



Executive Summary

State and local governments across the U.S. are rapidly exploring generative artificial intelligence (AI) tools – such as large language model chatbots, image generators, and code assistants – to improve services and internal efficiency. Early use cases include AI “digital assistants” that help draft reports or summarize documents, AI-powered chatbots that answer residents’ questions on city websites, and even generative tools that translate calls or analyze big datasets for policymaking ¹ ². These technologies offer potential solutions to staffing gaps and backlogs in government services, but they also raise complex challenges for labor relations. Public-sector unions are increasingly vigilant about the impact of AI on jobs, pushing for **guarantees that AI augments rather than replaces staff**. In multiple jurisdictions, unions have demanded **consultation rights, transparency about AI use, and protections against displacement**, sometimes through side agreements or new contract language ³ ⁴. Real-world examples are emerging in labor contracts and memoranda of understanding (MOUs) that address AI – for instance, requiring advance notice to unions before AI is deployed, establishing joint committees on AI, or affirming that no worker will lose their job to AI without negotiation ⁴ ⁵.

This report provides public-sector HR leaders, labor relations professionals, and municipal executives with a clear overview of these trends and practical strategies to navigate them. It begins by describing how generative AI tools are currently being used in state and local government operations, highlighting where adoption is accelerating and where hurdles remain. Next, it analyzes the implications for collective bargaining and union dynamics – how unions are responding, from pushback and demands for side letters to efforts to reclassify or protect job descriptions. We then share concrete examples of contract language and agreements referencing AI or automation, noting recurring themes such as fairness, transparency, worker input in implementation, and retraining commitments. Finally, the report offers strategic guidance for HR and labor relations teams on addressing AI in the workforce: key questions to ask, how to assess risks and build internal alignment, and how to engage unions early in AI-related workforce planning. A concluding section looks ahead 12–24 months, reflecting on likely developments as generative AI technology and policy continue to evolve. The tone throughout is **grounded and practical** – akin to a briefing paper a county HR director might share with a city manager or labor attorney – focused on actionable insights rather than hype.

Generative AI in State & Local Government Operations: Current Use and Adoption Trends

Generative AI has begun making inroads into many facets of state and local government operations. **Early adoption has been largely exploratory**, focused on pilot projects that **streamline routine tasks** or improve constituent services in cost-effective ways. A recent Urban Institute study found that most local governments dabbling in generative AI are using it at a “Tier 1” level – as **digital assistants to automate routine administrative tasks and boost staff productivity** ¹. Common examples include employees using tools like ChatGPT or Microsoft’s AI Copilot to **draft emails, write reports, summarize lengthy documents, or generate first-draft content** for press releases and policy memos ¹ ⁶. These uses are attractive because they are relatively low-risk and can help bridge staffing gaps by **handling paperwork and drafting duties**, freeing up human workers for higher-value work ¹ ⁷. Indeed, many off-the-shelf

AI tools are already available (or built into existing software) at low or no cost – from OpenAI’s new ChatGPT “Gov” model tailored for government, to generative text and image features in Microsoft and Google products ⁸. This makes early adoption financially feasible even for resource-strapped agencies.

Public-facing chatbots are another rapidly growing use case. Building on the wave of rule-based chatbots deployed by governments during the COVID-19 pandemic, agencies are now piloting more advanced conversational agents powered by generative AI ⁹ ¹⁰. For example, New York City launched its **“MyCity” chatbot** in late 2023, one of the first generative AI assistants on a U.S. city website ¹¹. The chatbot can answer questions about city services, business permits, and benefits by drawing from information on NYC.gov, allowing residents to ask questions in natural language. In Kentucky, the city of Covington introduced a quirky generative AI chatbot named **“Clive”** on its economic development webpage – **built on GPT-4 for under \$200** – to answer questions about zoning and doing business in the city ¹² ¹³. Smaller municipalities like Covington are proving that such projects are within reach even on a tight budget, and indeed a recent survey found **65% of U.S. states and 63% of cities have launched or piloted conversational AI agents** for public services ¹³. These bots can extend customer service hours and handle common inquiries automatically.



Clive, a 50-foot green alien art installation in Covington, KY, was “digitized” into a GPT-4 powered chatbot that answers public questions with personality ¹² ¹⁴. Small cities like Covington are piloting generative AI to enhance customer service in economic development and other domains.

Beyond chatbots and text generation, agencies are exploring **use of AI for data analysis and decision support**. In “Tier 2” and “Tier 3” scenarios (as categorized by Urban Institute), generative AI could help **translate and transcribe 911 calls in real time**, assist with triaging non-emergency service requests, or comb through large datasets to find patterns and inform policy ² ¹⁵. For instance, building and zoning departments might use AI to **read through permit applications or codes** and answer routine questions, and social service agencies are eyeing AI to help **summarize eligibility rules or flag incomplete benefit applications**, potentially reducing backlogs for programs like Medicaid or food assistance ¹⁵. A tier-3 transformational example is using AI in housing departments to analyze vast numbers of housing

applications or market data to **accelerate affordable housing production** ¹⁶ . These more complex use cases remain largely in conceptual or pilot stages – they promise big efficiency gains, but also **carry higher risks and require more robust oversight**, since AI output would directly affect residents’ access to critical services ¹⁷ ¹⁸ .

