Testimony of

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SB 5 An Act Concerning Online Safety

SB 86 An Act Addressing Innovations in the Responsible Use of Artificial Intelligence

Good afternoon, Senator Maroney, Representative Lemar and members of the General Law Committee. My name is Ed Hawthorne, and I am proud to serve as the President of the Connecticut AFL-CIO, a federation of hundreds of local unions representing over 250,000 active and retired workers in the private sector, public sector, and building trades. Our members live and work in every city and town in our state and reflect the diversity that makes Connecticut great. It is on their behalf that I testify today on SB 5 and SB 86.

While Artificial Intelligence presents incredible opportunities and potentially limitless uses, it also brings numerous challenges, not the least of which are likely to be borne by the most vulnerable in our state. It is evolving so quickly that most Connecticut residents do not fully understand how it may shape their daily lives. Many fear it could eliminate jobs, spread misinformation, or make critical decisions that impact them. A recent Reuters/Ipsos poll found that 71% of Americans are concerned that AI will cause them to lose their jobs or make their roles obsolete.[1]

Distress about AI extend beyond job loss concerns. In a recent national Gallup survey [2], 80% of U.S. adults think the government should maintain rules for AI safety and data security, even if it means that AI capabilities may develop more slowly. This level of support was consistent across party lines, with 88% of Democrats and 79% of Republicans favoring common sense safeguards. Further just 2% of U.S. adults said they "fully" trust AI's capability to make fair and unbiased decisions.

Fears of potential economic disruption, ethical uncertainty, and data privacy breaches suggest that voluntary industry standards are not enough. We cannot allow Big Tech corporate developers, deployers and profiteers to continue to act without establishing

[1] https://www.reuters.com/world/us/americans-fear-ai-permanently-displacing-workers-reutersipsos-poll-finds-2025-08-19/
[2] https://news.gallup.com/poll/694685/americans-prioritize-safety-data-security.aspx

protections to prevent residents from these unintended consequences. It's past time to enact thoughtful, responsible measures to protect workers and consumers.

SB 5 An Act Concerning Online Safety

We deeply appreciate the tremendous amount of effort this Committee, led by Senator Maroney, has put into developing responsible artificial intelligence (AI) policy for the State of Connecticut.

The introduction of AI into the workplace also brings a number of serious concerns, including discrimination, surveillance, suppression of the right to organize, contingent work, lower wages, and job loss. Workers may be monitored by AI, suffer adverse employment decisions, and experience limited job security due to increasing reliance on AI. The risk of these harms are at their greatest when AI is incorporated into key workplace decisions, such as hiring, compensation, task assignment, promotion, discipline, and termination. Our members want to have a voice in how this technology is developed and implemented so that they can improve their jobs and work products.

For these reasons, the labor movement has developed a framework for how technology should be governed and regulated. Legislation that protects users (including workers) should:

- Establish guardrails against harmful uses of AI in the workplace
- Strengthen protections for labor rights and opportunities for collective bargaining
- Create a worker-centered workforce development and training system
- Institutionalize worker voice within AI R&D
- Require transparency and accountability in AI applications
- Model best practices for AI use with government procurement strategies
- Protect workers' civil rights and uphold democratic integrity

Many of these things are addressed in SB 5, including:

- We appreciate Sections 12-16, which require employers to disclose to job applicants and employees when they are using AI to make "automated employment-related decisions." **We urge the Committee to make these provisions stronger by:**
    - Removing lines 706-709. The term "reasonable person" is subjective on undefined. In the name of transparency, we believe strongly that all deployers should disclose to all users when an "automated employment-related decision process" is being used.
    - Require meaningful human review of all decisions. This bill only provides for human review in the appeal process, if it is technically feasible. Further, there are no standards established to prescribe the level of expertise or experience for those humans conducting an appeal.
    - Remove Section 17 which allows trade secrets to remain secret. As drafted, this language could allow a worker to be denied a promotion and prohibit them from understanding why because the system's AI process is based on trade secrets. This favors developers over workers and should be removed.

- Require an impact assessment for automated employment-related decisions to be completed before deploying such technology.

- Restore a private right of action for any violation of these sections. Public enforcement alone is insufficient in a domain as diffuse and rapidly evolving as algorithmic employment systems. Violations may be individualized, technical, and difficult to detect without discovery. The Attorney General's office, regardless of diligence, operates with finite resources and competing priorities. A private right of action would supplement the Attorney General's authority, enhance deterrence by increasing accountability, and incentivize compliance.

- Section 19 is an important provision, making it a discriminatory practice for an employer to use an automated employment-related decision process whose outcome results in discrimination based on an individual's race, color, religious creed, age, sex, gender identity or expression, marital status, national origin, ancestry, history of mental illness, intellectual disability, learning disability, physical disability or status as a veteran, victim of domestic violence, sexual assault or trafficking.

