

**Opening Statement of Ranking Member Scott (VA-03)**

Full Committee Hearing

*“Competencies Over Degrees: Transitioning to a Skills-Based Economy”*

2175 RHOB

Thursday, June 22, 2023 | 10:15 a.m.

---

Thank you, Dr. Foxx.

Thanks to the leadership of President Biden and Congressional Democrats, our economy is thriving.

In the span of 29 months, President Biden has created more jobs than any previous president has created in a single, 48-month term. And the past two years, respectively, were the first and second largest job growth years in American history. And that all happened while the President was improving the deficit situation that he inherited.

As a result, we are not meeting today to discuss how to revive our economy—we are discussing strategies to continue to build the economy from the ground up and the middle out; address long-standing challenges in the labor market; and help find workers meaningful careers.

For example, employers are continuing to look for skilled workers to fill the record number of new jobs.

Over the years, far too many employers have fallen into the habit of requiring college degrees for jobs that do not necessarily require them. This approach dismisses qualified job applicants who are skilled and able to work but are not even eligible because they do not hold a college degree. Both employers and our economy are losing out on the roughly two-thirds of talented, working-age Americans who do not hold a four-year degree.

Moreover, requiring a college education contributes to economic disparities for people who are disproportionately facing barriers to completing higher education.

Employers are increasingly evaluating job applicants based on experience and skills assessments rather than formal credentials or degrees. Major companies across industries—from Google to IBM in the tech sector to Costco and Publix in the retail sector—have been adopting skills-based hiring.

Similarly, the federal and state governments—and you mentioned many states—are looking to this approach for an increasing number of job applicants. For the past two years, 10 states, with both Democratic and Republican governors, have passed policies to implement skills-based hiring for new public service jobs. Notably, the previous administration also issued an executive order that instructed the federal government to implement skills-based hiring, and the current administration released new guidelines on skills-based hiring within the federal government.

These initiatives demonstrate that skills-based hiring has the potential to provide workers with another established pathway to find good-paying jobs.

I am encouraged by the bipartisan enthusiasm for skills-based hiring. And I appreciate the Chairwoman's interest in exploring how programs in the *Workforce Innovation and Opportunity Act*, or WIOA, can do a better job of ensuring equitable employment outcomes for those with barriers to employment.

When the House passed legislation to reauthorize WIOA with bipartisan support last Congress, we included provisions that support those from historically disadvantaged backgrounds, such as increasing the use of wrap-around services and codifying comprehensive services for justice-involved individuals.

I am also hopeful that this Committee can discuss how the government can facilitate skills-based hiring practices without driving a wedge between the value of a college degree and skills and experience.

A college degree remains the surest pathway to economic mobility. But this does not mean everyone should be forced to go to college, nor does it mean everyone should be restricted to receiving skills training. Both higher education and skills training should be accessible to *every* American.

In other words, Democrats agree that skills-based hiring has the potential to make our economy more efficient, more equitable, and more productive.

But we must do our due diligence to ensure that new hiring practices close income gaps and expand pathways to employment. And, to do that, we need a robust body of evidence that considers the employment outcomes of these individuals.

Simply put, we must ensure that skills-based hiring is not just equitable in concept, but equitable in practice.

To that end, I hope we can pass a bipartisan and fully funded reauthorization of WIOA that relies on evidence-based practices and better engages employers in our workforce development system. We should also pass two initiatives that remove financial barriers to upskilling: one, the *National Apprenticeship Act of 2023*, that's because Registered Apprenticeship programs rely on skills-based hiring and are alternative ways to economic prosperity, and Workforce Pell, which would enable students to use Pell grants to access short term programs proven to lead to good careers.

Today, I look forward to discussing how these steps would help unlock the full potential of our economy, rebuild the middle class, provide employers with the skilled workers they're looking for, and create more options for workers to find meaningful careers.

So, thank you Madam Chair and I thank the witnesses for being with us this morning. I yield back.