Adoption is not without its challenges. Many state and local agencies are still at the very beginning of the learning curve with generative AI, and **lack awareness of best practices and pitfalls** ¹⁹ . Early projects have revealed issues with accuracy and “hallucinations” (AI confidently giving wrong answers). New York City’s MyCity chatbot, for example, drew criticism from journalists and advocacy groups after it **provided incorrect answers on sensitive topics like housing rights and worker protections** ²⁰ . The city had to add prominent disclaimers that the bot “may occasionally provide incomplete or inaccurate responses,” underscoring that the technology is imperfect ²⁰ . Mayor Eric Adams defended the pilot, arguing that generative AI will improve over time and **must be tested in real-world conditions**, not just labs ²¹ . This reflects a broader trend: tech leaders see potential in AI to improve services, but **public trust can be easily shaken by early mistakes**, making transparency and gradual rollouts important. Additionally, **privacy and security concerns** loom large. Government data often includes sensitive personal information, which can’t simply be fed into public AI models without safeguards. This has spurred interest in “government-safe” AI solutions (like proprietary models or those with strict data controls) and in **clear policies for employees on what data they can input into tools like ChatGPT**. Indeed, some local governments – from Lebanon, NH to Austin, TX – have moved to adopt formal AI use policies for staff, defining **permissible vs. prohibited uses, data handling rules, and required human oversight** for any AI-generated work product ²² . These guardrails aim to ensure that efficiency gains do not come at the expense of data security, ethical standards, or service quality.

In summary, **generative AI adoption in state and local governments is accelerating in targeted areas:** document drafting, research and summarization, conversational chatbots for public info, and data analysis support. Agencies are drawn by AI’s promise to alleviate workload and improve responsiveness. However, **practical challenges – accuracy, privacy, and the need for oversight – mean most are proceeding cautiously**, often starting with small pilots. Crucially, as the next section explores, another factor shaping the pace of adoption is the response of the workforce and unions, who are key stakeholders in determining how far and how fast AI integration can go in the public sector.

Implications for Collective Bargaining and Union Dynamics

The rise of generative AI in government workplaces has quickly become a focal point in labor relations. Public-sector unions, representing employees ranging from clerical staff to professionals, are **scrutinizing AI’s impact on jobs, workload, and work conditions**. The central concern: **will these tools augment employees – or eventually replace or de-skill them?** Unions are leveraging collective bargaining and political advocacy to ensure they have a say in that outcome.

Many unions are responding with a mix of cautious openness and protective vigilance. On one hand, there is recognition that AI could be a useful tool to make work more efficient or less tedious. “AI is not replacing people; it’s a tool to help people do their work,” said Chris Mabe, President of the Ohio Civil Service Employees Association, emphasizing that if workers are trained on the new technology, **AI can “increase capacity” and aid creativity without eliminating jobs** ²³ ²⁴ . Indeed, some unions are encouraging members to **embrace training on AI** to maintain their employment security in a changing world ²⁵ ²⁶ . For example, the Union Education Trust in Ohio offers courses on AI to help bargaining-unit

employees upskill ²⁵ . This proactive approach views AI as something that labor should learn and influence, rather than ignore.

At the same time, unions are drawing **clear lines in the sand regarding job protection and worker voice**. A common demand is that employers **not implement AI in ways that cause layoffs or fundamental changes in work without bargaining**. In Austin, Texas, when the city council considered expanding AI use, the municipal employees' union strongly supported a policy of **"no displacement without consultation."** The resolution ultimately adopted commits that AI **"is used to support, not replace, public workers,"** and explicitly requires that AI will not be used to eliminate jobs without prior discussion with the union ³ ²⁷ . This language was praised by the union as a vital safeguard. Similarly, at the state level, unions are pushing for formal bargaining rights over AI deployment decisions. In Washington State, a bill introduced in early 2025 (HB 1622) – backed by the state employee union – would **require public employers to negotiate not just the effects, but the decision to adopt AI tools that could impact workers' job descriptions or salaries** ²⁸ ²⁹ . The bill's sponsor noted that when Washington's civil service laws were written in 2002, technologies like AI were not on the horizon, and managers had wide latitude to implement new tech; unions now argue that **AI is transformative enough that its introduction should be a subject of collective bargaining**, given the potential to redefine roles and workloads ³⁰ ³¹ . (As of this writing, the bill has faced resistance over its breadth and was not yet enacted ³² ³¹ , but it signifies labor's growing assertiveness on this issue.)

Unions are also **raising alarms about surveillance and algorithmic management** – issues closely tied to AI. Public employees have experienced increasing monitoring (e.g. GPS tracking in vehicles, software that measures keystrokes or call times), and generative AI could enable even more sophisticated tracking or automated decision-making in supervision. Organized labor is pushing back on such trends. The **AFSCME** national union passed a 2024 resolution affirming that **workers must have a meaningful, decision-making role in how AI is implemented** on the job and that AI must not be used for unwarranted surveillance or biased screening of workers ³³ ³⁴ . The resolution echoes President Biden's Executive Order on AI, supporting a **"seat at the table for workers... at every stage of [AI's] design, implementation and monitoring"** via collective bargaining ³⁵ ³⁶ . In practical terms, this means unions are likely to insist on notice and bargaining over any AI that could be used for employee evaluations, discipline, or work assignment decisions. Indeed, the new Austin policy **prohibits the city from using AI for real-time employee surveillance or in making HR decisions (like hiring or firing) without human oversight**, and it requires that if any algorithm is used to evaluate employees' performance or productivity, workers **must be informed and have access to an appeals process with human review** ⁴ ³⁷ . These provisions align with broader union concerns that **"algorithmic management"** can undermine fair treatment. The Communications Workers of America (CWA) and other unions have long negotiated limits on electronic monitoring – for instance, capping how recordings or GPS data can be used in discipline ³⁸ ³⁹ – and they are extending those principles to AI contexts.

