

# Executive Summary

## A National Snapshot of State HR Architecture

**State HR organizations are modernizing within complex governance, workforce, and fiscal constraints** while balancing stability with targeted change rather than pursuing wholesale redesign.

### The National Context

Across states, HR organizations are navigating increasing demands for workforce agility, accountability, and service quality while operating within long-established governance frameworks. Rather than pursuing large-scale reorganization, most states are adapting incrementally, layering targeted changes onto existing structures shaped by statutory authority, executive priorities, labor environments, and legacy systems.

This pattern reflects a deliberate approach to modernization that prioritizes continuity, risk management, and institutional stability alongside selective change.

### Operating Models and Service Delivery

HR operating models differ intentionally across states. Responsibilities for HR functions are distributed based on factors such as risk, complexity, service expectations, and agency capacity. Some functions are centralized to promote consistency and efficiency, while others remain decentralized to preserve flexibility and responsiveness.

These design choices reflect tradeoffs rather than inconsistency. States are aligning HR service delivery with their governance structures and workforce needs rather than converging on a single operating model.

### Governance and Organizational Design

State HR authority and organizational structure vary widely, reflecting different legal frameworks and governance models rather than a single dominant design. In many states, central HR organizations operate with clearly defined statutory authority, while in others authority is shared, delegated, or constrained by broader enterprise governance arrangements.

Governance structures are further shaped by labor relations frameworks and workforce rules, including collective bargaining environments, compensation structures, and benefits programs. Together, these factors influence how HR policy is set, how services are delivered, and how change is negotiated.

### Data, Technology, and Emerging Capability

Most states have established foundational HR systems and data infrastructure. However, the ability to translate data into consistent decision support varies across organizations, shaped by governance, capacity, and analytic maturity.

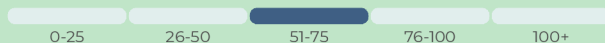
Interest in artificial intelligence and emerging technologies is growing, but adoption remains largely exploratory. States are beginning to assess potential applications while balancing innovation with risk, governance, and data protection considerations.

## Key Findings at a Glance

**26** **Statutory**  
STATES Authority

Authority for central HR is most often established in statute, shaping how responsibility and oversight are distributed across government.

**65** Median  
Agencies



Central HR agencies commonly serve dozens of operating agencies, reflecting the scale of statewide service delivery.

**7** Median number of unions representing executive branch employees

**51%** Median share of executive branch workforce unionized

Retirement eligibility pressure is expected to more than **double** over the next 5 years.

**3,000**  
Now

**6,500**  
5 years

HR data is most often used for operational reporting rather than strategic decision-making.

**3**

States with AI implemented in HR

**22**

States not using AI in HR decision-making

### What This Snapshot Reveals

- There is **no single “right” HR architecture** across states.
- Variation in **governance, labor relations, and operating models** is intentional and context driven.
- Many states are modernizing HR **within existing structures**, rather than through reorganization.
- Data use, including early exploration of AI, is expanding **even where advanced analytics maturity remains limited**.
- Workforce transition pressures represent **a shared and accelerating challenge**.

\*All findings reflect responses from 31 states