

**NWTs**

NORTHWEST TALENT SOLUTIONS

The Workforce Signal

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THIS WEEK

AI savings lag board hopes, and 2027 rules reach AI layoffs and monitoring

Gartner finds 77% of board members expect AI to deliver productivity and cost savings, yet just 3% of organizations exceed their cost-savings goals through productivity. California layoff notices tied to technology must say so from January 1, 2027, and Colorado's AI rules are moving toward the same date. New wage and turnover data arrive October 30 and November 3.

1 Boards expect AI savings that few see

Gartner reports that 77% of board members expect AI to deliver productivity and cost savings, yet just 3% of organizations exceed their cost-savings goals through productivity. Coverage of the research adds that 85% of companies plan to spend more on AI next year, and that just 21% of the time AI freed up went to more innovative work.

What it means for your plan: Hours saved do not turn into savings on their own. An automate scenario that counts freed time as cost savings may promise more than your leadership team will see. Decide where the freed hours go before you count them.

Source: [Gartner press release, Oct 26, 2026](#) (details via [TechSpot, Oct 28, 2026](#))

2 Layoffs from technology must be named

From January 1, 2027, California's SB 951 requires covered employers (75 or more people in the prior 12 months) to state "This notice is for a technology displacement" on Cal/WARN notices, with the number of affected workers, their job functions and the type of technology. Connecticut's WARN provisions requiring disclosure of whether layoffs relate to AI or other technology took effect October 1, 2026.

What it means for your plan: If an automate scenario reduces headcount in California or Connecticut, the reason becomes public record. Plan the timeline, the notice and your communications to employees together, not after the decision.

Source: [Gunderson Dettmer, Quarterly Employment Law Update, Oct 21, 2026](#)

3 California limits AI monitoring tools

California's AB 1883, effective January 1, 2027, bars employers from using AI-enabled workplace surveillance tools to recognize, infer or predict employees' emotional states, or to collect neural data. It applies regardless of employer size, with penalties of up to \$500 per violation. Governor Newsom called for clarifying legislation, so details may change before it takes effect.

What it means for your plan: If a productivity, engagement or call-center tool in your plan scores mood or sentiment for California workers, that feature may need to be switched off. Check vendor contracts before renewals that run into 2027.

Source: [Morgan Lewis, Oct 9, 2026](#); [Gunderson Dettmer, Oct 21, 2026](#)

4 New wage and turnover data next week

BLS publishes the Employment Cost Index for the third quarter on Friday, October 30, 2026, at 8:30 a.m. ET, and September job openings and labor turnover (JOLTS) on Tuesday, November 3, 2026, at 10:00 a.m. ET. The last JOLTS release showed quits at 1.9% a month in August.

What it means for your plan: These two releases set the wage-growth and attrition benchmarks for most 2027 plans. Refresh your salary and attrition assumptions once they are out, rather than locking a budget on older figures.

Source: [BLS release schedule, October 2026](#); [BLS JOLTS, Sept 29, 2026](#)

THIS WEEK'S PLAYBOOK

Make an AI scenario hold up in the budget review

1. For each automate scenario, write down where the freed hours go: redeployed work, avoided hires, or a role that changes. Count savings only where a cost actually changes.
2. If the scenario reduces roles in California or Connecticut, add notice preparation and employee communication to its cost and timeline.
3. List any monitoring or engagement tools that infer mood or sentiment for California workers, and ask vendors how they will comply by January 1, 2027.
4. After the October 30 and November 3 BLS releases, update salary growth and attrition, then rerun the hire and automate scenarios side by side.
5. Ask employment counsel to confirm which rules apply before you commit. This is planning guidance, not legal advice.

Read online and see past issues: nwtalentsolutions.com/signal/2026-10-29. NWTS DecisionIQ subscribers also see which assumption to update in their model.

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