- Section 22 addresses the integration of AI technologies into public-sector workplaces during the term of an existing collective bargaining agreement negotiated under the State Employees Relations Act (SERA). We thank the Committee for including this language which prohibits the unilateral use of AI in any manner that modifies or impairs an existing collective bargaining agreement. To make this section stronger, we urge the Committee to make artificial intelligence a mandatory subject of bargaining by adding:

  "(b) The deployment, implementation, modification or expansion of any artificial intelligence technology that affects, or is reasonably foreseeable to affect, wages, hours, working conditions, job duties, discipline, evaluation, hiring, promotion, discharge or any other term or condition of employment shall constitute a mandatory subject of bargaining."

  Such an approach would not prohibit innovation but would simply require it to occur within the bounds of collective bargaining.

  Employees governed by Municipal Employee Relations Act (MERA) and the Teachers' Negotiation Act (TNA) face the same realities. Municipal workers and public school educators are increasingly subject to AI-driven scheduling systems, evaluation tools, workforce analytics, automated communications platforms, and instructional technologies. Without parallel statutory language, employers in those sectors could deploy AI in ways that materially affect wages, hours, working conditions, bargaining unit work, or representational structures during the term of an agreement. There is no principled basis for protecting state employees while leaving municipal employees and teachers without equivalent safeguards. We urge the Committee to make artificial intelligence a mandatory subject of bargaining for employees covered under MERA and the TNA.

- Section 24 establishes a "Connecticut AI Academy" to develop and offer online courses to improve digital literacy, incorporate AI into workforce training programs, and instruct

teachers on the appropriate classroom use of AI. This will be an important resource for workers in our state.

- We support Section 34, which requires employers who file federal WARN layoff notices with the Department of Labor to disclose whether the layoffs are related to the use of AI or any other technology changes. We also encourage the Committee to include language requiring DOL to ask unemployment insurance claimants if they have been displaced from their jobs because of AI. To make responsible policy, the state needs to gather data on how many jobs are impacted, the occupations, industries, and lost wages.

- Section 38 requires the Department of Labor to establish an AI Workforce Research Hub to assess the impact of AI on the state's workforce. Like the other strategic planning and workforce development measures contained in this bill, it is to be done within available appropriations. Without providing appropriate funding, there should be no expectation that this, or any of the other training and upskilling measures contained in this bill, will materialize. That's cold comfort to workers who have legitimate fears about being displaced by this technology.

We are concerned with a number of other provisions:

- Sections 3-7 that establish the Artificial Intelligence Learning Laboratory at the Department of Economic and Community Development (DECD) and shield participating companies from liability are especially troubling. While we appreciate the need for innovation in artificial intelligence, this framework grants sweeping and subjective discretionary authority to a single unelected official, the Artificial Intelligence Policy Director. The language in these sections repeatedly relies on determinations made "in the director's discretion." Although the Attorney General and DECD Commissioner must approve regulatory mitigation agreements, the initial screening, structuring, and negotiation of legal relief rests almost entirely with one appointed official. We fear this could create an environment ripe for corruption and mismanagement, as seen in previous instances where insufficient oversight led to costly scandals for state taxpayers. We also wonder if the Attorney General's Office has the resources necessary to perform this function thoroughly and effectively within the 30 days required by this language.

  Application fees for the Learning Laboratory also significantly underprice access to regulatory relief at a one-time fee of $5,000 per participant. We also feel strongly that these sections delegate core legislative responsibilities to the Executive Branch. A sensitive issue like the growing power and use of AI is better left to the elected members of the General Assembly who have close relationships with constituents, those who are most likely to be adversely affected impacted by the technology.

  These regulator mitigation agreements also raise significant separation of powers and equal protections concerns because they authorize the executive branch to excuse or reduce participants' statutory duties, restitution, and civil penalties on a case-by-case basis. This may lead to legal challenges alleging inconsistent enforcement, improper

delegation of legislative authority, unequal treatment, etc. We urge the Committee to reject these sections.

- Section 10 has very weak protections from the harms that can come from the public's use of companion chatbots. It only requires operators to include protocols for chatbots that take "reasonable efforts" to detect and address suicidal ideation or self-harm indicators and to refer the user to mental health evaluation and treatment. The term "reasonable effort" is undefined.

- Section 11 is intended to protect minor chatbot users from harm, but it only prohibits operators from providing a companion chatbot to someone younger than 18 if it is "reasonably foreseeable" that the chatbot is capable of encouraging self-harm or to harm others, engaging in sexually explicit interactions. This is troubling because "reasonably foreseeable" is undefined in the bill, seemingly allowing the operator to prioritize validation of the user's beliefs, preferences and desires over factual accuracy or the user's safety. A corporation's interest in selling chatbots may not have the same definition of "reasonably foreseeable" as a parent or guardian.

