

## OFFICE OF AUDITOR OF STATE

STATE OF IOWA

State Capitol Building Des Moines, Iowa 50319-0006

Telephone (515) 281-5834 Facsimile (515) 281-6518

NEWS RELEASE

Contact: Sonya Heitshusen 515/281-5835

Rob Sand Auditor of State

FOR RELEASE

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Auditor of State Rob Sand today released a report that shows Iowans, and the State of Iowa can benefit from removing the four-year college degree requirement from dozens of public sector jobs.

The Auditor's Office, in conjunction with the nonprofit organization Opportunity@Work, arrived at the recommendation after examining hundreds of state job descriptions requiring a four-year college degree and comparing them with similar employment opportunities in the private sector that do *not* require a four-year degree.

In 2022, Auditor Sand revised hiring requirements for the Auditor of State Office (AOS), allowing accountants with an associate degree to apply for positions within AOS. Community college leaders applauded the change and joined Sand in recognizing how similar initiatives in the private sector might quell a nationwide shortage of accountants.

Sand hopes this report prompts the Iowa Department of Administrative Services (DAS) to rethink its educational requirements where appropriate, which would allow more Iowans to thrive professionally while serving their state, as well as bolster Iowa's workforce.

# # #

#### **Iowa Government Jobs and Degree Requirements**

The Office of the Auditor of State (AOS) worked in conjunction with the organization Opportunity@Work to improve the hiring process for state government employment. The State of Iowa requires a formal college degree for many positions. This requirement is often an impediment to attracting employees with the most potential. In many instances, it limits the pool of applicants from which to choose, despite their skills and work experience.

The AOS utilized the Department of Administrative Services' (DAS) government job classification website to collect job class descriptions to identify degree requirements for as many job titles as possible.<sup>1</sup> Each job class was then combined into a single document tied to its relevant education requirements. In total, AOS identified 765 job class descriptions.

The job class titles, and their relevant required qualifications were then provided to Opportunity@Work, which identified all positions requiring a college degree. Those positions were then matched with a Standard Occupational Classification (SOC) most commonly associated with the job class title. Based on that SOC, Opportunity@Work determined the percentage of similar job postings in the state requiring a degree in early 2023, as well as the percentage of Iowa workers who held similar positions but did not have college degrees during the same time period.

Job class titles within SOCs that had the lowest percentage of statewide job postings requiring a degree and the highest percentage of Iowans working those roles without a degree were identified as top candidates for degree requirement removal. The AOS reviewed these recommendations to ensure proper SOC coding of job titles and the reasonableness of removing degree requirements for identified positions.

In total, AOS and Opportunity@Work jointly identified 28 distinct job classes that might be candidates for the State of Iowa removing the college degree requirement. This can be found in the Appendix attached to this report.

<sup>&</sup>lt;sup>1</sup> <u>https://das.iowa.gov/state-employees/human-resources/classification-pay/job-class-descriptions</u>

# Tearing the Paper Ceiling in the State of Iowa

Prepared by Opportunity@Work, April 2024

#### **Overview**

There is a vast, overlooked, diverse and skilled population of workers who are Skilled Through Alternative Routes (<u>STARs</u>) to a bachelor's degree who are positioned for higher wage work in lowa, today. In this paper, we share insight about which roles the State of lowa could remove degree requirements from, surfacing STARs while filling critical positions needed across the state. We propose to the Office of the lowa Auditor of State a set of 28 roles in state government as a place to start: by removing unnecessary degree requirements on these roles, the state can tap into STAR talent.

