December 10, 2025

House Committee on Education and Workforce
Subcommittee on Higher Education and Workforce Development
"Building a Talent Marketplace: How LERs Empower Workers and Expand Opportunity"

Chairman Owens, Ranking Member Adams, Chairman Walberg, Ranking Member Scott, and Members of the Sub-Committee:

Good morning, and thank you for the opportunity to address the Sub-Committee about this critical topic today.

My name is Scott Cheney, and I'm the CEO of Credential Engine. We are an international not-for-profit organization laser-focused on credential transparency and learner and economic mobility.

I think it's safe to say that we all want an education, workforce development and employment marketplace where a person's skills, talents and capabilities are recognized, valued, and maximized.

We are in an amazing moment of opportunity in regard to the credentials and skills marketplace in the United States. We have an enormous number of credentialing and upskilling opportunities, as you would expect in a decentralized system working to meet the needs of a highly dynamic and constantly evolving economy. At the same time we are seeing tremendous growth in the use of digitally verifiable credentials that allow for the tracking, storage, and secure exchange of personal records of credential and skill attainment.

Just yesterday Credential Engine released its latest "Counting Credentials" report—a foundational report overviewing the breadth and depth of the U.S. credentialing ecosystem. Notably, we have found that there are at least 1.85 million credentials available in the United States that, are offered by more than 134,000 different providers, including two and four-year institutions, occupational licensing bodies, industry certification organizations, non-profit community-based organizations, and private companies. The fastest growing portion of this marketplace are digitally verified credentials representing discreet skills, small sets of skills, or the completion of micro-pathways targeted to specific employer needs.

We are seeing more credentials of every type and at every level issued as digital verified credentials, which makes sense when you consider that credentials are simply a way to package and validate an individual's knowledge, skills, and abilities.

When credential and skill information exist as data rather than paper, they become searchable, verifiable, and connected with other digital systems. A paper certificate can hang on a wall; a digital credential can populate a job application, trigger a salary increase, unlock the next course in a learning pathway, or be discovered by an employer searching for specific skills. The digital format

transforms credentials from static, siloed records into powerful dynamic assets. And as emerging technologies, such as Artificial Intelligence (AI), continue to advance, digital credentials will become even more valuable as they allow for automatically surfacing relevant opportunities for learners while helping employers quickly identify qualified candidates with the skills that they need with increasing precision.

Empowering everyone in the country – all students, workers, and job-seekers – with secure, comprehensive digital records of their credentials and skills, work-related experiences, employment records, and other relevant and related evidence of their knowledge, skills, and abilities through "learning and employment records", or LERs, opens up a foundational opportunity to transform the marketplace to be more efficient, effective, and equitable.

What is Essential to Know about LERs

To understand what LERs are and their value, I offer the following overview:

Learning and Employment Records (LERs) empower people with portable, verifiable documentation of their complete credential, skill, and employment history

LERs are digital, verifiable records that individual learners/workers control, allowing them to document skills and achievements from all sources, including formal education, apprenticeships, military service, employer training, independent learning, and work experience. Unlike transcripts or resumes that employers must take at face value, LERs provide secure, third-party verification of credentials and skills using open standards, enabling people to prove what they know and can do. This individual-controlled approach lets people decide when, how, and with whom to share their credentials, protecting privacy while maximizing opportunity. By consolidating achievements from diverse sources into a portable and easily recognizable set of records, LERs eliminate the burden on workers to repeatedly reconstruct their qualifications for each job application or training program, reducing barriers to employment and advancement, particularly for people who have acquired valuable skills outside traditional educational pathways.

LERs enable skills-based hiring that expands talent pools for critical industries

America faces severe talent shortages in priority sectors like advanced manufacturing, semiconductors, and AI development. For example there are over 400,000 unfilled manufacturing jobs today and projections that this will quadruple in the future. LERs can help address this issue by providing employers with a more complete picture of candidates' actual skills, enabling skills-based hiring that identifies qualified workers who might be overlooked in credential-based screening processes. For instance, this approach can help identify skills from economic sectors that are readily transferable to another, helping workers make successful transitions into high-demand industries, like manufacturing, by identifying similar skills needs between dissimilar industries. LERS can also support bringing disconnected workers who are not participating in the labor force into high-wage careers by making their existing capabilities visible regardless of how those skills were acquired. By enabling digital analysis of records for skills-based hiring, LERs help employers fill critical positions faster while creating pathways to economic mobility for workers who have valuable skills but lack traditional credentials, directly advancing reindustrialization and workforce expansion goals that benefit communities across all states.

