



## ***State Human Capital Plans Guidance***

### ***Frequently Asked Questions***

These questions and answers (Q&As) provide guidance for the development of a State Human Capital Plan (SHCP) as authorized under 23 U.S.C. 174(a). The SHCP is a voluntary plan that documents a State's immediate and long-term personnel and workforce resource needs with respect to the State's capacity to deliver transportation and public infrastructure eligible under title 23, U.S.C.

Section 11203 of the Infrastructure Investment and Jobs Act (IIJA) (Public Law 117-58), also known as the Bipartisan Infrastructure Law (BIL), added section 174 to title 23, U.S.C., to encourage State DOTs to develop a comprehensive statewide transportation workforce plan to address the significant transportation and public infrastructure workforce challenges in coordination with their stakeholders.

Except for the statutes and regulations cited, the contents of this guidance do not have the force and effect of law and are not meant to bind the States or the public in any way. This guidance is intended only to provide clarity to States and territories regarding existing requirements under the law or agency policies.

#### **1. Are State DOTs required to create a State Human Capital Plan (SHCP)?**

No. Section 174 of title 23, U.S.C., does not require State DOTs to develop an SHCP or other statewide transportation workforce plan. However, State DOTs are encouraged to work with stakeholders to develop a plan to address workforce challenges in the transportation industry within their States. A State may incorporate its ongoing transportation workforce development and planning activities (i.e., consultant assistance, university research, or other third-party services to identify workforce needs and resources) into an SHCP.<sup>1</sup>

#### **2. What are the benefits of having an SHCP?**

The transportation industry is facing significant challenges in workforce development. Developing and routinely updating an SHCP can assist State DOTs and the transportation industry at large with understanding personnel and workforce needs relative to the available public and private sector transportation labor force. A comprehensive SHCP will help guide State efforts to promote a trained and skilled workforce available and ready to deliver infrastructure programs. The SHCP provides an opportunity to better align workforce needs with workforce development programs and activities, and to implement a

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<sup>1</sup> Federal-aid highway program funds can be used to support SHCP development and some related workforce development activities that are not incorporated into a SHCP. See [question 8](#) below for more information.

system of workforce strategies focused on addressing continuity of leadership and knowledge sharing across the State DOT and with its public and private sector partners. The focus on workforce development is particularly important given the significant investment in highway infrastructure provided in the BIL.

### **3. What are State DOTs, FHWA, and other workforce stakeholders doing to demonstrate that State Human Capital Plans will be beneficial?**

States are also working with highway contractors, public sector workforce partners, and non-government entities to address the severe workforce shortages in the highway construction industry. A state human capital plan will help to identify the workforce needs and resources to address the workforce challenges more effectively. State DOTs are also working with colleges and universities to address the workforce challenges.

FHWA, in cooperation with the American Association of State Highway and Transportation Officials, the Department of Labor’s Employment and Training Administration, and prominent highway construction contractor organizations, has established the FHWA Strategic Workforce Development Initiative/Highway Construction Workforce Partnership (SWD/HCWP). The SWD/HCWP provides for State and local transportation, education, workforce development partnerships to develop and implement programs that identify, train, place, and retain individuals in highway construction jobs.<sup>2</sup>

The SWD/HCWP is part of FHWA’s Every Day Counts Program (EDC-6/7) Strategic Workforce Development Initiative. Support for the SWD/HCWP includes several resources such as the SWD/HCWP Playbook<sup>3</sup> that describes how States can establish SWD/HCWP and highlights best practices that the States and their workforce partners can use to address the industry workforce challenges. These existing workforce initiatives are a first step to developing a more comprehensive SHCP.

