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Using AI to enhance the workforce, not eliminate it.

Artificial Intelligence (AI) is a rapidly evolving technology field with the potential to transform various industry sectors, including government. While AI offers numerous opportunities such as increased efficiency and refined decision-making, it also presents challenges such as staying current with new advances, and AI's potential impact on existing jobs. Pursuant to Mayor's Order 2024-028, Articulating DC's Artificial Intelligence Values and Establishing Artificial Intelligence Strategic Benchmarks, this document presents the DC Department of Human Resources' first steps towards leveraging AI. We describe a training and recruitment plan that outlines strategies to attract, develop, and retain AI-knowledgeable talent within the District government in a manner that is equitable, secure, transparent, and sustainable while providing clear benefit to residents and preserving accountability. As the adaptation to AI technology unfolds, we will work with and engage the Executive Office of the Mayor and our partner agencies on future challenges as they arise as part of our ongoing efforts to ensure a balanced and forward-looking approach to AI integration.

OUR STRATEGY

Key Principles for Attracting and Growing Al Talent

Recruiting AI talent requires a shift from traditional role-oriented recruitment methods to a more skills-centric approach and innovative targeting of talent. We must recognize that AI involves developing tools that exist within an existing ecosystem of tools that our employees may already know. Nearly every day, we use word processors, electronic spreadsheets, search engines, the internet, email, and countless other tools to accomplish tasks. Like our current tools, we cannot unlock the benefits of AI unless we develop and train our existing workforce in addition to recruiting new staff with AI skills. We must also recognize the growing demand for AI subject matter experts, identify when and where such expertise is needed, and determine how to secure a talent pipeline of these experts, all while being mindful of, and recognizing the associated costs and budgetary constraints.

With these ideas in mind, the District government's AI workforce strategy is guided by a few key considerations:

- 1. Focus on acquiring necessary skills rather than filling inflexible, pre-defined roles.
- 2. Upskill and train existing employees to minimize displacement and save on cost.
- 3. Understand what AI workers want and where to find talent pools.
- 4. Articulate clear and compelling career paths for AI professionals here in District government.
- 5. Embed AI talent into the District government as a whole.

Skills-Centric Recruitment

A fundamental aspect of skills-centric recruitment is the identification of essential AI skills that will be required within our organization. For the District government, this requires an understanding of the work agencies currently do, the tools they use, and how AI can enhance these tools and efforts to accomplish goals. Traditional recruitment in government service often defines roles and responsibilities through existing job titles and places high value on years of service experience, which may not best achieve the goals of this initiative. The AI field is new and rapidly changing; prioritizing a candidate's proficiency in relevant AI technologies and methodologies over their previous job titles will likely prove more effective in recruiting successful candidates. As described below, this strategy requires input directly from agencies on the skills needed for their work, and then pursuing candidates who can provide those skills.

Avoiding Common Pitfalls

The District government is not the only employer seeking AI talent. Thus, it is important to identify and avoid likely AI recruitment pitfalls, such as:

- Competing head-to-head with private sector tech companies without highlighting non-tech-related differentiators that may entice AI hires.
- Trying to recruit in-demand AI talent with slow standard processes.
- "Filling job titles" for AI specialists without understanding the skills needed.
- Onboarding Al-proficient employees without establishing a community of comparable professionals.
- Overlooking where internal talent can be developed or skilled up.

OUR STRATEGY

Executing

With the aforementioned key principles and common pitfalls in mind, we propose a strategy that identifies needed skills, focuses on training and upskilling current employees, and emphasizes existing recruitment incentives to attract talent while also proposing additional incentives as needed. We emphasize a training-first strategy as a cost-effective method to enhance and retain the existing workforce. Our plan includes the development of a technical skills training program to build foundational skills, and the development of a framework for agencies to identify and define positions that could use or benefit from Al-skilled workers.

Implement a Training-First Strategy

A training-first strategy is a cost-effective way to augment and retain an existing workforce and expand knowledge about Al. A training-first strategy <u>helps retain current employees</u> by fostering their professional development and career growth, and can reduce recruitment costs as employees already familiar with District government work can be upskilled to meet current and prospective needs. A training-first strategy also emphasizes that the District government does not desire to eliminate jobs, but instead seeks to enhance them while meeting its technology needs. Implementing a training-first strategy begins with identifying existing skill gaps and needs within each agency.

