencies to modernize how federal job candidates are assessed and hired, and codifies those reforms into permanent law. This sequence – executive action to initiate change, legislation to institutionalize it – demonstrates how governments can use the same approach to make skills-based hiring reforms durable and lasting.

Tools & Resources

- **Opportunity@Work – State and Local Approaches to Tearing the Paper Ceiling** **POLICY BRIEF** : Offers examples of state and local policy approaches to remove outdated degree requirements.
- **Opportunity@Work – Skills-Based Hiring Model** [Executive Order](#) and [Legislation Toolkits](#) **TOOLKIT** **MODEL EXECUTIVE ORDER** **MODEL LEGISLATION** : Provide guidance, examples, and templates to help policymakers designate implementation leadership, define roles and responsibilities, and accountability structures.
- **Cicero – Expanding Public Sector Career Opportunities Model Bill** **MODEL LEGISLATION** : Provides a template for state legislation to remove unnecessary degree requirements.
- **Workday – SKILLS Act** **MODEL LEGISLATION** : A draft bill relating to supporting skills-based talent practices in the public and private sectors.
- **National League of Cities and AIR – Modernizing Municipal Workforces Through Skills-Based Practices** **REPORT** : Researches city efforts to integrate skills-based practices across the talent lifecycle.

Ensure contract solicitations do not require unnecessary degree requirements and encourage skills-based hiring by government contractors.

Aligning contracting requirements with skills-based hiring ensures contractors are evaluated based on their ability to perform the work.

Why This Policy Idea Matters

Federal and state contract solicitations often include degree requirements that unnecessarily limit access to qualified talent, even when those credentials are not essential to perform the work. By removing these requirements and emphasizing skills, agencies can expand the pool of eligible contractors and better align procurement practices with workforce needs.

A skills-based approach to contracting opens access to good-paying jobs for STARs and ensures that both employees and contractors are evaluated based on their ability to perform the work, strengthening the government workforce overall.

What It Takes

At the federal level, implementing this policy requires amending [Title 41](#) of the US Code of Federal Regulations, which governs federal procurement policy, to prohibit unnecessary degree requirements in contract solicitations and establish clear standards for when educational credentials are appropriate.

The Office of Management and Budget plays a central role by issuing guidance to agencies on how to implement these changes in practice, including reviewing and revising solicitation requirements to prioritize skills and experience. Requiring contracting officers to justify the use of degree requirements can further strengthen accountability and ensure consistent application across agencies.

Potential Policy Plays

- **Prohibit unnecessary degree requirements in contract solicitations** **LEGISLATIVE ACTION**: Enact legislation to prevent agencies from including minimum educational requirements in contractor solicitations unless they can justify their use based on job-related needs. For example, [Kansas](#) extends the state's degree requirement prohibition to contracted personnel, requiring written justification for any exceptions.
- **Update federal procurement regulations to prioritize skills-based criteria** **REGULATION** **RULEMAKING**: Revise the [Federal Acquisition Regulation \(FAR\)](#) to require agencies to evaluate contractor personnel based on skills, experience, and demonstrated capability rather than degree attainment.
- **Require justification and review for degree requirements in solicitations** **ADMINISTRATIVE POLICY**: Establish a policy requiring contracting officers to document and justify any use of degree requirements, with oversight mechanisms to ensure consistent application across agencies.
- **Align federal contracting requirements with broader skills-based hiring policies** **EXECUTIVE ACTION**: Direct agencies to ensure consistency between internal hiring reforms and contractor requirements, reinforcing a uniform, skills-based approach across the federal workforce.

Highlighted Promising Practice

The [Skills-based Federal Contracting Act \(H.R. 5235\)](#), passed by the U.S. House of Representatives in February 2026 and awaiting approval by the full Senate, prohibits agencies from including minimum educational requirements in contractor solicitations unless they can justify their use. The legislation also directs the Office of Management and Budget to issue implementation guidance within 180 days and requires the Government Accountability Office to report to Congress on compliance within three years. Establishing a clear standard, paired with implementation guidance and accountability, helps ensure that federal contracting reflects actual workforce needs and expands access to opportunities for workers with relevant skills and experience.

Kansas passed the [Fostering Competitive Career Opportunities Act](#), legislation that removes degree requirements as a consideration in both state employment and government contracting. Framed as a way to curb degree inflation and establish work experience as the primary indicator of career readiness, the law expands access to good public sector jobs for the 672,000 Kansans who are STARs while making the state's workforce more competitive. By addressing both hiring and contracting in a single piece of legislation, Kansas demonstrates how states can use legislative action to extend skills-based practices beyond government's own workforce and into the broader labor market.

Tools & Resources

- [Coalition Letter Supporting the Skills-based Federal Contracting Act](#) **SUPPORT LETTER** : Demonstrates cross-sector support for removing unnecessary degree requirements in federal contracting and outlines the policy rationale for skills-based approaches.
- [Written Testimony of Timi Hadra, Client Partner and Senior Executive for West Virginia, IBM Consulting](#) **TESTIMONY** : Provides industry perspective on the value of skills-based hiring in federal contracting.

Build infrastructure to support skills-based talent systems.

Appoint a dedicated leader and team to lead implementation.

Clear ownership and executive-level capacity ensure skills-based policies are implemented consistently and sustained over time.

Why This Policy Idea Matters

Skills-based hiring requires more than a policy commitment – it depends on consistent and coordinated implementation across agencies. Without clear ownership, efforts can stall, vary across departments, or fail to translate into practice.

Designating a dedicated leader and team establishes accountability, creates a clear point of coordination, and ensures agencies receive the guidance and support needed to implement policy changes effectively. Strong governance structures help maintain momentum, align efforts across agencies, and ensure that skills-based policies are applied consistently over time.

