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Ensuring New York City Job Candidates Are Notified of Automated Decision Tools Used in Hiring & Employment

#### **BACKGROUND**

As part of their 10-week policy training, the scholars of the Tech Policy Primer program spent 6 weeks working on public sector challenges. In teams of 4-5, the leaders either proposed their own projects or worked with a real-world government client on a public sector problem. Below is an overview of one team's proposed project: to help the New York City Department of Consumer and Worker Protection implement a new law on automated employment decision tools.

### **EXECUTIVE SUMMARY**

New York City's AI Hiring Law requires employers and employment agencies to notify job candidates at least 10 business days before automated employment decision tools are used. To ensure notification, the NYC Department of Consumer and Worker Protection should (1) establish specific rules for employers regarding what, when, and how to disclose information about the use of an AEDT, and (2) establish data disclosure standards. DCWP should also supply employers with a list of frequently asked questions and other educational resources to help them comply with this new law.

#### **PROBLEM**

NYC's AI Hiring Law (2021/144) addresses the rapid adoption of automated employment decision tools for hiring. These tools use artificial intelligence to process data such as education credentials to determine whether a candidate is qualified for a job. As job candidates are rarely aware of AEDT usage, the law mandates that employers notify candidates of AEDT use. However, the law goes into effect in 2023 and lacks detailed guidance about how to provide notice, leaving employers unsure of how to comply. Without clear guidelines for employers, job candidates may not be properly notified, thus undermining the intention of the law.

## **RECOMMENDATIONS**

The NYC Department of Consumer and Worker Protection should use its rule-making authority to ensure compliance with the notification portion of the NYC AI Hiring Law by establishing specific rules for:

- **1.** What information employers must disclose. DCWP should require employers to send an *AEDT Notice* that notifies NYC job candidates that an AEDT will be used in connection with a hiring decision, and obtain an *AEDT Opt-Out Request* that gives job candidates the right to request an employer-specified alternative to or accommodation for the use of an AEDT.
- **2.** How and when employers must disclose information. DCWP should standardize how and when employers deliver the AEDT Notice and AEDT Opt-Out Request.
- **3.** How employers must disclose data practices. DCWP should establish a minimum level of information required to be included on employers' and employment agencies' AEDT Data Practices disclosures, including disclosures about the types of data collected and how long each type of data gathered will be retained.

For more information about this proposal, please see:

- 1. A playbook for DCWP that provides rule-making considerations and guidelines on the notification requirements of the law, and includes a sample notice, a sample opt-out request, and sample data disclosures;
- 2. A FAQ for employers and employment agencies describing what they need to understand about the law; and
- 3. An informational website for job candidates to learn more about automated employment decision tool.



# ABOUT THE TECH POLICY PRIMER

This project was completed as part of the Aspen Tech Policy Hub's Tech Policy Primer program, a 10-week, part-time program that trains science and technology experts on the policy process. Learn more at aspentechpolicyhub. org/primer.

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