



## RECOMMENDATION TO COUNCIL

### Technology Commission

Recommendation Number: [20260319-008]: Regarding: Recommendation for Continued and Expanded Funding for AI Upskilling for City of Austin Employees in the FY27 Budget

**Date of Approval: March 19<sup>th</sup>, 2026**

**Recommendation:**

*The Technology Commission recommends that council budget for \$75,000 to invest in city employee Artificial Intelligence upskilling.*

**Description of Recommendation to Council:**

**WHEREAS**, artificial intelligence (AI) is rapidly transforming all sectors of the economy, including government operations, and is increasingly reshaping how public services are designed, delivered, and evaluated; and

**WHEREAS**, the City of Austin has demonstrated its commitment to building an AI-ready workforce through prior investments in training, technical assistance, and continuing education, including a previous investment in FY26 that equipped City employees with foundational skills in data science, design, and AI applications; and

**WHEREAS**, the pace of AI development and deployment continues to accelerate, and research from the World Economic Forum estimates that approximately 60% of employees will need to learn new skills before 2027, underscoring the urgency of sustained investment in workforce development; and

**WHEREAS**, a McKinsey Global Survey found that 78% of organizations now use AI in at least one core business function, and that organizations treating AI upskilling as a holistic change management effort — rather than a one-time training rollout — achieve significantly greater adoption, innovation, and workforce trust; and

**WHEREAS**, industry research consistently shows that effective AI upskilling programs go beyond online modules and must incorporate role-specific training pathways, experiential learning in safe sandbox environments, peer mentorship, and opportunities for employees to apply AI skills within their existing workflows; and

**WHEREAS**, a 2025 KPMG and University of Melbourne study found that 83% of people express interest in learning more about AI, yet a significant gap exists between AI tool availability and practical workforce adoption, highlighting the need for structured, ongoing learning programs rather than one-time training events; and

**WHEREAS**, research from Indeed's 2024 Future of Work report found that 75% of U.S. workers expect their roles to shift due to AI within five years, while only 45% have received

recent AI upskilling, a gap that poses operational risks for organizations that do not proactively invest in workforce readiness; and

**WHEREAS**, government-specific initiatives offer instructive models: Texas state government has created AI user groups that have attracted more than 700 state and local government employees to share best practices, templates, and policies; California’s public sector has piloted mentorship-based upskilling programs pairing senior employees with junior staff to facilitate knowledge transfer; and New York is deploying statewide AI training paired with hands-on generative AI toolsets for practice; and

**WHEREAS**, the Partnership for Public Service offers a no-cost AI Government Leadership Program for state and local government executives and senior staff, representing a potential resource the City of Austin could leverage to extend the reach of its upskilling investments; and

**WHEREAS**, clear AI governance policies and foundational AI literacy are essential complements to technical upskilling, ensuring that employees across all roles engage with AI tools safely, ethically, and in alignment with the City’s values of transparency and public accountability; and

**WHEREAS**, the DIVE (Data Impact Visualization and Exploration) program and similar City-led initiatives have demonstrated the value of building internal capacity for data and AI fluency, and continued investment would expand these proven efforts while supporting broader cross-departmental adoption; and

**WHEREAS**, demand for AI-related education and resources continues to grow among City employees, and sustained investment signals the City’s commitment to retaining talent, improving service delivery, and ensuring that Austin remains a model for innovation in local government; and

**NOW, THEREFORE, BE IT RESOLVED**, that the Technology Commission recommends that the Austin City Council allocate at least \$75,000 in the FY27 Budget to sustain and expand AI upskilling initiatives for City of Austin employees. This investment should support role-specific and foundational training, peer learning and mentorship programs, experiential AI practice environments, and the development of clear AI governance literacy — ensuring City employees are equipped to leverage emerging technologies responsibly and effectively in service of Austin residents.

Motioned By: Commissioner Nick Eastwood

Seconded By: Commissioner Benjamin Combee

Vote: 6-0

For: Chair Apodaca, Vice Chair Alderete, Commissioner Combee, Commissioner Eastwood, Commissioner Heritage, Commissioner Pribic

Against: None

Abstain: None

Off the dais: None

Absent: None

Attest:  \_\_\_\_\_