What It Takes

Policymakers must clearly designate a lead entity or individual responsible for implementation within executive orders or legislation, including defining roles, responsibilities, and authority. This includes establishing how the lead will coordinate across agencies, provide guidance, and support adoption.

Successful implementation requires dedicated staff capacity, including personnel with expertise in HR, workforce policy, and change management. Leaders must also ensure the team has the authority and resources needed to guide implementation, monitor progress, and address challenges across agencies.

Potential Policy Plays

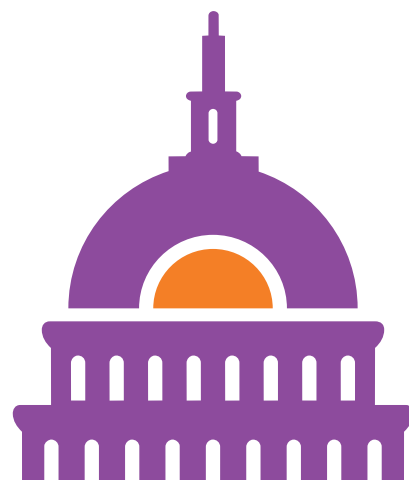
- **Designate a central implementation lead** **EXECUTIVE ACTION** **LEGISLATIVE ACTION**: Appoint an office or senior leader with clear authority to oversee implementation of skills-based policies, including coordination across agencies and accountability for progress.
- **Establish a cross-agency implementation team or task force** **EXECUTIVE ACTION**: Create a formal interagency body to support adoption, align implementation efforts, and provide guidance and technical assistance to agencies.
- **Embed implementation responsibilities and timelines in policy directives** **EXECUTIVE ACTION** **LEGISLATIVE ACTION**: Include clear roles, responsibilities, and timelines within executive orders or legislation to ensure agencies understand expectations and implementation proceeds in a coordinated and timely manner.

Highlighted Promising Practice

[Colorado](#) directed the Division of Human Resources within the Department of Personnel & Administration to lead implementation of skills-based hiring across Colorado state government. The Division developed statewide guidance, training, and tools for HR teams, including a skills-based selection plan template, and partnered with the Department of Labor and Employment to integrate work-based learning models, such as apprenticeship, into skills-based hiring templates and training. The state also established a data-driven approach to monitor, measure, and evaluate outcomes.

Tools & Resources

- **Opportunity@Work – Skills-Based Hiring Model** [Executive Order](#) and [Legislation Toolkits](#)
TOOLKIT: Provide guidance, examples, and templates to help policymakers craft a policy, designate implementation leadership, define roles and responsibilities, and accountability structures.



Allocate dedicated funding to build organizational capacity.

Dedicated funding accelerates adoption and ensures skills-based policies are implemented and sustained over time.

Why This Policy Idea Matters

Effective policy implementation requires sustained attention, coordination, and follow-through. In large, complex government organizations, progress depends on dedicated resources, particularly staff with the time, authority, and expertise to lead policy execution and drive systems change across agencies.

What It Takes

Skills-based talent practices are an organizational strategy, not a one-time initiative. Advancing them at scale requires prioritizing dedicated resources during budget development and legislative processes, with clear decisions about what can be reallocated and what requires new investment.

Leaders must fund the core capacity needed for implementation, including dedicated staff time, training, and updates to job classifications and policies. Investments in tools and systems are also necessary to operationalize skills-based practices and enable consistent application across agencies.

Sustained progress depends on alignment between executive and legislative leaders to ensure funding is maintained over time, rather than treated as a one-time investment.

Potential Policy Plays

- **Allocate targeted resources to fund skills-based implementation** **FUNDING**: Direct new or existing funds to support the transition to skills-based talent practices, including policy development, staff training, and implementation support across agencies.
- **Use federal flexibility to fund skills-based practices through WIOA waivers** **ADMINISTRATIVE ACTION**: Leverage [U.S. Department of Labor](#) guidance to pursue waivers that allow states to allocate workforce funds toward skill development, worker mobility, and talent practices based on demonstrated skills and abilities.
- **Deploy philanthropic capital to pilot and scale skills-based practices** **FUNDING**: Use flexible philanthropic funding to catalyze early adoption, build implementation capacity, and prepare for scale. For example, the [Recoding America Fund](#) is investing in governments to modernize civil service systems and strengthen hiring and retention.
- **Align existing workforce and economic development resources to support skills-based practices** **ADMINISTRATIVE ACTION**: Coordinate existing investments, such as sector partnerships and industry-led initiatives, to advance shared job architectures and skills alignment across employers and training providers. For example, [Montana's 406 JOBS Initiative](#) provides a unifying statewide framework to coordinate workforce development efforts across state agencies, in partnership with industry, labor, education and training, and economic development partners.

Highlighted Promising Practice

[Colorado](#) paired an executive order to reduce degree requirements and transition to skills-based hiring with a \$700,000 investment to the Department of Personnel & Administration to support implementation across state government. Funding was used for training, policy updates, and tools to enable consistent adoption by hiring managers. Combining executive authority with dedicated funding allowed agencies to move quickly from policy to practice and ensured consistent implementation.



DIVE DEEPER: Learn more about Colorado's statewide implementation strategy in O@W's Case Study "[How the State of Colorado is Transforming its Workforce through Skills-Based Practices.](#)"

Tools & Resources

- [State of Colorado – Executive Order D 2022 015](#) **MODEL EXECUTIVE ORDER** : Demonstrates how executive authority can be paired with dedicated funding to support the implementation of skills-based hiring across state government.
- [America Forward – New U.S. Department of Labor Guidance on Maximizing Innovation](#) **GUIDANCE** : Highlights opportunities for states to use WIOA flexibility to fund skills-based strategies and advance worker mobility.



Allocate staff to develop expertise and provide technical assistance and implementation support related to skills-based strategies.