Skill from Within

Training and skilling-up current District government employees has numerous benefits. Upskilling employees with Alrelated skills allows the District to grow its Al-ready workforce. Upskilling current employees also helps build a community of Al employees and provides additional opportunity to retain talented employees who are motivated to learn new skills. Building Al skills from within the District government and working with agency partners such as the Office of the Chief Technology Officer (OCTO) and Department of Employment Services (DOES) to develop comprehensive training and career programs will be a key, cost-effective element of getting the District government Al-ready.

First, we must recognize that our overall workforce may have gaps in foundational technical knowledge. Employees may not have enough intermediate or advanced proficiency (or potentially even basic proficiency) in the tools that could be augmented by AI. For example, AI can quickly develop template documents and presentations in Microsoft Word and PowerPoint; however, users must understand how to use currently-available scripting features in the software to use the code generated by AI that enables these templates to be generated. For Microsoft Excel, AI can be used to make smart chart recommendations, but to understand and benefit from AI assistance, employees must know how to create charts and graphs and how to fully use the charts and graphs features. AI can also assist in writing formulas and performing calculations, but for an employee to be able to verify AI outputs, they must have proficiency performing the same task.

Practicing and refreshing foundational technical skills will allow employees to apply those skills to AI technologies. When it comes to generative AI, writing good prompts is an essential skill that greatly overlaps with crafting effective search engine queries for doing research. Both tasks involve clear communication, understanding how the tool processes queries, and anticipating the best way to obtain the desired output. Both tasks require clear and precise language to get accurate

results, providing the right keywords, and iterative refinement of queries to get the desired results. Without a foundational knowledge of research, an employee will not be able to fully take advantage of generative AI tools or efficiently receive desirable outputs. Existing resources should be concentrated and promoted to ensure employees have the foundational skills to take advantage of readily accessible AI advancements.

Tech Skills Training Program

To address potential gaps in employee knowledge that would inhibit them from effectively using AI tools, the DC Department of Human Resources (DCHR) in partnership with OCTO or an outside vendor can create a training program that will teach employees basic, intermediate, and advanced use of applications in the Microsoft Office Suite. The training program will also provide basic AI literacy courses on effective and ethical use of AI, and would be available to all employees, including employees who occupy positions that will be designated as "AI-Adjacent." DCHR can also seek input from agencies on other software they currently use, and how employees may benefit from skills training.

By providing employees the opportunity to practice and hone foundational skills, employees can enhance basic technology skills regardless of whether AI tools are already available at their agency and be better prepared for the integration of those advancements. The District government can also leverage Percipio, the District's primary online course platform, to provide this type of training, or use it to supplement instructor-led training.

For employees who already have proficiency in foundational skills, DCHR can partner with OCTO to provide Al-specific training. Al-specific training will likely be in high demand (and potentially incur high costs). To maximize cost-efficiency, these training courses could be limited to employees who have a demonstrated proficiency in their positions, as evidenced by a referral from a manager or supervisor, or a minimum performance rating. In this way, the District government will focus its resources on retaining the employees most likely to succeed in learning Al-related skills and incentivize employees to stay in District government to apply these skills.

Identifying Needed AI-Skills

Collaboration and communication among District government agencies is crucial for identifying the AI skills we will need. Each agency has unique functions, missions, and challenges. By working together, we can ensure that the AI tools and skills being developed and implemented align with specific agency needs. The result of this collaboration and tailored approach leads to more efficient government services and employee engagement with AI tools. As each agency has its own unique mission and needs, it will be up to individual agencies to determine the skills required to fulfill their position functions. DCHR can manage and host a list of positions identified by agencies that could benefit from AI skills to foster collaboration and knowledge-sharing. By identifying "AI-Adjacent Positions" that are either solely focused on AI or could benefit from the use of certain AI-related skills, the District government will know where to focus its available recruitment and retention incentives.

Defining an "Al-Adjacent Position"

Flexible hiring programs and targeted incentives, which are described more fully below, are a key component of the strategy to attract Al-knowledgeable talent. Identifying an "Al-Adjacent Position" is essential for determining what positions would be applicable for such incentives. The definition must be broad enough to encompass a multitude of Alrelated jobs and skills, while narrow enough that these incentives and flexibilities are not mis- or overused.

For the purposes of incentive programs and hiring flexibilities, an "AI-Adjacent Position" is defined as:

A new or existing position whose primary duties include the evaluation, creation, procurement, integration, or regular use of AI tools in new or existing business processes and systems.

