

HOUSE ED & WORKFORCE PANEL EXAMINES AI'S ECONOMIC IMPACT

EXECUTIVE SUMMARY

On Apr. 15, the House Education & Workforce Subcommittee on Workforce Protections held a [hearing](#) on artificial intelligence's (AI) economic impact on workers and employers. During the hearing, Members on both sides of the aisle acknowledged AI's potential to reshape productivity, job tasks, and workplace practices, while also recognizing the need to better understand how workers are being impacted.

Republicans and their invited witnesses largely signaled support for a more measured approach to AI regulation. They emphasized concerns about regulatory fragmentation stemming from differing state and local AI laws, as well as the impact of compliance burdens on businesses — particularly small and mid-sized firms. GOP members also highlighted the importance of maintaining U.S. leadership in AI, supporting innovation, and improving federal guidance to help employers adopt AI responsibly within existing legal frameworks.

Meanwhile, Democrats on the panel placed greater emphasis on the potential risks AI poses to workers, including job displacement, workplace surveillance, and discriminatory outcomes. They raised concerns about the adequacy of existing protections and stressed the importance of ensuring workers have a voice in how AI is deployed.

OPENING STATEMENTS

Chair Ryan Mackenzie (R-PA) ([statement](#)) stated that Congress should better understand AI's effects on employers and workers before pursuing legislative responses, arguing that stronger data should guide policymaking. Chair Mackenzie also raised concerns that differing state and local AI regulations could create a patchwork of rules that increase compliance costs and complicate operations for businesses, particularly small firms. He emphasized the importance of maintaining U.S. leadership in AI amid global competition and called for policies that support responsible innovation, modernize regulation, and establish evidence-based safeguards for consumers, workers, and the public.

Ranking Member Ilhan Omar (D-MN) ([statement](#)) criticized Republicans for holding multiple hearings on AI without advancing legislation to address worker protections or broader economic challenges facing families. She argued that AI could worsen inequality and financial strain if left unchecked, particularly through workplace surveillance, discriminatory hiring tools, and the use of automated systems in labor disputes. Ranking Member Omar highlighted the role of labor unions and state governments in establishing safeguards and giving workers a voice in how AI is deployed. She

also expressed concern about efforts to preempt state-level regulations and emphasized that existing labor and anti-discrimination laws must continue to be enforced as AI technologies expand.

WITNESS TESTIMONY

Ms. Chatrane Birbal ([testimony](#)), of the CHRO Association, testified that AI is already helping employees boost productivity, reduce routine administrative work, and improve work-life balance, while also expanding accessibility and opportunity for workers with disabilities. She said HR teams are using AI to improve candidate matching, hiring, and workforce development, but emphasized that the technology should augment — not replace — human judgment. Ms. Birbal highlighted various use cases including automating repetitive tasks to build career resilience, using monitoring tools to strengthen workplace safety, and supporting clinicians through faster analysis of medical data and imaging. She contended that existing labor, discrimination, privacy, and safety laws already provide strong protections, and warned that overly prescriptive AI-specific mandates could create confusion. Instead, she urged a flexible federal framework grounded in transparency, accountability, and responsible risk management.

Mr. Matthew Gizzo ([testimony](#)), of Ogletree Deakins, argued that AI can be a powerful tool for improving wage-and-hour compliance and urged Congress to take a careful, measured approach to regulation so as not to suppress innovation. He noted that wage-and-hour laws are highly complex — particularly for small and mid-sized businesses navigating overlapping federal, state, and local requirements — and that even well-intentioned employers can face significant liability for errors. Mr. Gizzo contended that AI can help employers meet these obligations more accurately, efficiently, and consistently through better compliance systems and reduced administrative burden. He expressed his view that workers benefit alongside employers because stronger compliance increases the likelihood that employees receive the wages and compensation they are owed.

Ms. Sara Steffens ([testimony](#)), of We Build Progress, warned that unchecked AI systems could deepen inequality, erode labor protections, and undermine workers' ability to organize. She said that employers are increasingly using surveillance tools to identify organizing activity, and that AI greatly expands the scale and effectiveness of those practices. Ms. Steffens also contended that AI management systems can increase stress, burnout, and injury by tightly controlling worker tasks and productivity, while employees often lack notice, privacy protections, or meaningful input into how such systems are deployed. She urged Congress to strengthen labor law through measures such as the PRO Act ([H.R.20](#)) — a comprehensive proposal aimed at protecting workers' right to unionize — and the Public Service Freedom to Negotiate Act ([H.R.2736](#)), which aims to guarantee the right of public sector employees to organize, as well as to provide greater funding and staffing for agencies like the Department of Labor (DOL) and National Labor Relations Board (NLRB).