LERs support lifelong learning and rapid upskilling in an AI-driven economy

As AI and technological change accelerate how job requirements are evolving, workers need to continuously document new skills and credentials, while employers need systems to identify workers with emerging capabilities. LERs provide the infrastructure for lifelong learning by enabling people to add verified achievements throughout their careers as they complete training programs, earn certifications, and develop new skills on the job. This continuous documentation of upskilling helps to address the challenge that AI is transforming work faster than traditional workforce systems can adapt. Workers can share their AI literacy, technical skills, or industry-specific credentials in an ongoing way, accelerating their ability to transition into new roles and helping employers rapidly identify talent for evolving positions essential to maintaining American competitiveness in the global economy.

LERs create transparency for education and training investment decisions and program accountability

American families, employers, and taxpayers invest over $2.34 trillion annually in education and training programs but still lack reliable information about which programs develop skills that employers actually value and lead to strong employment outcomes. Credential transparency lets people see which specific skills different education and training programs develop, as well as the length, cost, and outcomes of these programs, empowering them to make informed decisions. This transparency includes data within LERs so that the value of these programs can be analyzed over time, helping states identify high-performing programs worthy of continued funding and low-performing programs requiring reform. LER-documented achievements enable state policymakers to continuously evaluate return on investment for different training pathways, ensuring workforce funding supports programs that demonstrably connect people to high-wage jobs in sectors critical to each state's economic priorities and regional industries.

LERs complement states' roles while enabling worker mobility across state lines

LERs can be supported by state agencies, preserving each state's authority over implementation while adhering to national technical standards for interoperability allowing for cooperation with other states. This state-controlled approach respects states' unique economic priorities, in energy, agriculture, manufacturing, technology, healthcare, or other industries, with each state defining success according to its own education and workforce needs. States retain authority to approve education and training providers and determine which programs meet their standards, while learners and workers benefit from the ability to document credentials and skills in LERs that other states and employers can understand. Consistent and transparent credential documentation allows LERs to address workforce mobility challenges, empowering workers with geographic flexibility and employers with access to broader talent pools regardless of state boundaries.

Realizing the Promise of LERs

To make the promise of LERs possible there is an essential role for governments, which if done right at the federal, state, and local levels, will open a dynamic marketplace of private, public, and non-profit providers across the country. But we must do it right.

Here are four areas that I believe warrant attention, and that I share after having gathered input from various stakeholders in states, including Arkansas, Texas, and Colorado.

1. Ensure that the value of skills and LERs reaches everyone; all students, learners, workers, jobseekers, employers, educators, policymakers, and importantly, all education and income levels, all ethnicities and communities, and all regions, equally.

   There are amazing people with skill sets that get overlooked because of missing, inaccurate, or incomplete and poor packaging. LERs can level the proverbial data playing field.

   Some ideas to accomplish this include:
   - Require that essential information about all providers, programs, credentials, skills, outcomes, quality indicators, and alignment to job skills be made publicly available through a structured, open, linked, and interoperable data (SOLID) format, of which the Credential Transparency Description Language (CTDL) is the *de facto* standard.
   - Require that all relevant local and state plans required under federal laws such as WIOA, Perkins V, ESSA, as well as Comprehensive Economic Development plans, to include consideration of how LERs can be incorporated into their work, including the braiding of existing funding, vendor procurement strategies, and approaches to ensure equitable access and benefit.
   - Federal departments must foster a permissive policy environment that allows programs and initiatives to incorporate LERs into the case management and application processes. Additionally, federal guidance must explicitly clarify that any reference to "resumes" in program requirements can be satisfied by LERs, ensuring that existing resources can support and promote the adoption of these tools.

2. Require the use of open data standards for all information about credentials, skills and programs, and support interoperability. I mentioned above one such area for standards, but they are also needed for employer information as well as for the basic functionality of digital wallets and LERs themselves.

   LERs only matter if people can use them. If they're trapped in proprietary systems, they do little for learners, workers, or employers. Individuals should be able to store records in the digital wallet of their choice and seamlessly share them with platforms like Arkansas Launch or human resource information systems — enabling real mobility across education and employment. Telling a complete story of their skills.

   It's imperative that LERs are built on living networks of data and systems that connect and reinforce each other. Each LER should link to relevant sources — for example, a credential registry, and job and employment data systems as they come online in the future.

