States Consider Elimination of Degree Requirements

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Background

In 1940, just 6% of adult males and 4% of adult females had obtained a college diploma. In the decades since, postsecondary educational attainment has climbed to nearly 38% of adults possessing a bachelor's degree or higher in 2021. Proliferation of bachelor's degrees has been reinforced by the design and funding of the U.S. educational system and labor market outcomes. In 2017, states and the federal government spent nearly \$162 billion on higher education funding according to Pew Trusts. Data from the Bureau of Labor Statistics consistently shows that learners with more advanced forms of postsecondary degrees and credentials, earn more income and have lower unemployment rates than learners with only a high school diploma.

As college degrees became more common, a growing number of jobs required these degrees as part of the job application process. In 2017, 51% of jobs required a bachelor's degree, according to research from the Burning Glass Institute. In recent decades, even traditionally, middle-skill jobs such as retail managers and supervisors, bookkeepers and clerks began to require a four-year degree.

This phenomenon, known as "degree inflation" created profound effects on the U.S. educational system and labor market. Degree inflation constrained the labor market by limiting the number of jobs available for workers without a diploma and the number of applicants organizations could consider in their talent pool.

A 2017 study from the Harvard Business School found that 61% of hiring managers rejected candidates who "have skills and experience to be successful in a middle-skills job" but lacked a four-year degree. This study also found widespread evidence of a "degree gap", the discrepancy between the percentage of job postings that require a college degree and the percentage of current employees who have a college degree. In positions such



Key Takeaways

1. Many hiring authorities, including state governments, are removing formal degree requirements from job postings and shifting to skills-based hiring approaches.

2. Through a mix of executive and legislative actions, at least 16 states now no longer require a four-year degree for most state jobs.

as administrative assistants, supervisors of construction and production fields, the degree gap exceeded 40%. The research also found that positions with higher degree gaps, were harder to fill.

In recent years, degree inflation appears to be reversing. The overall number of jobs requiring a bachelor's degree has declined to 44% by 2021 and the Burning Glass Institute found that between 2017 and 2019, 46% of middle-skill and 31% of high-skill occupations showed declines for degree requirements on job postings.



In late 2020, the Business Roundtable announced an initiative among more than 80 large employers to place greater emphasis on skills in hiring. Groups such as Opportunity at Work have promoted the shift to skills-based hiring and workers who are Skilled Through Alternative Routes (STARs). Opportunity at Work, estimates there are more than 70 million STARs across the country who gain skills through alternative routes such as community college, military service, onthe-job learning, or workforce training programs.

Skills-based hiring has gained significant traction in both public and private sectors, mainly through the removal of college degree requirements from hiring practices, sometimes called "tearing the paper ceiling." Major companies such as IBM, Delta Airlines, Google and Bank of America have all removed college degree requirements. A 2023 survey found that 53% of hiring managers say their company eliminated a requirement for bachelor's degrees for some roles within the past year. A 2022 survey of tech-focused employers found 40% have added behavioral skillbased requirements to hiring procedures.

Did You Know?

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Skills-based hiring focuses on relevant competencies, where candidates are "screened-in" to a potential job or career fit. America Succeeds analyzed 80 million job postings and created a list of "durable skills" commonly desired by employers. As governments and employers consider shifts to skills-based hiring must weigh potential downsides including time and cost, with the potential benefits of using this new approach.

State Policy Action

Through a mix of executive and legislative actions, at least 16 states no longer require a four-year degree for most state jobs. In March 2022, Maryland Gov. Larry Hogan announced that the state would become the first state in the country to remove the requirements. According to estimates released at the time of the announcement, more than half of the state's 38,000 positions could substitute relevant experience for a four-year degree. In early 2022, state employment data showed that there were more vacant positions in state government than any time in the previous 14 years. A year later, the same report found a slight decrease in the number of vacant positions.

Governors in at least 10 states, including Alaska, California, Colorado, New Jersey, North Carolina, Ohio, Pennsylvania, South Dakota, Utah, Virginia, have followed Maryland and eliminated degree requirements for most state positions. In April, National Governor's Association (NGA) Chair Gov. Phil Murphy (N.J.) and Vice Chair Gov. Spencer Cox (Utah) circulated a letter encouraging governors to consider reevaluating degree requirements for government jobs.

In April 2022, Tennessee passed HB 1916 which prohibits state agencies from requiring a bachelor's degree as a condition of employment, unless the position involves "knowledge, skills, or abilities that can only be reasonably obtained through" such a degree.

In April 2023, Georgia passed SB 3, the Reducing Barriers to State Employment Act of 2023. This law requires the Department of Administrative Services to regularly assess requirements for each job, identify jobs where requirements can be reduced, and reduce the number of jobs for which a four-year degree is required.

In June 2023, Florida passed SB 1310, the Expanding Public Sector Career Opportunities Act. The law provides that public employers may only include postsecondary degree requirements as an alternative to specified years of direct experience. Statute allows for two years of experience to substitute for an associate degree and four years for a bachelor's degree, with additional year requirements for graduate-level degrees.

In July 2023, Missouri passed HB 417, which includes provisions that state agencies cannot deny consideration to an applicant solely on the basis of lacking a postsecondary degree and allows applicants eliminated from hiring solely on the basis of a postsecondary degree to appeal the hiring decision.

In 2022, Arizona passed SB 1159, which removes bachelor's degree requirements for public school teachers. Under the law, a teacher may be temporarily certified while enrolled in a bachelor's program and become fully certified upon degree completion. In 2023, lawmakers passed a broader bill to eliminate degree requirements and create substitutes for work experience, however it was vetoed by Gov. Katie Hobbs citing "unnecessary and unworkable administrative burden." The state did enact HB 2225, which requires hiring authorities to evaluate state employee positions to determine which are suitable for skilled through alternative routes applicants.

In June 2023, Connecticut passed SB 1124, which requires the commissioner of administrative services to conduct a study evaluating the feasibility of eliminating requirements for college degrees for certain state employment positions.

In the 2023 legislative session, North Carolina considered, but did not pass, legislation to eliminate degree requirements in state hiring.

ADDITIONAL RESOURCES

- NCSL Postsecondary Bill Tracking Database
- Dismissed by Degrees: How Degree Inflation Is Undermining U.S. Competitiveness and Hurting America's Middle Class, Harvard Business School, 2017

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