Dedicated staff capacity ensures agencies have support to manage culture and organizational change and sustain skills-based practices across the talent lifecycle.

Why This Policy Idea Matters

Skills-based policies require agencies to adopt new hiring, evaluation, and talent management practices, and embed these changes in HR and data systems. Without dedicated expertise and support, implementation can be inconsistent, slow, or limited to a small set of early adopters.

What It Takes

Agencies must dedicate staff capacity – often within HR or central talent offices – to develop expertise in skills-based practices and provide ongoing training and technical assistance. These teams are responsible for creating and maintaining guidance, tools, and templates, including skills-based job descriptions, hiring manager training, and assessment frameworks.

Successful efforts require ongoing engagement with agency leaders and hiring managers to reinforce practices, provide hands-on support, and ensure tools are applied consistently. Participation in peer learning networks and communities of practice can further strengthen internal capacity and help teams adopt proven approaches from other states.

States have joined national communities of practice, such as [Opportunity@Work's Transformers in the Public Sector Cohort](#) and the [National Governors Association Skills-Driven States](#), to deepen their expertise on skills-based talent practices. Participants have used their learnings to inform statewide implementation strategies, build hiring manager trainings, and create bespoke tools and templates for their state.



DIVE DEEPER: Learn more about the [2026 Transformers in the Public Sector](#) cohort and the 11 state and local governments that are building skills-based talent systems.

Potential Policy Plays

- **Establish a centralized technical assistance function for skills-based implementation**
EXECUTIVE ACTION | ADMINISTRATIVE POLICY : Direct a central HR or talent office to provide guidance, training, and tools to support agencies in adopting skills-based practices consistently across the talent lifecycle.
- **Require development and use of standardized tools and training** **EXECUTIVE ACTION**
ADMINISTRATIVE POLICY : Mandate the creation and use of shared resources – such as skills-based job description templates, assessment frameworks, and hiring manager training – to ensure consistency across agencies. For example, [Louisiana State Civil Service](#) mandates agencies use the first three steps of its [Hiring Framework](#) and provides templates to help enable consistent adoption.
- **Partner with external organizations to build expertise and scale support** **PUBLIC-PRIVATE PARTNERSHIP** : Collaborate with national experts and peer learning networks to strengthen internal capacity and accelerate adoption.

Highlighted Promising Practice

For over a decade, [Louisiana](#) has used a statewide [Competency Model](#) and [Hiring Framework](#) to support skills-based hiring and advancement. HR staff and hiring managers use these tools to identify role-specific competencies and evaluate candidates based on demonstrated skills. In 2025, Louisiana State Civil Service launched [SHIFT](#) – Shaping How we Invest in Future Talent – a statewide initiative to help employees and hiring managers understand and adopt a skills-based culture across the talent system. Investing in internal expertise, tools, and communication helps agencies build the capacity needed to implement skills-based practices consistently and sustain culture change over time.

Tools & Resources

- [Opportunity@Work – Transformers in the Public Sector Cohort Case Studies](#) **CASE STUDY** : Case studies demonstrating how state HR leaders in Arizona, California, Colorado, Louisiana, and Utah’s participation in the Transformers in the Public Sector Cohort helped build capacity and tools needed to implement skills-based talent practices.
- [State of Washington – Executive Order Toolkit](#) **TOOLKIT** : Provides guidance to all state agencies on how to implement Executive Order 24-04 related to skills-based hiring.
- [Commonwealth of Massachusetts – Skills-based Hiring Toolkit](#) **TOOLKIT** : Developed by the Office of Human Resources to offer agencies tips, resources, and best practices to succeed in skills-based hiring efforts.
- [National Governors Association – Empowering Progress Report](#) **REPORT** : Report detailing early progress of states implementing skills-based talent practices including those who participated in NGA’s Skills in the States Community of Practice.

Use AI across HR functions to enable fair talent practices that broaden job access, effectively assess and validate skills, and clarify skills-based pathways.

Responsible use of AI can expand access to opportunity by shifting hiring from degree-based screening to skills-based evaluation.

Why This Policy Idea Matters

AI is increasingly shaping how employers recruit, screen, and promote workers. As AI shifts from an emerging tool to an integrated part of HR systems, the choices governments make now, about what these systems value and how they're governed, will set a new foundation for who gets considered for public sector roles. Without intentional application and oversight, these systems can replicate existing biases – such as an overreliance on degree requirements – and reinforce barriers that limit access for STARs.

When applied responsibly, AI can help shift hiring from exclusion to inclusion by enabling more precise, skills-based evaluation of candidates. It can also help clarify career pathways, improve job matching, and expand access to opportunities based on demonstrated ability rather than credentials.

Policy plays a critical role in ensuring AI is used to broaden access, improve fairness, and maintain transparency and accountability in hiring and workforce systems.

What It Takes

Using AI responsibly in HR requires clear policy guardrails, strong oversight, and intentional system design. Policymakers must set expectations that AI tools prioritize skills, competencies, and transferable experience rather than relying on degree-based proxies.

Government agencies must maintain human oversight in hiring and promotion decisions and require regular auditing of AI systems to ensure AI is a tool for skills-based inclusion. Clear standards for transparency and data protection are also essential to ensure candidates understand how decisions are made and that their information is handled securely.

Potential Policy Plays

- Set transparency and governance standards for AI use in hiring and workforce decisions**
EXECUTIVE ACTION | LEGISLATIVE ACTION | ADMINISTRATIVE ACTION : Require agencies to disclose how AI tools are used and how decisions are made to ensure accountability and build trust with candidates and employees. For example, [New York](#) and [Massachusetts](#) require agencies to disclose when AI is being used to interact with the public or to generate content.
- Authorize the use of AI tools to support skills-based hiring and career pathway mapping**
EXECUTIVE ACTION | ADMINISTRATIVE POLICY : Provide support for agencies to adopt AI tools that identify job-relevant skills, surface transferable experience, efficiently update job classifications and descriptions, and map career pathways to expand internal mobility for STARs.