Examples of Al-Adjacent positions include (but are not limited to):

- Program Analyst whose primary duties are to address challenges through AI policy creation and implementation, or who regularly uses AI tools to perform their duties.
- Data Science Engineer whose primary duties are to evaluate and integrate AI solutions and processes and serve as a subject matter expert in the use of AI tools in analyzing and processing large volumes of data.
- Attorney Advisor whose role mirrors that of a typical attorney advisor, but who is a specialist in legal areas surrounding AI (privacy, technology, cybersecurity, etc.).
- A Data Analyst who regularly uses approved AI tools to help scrape and assess raw data for research purposes to create charts and visualizations, etc.

Designating a Position as an AI-Adjacent Position

In addition to meeting the definition above, agencies would also have to address factors based on the District's AI values for a position to be considered an AI-Adjacent position:

- 1. How the position uses Al tools to improve the functions of the position and provide a clear benefit to residents;
- 2. The specific skills needed for an incumbent to use the AI tool(s) for the position as envisioned by the agency; and
- 3. The expected impacts of the use of the AI tool in the position, both positive and negative (and if there are potential negative impacts, how such impacts are mitigated).

To ensure that agencies have assessed these factors, DCHR will require agencies to submit these assessments when they designate an Al-Adjacent position and will use this information to maintain a list of approved Al-Adjacent positions. Agencies should provide a proposed, draft position description updated to reflect the desired or needed Al skills.

Identifying Core Competencies of Al-Adjacent positions

In addition to an assessment of the above-mentioned factors, agencies seeking to designate positions as "Al-adjacent" should also review and consider the general and technical "Al-Related Competencies" as described by the <u>U.S. Office of Personnel Management</u>. If it is determined through classification best practices that the competencies are applicable to the position, and all the aforementioned criteria is satisfied, the position will be designated as an Al-Adjacent position. DCHR classifiers will need training on these competencies to review them for agencies.

Ability to Pursue other Projects Outside of Work

Many AI skilled workers and individuals with in-demand skills are incubating side projects outside of work. These individuals typically only secure work at larger employers for steady employment and health insurance. These individuals must often exercise discretion around their start ups outside of work due to non-compete clauses and private employer restrictions. Subject to BEGA limitations and other personnel regulations, DC government could advertise itself as a friendly place for such skilled workers where we encourage off-site after hours work. We would market ourselves as choice

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OUR STRATEGY

Recruitment and Retention Enhancements

DCHR can develop an issuance that provides agencies a one-stop resource for recruitment, hiring, retention, compensation, and leave flexibilities available for Al-designated positions.

Establish Al Hiring Incentives

Designated Al-Adjacent positions could be eligible for relaxation of certain hiring requirements and restrictions, as well as additional incentives to facilitate recruitment, faster hiring, and retention of skilled employees. However, dramatic changes to compensation arrangements may require, among other steps, consultation with labor organizations or approval from the District of Columbia Council.

What is Achievable Without Legislation

Form 11B Approvals

Currently, an agency seeking to set an initial salary above the representative or mid-point range may only do so with the approval of DCHR, and only if the appointee possesses "superior qualifications." (6-B DCMR §§ 1126, 1128). Approval of a superior qualifications exception is only appropriate when: (1) the appointee possesses unusually high or unique qualifications; (2) the agency has a special need for these unique qualifications; (3) the requested salary is reasonable considering the market value of the job; and (4) the proposed salary is consistent with the candidate's rate of basic pay or salary history when appropriate. Additionally, there is a limit on setting pay above Grade 14, Step 3 on the Career Service salary schedule unless authorized by the Director of DCHR. Agencies who wish to go beyond the normal limits when making an appointment or promotion must submit and complete Form 11B, Hiring & Pay Exceptions Request Form to DCHR.

6-B DCMR § 1126.7 typically requires approval of the Form 11-B request by the personnel authority. To facilitate faster appointments and make it easier for agencies to adequately compensate employees with desirable AI skills, DCHR can grant blanket approvals of Form 11Bs for designated AI-Adjacent positions. Agencies will thereby have greater discretion and flexibility to determine appropriate levels of compensation for skills that are high in demand, and fewer time-consuming obstacles in the recruitment process.

AIAs and Hiring Bonuses for AI-Adjacent Positions

Additional income allowances (AIAs) are additional compensation paid to an employee who occupies a position determined by the personnel authority to have a significant recruitment and retention problem. AIAs may not exceed 15% of the maximum rate payable for the grade held by the employee. A hiring bonus is a one-time supplemental payout of up to 15% of the maximum rate payable for the grade held by the new employee, provided to an individual newly hired by an agency to a position determined by the personnel authority to have a significant recruitment and retention problem. In accordance with 6-B DCMR § 1143.3, agencies can provide an additional income allowance, hiring bonus, or both when:

- a) The personnel authority determines that an agency is experiencing difficulty in recruiting or retaining qualified applicants or employees for a specific position or category of positions;
- b) The employee occupies an indefinite, permanent or term position with a full-time or part-time tour of duty; and
- c) A service agreement for a period of no less than one year, but no more than two years, is executed between an agency and an applicant or employee.