   LERs cannot achieve their potential without common data standards that are linked, open, interoperable, and transparent allowing credentials and skills to be machine-readable and actionable across different platforms, states, and sectors of the economy.

   We are essentially talking about *talent marketplaces*.

Some ideas to accomplish this include:

- Congress should incentivize and require federally funded education and workforce programs to operate within talent marketplaces, and to leverage common data standards that enable seamless verification and portability of credentials, as this is the essential technical foundation for scaling LERs nationally and within and across states.
- Requiring that essential information about all providers, programs, credentials, skills, outcomes, quality indicators, and alignment to job skills be made publicly available through a structured, open, linked, and interoperable data (SOLID) format, of which the CTDL is the *de jure* standard.

3. Data rights and privacy must be foundational. LERs necessarily contain personal information regarding education and employment that must be able to cross local, state and even international boundaries. Federal guidance is therefore needed regarding data privacy protections, data ownership rights, and which jurisdictions' laws apply when data moves across borders. Without clear federal frameworks addressing these issues, the promise of learner/worker-owned, portable records could devolve into a patchwork of incompatible state systems that fail to protect individual agency over one's own data.

   Some ideas to accomplish this include:

   - Congress must proactively address the digital divide through digital literacy and access initiatives while establishing worker protection frameworks that prevent employers from using LER data for surveillance or retaliation when employees seek advancement. This should include clear guidelines regarding data ownership, consent protocols, and workers' rights to selective disclosure that allows them to hide potentially bias-triggering information like age, employment gaps, or parental status.

4. The validation of skills is essential. The true value of an LER comes from two things: verified metadata and validated demonstration of skill attainment. In short, LERs are only as credible as the quality and authenticity of the data behind them. We know that:

   - Demonstrated competencies are the best measure of a person's ability, prior to hire;
   - LERs allow for third party credentialing to determine skill fit and transfer of skills; and
   - An LER provides a portable method for validating the skills developed through work-based learning at any level that can be shared with potential employers.

   The momentum behind skills-based hiring initiatives in states like Colorado, Maryland, Utah, and Pennsylvania demonstrates the public sectors' growing commitment to looking beyond degrees, but this shift requires LERs that can credibly document and verify specific competencies in addition to credentials. Federal support for developing skill taxonomies and competency frameworks that work across industries would help ensure LERs enable the skills-based transformation rather than simply digitizing existing credential-based systems.

   A key promise of LERs is that they can help reduce hiring bias and recognize non-traditional learning pathways. However, there is also a risk of unintentionally creating a two-tier system if verification mechanisms only validate traditional credentials while leaving nontraditional

experiences—such as military training, on-the-job learning, community-based education, and gig economy experience—unverified or unrecognized.

An idea to accomplish this:

- Federal policy should prioritize developing verification mechanisms for all forms of learning—particularly those acquired by workers and learners in nondegree pathways and sectors—to ensure vulnerable populations are not further marginalized by credentialing systems that aim to be inclusive but only recognize "conventional" or "traditional" education and workforce pathways.

The Essential Last Mile – Employer Adoption

It goes without saying that LERs will lack critical value unless employers fully transform hiring and development practices and truly commit to skills-based HR and advancement policy.

The shift to skills-based hiring requires employers to fundamentally redesign their talent acquisition and development systems, not simply removing degree requirements from job postings. Future policy should incentivize employers to: issue verified, portable credentials for all skills developed on the job (including for hourly and gig workers); participate in open data standards that enable true interoperability across industries; provide transparency about which skills they actually value versus which they claim to value; and contribute to verification costs for non-traditional credentials rather than expecting workers or providers to shoulder this responsibility.

States actively seeking LER solutions lack consistent evaluation criteria and technical expertise to assess vendors effectively. Future policy should seek to establish a federal framework that provides states with model procurement language, pre-vetted vendor lists that meet security and interoperability standards, and technical assistance for evaluation, while simultaneously requiring that any LER system receiving federal funds—whether through direct contracts or state procurement—demonstrate inclusive design principles that speak to user control over data sharing, accessibility features, and lifelong access regardless of institutional affiliation throughout related tech stacks. This dual approach would accelerate responsible adoption while ensuring that nonprofits, public sector, and policy leaders maintain sufficient oversight to prevent these systems from becoming profit-driven tools that inadvertently deepen workforce inequities rather than solving them.

The challenge is not to simplify this ecosystem by reducing options, but to make it navigable through transparency and valuable to individuals through tools such as digital wallets, comprehensive learner records, or learning and employment records.

Respectfully submitted,

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