- **Establish human-in-the-loop requirements for AI-enabled hiring decisions** **REGULATION**
ADMINISTRATIVE POLICY: Require that AI tools support – rather than replace – human decision-making in recruitment, screening, and promotion processes. For example, [Alabama](#) and [Kansas](#) mandate that a person must review AI-generated outputs before they are used for official business decisions.
- **Mandate regular bias audits and oversight of AI systems** **LEGISLATIVE ACTION** **REGULATION**: Require agencies to conduct and document periodic audits of AI tools to identify and address disparities, including independent review for high-risk applications. For example, [Colorado](#) and [Illinois](#) enacted laws to combat algorithmic discrimination in high-stakes areas like hiring and other employment decisions.

Highlighted Promising Practice

In the [United Kingdom](#), the Revenue and Customs Agency (HMRC) is piloting an AI-enabled recruitment process for high-volume roles. Candidates respond to screening questions aligned to a competency framework, and the system evaluates and scores responses to support candidate assessment. HMRC is also exploring the use of AI to improve job descriptions, interview questions, and external communications to better attract and assess candidates based on relevant skills.

Tools & Resources

- [O@W – Using AI to Advance Skills-first Hiring](#) **ARTICLE**: Provides O@W's perspective on how to leverage AI to bring more people into the hiring process and advance equitable talent practices.
- [O@W – Navigating the AI Frontier: How State Governments Are Shaping the Future of Work](#) **ARTICLE**: Provides a scan of how state governments are using AI to modernize their talent strategies.
- [Open Contracting Partnership – The Surprising Shifts In How The Public Sector Is Buying AI, And What Policymakers Can Do About It](#) **ARTICLE**: Provides an overview of how public sector practitioners are using AI and policy recommendations to promote AI readiness within organizations.
- [White House – Executive Order 14110](#) **EXECUTIVE ACTION**: Provides guidance on Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence
- [OECD – Governing with Artificial Intelligence](#) **REPORT**: Examines 200 AI use cases across government and finds that while adoption is growing, many initiatives remain in pilot stages, highlighting key challenges and opportunities for scaling AI to improve public sector performance and service delivery.
- [NEOGOV – AI in HR for State & Local Government – A Beginner's Guide](#) **GUIDANCE**: Provides guidance on how governments can get started with AI in HR.

Invest in data systems and tools that enable awareness of open roles and informed talent decisions.

Enable potential candidates to be able to filter government job boards by education level and/or skill requirements.

Clear, skills-based job search tools help qualified candidates identify opportunities and navigate public sector hiring.

Why This Policy Idea Matters

Many government career sites are not designed to support skills-based hiring, limiting how candidates identify and apply for roles. Without clear information about skill requirements, or the ability to filter roles beyond degree attainment, qualified candidates, including STARS, may overlook opportunities or assume they are not eligible.

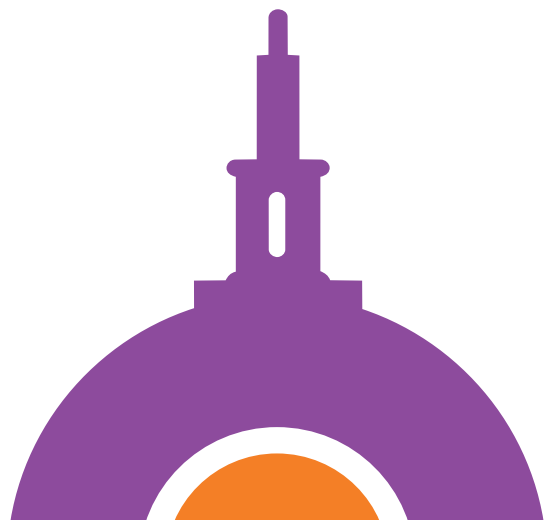
Modernizing job search tools to highlight skills and reduce reliance on degree-based filters can expand access to public sector jobs and better align hiring practices with policy intent. When candidates can search and filter roles based on skills, experience, and alternative qualifications, governments send a clear signal that they value demonstrated ability – not just credentials.

Improved transparency also benefits employers by broadening the talent pool and helping agencies identify qualified candidates who may otherwise be screened out due to unclear or outdated job requirements.

What It Takes

Modernizing job search tools requires coordination between HR, IT, and procurement teams to ensure platforms can support skills-based hiring practices. Governments must assess whether existing applicant tracking systems and job boards can be adapted or whether new tools are needed to enable filtering by skills, experience, and education requirements.

Leaders need to prioritize investments in system upgrades or integrations that improve how job information is presented to candidates. This includes standardizing how skills and qualifications are defined across job postings to enable consistent filtering and search functionality.



Potential Policy Plays

- **Direct agencies to modernize job boards to support skills-based search** **EXECUTIVE ACTION**
LEGISLATIVE ACTION : Require agencies to update job boards to reflect skills-based hiring practices, including enabling candidates to search and filter roles based on skills, experience, and education requirements. For example, [Ohio's](#) career site allows applicants to build a skills profile and has a skills-based search function that helps applicants locate openings based on their specific experiences, skills, and training, not just degrees. Ohio also requires hiring managers to clearly articulate a job's primary skills upfront, followed by additional technical and professional skills.
- **Set standards for clear and accessible job postings** **ADMINISTRATIVE ACTION** : Establish requirements to make it easier for applicants to understand the required skills and qualifications and find jobs based on their skills. For example, [North Carolina](#) requires agencies to simplify job postings and limits the number of listed knowledge, skills, and abilities unless approved by agency leadership.
- **Require job boards to identify roles accessible to STARs** **EXECUTIVE ACTION** **LEGISLATIVE ACTION**
ADMINISTRATIVE ACTION : Mandate that job postings clearly indicate whether roles are open to candidates without a bachelor's degree or with alternative qualifications, improving transparency and access for STARs. For example, Colorado includes a statement at the top of its job postings highlighting roles open to STARs and encouraging them to apply.

