



STATE AUDITOR'S OFFICE

Skills-Based Hiring and Career Advancement Implementation Guide for State Agencies

Expanding State Job Opportunities for Individuals without a Bachelor's Degree

July 2026



Skills-Based Hiring and Career Advancement Implementation Guide for State Agencies

Expanding State Job Opportunities for Individuals without a Bachelor's Degree

This document provides practical guidance to help state agencies implement skills-based hiring and advancement practices that expand access to employment and career advancement opportunities for individuals who do not hold a bachelor's degree.

The guide is intended to support agencies in their efforts to:



Identify and remove degree requirements where possible;



Broaden applicant pools by emphasizing relevant skills, knowledge, and experience;



Promote advancement opportunities for employees without degrees; and



Ensure compliance with legal, ethical, and regulatory requirements while maintaining high performance standards.



Texas Government Code, Section 654.037(e) directs the State Auditor's Office to:

- 1 Identify positions where education, experience, or training requirements may be reduced to expand the pool of qualified applicants;
- 2 Reduce bachelor's degree requirements, to the extent practicable, as a condition of employment;
- 3 Evaluate ways to expand career advancement opportunities for employees who do not hold a bachelor's degree; and
- 4 Report related findings to the Governor's Budget Office and the Legislative Budget Board.



Skills-Based Hiring and Career Advancement Implementation Guide for State Agencies

Expanding State Job Opportunities for Individuals without a Bachelor's Degree

TABLE OF CONTENTS

Why Skills-Based Hiring Matters	3
Guiding Principles	3
Skills-Based Hiring Review and Implementation Matrix	4
Phase I - Conduct an Internal Review of Minimum Job Requirements	5
Phase II - Redesign Job Qualifications Using a Skills-Based Approach	8
Implementation Questions	11
Resources to Support Skills-Based Job Review	12



Skills-Based Hiring and Career Advancement Implementation Guide for State Agencies

Expanding State Job Opportunities for Individuals without a Bachelor's Degree

WHY SKILLS-BASED HIRING MATTERS

Skills-based hiring shifts the focus from degrees to demonstrated capability, performance, and job readiness. When applied consistently, this approach can help agencies better align both hiring and career advancement practices with the actual requirements of the job. Skills-based hiring can:

- Expand the pool of qualified candidates and reduce the time-to-fill.
- Improve alignment between job requirements and employee capabilities, supporting stronger employee hiring and career advancement.
- Recognize nontraditional pathways such as military service, apprenticeships, and vocational training.
- Support fair, job-related hiring and career advancement decisions based on demonstrated skills, performance, and job-related learning.

GUIDING PRINCIPLES

The following guiding principles are intended to support consistent, transparent, and defensible decision-making as agencies review and update hiring and career advancement practices.

- **Merit and Relevance**
Base hiring and career advancement decisions on demonstrated, job-related skills and competencies.
- **Transparency**
Clearly define and communicate minimum qualifications and equivalency standards.
- **Flexibility**
Recognize multiple pathways to demonstrate competence, including experience, certifications, training, and apprenticeships.
- **Accountability**
Comply with state and federal employment laws and document decisions to support transparency and oversight.



Skills-Based Hiring and Career Advancement Implementation Guide for State Agencies

Expanding State Job Opportunities for Individuals without a Bachelor's Degree

Skills-Based Hiring Review and Implementation Matrix

This matrix provides a step-by-step framework agencies can use to review degree requirements and implement skills-based hiring practices.

Steps	Key Questions	Actions	Output
Step 1: Inventory degree requirements.	Which positions list a bachelor's degree as a minimum qualification in job descriptions or job postings?	Review job descriptions and postings; compile a list of positions with degree requirements for minimum qualifications.	Inventory of positions with bachelor's degree requirements as a minimum qualification.
Step 2: Validate the basis for the degree requirement.	Is the degree required by statute, regulation, or licensure, or is it discretionary?	Review statutes, rules, licensure, standards, and agency policies.	Identification of mandatory vs. discretionary degree requirements.
Step 3: Define the scope and sequence for review.	Which discretionary positions will be reviewed first, and how will the review be phased or piloted?	Set aside mandated positions and establish the scope and sequencing of discretionary positions for review.	Defined scope and prioritized order for reviewing discretionary positions.
Step 4: Select positions for skills-based qualification updates.	Which positions are ready to proceed with skills-based qualification updates without impacting performance, safety, or compliance?	Select eligible positions and obtain documented management approval.	List of positions approved to proceed with skills-based qualification updates.
Step 5: Define required skills and experience.	What job-related skills and experience are required at the time of hire versus preferred?	Define required (essential) and preferred skills and experience tied to essential job duties.	Documented required and preferred skills and experience needed at the time of hire for each selected position.
Step 6: Update qualifications on job descriptions and job postings.	How can candidates meet minimum qualifications through job-related, non-degree pathways?	Revise minimum qualifications, job descriptions, and job postings to reflect required essential skills, experience, and equivalencies.	Updated minimum qualifications on job descriptions and job postings that are aligned with skills-based hiring and internal mobility.