Currently, DCHR reviews and processes all proposed agency AIAs and hiring bonuses. Given that AI is a new and fast-growing field with high demand for skilled workers, there is a clear challenge for recruiting and retaining such talent. To make it quicker to offer and provide AIAs or hiring bonuses during the hiring process, DCHR can issue a blanket pre-approval under 6-B DCMR § 1143.5, and can provide blanket pre-authorization for these incentives for appropriately designated positions.

Supplemental New-hire Leave

To help attract AI talent, the <u>federal government has advised agencies</u> they may provide service credit towards a higher annual leave accrual rate based on non-Federal AI work experience. While the District's annual leave accrual rate service credit is restricted by statute to government service, the District could consider implementing another flexibility to augment its existing leave package without legislative or regulatory change.

The District government could offer a one-time leave bonus for new hires to qualifying Al-Adjacent positions. Pursuant to 6-B DCMR § 1266.1, administrative leave may be granted by an agency head at their discretion for up to 10 consecutive workdays. To entice new hires, DCHR could provide guidance to agencies permitting them to grant up to 10 days of administrative leave to use as supplemental leave. Like the federal government program, the amount of the leave bonus could be steered by a new hire's years of Al work experience or other valuable experience.

Develop an AI Talent Externship Program

Target Recruitment Pool

The District government can leverage its proximity to and relationships with leading educational institutions with an Al Talent Externship Program. Recruiting from local universities that offer courses in Al-related topics, an Externship Program would serve as a pipeline for early career Al practitioners who could build their careers in DC government. Recruiting college students provides the opportunity to introduce students to a career in public service. An externship program with local universities in an exciting and cutting-edge field may animate District-based graduating students about a career in government and align with District residency preferences for hiring.

Program Elements & Outcome

An AI Talent Externship Program, administered in partnership between OCTO, DCHR, and other relevant agencies, would place prospective recruits within various District agencies to perform an AI-oriented function; for example, to lead and execute the implementation of an AI-related tool. DCHR would oversee the administrative elements of the program including recruitment, outreach, communication and spending. OCTO, as the subject matter expert on AI, would lead in establishing standards for acceptable projects, measuring the quality of the solutions implemented, and assessing whether agency placements and AI tools would be appropriate for the program.

The program would be structured to begin with District agencies that present operational challenges that they believe can be solved with the use of AI. Through a careful placement process, an externship participant would pursue alleviating or solving operational challenges with their knowledge of artificial intelligence topics. By the end of the program, the participant would be expected to successfully integrate an AI tool or solution and provide a plan for its future, or create a project roadmap that an agency can use to better integrate AI tools in its regular processes. The project-based program would feature a cohort model to encourage shared learning across participants and to develop a network of leaders. Upon successful completion of the program, if available and qualified, high-performing graduates may be offered District government positions.

Incentive Awards for Al

The District currently offers several ways to reward employees for innovative work, including the use of <u>incentive awards</u>. Specifically, District agencies can use the Invention Award category of incentive awards to emphasize and encourage the successful development and implementation of AI tools within the workplace. Under this award category, employees can receive a calculated percentage of the overall monetary benefit realized by the District (up to \$25,000) resulting from the implementation of a tool or idea that improves upon District business practices. Due to AI's potential to streamline and improve processes, this award can serve as a powerful incentive for employees to embrace and innovate using AI within the workplace.

As the personnel authority for subordinate agencies, DCHR (in conjunction with OCTO and OCFO) can assist agencies in bestowing Invention Awards for qualifying inventions by providing training, templates and guidelines on the methods agencies may use to calculate the monetary benefits to the District for AI invention awards.

Advertise What Makes the District Government Unique

The AI talent pool consists of individuals who likely want to work on cutting-edge, exciting products and technologies. According to research conducted by the <u>Boston Consulting Group</u>, 44% of AI workers ranked cutting-edge projects as a top need compared to 27% of non-AI-knowledgeable talent. In addition to cutting-edge projects, AI workers want clear paths for advancement in their field. Approximately 80% of AI talent leave companies because they either want a more interesting position, or don't see opportunities for career advancement.