Highlighted Promising Practice

[Arizona](#) required the state's online jobs portal to identify positions suitable for STARs by filtering jobs with and without postsecondary degrees. As a result, Arizona's [job board](#) includes a filter that allows candidates to search for roles based on degree requirements, making it easier for STARs to identify opportunities aligned with their qualifications.



DIVE DEEPER: Learn more about Arizona's implementation of skills-based hiring in [O@W's Transformers in the Public Sector Case Study](#).

Tools & Resources

- **Opportunity@Work x Lightcast Partnership** **DATA TOOL** : Helps employers identify roles that can be filled by STARs and supports the development of job postings and hiring strategies aligned with skills-based practices.

Use applicant tracking systems (ATS) and HR information systems (HRIS) with skills-based features.

Modernizing hiring platforms to facilitate implementation and measurement of skills-based talent practices

Why This Policy Idea Matters

Applicant tracking systems (ATS) and human resource information systems (HRIS) with built-in skills-based features facilitate implementation and tracking of skills-based practices across the talent lifecycle.

Traditional applicant tracking systems are designed to screen for degrees, years of experience, or job titles, which can exclude qualified candidates. Skills-based ATS platforms allow candidates to be evaluated based on demonstrated competencies aligned with open roles, improving the quality of hires and expanding access to STARs who might otherwise be excluded by degree screens. Skills-based HRIS platforms can also support governments in understanding the capabilities of their existing workforce, facilitating increased staff retention and pathways for internal mobility.

ATS and HRIS platforms with data tracking mechanisms can support governments in tracking outcomes related to skills-based talent practices, enabling governments to ensure equity across hiring, advancement, and retention.

What It Takes

ATS and HRIS systems are continuously evolving to meet public sector workforce needs. Governments can work directly with platforms to customize them to include features to enable skills-based talent practices and data tracking.

Cost is often a limiting factor in a government's ability to make changes to their ATS and HRIS platforms. Creating dedicated funding streams for HR technology upgrades tied to skills-based outcomes can support governments with implementation and measurement of skills-based talent practices.

Potential Policy Plays

- **Require agencies to use skills-based screening criteria and track and report on skills-based hiring outcomes** **EXECUTIVE ACTION** **LEGISLATIVE ACTION** **ADMINISTRATIVE ACTION** : Most agencies cannot meet these requirements with manual processes alone. By mandating skills-based hiring practices and data tracking, policymakers create a strong pull toward embedding within ATS/HRIS infrastructure.
- **Create dedicated funding streams for HR technology upgrades tied to skills-based outcomes** **RESOURCES** : Appropriate funds or allow use of existing workforce/IT funds for ATS/HRIS modernization including integration of skills taxonomies and assessment tools and data infrastructure to track the implementation of skills-based talent practices. Cost is one of the biggest barriers to adoption, especially for state and local governments. Funding tied to reform aligns incentives and accelerates uptake.

- **Establish statewide or federal procurement standards** **EXECUTIVE ACTION** **ADMINISTRATIVE ACTION**: Define minimum functional requirements for HR systems. Require that any newly procured ATS/HRIS must include skills-based candidate matching, competency tracking across the employee lifecycle, and structured evaluation and reporting capabilities. Procurement rules shape the market. If skills-based features are required, vendors will build those features and governments will buy accordingly.
- **Provide implementation guidance and technical assistance** **EXECUTIVE ACTION** **LEGISLATIVE ACTION** **ADMINISTRATIVE ACTION**: Model RFP language for skills-based ATS/HRIS procurement. Publish implementation playbooks and share case studies from leading states. Fund technical assistance for: system selection and integration, change management, and training.

Highlighted Promising Practice

- **Colorado's** executive order on skills-based hiring directs the Department of Personnel and Administration to work with agency human resources teams to identify all positions eligible for a skills-based approach and to establish a data-driven, evidence-based approach to monitor, measure, and evaluate outcomes. Accordingly, the state of CO has developed a tagging mechanism in NEOGOV that allows agencies to indicate skill-based eligible positions. The state also uses NEOGOV to track STAR applicants.
- **Louisiana** started collecting educational attainment data for all employees to better understand its STARs workforce and hiring outcomes. This mandated reporting helps the LA State Civil Service see how STARs progress across the talent lifecycle and enables regular monitoring with an internally-facing STARs dashboard.

Tools & Resources

- **NEOGOV – Skills-based Assessment Integration** **ARTICLE**: Highlights NEOGOV's partnership with eSkill to integrate skills assessments within NEOGOV's applicant tracking system, enabling governments to use and track skills-based assessment within their applicant tracking system.



Deploy longitudinal data systems to track education and workforce outcomes and inform policy.

Connected data systems enable governments to measure outcomes, improve education and workforce systems, and make evidence-based decisions that support skills-based pathways and economic mobility.

Why This Policy Idea Matters

Statewide longitudinal data systems (SLDS) connect education and workforce information over time to better understand outcomes by program, population, and pathway – including for [STARs](#). Increasingly, states are enhancing these systems by incorporating [wage records](#), such as occupation and pay rate, to gain a clearer picture of education and workforce pathways that lead to economic mobility and opportunity.

Without structured, open, linked, interoperable, and durable ([SOLID](#)) data, policymakers and the general public lack transparent information needed to assess return on investment, identify effective programs, or align education and workforce strategies with labor market demand. Decisions are often based on incomplete or siloed information, reinforcing reliance on credentials rather than demonstrated outcomes.