Perhaps the most immediate labor relations issue is **job classification and duty changes**. If AI takes over certain tasks, does a worker's job description change? Does the position's civil service classification or pay need adjustment? And conversely, if new duties emerge – such as needing to supervise AI outputs or "prompt" an AI system effectively – should that be recognized as a skill? These questions are already arising. Experts note that when technology fundamentally changes the nature of work, organizations may need to **review and update job descriptions, qualification requirements, and even the number of positions** in a given category ⁴⁰ ⁴¹ . Unions are watchful that employers don't unilaterally reclassify jobs under the guise of efficiency. For example, a union might contest a city's attempt to reduce staffing in a call center

after implementing a chatbot, by arguing that the remaining human roles become more complex (handling only the toughest queries) and should be reclassified upward, not simply reduced. There is also concern about **“deskilling”** – if AI handles the more straightforward work, will workers lose opportunities to develop skills, or might lower-paid assistants end up doing what was professional work with AI help? Unions such as AFSCME have voiced the need to prevent AI from **“disempowering workers”** or eroding job quality ⁴² ⁴³ . In some cases, unions have secured provisions that if any job is directly eliminated due to new technology, the affected employees will receive support such as retraining or even financial compensation. (For instance, outside the public sector, the Culinary Workers union in Las Vegas won a contract clause guaranteeing a severance package of \$2,000 per year of service for any worker laid off due to technology or AI ⁴⁴ – a precedent public unions are surely aware of.)

Overall, **union dynamics around AI are characterized by heightened engagement and preemptive action**. Public-sector unions are not waiting for mass displacement to occur; they are inserting themselves early in the conversation to **negotiate the terms of AI integration**. We see a pattern of **“bargaining for the common good”** in some instances – unions arguing that protecting workers from the downsides of AI also protects the quality of public services for the community. For example, National Nurses United (NNU) conducted a study among nurses and found that certain hospital AI tools (for shift scheduling, remote patient monitoring, etc.) were **perceived as harming patient care by undercutting nurses’ judgment** ⁴⁵ ⁴⁶ . In response, NNU drafted an “AI Bill of Rights” for patients and nurses and pushed hospitals to adopt guiding principles that emphasize patient safety and nurse input in tech decisions ⁴⁶ . This indicates that in fields like healthcare, public safety, and education, unions will link AI to service outcomes and demand a voice not just for job security but for ethical use of AI in their sectors.

Not every management-union interaction around AI is adversarial. There are examples of **collaborative approaches**: forming joint labor-management committees to explore technology’s impact, much like earlier “productivity committees.” For instance, the **State of Illinois** recently convened a Generative AI and Natural Language Processing Task Force which explicitly recommended that the state **“model best practices by seeking pre-decisional input and engaging in collective bargaining with unions on AI-related matters.”** ⁴⁷ . This kind of proactive inclusion can build trust. In Ohio, as we’ll detail next, the state and its largest union wrote into their contract an agreement to **jointly discuss and shape AI use in agencies**, rather than management acting unilaterally ⁵ . Such models treat unions as partners in implementing innovation responsibly.

In summary, **collective bargaining is emerging as a crucial forum to set ground rules for AI in the public workforce**. Unions are pushing back against any unilateral implementation that could cost jobs or privacy, and they are using tools from contract negotiations to legislation to ensure AI “works for workers” as well as for efficiency. We now turn to concrete examples of how these concerns and demands are being codified in labor agreements.

Emerging Contract Language and Agreements on AI: Examples and Themes

Although generative AI is still new, a number of public-sector labor agreements and related documents have already begun to **reference AI and automation, embedding protections and joint strategies into writing**. These examples, while early, provide a glimpse of **emerging themes** – notably fairness,

transparency, worker input, and retraining. Below, we highlight a few real examples of contract clauses, MOUs, side letters, and policy statements that address AI in state and local government settings:

- **Joint Labor-Management Committees on AI:** One of the most common approaches so far is to establish a formal committee for ongoing discussion of AI and new technologies. In the latest Ohio state employees' contract (OCSEA, 2024–2027), the union and state created a **Statewide Joint Information Technology Committee** to address IT workforce issues. Among its purposes, this committee explicitly will “*discuss the use of Artificial Intelligence (AI) and related training opportunities.*” ⁵ ⁴⁸ . In other words, the union has secured a “**seat at the table**” to continuously assess how AI is introduced in state agencies and to guide training so that workers can adapt. This contract language came directly from union advocacy – OCSEA's president noted that the union “*guaranteed rights in the contract*” regarding AI after seeing how fast technology was moving ²³ ⁵ . The **theme of worker input** is clear: AI should not be implemented by management edict alone; it should be shaped through a collaborative process, and this is formalized via a standing committee.
- **“No Layoff/Displacement” Clauses and Consultation Requirements:** Some agreements go beyond discussion and actually constrain how AI can affect jobs. We've mentioned the Austin resolution's “*no displacement without consultation*” policy, which functions much like a side-letter understanding with the union ³ . In effect, it says: *before AI eliminates, automates, or significantly changes any union job, the city must provide notice and meet with the union to discuss alternatives or mitigations* ⁴ . This idea – advance notice and negotiation over impacts – builds on existing labor law (which generally requires bargaining the effects of new technology on working conditions), but making it explicit for AI is a trend. Even in the private sector, unions have won similar language: the new 2023 Writers Guild of America contract, for example, obliges studios to meet with the union **semi-annually to discuss the use of generative AI** in the writing process ⁴⁹ . Public-sector contracts may follow suit with scheduled check-ins or impact bargaining triggers whenever AI is introduced. Additionally, unions often seek assurances that **no current employee will lose their job due solely to AI** – sometimes this is stated outright, or sometimes indirectly by committing to retraining or moving any displaced workers into other roles. Look for phrases in MOUs like “the Employer will not lay off employees as a result of implementing new technology without exhausting all alternatives,” which capture the **fairness theme** – that workers should not bear the brunt of innovation.
- **Transparency and Disclosure Provisions:** Given AI's “black box” nature, unions are insisting on transparency in two areas: when AI is being used, and what data or criteria it uses. For instance, if a city agency starts using an AI tool to screen job applicants or to monitor employee performance, unions want employees to *know* that and to understand how it works. The Austin policy again provides a template: it mandates that the City Manager must **notify any city employees if an AI system is being used to evaluate their performance, and any such system must include a human appeals process** ⁵⁰ . This is essentially a **right-to-know and right-to-review** clause. We may see contract language requiring the employer to **inform the union of any new AI or automated system** introduced that could affect bargaining unit employees. Another facet of transparency is making AI usage visible to the public when relevant (e.g. labeling AI-generated content to avoid confusion). AFSCME's 2024 resolution, for example, calls for “*ethical guidelines and transparent processes for the use of AI, with particular emphasis on identifying AI-generated content and mitigating misinformation or deepfakes*” ⁵¹ . While that is a policy stance, it could translate into contract language if, say, a public communications department used AI to write social media posts –

the union might negotiate an understanding that any AI-generated text will be reviewed and clearly identified to maintain trust.

- **Limits on AI in Certain Functions (Safety, Disciplinary, etc.):** In some cases, labor agreements may carve out areas where AI simply cannot replace human judgment. For example, **automated decision-making in disciplinary actions** is a red line: one city might have a side letter that says “No employee shall be disciplined or terminated based solely on information from an artificial intelligence system without human investigation” – similar to clauses CWA has negotiated restricting use of GPS or other electronic data for discipline ⁵². The Austin resolution explicitly “*prohibits use of AI by the city in areas such as real-time employee surveillance, biometric data collection, and automated decisions in policing or personnel matters*” ⁴. These prohibitions reflect **themes of fairness and civil liberties** – ensuring AI doesn’t enable unfair treatment or biased outcomes. In policing, for instance, if a city tried to use an AI system to make decisions about patrol routes or even arrests (e.g. predictive policing), we can expect police unions or city worker unions to demand a say or outright limitations due to liability and equity concerns. Another example: some teacher unions have fought against algorithmic teacher evaluations; while not generative AI, it’s analogous. The Houston teachers’ union successfully pressed the district to stop using a secret algorithm to fire teachers after it was found to be flawed ⁵³. Future contracts with educators might include language requiring disclosure of any AI used in evaluation and the right to challenge its accuracy – again tying to fairness and due process.
- **Retraining and Upward Mobility Commitments:** A positive theme in many AI-related agreements is investment in *workers* alongside investment in technology. Unions want assurances that if AI alters job duties, employees will be offered training to learn the new tools or to transition to other roles. For instance, the new contract between the International Alliance of Theatrical Stage Employees (IATSE) and studios in 2024 (though outside government) contains a provision to *create a committee for AI skills training* for workers, acknowledging that job roles will evolve ⁵⁴. In the public sector, an example is the **Letter of Understanding between UAW and Ford (covering some plant tech that could apply broadly)**: it established that a joint committee “*will research AI technology for worker safety and how it applies to operations,*” and that management will provide advance notice of new tech **with concurrent investment in training programs for affected workers** ⁵⁵ ⁵⁶. Translating that to government: a city might agree in a memorandum that if it implements an AI system that takes over certain analytical tasks, it will offer the employees who used to do those tasks either training to supervise the AI or training to move into other needed positions in the agency. This speaks to **equity and workforce morale** – the gains from AI should be shared by helping workers advance, not leaving them behind. Ohio’s OCSEA contract language we saw pairs the AI discussion with “*related training opportunities,*” explicitly aiming to help employees “**develop the skills and knowledge**” to perform evolving IT work ⁴⁸. Similarly, AFSCME’s official stance is that “*the benefits of AI [must be] shared equitably, with workers having access to education and training, and protections so that those whose jobs are impacted receive support and retraining*” ⁵⁷ ⁵⁸. We can expect more contracts to include commitments to fund training programs, tuition reimbursement for AI-related courses, or apprenticeship-style arrangements to redeploy workers into tech management roles.
- **Examples in Practice:** To illustrate, consider the **Ohio OCSEA 2024–27 contract** again. Beyond the joint committee, union President Chris Mabe highlighted that the contract language “*gives the union a seat at the table*” on AI in state agencies ⁵. This was complemented by AFSCME’s national convention resolutions on AI and robotics, which the Ohio local leveraged. In **New York City**, while