- Section 41 requires the Office of Health Strategy to establish a program to expand the use of AI in healthcare and allows the office to share "de-identified health data" through the statewide health information exchange. This is very concerning, considering sensitive health information can be re-identified when combined with other datasets or analyzed with other AI systems. This creates tremendous privacy concerns.

- Section 42 is framed as a consumer privacy measure, but the definition of "consumer" explicitly excludes individuals acting in an employment context. That means employees do not receive the same access, correction, deletion, or portability rights with respect to employer-held data. Employers may still process highly sensitive workforce data without triggering the same consumer-facing obligations. As a result, workers' personal and health-related data may be regulated differently depending on whether it is collected in an employment setting versus a consumer setting. This creates a two-tier privacy regime that may weaken worker protections relative to non-employment contexts.

- Sections 43-46, while framed as a compliance innovation, these provisions significantly weaken enforcement by allowing regulated entities to be "deemed in compliance" with state law simply by adhering to guidelines developed within an approved program. This shifts authority from regulators to industry-designed frameworks. By allowing for an automatic cure period, enforcement is also delayed, even in cases where serious consumer harm may exist. We fear that sections 43-46 could essentially negate good protections in this bill, especially Sections 12-16, 19 and 22.

Once again, we thank this Committee, and Senator Maroney in particular, for their steadfast commitment to responsible regulation of this quickly advancing technology. We urge the Committee to remember, however, that to effectively protect consumers and workers from AI's greatest harms, we must have clear statutory standards and direct regulatory

enforcement. Any attempt to dilute that authority and create a parallel compliance regimes that prioritizes developer and deployer processes over consumer outcomes, will leave state residents vulnerable to the profit-seeking motives of these corporations.

SB 86 An Act Addressing Innovations in and the Responsible Use of Use of Artificial Intelligence

While this bill has been publicly described as a way to modernize data policy and make Connecticut a destination hub for artificial intelligence development and deployment, it actually creates real risks for privacy, consumer protection, workers, and public safety.

Section 1 requires the Chief Data Officer to collect, review, and publish "high value data" from each agency, assuming that such data should be treated as public unless specifically protected by law. The term is undefined but presumably "high value data" would mean information that is extremely sensitive. State agencies hold confidential information about our health, finances, children, public safety, and other personal matters. Presuming that all data is public unless otherwise stated, increases the risk that sensitive information could be released by mistake or combined in ways that would allow individuals to be identified. Once data is published online in machine-readable form, it cannot be undone.

It also directs the state to identify and publish data that could be useful to feed artificial intelligence and machine learning systems in order to meet economic development goals. Public records are collected to serve residents and administer programs - not to subsidize private AI companies.

Section 2 requires the Commissioner of Economic Development to create a regulatory sandbox in consultation with the Commissioners of Banking, Public Health, and Insurance. Second, the proposal to create an artificial intelligence "regulatory sandbox" would allow certain companies to test products under reduced licensing and regulatory requirements.

Regulatory sandboxes allow companies to opt out of or avoid regulations meant to protect the public from dangerous experimentation of untested technologies, shielding companies from any potential liability from harming workers and consumers. Regulations exist in the banking, public health, and insurance sectors to protect people from financial loss, discrimination, unsafe products, and other harms. Eliminating those requirements, even temporarily, shifts risk onto consumers and uses taxpayer money to enrich Big Tech corporations.

Section 3 attempts to regulate chatbots. In order to strengthen the bill, we suggest the following changes:

- Remove the carveout in Lines 147-154 that excludes chatbots used for internal business operations to protect workers.
- Broaden the definition of companion chatbot in lines 143-147 to capture all types of companion chatbots.
- Lower the "reasonable person standard" in lines 147-154. It currently requires a companion chatbot to mislead a reasonable person before issuing a notice that it is

artificial and not human. The “reasonable person standard” is a subjective. Notices should be provided uniformly and in all instances in order to protect all users.

Artificial intelligence policy should move carefully. Strong privacy protections, clear accountability standards, and meaningful enforcement mechanisms should come first. This proposal moves quickly toward expanding data sharing and reducing regulatory barriers without first putting those safeguards in place.

We are disappointed that this bill prioritizes technology developers and investors over everyday consumers. It also does nothing to protect workers, their rights, or their ability to have a voice in how AI is used in the workplace. We urge the Committee to take a more comprehensive approach, to protect consumers and workers from the adverse impacts of unregulated AI.

Thank you for the opportunity to testify.