When designed and governed effectively, longitudinal data systems provide the evidence needed to shift toward skills-based systems – enabling governments to align education, workforce, and economic development strategies around skills and real labor market outcomes, not degrees alone.

What It Takes

Building and sustaining a statewide longitudinal data system requires long-term coordination across education, workforce, and other state agencies to securely connect data over time. Leaders must establish clear governance structures to manage data sharing, privacy, and decision-making across agencies.

States need sustained investment in technical infrastructure and staff with the expertise to manage data integration, analytics, and system maintenance. Legal and policy frameworks must support data sharing while protecting individual privacy and ensuring responsible use.

Sustained leadership attention is critical to maintain alignment across agencies, navigate operational challenges, and ensure the system continues to inform policy decisions over time.

Potential Policy Plays

- **Establish a centralized data authority to integrate cross-agency data systems** **EXECUTIVE ACTION**
LEGISLATIVE ACTION: Create or designate a statewide entity with authority to connect, manage, and analyze education and workforce data across agencies. For example, [Kentucky](#) established the [Kentucky Center for Statistics](#) (KYSTATS) to integrate, manage, and analyze data across five education and workforce agencies. KYSTATS supports research and analysis to inform policymaking, program improvement, and public transparency.
- **Establish shared data governance through executive action** **EXECUTIVE ACTION**: Establish cross-agency governance bodies to align data sharing, decision-making, and system management. For example, [Pennsylvania](#) created a shared governance structure for its SLDS through executive order with a board and management team overseeing the [Pennsylvania Longitudinal Data System](#) (PALDS).

- **Leverage existing interagency collaborations to strengthen data coordination**

ADMINISTRATIVE ACTION : Build on existing governance structures, such as P-20 councils or workforce boards, to improve coordination across education and workforce systems. For example, [Minnesota](#) uses its P-20 Education Partnership to support a more integrated, longitudinal data system.

- **Integrate skills and credential data into longitudinal data systems** **ADMINISTRATIVE ACTION** : Expand SLDS capabilities to include skills and credential data, enabling policymakers to track outcomes beyond degrees and better understand pathways to economic mobility. For example, [Colorado](#) and [North Dakota](#) are integrating skills and credential data into their SLDS systems to give residents and policymakers transparent, comprehensive information about degrees, certificates, apprenticeships, and other credentials.

Highlighted Promising Practice

- In 2025, [Virginia](#) passed legislation to collect and connect unemployment insurance wage data – including job title, location, and pay rate – and make it available through the Virginia Longitudinal Data System. This allows the commonwealth to assess economic outcomes and return on investment for education and training programs by occupation, industry, and region. Integrating wage data into longitudinal systems enables policymakers to move beyond completion metrics and evaluate which pathways lead to real economic mobility, strengthening the case for skills-based strategies.

Tools & Resources

- [Data Quality Campaign – Data 101](#) **POLICY BRIEF** : Provides a primer on education and workforce data systems and outlines key policy questions longitudinal data systems can help answer.
- [Education Commission of the States – 50-State Comparison](#) **POLICY BRIEF** : Offers a comprehensive overview of SLDS features, governance models, and state approaches to data system design and use.
- [NGA and Beeck Center – Data Labs Playbook](#) **PLAYBOOK** : Provides practical guidance for launching data-informed initiatives and building internal capacity within state government.
- [Credential Engine – SOLID Data : What it Means](#) **POLICY BRIEF** : Outlines a standard for data systems to be structured, open, linked, interoperable, and durable (SOLID).
- [Credential Engine – State Policy Briefs](#) **POLICY BRIEF** : Highlights policy options to improve credential transparency and integrate credential data into education and workforce systems.
- [Strada Education Foundation – State Economic Opportunity Index](#) **DATA TOOL** : Provides state-level data on economic opportunity and education-to-workforce outcomes to inform policy and investment decisions.

Conclusion

Turning Skills-based Policy into Lasting Change

Across the country, policymakers are recognizing a simple but powerful truth: a four-year degree is not the only— or even the best — signal of talent for many jobs. As AI reshapes work and the skills required to perform it, governments need talent systems that recognize what people can do, not simply where they learned to do it. Skills-based talent practices help ensure that all workers can continue to build, demonstrate, and apply their capabilities throughout their careers, while expanding opportunity for the more than 70 million Skilled Through Alternative Routes (STARs) who have historically been overlooked by degree-based hiring practices.

This playbook demonstrates that change is not only possible — it's already underway. From removing unnecessary degree requirements and modernizing job classifications, to investing in data systems, implementation capacity, and responsible use of AI, governments at all levels are taking concrete steps to build more inclusive, skills-based talent systems. These efforts are strengthening government performance, expanding access to good public sector jobs, supporting workforce mobility, and improving government services. They are also sending an important signal to the broader labor market that skills—not outdated proxies—should be the foundation for talent decisions. This [progress](#) is real, measurable, and the result of intentional policy choices.

At the same time, policy change alone is not enough. Lasting impact requires intentional design, sustained leadership, and the infrastructure to translate policy into practice. It requires aligning systems around a shared understanding of skills as the core measure of value. This is especially true as AI adoption accelerates. The same technology that could reinforce historical barriers can also help identify talent and widen access to opportunity — if it is designed and governed with intention.

Policymakers have a unique opportunity to lead this transformation. Through the policy levers outlined in this playbook — executive action, legislative action, administrative action — you can strengthen your own workforce while influencing how employers, educators, technology providers, and workforce partners recognize and develop talent. In doing so, government can serve not only as a model employer, but also as a catalyst for a labor market that is more responsive, resilient, and inclusive.