we don't have a published AI clause in the union contracts yet, there is intense discussion. DC 37 (NYC's largest municipal union) representatives have publicly argued that the city's rush to adopt AI (like the MyCity chatbot) seems driven by *"an unspoken goal: cutting costs by cutting jobs,"* and they call for organized worker voice to ensure that doesn't happen ⁵⁹ ⁶⁰. The union's stance is that city workers should *"have an equal say in deciding how the city uses AI"* and that any government use of AI must come with real safeguards – ideally codified in laws or contracts – rather than just trusting promises ⁶¹ ⁶². We might soon see side agreements in NYC requiring, for example, a pilot period for any AI tool with union feedback, or an agreement to not fill certain vacancies with AI systems until negotiated. Already, New York State passed a law in 2021 requiring disclosure to candidates when AI is used in hiring interviews, reflecting the transparency theme in a public context ⁶³. Though that law was for applicants, unions would likely seek similar notice for employees.

In sum, while it's early days, **the contract language around AI in the public sector is quickly evolving**. The consistent themes are: **protecting jobs (no unwarranted layoffs, severance or bumping rights if jobs are automated), involving workers (joint committees, consultation triggers), maintaining fairness (no secret algorithms deciding your raise or firing), and investing in workers (training and reclassification as needed)**. Public employers that have embraced these principles in agreements are finding it helps quell fear and builds a partnership mindset around technology. Those that ignore union voices risk grievances, unfair labor practice charges, or simply failing to get the most out of AI due to employee resistance. The next section provides strategic guidance on how HR and labor relations teams can proactively manage these issues.

Strategic Guidance for HR and Labor Relations Teams

As generative AI moves from buzzword to workplace reality, public-sector HR and labor relations professionals should take a **proactive, collaborative approach**. Here are strategic considerations and steps to ensure AI implementation aligns with organizational goals while maintaining labor harmony and legal compliance:

1. Ask the Right Questions Before Adopting AI: Before deploying a generative AI tool in any government workflow, HR should convene stakeholders and pose key questions: *What problem are we trying to solve with this AI?* Do we have a clear business case (e.g. reducing permit backlog by auto-summarizing documents, or improving customer service after hours with a chatbot)? Being specific will prevent overreach and manage expectations ⁶⁴. Also ask: *Whose work will this impact and how?* Map out which job classifications perform the tasks that the AI would handle, and to what extent the AI is supplementing vs. supplanting their work. *What are the risks?* Consider accuracy errors (could a mistake harm a citizen or someone's rights?), bias (does the AI output potentially favor or disfavor certain groups?), privacy (will it handle personal data, and if so, how to protect it?), and cybersecurity. Another critical question: *What human oversight or intervention is needed?* As one local government CIO put it, generative AI can't be a black box – you need a "good foundation around security, privacy, and governance in place" and a plan for humans to review AI outputs where quality is mission-critical ⁶⁵. By asking these questions early, HR can identify if a proposed AI use might trigger bargaining obligations or employee training needs.

2. Involve Unions Early and Often: Rather than fearing union pushback on AI, treat unions as partners in implementation. Engage union leadership at the ideation stage if possible – for example, if a department wants to pilot an AI tool, brief the union on what it is and invite their input on the design of the pilot. This early consultation builds trust and can surface employee insights (they often know the task best and can

foresee pitfalls). Many unions have tech committees or at least interested members who can provide valuable feedback. **Early engagement can also preempt grievances** by addressing concerns up front. For instance, if employees fear a new chatbot will eventually cut jobs, management can clarify it's intended to handle overflow calls at night, not replace daytime staff – and perhaps put that understanding in writing as a side MOU to reassure everyone. Engaging unions doesn't mean giving them a veto on technology, but it does mean **committing to good-faith discussion and problem-solving**. One practical approach is to set up a **joint task force or working group on AI** (even if not already in the contract). Include representatives from HR, IT, departmental managers, and union appointees. Task this group with reviewing AI proposals, establishing guidelines (many cities are drafting AI policies – do it collaboratively ²²), and monitoring ongoing use. By institutionalizing worker input – as Illinois and Ohio have done – you create a channel to handle issues as they arise, rather than in an adversarial way ⁶⁶ ⁵ .