#### Introduction: A Vast Pool of Overlooked, Skilled and Diverse workers in Iowa

The nation's workforce relies on the talents of the millions of workers who are Skilled Through Alternative Routes (STARs) in addition to those who are skilled through a bachelor's degree. More than half of U.S. workers – over 70 million – are STARs who have gained valuable skills through military service, community college, workforce training and, most importantly, on-the-job learning. STARs include the majority of Black and Hispanic workers, veterans of military service, and rural American workers. Despite <u>analysis that</u> shows more than 30 million STARs have skills for significantly higher-wage work, employers routinely screen out STARs in the pursuit of hiring efficiency. Our nonprofit social enterprise, Opportunity@Work (O@W) has shown the vital role STARs play in a diverse and dynamic workforce: our study of 130 million worker transitions in the U.S. labor market demonstrates there are clear <u>paths to economic mobility</u> for STARs if employers focus on skills-based hiring to fill their hiring needs instead of requiring bachelor's degrees. Unless steps are taken to open pathways for STARs, they will continue to face barriers: today, it takes 30 years of work experience for a STAR to reach the starting wage of a college graduate.

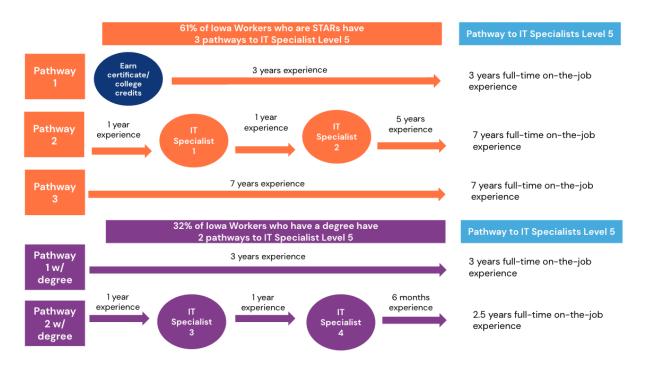
lowa is home to nearly 850,000 STARs – **over 60% of the state's workforce.** STARs represent the full diversity of the state's working population: they make up 61% of white workers; 62% of Black workers; 37% of Asian American Pacific Islander workers; and 59% of Hispanic workers. More specifically, Iowa STARs' skills shows that close to half of them – 374,000 STARs – have skills <u>today</u> for in-demand jobs that could pay them more. To be a leader of economic innovation and a place for opportunity, Iowa must tap into *all* the state's talent – including the talents of STARs.

### STARs are being excluded: an example of "The Paper Ceiling" in Iowa

Making high-paying, high-quality, state jobs open to STARs in Iowa is particularly important to fulfill the talent needs of the state and provide employment opportunities for all Iowans. **Iowa has a higher proportion of STARs relative to other states** — 61% of all workers in Iowa are STARs compared to 53% of workers nationally. Degree requirements are increasingly used as a simplistic screener for employers who think it will offer a more qualified talent pool. However, in practice, degree screens restrict talent and place a "Paper <u>Ceiling</u>" on the advancement of qualified workers whose full-time on-the-job experience is undermined and discounted.

To understand how degree requirements impede qualified STAR talent from achieving employment mobility for the State of Iowa, let's **consider an example through the talent pipeline of an Information Technology Specialist job series for the State**. There are 5 hierarchies to the Information Technology Specialist role. Although the skill requirements specified for Levels 1 to 4 are the same, STARs are unable to access Level 3 or 4 IT Specialist Roles based on current degree requirements.

As seen in the graphic below, a STAR without an external certification or supplemental college credit hours has to accrue 7 years of full-time, on-the-job experience to be eligible to move into a Level 5 IT Specialist position. Alternatively, a worker with a bachelor's degree, *regardless of field of study*, starts off in a Level 3 role and only needs to spend an additional year and a half working for the state before being eligible for promotion to a Level 5 IT Specialist.



However, even if STARs reach the role of Level 5 IT Specialist, their mobility is once again blocked by degree requirements when attempting to transition into management as an Information Technology Administrator. Conversely, existing qualifications with a bachelor's degree do not specify a field of study relevant to information technology or management. It's also worth noting that nationally 25% of computer and information system managers are STARs; and of those workers who do have degrees, only 22% have their degree in computer and information sciences.<sup>1</sup>

## **Getting STARted: Roles to Consider**

Any organization starting out in the transition to skills-based hiring should begin by identifying the roles in their organization well-suited to skills-based hiring and intentional STAR sourcing. In examining existing data<sup>2</sup> and the various roles in the state of lowa, we suggest focusing on the roles below. In each of the roles identified –

- The State of Iowa either requires a bachelor's degree, or equivalent
- The occupation is classified by Opportunity@Work <u>as a Gateway or Destination</u> job<sup>3</sup>
- The roles are occupations where STARs have been displaced over the last few decades, creating a significant cumulative loss of opportunity for STAR mobility according to Opportunity@Work Research. (See <u>Employer Playbook</u>, page 16, for the top 30 jobs to turn the tide for STARs).