The private sector has a significant advantage in attracting AI workers in terms of using and implementing cutting-edge technologies. Whereas private sector organizations have the benefit of more flexibility to dive headfirst into experimenting with and implementing new technologies, public sector organizations will likely be slower to adopt AI.

However, the District government can and should leverage its uniqueness and advantages compared to private sector employers, and even amongst other public sector employers, to provide a clear and attractive career path for individuals who value innovation and advancement. There is ample opportunity for the growth of AI in government, and the District government is unique in that we are small and local enough for change to be implemented more swiftly compared to larger sectors like the federal government. We can appeal to individuals who have an interest in public service and want to see the impact of their work on the local community. Government service also offers the benefits of stability in employment compared to private sector start-ups, and a wide variety of applications for AI technology given the diverse work of our many agencies, from criminal justice to environmental protection to public transportation to education.

Essentially, the District can attract workers with an interest in becoming leaders in AI within the public sector in a prestigious jurisdiction, and our growth opportunities should incorporate that pitch.

AI-Adjacent Positions Issuance

To better interpret, understand, and execute DCHR policies and procedures, agencies across the District government rely on the resources published by DCHR such as issuances, Director's Notes, and HR Checkpoints. Issuances in particular offer greater levels of detail, sample scenarios, and easy to understand interpretations of the many policies and rules that may affect a singular HR process. Consolidating the above-mentioned flexibilities, incentives, and tools in one issuance that DCHR publishes will allow the District to move forward in establishing a skilled AI workforce in a standardized, transparent, and equitable manner.

What We Could Achieve with Legislative or Regulatory Change

AI Quick-hire Category

The District of Columbia Government Comprehensive Merit Personnel Act of 1978 could be amended to create an Al Quick-hire position category. Additional flexibilities for Al quick-hire positions could be granted via legislation.

Non-competitive Appointments

Currently, the District government can make non-competitive temporary or term appointments for appointments at grades 12 or below. With regulatory change, non-competitive hiring flexibilities could be expanded to more senior positions for specific Al-Adjacent positions where there is an existing severe shortage of candidates.

Creditable Service for Annual Leave Accrual for Outside Experience

Like the federal government, employees in an AI quick-hire position could have years of outside experience count towards their creditable service, which increases the rate of annual leave accrual.

Accelerated Step Increases

Under current <u>District policy</u>, employees in graded permanent positions within all District Service salary schedules have minimum required waiting periods for step advancement. For example, employees in steps 1-5 must serve at least 52 weeks (1 year) in their current step before advancing to the next step, while employees in steps 6-10 serve at least 104 calendar weeks (2 years) before advancing. This extended waiting period to advance may deter retention of AI-skilled employees who are looking for rapid career advancement. Through regulatory amendment, for example, this waiting period for AI employees in steps 6-10 could be reduced to match the 52 weeks required to advance steps 1-5. As a result, AI-adjacent positions within the District government would have accelerated growth potential.

Additional Monetary Incentives

The authorization of additional monetary incentives beyond what is available in Chapter 11 of the District personnel regulations that is specific to Al-Adjacent positions could be achieved through legislation or regulatory amendments. Such monetary incentives could include but are not limited to:

- Employee referral/recruitment bonuses.
- Educational sponsorships (i.e., financially supporting individuals to pursue further education or certifications relevant to their AI role).
- Retention bonuses for remaining within the District government for a certain period.

CONCLUSION

Empowering the Future

This workforce development plan serves as an opportunity to begin building a workforce that is ready to harness the transformative power of AI. Responsible and purposeful use of AI can increase the efficiency of District government operations, improve decision making, and provide innovative solutions to complex problems. Our strategy is designed to not only attract and retain top AI talent, but also to enhance the existing workforce. By shifting towards a skills-centric recruitment process and implementing a training first strategy, the District government can bridge the skills gap and foster a community of AI professionals who are well-equipped to tackle the challenges of the future.

Significant progress in building an Al-ready workforce can be made through strategic recruitment, training programs, and internal incentives without requiring new rules or legislation. However, legislative and regulatory support would provide additional flexibility, more competitive compensation offerings, accelerated hiring processes, and enhanced retention strategies.

The District government is a unique public sector employer. By investing in the professional development of current employees, our plan underscores the District government's commitment to enhancing jobs rather than eliminating them. This forward-thinking approach not only positions the District government as a leader in public sector AI adoption, but also ensures that the benefits of AI are realized in an equitable, secure, and sustainable way.