3. Conduct Impact Assessments (and share them): Before rolling out AI, do an internal impact assessment focused on workforce implications. Identify which job tasks will change, whether any jobs could be eliminated or downgraded, and conversely if new roles are needed (for example, a data analyst might shift to an AI oversight role). Also assess the civil service or labor contract rules: will introducing this AI violate any existing work rules or past practices? (For instance, if a contract says a minimum number of employees must staff a call center, adding a chatbot might conflict unless negotiated.) Evaluate potential civil rights or bias issues if the AI will be used for decisions about people (hiring, promotions, resource allocation in services) – for compliance with laws and ethics, you might need an **algorithmic bias audit**. Some states now even require impact assessments or notices for AI in public sector uses ⁶⁷ . Once you have this assessment, share the relevant portions with union leadership. Being transparent about *“Here’s what we think the impact on jobs will be (e.g. no net loss, or a repurposing of 2 positions), and here’s how we’ll mitigate any negative effects”* goes a long way. It demonstrates that management has done its homework and cares about employees’ interests. If the assessment shows significant impact, that’s a clear flag to start bargaining on an effects agreement or side letter to address matters like retraining, voluntary attrition plans, etc.

4. Develop Clear AI Policies and Parameters: Work with legal, IT, and union partners to craft an **AI use policy for your organization** (if one is not already in place). This policy should define things like: what uses of generative AI are permitted/prohibited at work (e.g. maybe allowed for drafting routine memos, but not for confidential legal advice or not for final decisions without human sign-off). It should address data security – for example, a rule that employees must not input sensitive personally identifiable information into any AI tool that isn't approved by IT security ²² . Many governments are writing policies saying AI-generated content must be verified by a supervisor before publication, to prevent misinformation. The policy should also commit to nondiscrimination and ethics – perhaps mirroring principles from state or federal guidance (the Biden Administration has advocated for **“meaningful worker engagement in AI system design”** and for agencies to consult unions on AI use ⁶⁸). From an HR perspective, the policy must also dovetail with HR processes: if AI might be used in hiring, ensure that meets equal employment opportunity standards and that candidates are properly informed ⁶³ . Once an AI policy is drafted, **train both managers and employees on it**. Make it a living document that can be updated as technology and laws evolve.

5. Build Internal Alignment – HR, IT, Legal, Operations all at the Table: AI in government isn't just an IT issue or just an HR issue – it's cross-cutting. Form an internal team or task force that regularly meets about technology initiatives like AI. This team should include HR (for workforce and training implications), Labor Relations/Legal (for bargaining and legal compliance), IT (for technical viability and security), and

representatives of the departments using the AI (for practical needs). By hashing out proposals together, you reduce the chance of one department charging ahead with an AI pilot that inadvertently violates a labor agreement or privacy law. An aligned team can also collectively develop a risk mitigation plan: for example, IT ensures the tool meets security standards; HR designs a training program for staff who will use or be affected by the tool; Legal checks if any meet-and-confer with unions is required; the operating department sets metrics for success. **Alignment is also crucial when communicating with employees:** Speak with one voice. If managers roll out AI with enthusiasm but HR hasn't addressed job fears, mixed messages could spread. A unified internal communication might acknowledge, "We are introducing X tool to help with Y. It is not a replacement for our valued employees but a support tool – and we are working with your union to ensure it's implemented responsibly." Consistency builds credibility.

6. Invest in Training and Change Management: Generative AI is a new skill for everyone – don't assume employees (or managers) will immediately know how to use it effectively or appropriately. Plan for **extensive training and upskilling opportunities**. This can range from basic sessions on "How to use ChatGPT or AI assistants in your daily work" to more advanced courses on data literacy or AI oversight for certain analysts. Consider working with union training funds or programs (like the Union Education Trust in Ohio, which explicitly is offering AI courses to state workers ²⁵ ²⁶) – a collaborative training effort can show that the goal is to empower employees, not leave them behind. Also address "*prompt engineering*" and critical evaluation of AI outputs in training – teach staff to treat AI as a tool that still requires human judgment (e.g., verifying facts, checking for biases in output). On the change management front, anticipate emotional and cultural resistance. It's important to validate the concerns (some employees may worry, "*Will this thing take my job or make my skills obsolete?*"). Be honest that some jobs will evolve, and commit to supporting employees through that evolution. Highlight the tasks AI might relieve (perhaps the mundane or repetitive parts of the job), and emphasize the more engaging work humans can focus on. As a strategy, **identify AI champions or pilot users among staff** – people who are interested and can pilot the tool, then share their success stories. If a permit clerk can say, "This AI tool saved me 3 hours of paperwork a week, and I used that time to expedite more permits for citizens," it reframes AI as a help, not a threat, to her colleagues. HR can facilitate these feedback loops and adjust implementation based on them.

7. Assess and Mitigate Risk Continuously: Introduction of AI isn't a one-time event – it requires ongoing oversight. Set up mechanisms to monitor the AI's performance and its impacts on workload and morale. For example, if using a chatbot for public inquiries, track its accuracy and the volume of work it handles vs. what staff handle. If errors are high, you may need to dial back scope or add more human review. Solicit employee feedback: do workers feel the tool is actually saving them time, or is it creating new headaches (like cleaning up AI mistakes)? Also monitor for any unintended consequence on staffing: Are certain roles becoming redundant, and if so, can those employees be retrained for new needs? Have service outcomes improved as promised? Keep the union in the loop on these assessments – maybe through that joint AI committee we discussed. If something isn't working, be willing to pause or adjust. A union that sees management willing to pull back an AI tool that's not ready (instead of plowing forward to save face) will trust that their concerns are being heeded. Additionally, stay updated on evolving laws and regulations around AI. States are rapidly considering bills on AI accountability, transparency, and even bans in some high-risk areas ⁶⁷ ⁶⁹. In the next year or two, new legal requirements may mandate things like bias audits for AI or notifications to workers, which HR will need to incorporate into practice. Being ahead of these – by already doing them voluntarily – will make compliance easier and labor relations smoother.