Ms. Rachel Greszler ([testimony](#)), of Advancing American Freedom, contended that policymakers lack the data needed to understand AI's workforce effects well enough to both support innovation and protect workers. She said AI shares features with past technological change by replacing some tasks, complementing others, and boosting long-run productivity, but noted that its rapid adoption

and adaptive capabilities are historically unusual. At the same time, she emphasized that AI has clear limitations and will not be practical or cost-effective for every use case. Ms. Greszler contended that current data gaps make it harder for lawmakers, employers, and workers to make informed decisions about policy, investment, and training. She accordingly urged Congress to direct the Census Bureau to expand business surveys on AI adoption and instruct the Bureau of Labor Statistics (BLS) to develop a task-level database tracking AI's effects on work, productivity, and skill demands.

DISCUSSION AND QUESTIONS

Federal vs. State AI Regulation & Compliance

- Chair Mackenzie asked about compliance challenges created by having a “patchwork” of state AI laws. Ms. Birbal said employers face overlapping and inconsistent requirements — including differing definitions, audit mandates, and notice rules — which are further complicated by remote hiring, she argued. She urged a federal, principles-based standard and preemption of conflicting state laws.
- Chair Mackenzie inquired as to how complex AI compliance standards affect job growth. Mr. Gizzo said regulatory fragmentation disproportionately burdens small and mid-sized businesses, discouraging expansion and hiring. The witness added that remote work across jurisdictions further complicates wage-and-hour compliance.
- **Full Committee Chair Tim Walberg (R-MI)** asked how the federal government can improve compliance assistance for employers adopting AI. Ms. Birbal said agencies should provide faster, clearer guidance — including opinion letters, FAQs, and model policies — and focus guardrails on higher-risk use cases.
- Chair Walberg asked about the benefits of having federal preemption of state AI laws. Mr. Gizzo said a national baseline would reduce compliance burdens and prevent regulatory fragmentation that discourages innovation.
- **Rep. Mark Messmer (R-IN)** asked how AI improves compliance for businesses. Mr. Gizzo said AI tools can assist with wage-and-hour classification, timekeeping, and pay calculations, reducing reliance on legal resources and lowering compliance costs for small employers.
- Ranking Member Omar warned that preempting state AI laws could weaken worker protections and argued Congress should focus on workers in AI policy by strengthening labor rights and supporting collective bargaining.

Worker Protections & Workforce Displacement

- Ranking Member Omar raised concerns about growing use of AI-enabled workplace surveillance and asked what privacy protections workers should expect. Ms. Steffens said workers currently have limited protections and warned that AI enables continuous monitoring of movement, communications, and biometrics. As such, the witness called for federal standards on data collection and use.
- Ranking Member Omar asked about risks associated with large-scale data collection. Ms. Steffens warned such data could be sold or shared through third-party brokers, creating opaque profiles that workers cannot access or challenge.

- Ranking Member Omar asked whether AI enables unlawful practices such as union suppression or discrimination. Ms. Steffens said that, while existing labor laws still apply to AI, the technology can make violations easier to commit, harder to detect, and more difficult for workers to prove.
- Ranking Member Omar asked how Congress can strengthen worker protections. Ms. Steffens pointed to underfunded enforcement agencies, including DOL and NLRB, and called for increased funding alongside new privacy safeguards.
- **Rep. Greg Casar (D-TX)** warned that AI could displace large numbers of workers and criticized Republicans for, he said, not advancing legislation to address potential job losses.

Data Collection Needs

- **Rep. Randy Fine (R-FL)** asked how Congress can improve AI-related labor data collection. Ms. Greszler recommended more frequent and comprehensive surveys, including leveraging large-scale business datasets to better capture workforce trends.
- Chair Mackenzie wondered how policymakers can keep pace with rapidly evolving AI technologies. Ms. Greszler recommended improving data collection as well as applying existing laws before creating new ones and targeting specific harms rather than enacting broad regulation.
- Chair Walberg asked how better labor data could improve policymaking. Ms. Greszler said AI is reshaping tasks rather than eliminating entire jobs and argued more granular, task-level data would help identify in-demand skills and guide workforce training.
- Rep. Messmer asked about the importance of modernizing labor market data. Ms. Birbal said better data is needed to track how AI is changing job tasks and creating new roles, which would help policymakers and employers prepare the workforce.

Additional Matters

- Rep. Fine asked how the U.S. can maintain global AI leadership amid competition with China. Ms. Greszler warned that overregulation could cede innovation to adversaries and emphasized prioritizing national security, infrastructure, and talent development.
- Rep. Messmer similarly asked how the U.S. can maintain leadership in AI. Ms. Greszler emphasized investing in infrastructure, workforce skills, and flexible regulatory frameworks that support innovation.
- **Rep. Glenn Grothman (R-WI)** raised concerns about bias in AI systems. Mr. Gizzo said bias reflects underlying data rather than AI itself and noted that existing legal frameworks already address bias, though he also said that additional transparency could be helpful.