### **4. What is the relationship between a Human Capital Plan like the SHCP, Workforce Management, Succession Planning, and Training/Professional Capacity Building?**

A specific, detailed Human Capital Plan provides a roadmap for human capital professionals to address identified strategic goals and objectives aimed at addressing management challenges identified in organizational strategic planning documents. Succession planning assesses the relative “bench strength” of an organization – its ability to meet current and forecasted future needs. The succession planning process involves defining the competencies necessary to address current and future needs, assessing the amount of people with those competencies and the strength of their knowledge and expertise therein, and action planning to address any competency gaps identified through the process.

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<sup>2</sup> [https://www.fhwa.dot.gov/innovativeprograms/centers/workforce\\_dev/hcwp](https://www.fhwa.dot.gov/innovativeprograms/centers/workforce_dev/hcwp)

<sup>3</sup> [https://www.fhwa.dot.gov/innovativeprograms/centers/workforce\\_dev/hcwp/pdfs/hcwp\\_playbook.pdf](https://www.fhwa.dot.gov/innovativeprograms/centers/workforce_dev/hcwp/pdfs/hcwp_playbook.pdf)

Training and professional capacity building are most impactful when designed and implemented based on data collected via succession planning.

**5. What are some of the common elements to include in a SHCP?**

According to 23 U.S.C. 174(b), an SHCP shall, to the maximum extent practicable, take into consideration:

1. Significant transportation workforce trends, needs, issues, and challenges with respect to the State;
2. The human capital policies, strategies, and performance measures that will guide the transportation-related workforce investment decisions of the State;
3. Coordination with educational institutions, industry, organized labor, workforce boards, and other agencies or organizations to address the human capital transportation needs of the State;
4. A workforce planning strategy that identifies current and future human capital needs, including the knowledge, skills, and abilities needed to recruit and retain skilled workers in the transportation industry;
5. A human capital management strategy that is aligned with the transportation mission, goals, and organizational objectives of the State;
6. An implementation system for workforce goals focused on addressing continuity of leadership and knowledge sharing across the State;
7. An implementation system that addresses workforce competency gaps, particularly in mission-critical occupations;
8. In the case of public-private partnerships or other alternative project delivery methods to carry out the transportation program of the State, a description of workforce needs--
  - a. to ensure that the transportation mission, goals, and organizational objectives of the State are fully carried out; and
  - b. to ensure that procurement methods provide the best public value;
9. A system for analyzing and evaluating the performance of the State department of transportation with respect to all aspects of human capital management policies, programs, and activities; and
10. The manner in which the plan will improve the ability of the State to meet the national policy in support of performance management established under 23 U.S.C. 150.

**6. What timeframe must an SHCP address?**

If a State develops an SHCP in accordance with 23 U.S.C. 174(a), the SHCP must address a 5-year forecast period (23 U.S.C. 174(b)(2)). An SHCP may address other forecast periods in addition to the 5-year forecast period required under 23 U.S.C. 174(b)(2).

**7. How often should the SHCP be updated?**

If the SHCP is developed in accordance with 23 U.S.C. 174, the plan must be updated not less frequently than once every 5 years (23 U.S.C. 174(c)).

**8. Are federal funds available to assist states in developing their SHCP?**

Yes. Developing an SHCP is a surface transportation workforce development, training, and education activity under 23 U.S.C. 504(e). Section 504(e) allows States to use formula funds from the National Highway Performance Program (NHPP), the Surface Transportation Block Grant (STBG) Program, the Highway Safety Improvement Program (HSIP), and the Congestion Mitigation and Air Quality (CMAQ) Program for surface transportation workforce development, training, and education activities. The Federal share for funds made available pursuant to 23 U.S.C. 504(e) to develop an SHCP is 100 percent. The cost for developing an SHCP is also eligible for State Planning and Research funds. More information on the use of Federal-aid funds for training, education, and workforce development is available [here](#).

**9. Will the State be required to make the SHCP available to the public?**

Each State that develops an SHCP under the provisions of 23 U.S.C. 174 is required to make a copy of the plan available to the public in a user-friendly format on the website of the State Department of Transportation (23 U.S.C. 174(e)).

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