8. Engage in Scenario Planning and Role Redefinition: As part of workforce planning, consider how roles might change in 1–3–5 years with AI, and discuss this frankly with union counterparts. For instance, if AI

could handle a certain transaction end-to-end in the future, what will the human workers in that process do instead? Perhaps their role shifts to quality control, or to handling only exceptions. If that's likely, then well before it happens, work with the union on a plan: maybe create an **apprenticeship pipeline for those workers to move into tech oversight roles** or have agreements on attrition (not filling certain positions as they become automated, while not firing anyone). By having a shared long-term vision, you avoid crisis bargaining under duress. Unions appreciate when management is transparent about technological ambitions and timelines; it gives them a chance to prepare and propose solutions (like retraining programs or alternate duties) rather than just react. As one union advocate wrote, *"when the power to implement technology rests solely in management's hands and workers don't have an equal say, it's workers that pay the price"* ⁷⁰ . Avoid that outcome by power-sharing the planning process.

9. Emphasize Ethical and Equitable AI Use: From a mission and values perspective, public HR can take the lead in articulating that any AI use will align with public service values – fairness, equity, transparency, and accessibility. This not only reassures employees and unions but also the public and elected officials. For example, if using an AI to determine resource allocation (say, an algorithm to prioritize health inspections), ensure there's an equity check (does it inadvertently target certain neighborhoods more?) and involve front-line staff in examining that. Many unions, especially those representing diverse workforces, will raise equity concerns if AI might replicate bias. Proactively doing an equity impact analysis and sharing the results can preempt conflict. Additionally, stress the importance of preserving the "human touch" in public services. As Councilmember Vanessa Fuentes in Austin put it, the goal is to reap AI's benefits *"without losing that human touch, because that is what being a public government is all about."* ⁷¹ ⁷² . Use that message when talking with both unions and the community – AI will assist, but not replace, the human judgment and compassion in services. This philosophy can then be baked into guidelines (e.g., requiring a human in the loop for any decision impacting an individual's rights or benefits).

By following these strategies, HR and labor relations teams can turn a potentially divisive issue into an opportunity for collaboration. Done right, involving unions in AI implementation can lead to better outcomes – employees who are well-trained and on board with the changes, fewer grievances or surprises, and AI systems that are more effective because they were shaped by on-the-ground insights. In essence, it's about applying the classic principles of change management and worker participation to this new tech frontier.

Conclusion and Forward-Looking Reflection (Next 12–24 Months)

Generative AI in the public sector is evolving from experimental novelty to a standard part of the toolbox – and this evolution will accelerate in the coming 1–2 years. We can anticipate several developments that HR and labor leaders should keep on their radar:

- **More Widespread Adoption – and Normalization – of AI Tools:** Over the next 12–24 months, expect generative AI features to become integrated in everyday software used by government employees. Microsoft is rolling out CoPilot across Office 365, meaning tools like Outlook and Word will begin suggesting AI-generated drafts or summaries to millions of workers (public employees included). Google is doing similar with its Workspace. This "ambient" AI will make the technology more routine. Employees may start using AI spontaneously for tasks (indeed, a 2025 MissionSquare survey found 46% of public employees were already using some form of AI in their work, though often informally ⁷³ ⁷⁴). The normalization of AI will likely reduce some fear – especially as workers see it can handle drudge work – but it also means **policies and training need to catch up fast**. In

two years, it will be less about *whether* to use AI, and more about *how to use it responsibly* in virtually every office context. Agencies that are ahead in setting those guardrails (per our guidance above) will fare better than those scrambling after the fact.