We recommend removing the degree requirements from all of these roles, even if an alternative pathway has already been identified. We have found that even the *mention* of a degree requirement acts as a significant discouragement for STARs in pursuing roles they would otherwise be qualified to work in. Instead, the job requirements should include the skills that a Bachelor's degree is expected to develop for the corresponding role.

In each of the roles below, the State of Iowa is requiring or preferring a degree. Yet, thousands of STARs across the state serve as proof points that skills can be acquired through alternative routes for these exact roles for other employers. Further, a large portion of other employers in the state are not including degrees as a job requirement, limiting both the state's access to – and desirability among – skilled workers.

<sup>&</sup>lt;sup>1</sup> Opportuntiy@Work analysis of the 2021 5-year American Community Survey, IPUMS.

<sup>&</sup>lt;sup>2</sup> Opportunity@Work was provided a list of 764 job postings from the State of Iowa that were used for analysis. This analysis is meant to inspire state hiring managers to consider whether their existing job requirements are aligned with the characteristics of a successful candidate.

<sup>&</sup>lt;sup>3</sup> A Gateway occupation is a primarily middle-wage occupation which is accessible from multiple entry-level and lower-wage occupations and which offers multiple mobility pathways to yet higher-wage occupations. A Destination occupation is a middle to high-wage occupation into which workers have historically made skills-based transitions that led to higher wages.

Job Title	Current State Requirements	% of Iowa Job Postings Requiring Degrees	% of Workers in Iowa who are STARs	Job Classification Code
Accountant Auditor 1	Degree AND specific classes	69%	18%	00309
Administrative Assistant I	Degree OR 4 years experience	9%	43%	00708
Administrative Assistant 2	Degree AND 1 year experience or 5 years experience	9%	43%	00709
Data Warehouse Analyst	Degree AND 3 years experience	54%	26%	00748
Disability Examiner	Degree	50%	31%	03174
Disability Examiner Specialist	Degree AND 5 years experience	50%	31%	03177
Disability Examiner Specialist Advanced	Degree AND 10 years experience AND 12 months as specialist	50%	31%	03178
Field Auditor	Degree AND specific classes	69%	18%	90327
Field Auditor	Degree AND specific classes AND 18 months experience	69%	18%	00327
Human Resources Professional 1	Degree OR 4 years experience	48%	32%	00756
Human Resources Professional 2	Degree AND 4 years experience OR 8 years experience	48%	32%	00757
Human Resources Program Coordinator	Degree AND 5 years experience	48%	32%	00758
Information Technology Administrator 1	Degree AND 4 years experience	75%	22%	00126
Information Technology Administrator 2	Degree AND 6 years experience	75%	22%	00127
Information Technology Administrator 3	Degree AND 7 years experience	75%	22%	00128
Information Technology Administrator 4	Degree AND 8 years experience	75%	22%	00129
Information Technology Enterprise Expert	Degree AND 5 years experience	75%	22%	00160
Information Technology Specialist 3	Degree AND 1 years experience	17%	36%	00120
Information Technology Specialist 4	Degree AND 2 years experience	17%	36%	00121
Information Technology Specialist 5	Degree AND 3 years experience	17%	36%	00122
Nurse Specialist	Degree and/or licensure	11%	34%	02026
Operations Assistant	Degree AND specific classes AND 1 year experience	4%	43%	14749
Training Specialist 1	Degree OR 4 years experience or 3 years state exec branch	51%	28%	00763
Training Specialist 2	Degree AND 3 years experience	51%	28%	00768
Unemployment Insurance Manager	Degree AND 4 years experience	30%	42%	00827
Workforce Advisor	Degree OR 4 years experience	54%	20%	00807
Workforce Associate	Associates Degree OR 3 years experience	3%	43%	00806
Workforce Development Supervisor	Degree AND 1 year experience	51%	28%	00813