The path forward does not require starting from scratch. It requires building on what works, learning from the growing community of governments already leading this transition, adapting learnings to your context, and taking deliberate steps to move from intention to action. By putting skills at the center of talent policy today, governments can build a workforce that is better prepared for the demands of tomorrow—delivering stronger public services, expanding opportunity for all workers, and helping shape a labor market that works better for everyone.

Call to Action

Start where you are

Identify where degree requirements are creating barriers and where policy can unlock access to talent.

Match the tool to the moment

Choose levers that fit your authority and context, and pair fast action with durable policy to sustain change.

Act with intention

As you adopt new AI tools, build in transparency, human oversight, and a skills-first standard so this technology widens access rather than narrowing it.

Use your convening power

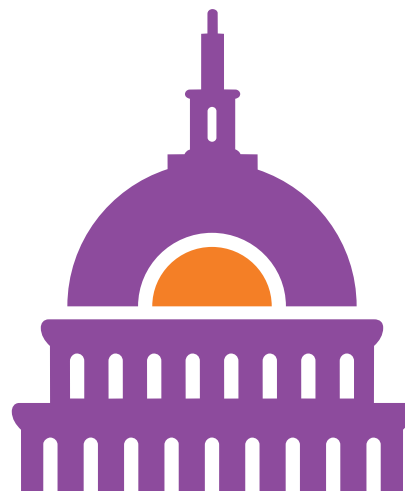
Bring employers, educators, and workforce partners to the table so skills-based practices spread beyond government and reshape the broader market.

Measure what matters

Track outcomes so you can show what's working, learn what isn't, and build the case for sustained investment.

By taking these steps, you can help build a public sector workforce that reflects the full range of talent in your community – one with the skills to deliver real results.

Together, we can build a skills-based labor market!



Appendix

Primary Policy Levers and Policy Plays by Archetype

Archetype	Primary Policy Levers	Policy Plays
Executive Leaders & Staff Governors, county executives, and mayors with broad authority to set the policy agenda, direct agencies or departments to act, and initiate change through executive orders and budget decisions.	- Executive Action - Resources - Public-Private Partnerships	- Remove degree requirements from job classifications and set skills-based standards (page 13) - Establish accountability and reporting requirements for adoption (page 13) - Use convening power to influence adoption across sectors (page 13) - Align federal contracting requirements with broader skills-based hiring policies (page 15) - Designate a central implementation lead (page 15) - Establish a cross-agency implementation team or task force (page 17) - Embed implementation responsibilities and timelines in policy directives (page 17) - Allocate targeted resources to fund skills-based implementation (page 19) - Use federal flexibility to fund skills-based practices through WIOA waivers (page 19) - Align existing workforce and economic development resources to support skills-based practices (page 19) - Establish a centralized technical assistance function for skills-based implementation (page 22) - Require development and use of standardized tools and training (page 22) - Partner with external organizations to build expertise and scale support (page 22) - Set transparency and governance standards for AI use in hiring and workforce decisions (page 23) - Authorize the use of AI tools to support skills-based hiring and career pathway mapping (page 23) - Direct agencies to modernize job boards to support skills-based search (page 25) - Require agencies to use skills-based screening criteria and track and report on skills-based hiring outcomes (page 27) - Establish statewide or federal procurement standards for ATS/HRIS (page 28) - Establish a centralized data authority to integrate cross-agency data systems (page 29) - Establish shared data governance (page 29) - Integrate skills and credential data into longitudinal data systems (page 29)

Archetype	Primary Policy Levers	Policy Plays
Legislative Leader & Staff Legislators, county commissioners, and city council members who shape and pass laws, resolutions, and budget appropriations.	- Legislative Action - Resolutions - Resources	- Codify skills-based hiring policies to ensure consistency and durability (page 13) - Establish accountability and reporting requirements for adoption (page 13) - Align skills-based hiring policies across state and local government (page 13) - Prohibit unnecessary degree requirements in contract solicitations (page 15) - Designate a central implementation lead (page 15) - Embed implementation responsibilities and timelines in policy directives (page 17) - Allocate targeted resources to fund skills-based implementation (page 19) - Deploy philanthropic capital to pilot and scale skills-based practices (page 19) - Set transparency and governance standards for AI use in hiring and workforce decisions (page 23) - Mandate regular bias audits and oversight of AI systems (page 24) - Direct agencies to modernize job boards to support skills-based search (page 25) - Require job boards to identify roles accessible to STARs (page 26) - Require agencies to use skills-based screening criteria and track and report on skills-based hiring outcomes (page 27) - Create dedicated funding streams for HR technology upgrades tied to skills-based outcomes (page 27) - Establish a centralized data authority to integrate cross-agency data systems (page 29) - Establish shared data governance (page 29) - Enhance longitudinal data systems with wage records (page 29)
Agency or Department Leaders Appointed agency or department heads who set administrative policy and drive policy within their own operations.	- Administrative Action - Regulation / Rulemaking	Administrative Action Regulation / Rulemaking - Align existing workforce and economic development resources to support skills-based practices (page 19) - Establish a centralized technical assistance function for skills-based implementation (page 22) - Require development and use of standardized tools and training (page 22) - Authorize the use of AI tools to support skills-based hiring and career pathway mapping (page 23) - Establish human-in-the-loop requirements for AI-enabled hiring decisions (page 24) - Set standards for clear and accessible job postings (page 26) - Provide implementation guidance and technical assistance for ATS/HRIS (page 28) - Leverage existing interagency collaborations to strengthen data coordination (page 30)