- **Evolution of Job Roles and Classifications:** Within 1–2 years, we may see new civil service classifications emerge related to AI. For example, “AI Systems Analyst” or “Prompt Librarian” roles might be created to formally oversee and curate AI tools in agencies. Conversely, existing roles might get updated descriptions to include working with AI. Unions will play a role in negotiating these changes – ensuring, for instance, that if an administrative assistant is now expected to use AI to do higher-level drafting, that’s recognized in their job spec and possibly compensation. Classification studies (like the one SFMTA agreed to do via side letter for certain positions ⁷⁵) could become more common to recalibrate duties in an AI-enhanced workflow. There may also be **cases of job consolidation** – if AI allows one worker to do what used to be the work of two, management might propose eliminating vacancies or combining departments. How those efficiencies are handled (through attrition vs. layoffs, through retraining vs. outside hiring) will be a major topic in labor negotiations. Savvy HR departments will negotiate frameworks in advance (e.g., offering partial retirement incentives or priority placement for any worker whose job is phased out by tech).
- **Maturing Labor Agreements on AI:** We expect that **AI-related provisions will become a standard part of public-sector labor contracts** in the coming bargaining cycles. Just as contracts in the 1980s started including computer training or language on “no pay cuts due to word processors,” contracts by 2025–2026 will likely have a section on AI. These could codify many of the themes we’ve discussed: requiring notice to the union of new AI implementations, guaranteeing access to training, protecting against loss of employment or pay, and establishing ongoing committees. By having these terms in writing, both sides gain clarity. From HR’s view, clear contract language can actually help by delineating what the agency needs to do (e.g., notify the union 60 days before an AI rollout affecting workers) – basically a roadmap to compliance that avoids disputes. In addition, we may see **more side agreements or MOUs** specifically on fast-moving issues like generative AI, rather than waiting for full contract renegotiations. For instance, a union and city might sign an MOU in mid-contract that outlines how a new AI tool in the 311 center will be piloted and evaluated jointly. Labor relations practitioners should be prepared to negotiate such side deals and see them as problem-solving tools, not barriers.
- **Policy and Regulatory Developments:** On the legislative front, there will likely be **new laws or regulations at state and federal levels addressing AI in employment and public services**. Several states are considering or have passed laws around AI transparency, algorithmic accountability, and worker protections. For example, **New Jersey** has debated requiring notice, retraining, and even severance for workers displaced by technology ⁶⁹. If passed, public employers in those jurisdictions would have legal obligations to, say, notify a state agency or provide a plan anytime an AI causes job loss. **New York City** already implemented a law (effective 2023) regulating AI in hiring tools, and more “AI ethics” ordinances could emerge in big cities. Federally, while comprehensive AI legislation is still being discussed, the White House’s Office of Management and Budget in 2024 issued guidance urging federal agencies to **consult employee unions when designing and using AI** ⁶⁸. If a new Administration keeps a focus on AI, we might even see federal labor regulators (like the NLRB) issue decisions or guidance on AI – e.g., ruling that introducing certain AI without bargaining is an unfair labor practice. In short, the **compliance landscape will get more complex**, and HR will need to monitor and integrate these external requirements. The

good news is many of these align with what unions are asking anyway (transparency, consultation, no discrimination), so doing right by the workforce often aligns with legal compliance.

- **Improved AI Capabilities – and Continued Need for Human Oversight:** Technologically, generative AI will keep improving in accuracy and capability in the next two years. We'll likely see new versions (OpenAI's GPT-5 or Google's Gemini, etc.) that are more powerful. This might enable AI to handle tasks that today still firmly require humans. For instance, AI might get better at drafting complex policy analysis or coding. That could lead management to attempt broader implementations (like "AI-as-an-assistant" for every department head). However, even as the tech improves, the fundamental issues of oversight and accountability won't disappear. In fact, **the more capable AI becomes, the more important it will be to have strong governance** – because mistakes, when they occur, could be subtler or involve more serious decisions. A hallucinated error in an AI-generated budget proposal, for example, could have big consequences if unchecked. So, we anticipate continued emphasis on **human-in-the-loop models**. The jurisdictions that model this (e.g., requiring that AI suggestions are reviewed by a human before finalizing any decision) will set best practices. Unions will almost certainly insist on this as a non-negotiable norm in any critical application: AI can advise, but **cannot have the final say** on matters affecting employment or public entitlements. In 12–24 months, this principle may well be codified in multiple agreements and laws.
- **Cultural Shift and Worker Sentiment:** As AI becomes more embedded, the initial wave of fear may subside into a more pragmatic stance among employees. The MissionSquare survey indicated that as of 2025, a majority of state/local employees were *not* deeply worried about AI replacing them (around 63% were slightly or not at all concerned) – though a significant minority (20%) were very concerned ⁷⁶ ⁷⁷. With more exposure and education, those numbers might shift. If workers see AI helping them and agencies stick to promises of no layoffs, confidence will grow. On the other hand, any high-profile negative incident – say a city attempts layoffs citing AI efficiency gains – could spark wider backlash and mistrust across the country's public workforce. HR should watch not just their own locale but national stories. The narrative that takes hold matters. One likely trend is **workers demanding a share of the productivity gains**. This has happened in Hollywood (writers and actors sought residuals and protections for AI use of their likenesses) ⁷⁸ ⁷⁹. In government, it might translate to unions arguing: if AI helps produce work faster, employees should get more reasonable workloads (not simply more work piled on) or even enhanced pay for higher-skilled oversight work. There could be bargaining for **shorter workweeks or other quality-of-life improvements** enabled by AI-driven productivity – much like how some contracts post-COVID negotiated telework and flexible schedules as a new norm (indeed, NYC's DC37 recently secured hybrid work and even a trial of a 4-day workweek in their latest agreements ⁸⁰ ⁸¹). AI might similarly become a point of negotiation for creative benefits.

In closing, the coming years are poised to bring both **exciting opportunities and tricky challenges** as generative AI becomes a fixture in state and local government. Public-sector leaders must balance innovation with inclusivity – ensuring that employees are brought along and that vital public values are preserved. The path forward calls for collaboration: by engaging workers and their unions as partners, governments can harness AI to enhance services **while strengthening the workforce that delivers those services**. Those who manage this balancing act will likely see AI become a trusted ally on the job, rather than a source of conflict. In the words of one union member in New York, the goal should be for *"AI to work for us – not the other way around."* ⁸² ⁸³ With thoughtful strategy and open dialogue, generative AI can be integrated in a way that respects public employees' contributions, maintains public trust, and unlocks new

levels of government effectiveness. The next 12–24 months will be critical in setting these precedents – and public-sector HR and labor relations professionals will be at the forefront of shaping this future.

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