Note: Estimates are based on original State of Iowa job titles aligned to standard occupation classification (SOC) codes. The standardized occupations listed in order of appearance include: Accountants & Auditors; Secretaries and Administrative Assistants; Database Administrators; Claims Adjusters, Examiners, and Investigators; Human Resources Specialists; Computer & Information Systems Managers; Computer User Support Specialists; Registered Nurses; Office Clerks, General; Training & Development Specialists; Insurance Claims and Policy Processing Clerks; Personal Financial Advisors; and Retail Salespersons.

These roles also offer a good example of different entry points for STARs in state government. For example, the Administrative Assistant role could be considered entry level given that workers with a bachelor degree do not need to have any prior work experience or have a degree in any specific field. Given that on-the-job training will be required for those entering with a bachelor's degree, offering that same investment to STARs would allow those workers to more efficiently transfer their existing skills which can be gained through a variety of different routes.

Alternatively, employment as a Human Resources Program Coordinator requires five years of human resource experience. That full-time on-the-job experience is likely to be a much stronger skill signal than a bachelor's degree that was likely earned more than five years prior, making the degree requirement largely redundant for these more senior-level jobs.

There are a number of factors the State might want to prioritize when considering better alignment of job requirements with necessary skills. For example, it may make sense to prioritize jobs with the highest hiring volume, or those where the state is struggling to attract qualified candidates. Alternatively, the State might choose to prioritize a specific career track.

#### lowa has a strong foundation: Let's build upon it together

In many ways, the State of Iowa already offers a lot of flexibility in their hiring requirements. As with the IT Specialists example, workers can move up in their career with or without a bachelor's degree (albeit on different timelines). There are routes navigable with a certificate or supplemental college coursework that would actually allow a STAR to achieve mobility faster than a worker with a degree. It is clear that the State is recognizing that alternative pathways are viable. However, in many cases, those pathways aren't clearly laid out in job postings, and requirements continue to place an undue emphasis on college training being equal to, or superior to, on-the-job experience.

It's also important to flag the many bright spots where the State is not currently requiring a degree, but for which many other employers do – most notably for social service roles like Resident Treatment Workers and Adult Service Monitors. Additionally, Governor Reynolds has already taken steps aimed at cultivating alternative routes for workers outside of a college degree through investments like the <u>\$1.5 million grant</u> for high school students to explore future career paths and increasing funding to \$15 million for a novel <u>apprenticeship</u> <u>program t</u>hat addresses some of Iowa's most pressing labor market challenges.

**Opportunity@Work hopes to further collaborate on efforts to position the State as an employer of choice for STARs and all workers with traditionally overlooked skills.** Our analysis to-date has only scratched the surface of uncovering the opportunities and challenges that the State currently faces in filling their talent needs and opening up

pathways to STARs. We'd welcome an opportunity to continue to collaborate through a data partnership that further investigates the granularity of job requirements for state employment and the characteristics of workers in Iowa who already sit in similar roles. This partnership would be low investment and low touch for the State, but would have a high impact in advancing Iowa on its journey to skills-based, STARs inclusive hiring to fill critical roles. As a result of a continued partnership, the state would be able to:

- better identify how to design effective job postings that rely on more valuable (non-degree) skill signals, by further understanding the skills within job requirements in the state, in terms of certifications, licenses, and prior work experience, or reviewing the resumes of the individuals selected into role
- understand whether STARs (or workers of any background) are adequately
  represented relative to their population in the state, or track how the State
  of lowa is performing in terms of opening jobs to STARs relative to other states
  or private employers, by sharing additional data and giving our model more time
  to improve matches and track characteristics.