Skills-Based Hiring and Career Advancement Implementation Guide for State Agencies

Expanding State Job Opportunities for Individuals without a Bachelor's Degree

Phase I

Conduct an Internal Review of Minimum Job Requirements

Before changing job qualifications, agencies should conduct an internal review of positions to determine the knowledge, skills, abilities, education, certifications, degrees, and experience required for successful job performance. The goal is to distinguish between requirements that are legally mandated and those that are discretionary and may be replaced with skills-based alternatives.

RECOMMENDED STEPS

1

Identify positions with bachelor's degree requirements.

Agencies should identify positions that currently require a bachelor's degree. To do this, agencies should:

- Review current agency job descriptions and job postings.
- Identify positions that list a bachelor's degree as a minimum qualification.
- Compile a list of positions with degree requirements for further review.

OUTCOME

An inventory of positions that include a bachelor's degree as a minimum qualification.



Skills-Based Hiring and Career Advancement Implementation Guide for State Agencies

Expanding State Job Opportunities for Individuals without a Bachelor's Degree

2

Determine the source of the degree requirement.

For each position identified in Step 1, agencies should determine whether the degree requirement is:

- **Mandated by statute or regulation.** Review applicable state and federal statutes, administrative rules, and regulatory requirements to confirm whether a degree is legally required.
- **Required for professional licensure or certification.** Determine whether the position requires a license or certification that itself mandates a degree.
- **Based on agency practice or preference.** If the degree requirement is not legally or licensure-based, assess whether it exists due to historical practice, internal policy, or preference rather than job necessity.



OUTCOME

Classification of degree requirements as mandated (by statute, regulation, or licensure) or discretionary.

The figure below lists examples of discretionary and non-discretionary degree requirements.

Degree Requirement Type	Example of Jobs	Why
Non-Discretionary	Attorney, Physician, Engineer, Pharmacist.	A degree is required by statute, licensure, or professional board rules.
Conditionally Non-Discretionary	Accountant	Certain positions may require specific coursework, certification eligibility, or mastery of highly technical standards, depending on role scope or regulatory requirements. For example, a state agency may require a Certified Public Accountant (CPA) license for high-level accounting positions that perform advanced work.
Discretionary	Executive Assistant, Human Resources Assistant, IT Support Specialist.	Success depends on practical, job-specific skills that can be gained through experience, training, or certifications rather than a formal degree.



Skills-Based Hiring and Career Advancement Implementation Guide for State Agencies

Expanding State Job Opportunities for Individuals without a Bachelor's Degree

3

Focus on the positions with discretionary degree requirements.

Using the results of Step 2, agencies should set aside positions where a bachelor's degree is mandated by statute, licensure, or regulation and focus their review on positions with discretionary degree requirements.

For positions with discretionary degree requirements, agencies should:

- **Establish the review scope.** Decide whether the review will be conducted agency-wide or limited to a defined group of positions, such as high-volume roles, hard-to-fill positions, or roles with broad degree language.
- **Sequence the work.** Large agencies may choose to pilot the review process with a limited subset of discretionary positions before expanding it agency-wide.
- **Document scope decisions.** Maintain a clear record of which positions are in scope, out of scope, and the rationale for those determinations.

OUTCOME

A prioritized list of positions suitable for skills-based or experience-based qualification review.



Implementation Tip

Engage supervisors early. Before revising minimum qualifications, agencies should involve supervisors or subject-matter experts familiar with the day-to-day work of the position. Early engagement helps ensure qualification updates reflect actual job requirements, support consistent implementation, and reduce the risk of unintended barriers.



Skills-Based Hiring and Career Advancement Implementation Guide for State Agencies

Expanding State Job Opportunities for Individuals without a Bachelor's Degree

Phase II

Redesign Job Qualifications Using a Skills-Based Approach

Phase II builds on the work completed in Phase I by updating job qualifications for positions with discretionary degree requirements to reflect the skills and experience actually needed for successful job performance.

The goal is to maintain job standards while defining and evaluating the skills that matter most and removing unnecessary degree requirements.

RECOMMENDED STEPS

4

Select positions for skills-based qualification updates.

Using the prioritized list developed in Phase I, agencies should select eligible positions where degree requirements can be modified or replaced without impacting performance, safety, or legal compliance. Agencies should focus on positions that meet the following criteria:

- The degree requirement was found to be discretionary.
- The job duties rely primarily on practical, job-specific skills rather than formal academic study.
- The required skills can be gained through relevant experience, training, certifications, military experience, apprenticeships, or other non-degree pathways.