Archetype	Primary Policy Levers	Policy Plays
Chief Human Resource Leaders Appointed human resource heads and civil service administrators who oversee talent management, job classification, and workforce policies across government.	- Administrative Action - Regulation / Rulemaking	- Remove degree requirements from job classifications and set skills-based standards (page 13) - Establish accountability and reporting requirements for adoption (page 13) - Require justification and review for degree requirements in solicitations (page 15) - Designate a central implementation lead (page 17) - Establish a centralized technical assistance function for skills-based implementation (page 22) - Require development and use of standardized tools and training (page 22) - Partner with external organizations to build expertise and scale support (page 22) - Set transparency and governance standards for AI use in hiring and workforce decisions (page 23) - Authorize the use of AI tools to support skills-based hiring and career pathway mapping (page 23) - Establish human-in-the-loop requirements for AI-enabled hiring decisions (page 24) - Mandate regular bias audits and oversight of AI systems (page 24) - Set standards for clear and accessible job postings (page 26) - Direct agencies to modernize job boards to support skills-based search (page 26) - Require job boards to identify roles accessible to STARs (page 26) - Require agencies to use skills-based screening criteria and track and report on skills-based hiring outcomes (page 27) - Establish statewide or federal procurement standards for ATS/HRIS (page 28) - Provide implementation guidance and technical assistance for ATS/HRIS (page 28) - Leverage existing interagency collaborations to strengthen data coordination (page 30)
Advocates & Supporters Stakeholders at organizations and coalitions who build the public case for policy change and equip policymakers with the information and arguments to pull various policy levers.	- Executive Action - Legislative Action - Resolution - Resources - Public-Private Partnership	- Use convening power to influence adoption across sectors (page 13) - Deploy philanthropic capital to pilot and scale skills-based practices (page 19) - Partner with external organizations to build expertise and scale support (page 22)

Tools & Resources

Recognize Skills as the Core Measure of Talent

Resource	Type	Policy Idea	Organization
<u>State and Local Approaches to Tearing the Paper Ceiling</u>	Report	Eliminate degree requirements in public sector jobs	Opportunity@Work
<u>Skills-Based Hiring Executive Order Toolkit</u>	Model Executive Order, Toolkit	Eliminate degree requirements in public sector jobs	Opportunity@Work
<u>Skills-Based Hiring Legislation Order Toolkit</u>	Model Legislation, Toolkit	Eliminate degree requirements in public sector jobs	Opportunity@Work
<u>Expanding Public Sector Career Opportunities Model Bill</u>	Model Legislation	Eliminate degree requirements in public sector jobs	Cicero Institute
<u>SKILLS Act</u>	Model Legislation	Eliminate degree requirements in public sector jobs	Workday
<u>Modernizing Municipal Workforces Through Skills-Based Hiring</u>	Report	Eliminate degree requirements in public sector jobs	National League of Cities / AIR
<u>Coalition Letter Supporting the Federal Skills-Based Contracting Act</u>	Support Letter	Eliminate degree requirements in contracting	Cross-sector coalition
<u>Written Testimony Supporting the Skills-Based Federal Contracting Act</u>	Testimony	Eliminate degree requirements in contracting	IBM

Build Infrastructure to Support Skills-Based Talent Systems

Resource	Type	Policy Idea	Organization
<u>State and Local Approaches to Tearing the Paper Ceiling</u>	Report	Appoint a dedicated implementation leader	Opportunity@Work
<u>Colorado Executive Order D 2022 015</u>	Model Executive Order	Allocate dedicated funding	State of Colorado
<u>New U.S. Department of Labor Guidance on Maximizing Innovation</u>	Guidance	Allocate dedicated funding	America Forward
<u>O@W Case Study Library</u>	Case Studies	Allocate staff for technical assistance	Opportunity@Work
<u>Washington Executive Order Toolkit</u>	Toolkit	Allocate staff for technical assistance	State of Washington
<u>Massachusetts Skills-based Hiring Toolkit</u>	Toolkit	Allocate staff for technical assistance	Commonwealth of Massachusetts
<u>NGA Empowering Progress Report</u>	Case Study	Allocate staff for technical assistance	National Governor's Association
<u>Using AI to Advance Skills-first Hiring</u>	Article	Use AI across HR functions	Opportunity@Work
<u>Navigating the AI Frontier: How State Governments are Shaping the Future of Work</u>	Article	Use AI across HR functions	Opportunity@Work
<u>Governing with Artificial Intelligence</u>	Report	Use AI across HR functions	OECD
<u>AI in HR for State & Local Government</u>	Report	Use AI across HR functions	NEOGOV

Invest in Data Systems & Tools

Resource	Type	Policy Idea	Organization
O@W x Lightcast Data Partnership	Data Tool	Modernize government job boards	Opportunity@Work & Lightcast
Skills-Based Assessment Integration	Report	Integrate skills-based features in ATS/HRIS systems	NEOGOV
Data 101: A Briefing Book for Policymakers	Policy Brief	Deploy longitudinal data systems	Data Quality Campaign
50-State Comparison	Policy Brief	Deploy longitudinal data systems	Education Commission of the States
Data Labs Playbook	Playbook	Deploy longitudinal data systems	National Governors Association and Beeck Center
SOLID Data: What It Means	Policy Brief	Deploy longitudinal data systems	Credential Engine
State Policy Briefs	Policy Brief	Deploy longitudinal data systems	Credential Engine
State Economic Opportunity Index	Data Tool	Deploy longitudinal data systems	Strada Education Foundation



About Opportunity@Work

Opportunity@Work is a nonprofit social enterprise dedicated to advancing economic opportunities for the more than 70 million U.S. workers who are Skilled Through Alternative Routes (STARs) instead of through a bachelor's degree. Opportunity@Work's research capabilities inform the nation's understanding of STARs and uncover insights that show how to make positive change within regions and industries. The organization engages with corporate, public sector, and philanthropic partners to directly address the barriers that STARs face and equip organizations to make hiring STARs for higher-wage roles the norm. Learn more at [**www.opportunityatwork.org**](http://www.opportunityatwork.org).

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