OUTCOME

List of positions approved to proceed with skills-based qualification updates.



Approval and Documentation

Agencies should obtain documented approval from appropriate management or leadership before implementing skills-based qualification updates. Approval authority should be aligned with the agency's internal governance structure (for example, division leadership, human resources leadership, or executive management). Agencies should retain documentation of approvals to support consistency, transparency, and defensibility.



Skills-Based Hiring and Career Advancement Implementation Guide for State Agencies

Expanding State Job Opportunities for Individuals without a Bachelor's Degree

5

Define required skills and experience.

For each selected position, agencies should clearly define the skills, knowledge, and experience that are directly related to the essential job duties and necessary for successful performance. This may include:

- Technical or functional skills.
- Problem-solving or analytical skills.
- Communication or customer service skills.
- Job-specific knowledge gained through experience or training.

Agencies should distinguish between required (essential) skills needed at the time of hire, and preferred skills that may be developed on the job.



OUTCOME

Documented required (essential) and preferred skills and experience needed for each selected position.

6

Update qualifications on job descriptions and job postings.

Agencies should revise job qualifications to reflect the identified skills and experience by:

- Replacing broad or unnecessary degree language with clear skills or experience-based criteria.
- Including alternative qualification pathways, such as relevant experience, certifications, apprenticeships, or military service where appropriate.
- Clearly describing equivalency options including how candidates may meet minimum qualifications through a combination of skills, experience, or training.



OUTCOME

Updated job descriptions and job postings to replace unnecessary degree requirements with clearly defined job-related skills, experience, and equivalency pathways.



Skills-Based Hiring and Career Advancement Implementation Guide for State Agencies

Expanding State Job Opportunities for Individuals without a Bachelor's Degree



Supporting Career Advancement and Internal Mobility

As part of Step 6, updating job descriptions and minimum qualifications to reflect skills and experience supports career advancement and internal mobility by making expectations clearer and more transparent for both employees and supervisors. When agencies clearly define the skills and experience required for each role:

- Promotion pathways become more transparent and job-related.
- Employees without degrees can intentionally build the experience, training, or certifications needed to advance.
- Agencies can better align training, development, and succession planning with the competencies required for higher-level roles.

By defining qualifications in terms of skills and experience, rather than credentials alone, agencies can create clearer pathways for employee growth while maintaining performance standards and compliance requirements.



Skills-Based Hiring and Career Advancement Implementation Guide for State Agencies

Expanding State Job Opportunities for Individuals without a Bachelor's Degree

Implementation Questions

1

What are acceptable ways candidates can demonstrate skills?

Candidates may demonstrate job-related skills through a variety of pathways, including:

- Relevant work experience.
- Certifications or non-licensure credentials.
- Military training and service.
- Apprenticeships, internships, or formal training programs.
- Work samples or portfolios (when appropriate).

2

How can agencies evaluate skills fairly and consistently without creating a burdensome process?

Agencies can promote fairness, consistency, and efficiency by using simple, job-related evaluation methods, such as:

- Using standardized, job-related interview questions tied to essential duties.
- Defining required (essential) skills in advance.
- Applying the same evaluation criteria to all applicants.
- Documenting qualification determinations and hiring decisions.
- Using scenario-based or situational questions for decision-making roles.
- Incorporating short work samples, exercises, or job simulations that reflect actual tasks, when appropriate.
- Training hiring managers on skills- or competency-based evaluation.

3

What is an equivalency standard?

An equivalency standard allows candidates to meet minimum qualifications through alternative, job-related pathways, such as relevant experience, training, or certifications, instead of a specific degree, when appropriate.

4

What is relevant experience?

Relevant experience is experience (paid or unpaid) that demonstrates a candidate's ability to perform the job's primary duties and apply required skills. This may include experience gained through employment, military service, training, internships, volunteer work, or job-related education.



Skills-Based Hiring and Career Advancement Implementation Guide for State Agencies

Expanding State Job Opportunities for Individuals without a Bachelor's Degree

Resources to Support Skills-Based Job Review

The following state and federal resources may be used to support the review of job requirements and the identification of job-related skills. These resources are intended as references, not requirements.

- State Auditor's Office – Job Classification Review Guide: Provides practical guidance on conducting job analyses and job classification reviews.
- State Auditor's Office – State of Texas Job Descriptions: Provides general guidance on job duties and qualifications that agencies may adapt to reflect their unique business and operational needs.
- Texas Workforce Commission – Job Supply Data: Provides skills and labor market data, including job supply information available through WorkInTexas.com.
- U.S. Department of Labor – Competency Model Clearinghouse: Provides industry-based and cross-functional competency models.
- U.S. Department of Labor – O*NET Online: Provides occupational information and skills data, including tools for identifying transferable and soft skills.