Building an AI-Powered Government:
A Blueprint for U.S. Federal, State, and Local Policymakers
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Introduction

With the emergence of artificial intelligence (AI), the U.S. public sector has been grappling with how to leverage this transformative technology to improve service delivery and strengthen the relationship between government and the people it’s designed to serve. Few technologies have matched AI’s potential to revolutionize operations and break down barriers to simplify how the public can engage with their government.

AI use cases in the public sector are diverse and pervasive. From reducing administrative burdens to connecting the public to resources more quickly and more efficiently, the impact of AI will be felt everywhere. Commercial technologies, such as AI, can automate labor- and resource-intensive processes to streamline government operations, optimize resource allocations, and bolster cybersecurity efforts. AI can also improve the constituent experience by simplifying the process for engaging with the government and developing user-friendly and accessible digital platforms that can cater to diverse needs and expand the public’s access to critical government resources.

As AI technologies continue to mature, however, so will the challenges associated with adopting AI responsibly. The Information Technology Industry Council (ITI) understands the challenges that policymakers face with adapting and responding to the rapid pace at which technologies like AI evolve, which is why we have developed a blueprint to guide U.S. federal, state, and local policymaker’s approach to designing sound policies that advance responsible AI innovation and realize the benefits that this technology has to offer for the public sector.

Our blueprint is informed by three core principles that should be at the center of shaping the use of AI in the public sector. Those principles are:

1. **Collaboration:** Engage in a collaborative approach with the information technology industry and relevant stakeholders to develop public sector AI policies and procedures that prioritize responsible AI adoption by government, including actions that address issues of public concern such as bias, privacy, and transparency.

2. **Flexibility:** Public sector AI regulation should be adaptable to the use case, risks, and evolving technology. Not all use cases present the same set of risks. AI technologies evolve at a rapid pace and, rather than designing policies that are overly prescriptive and inhibit innovation, guidance should be sufficiently adaptable to keep up with AI technologies as they evolve. A ‘one size fits all’ approach to AI policy will face similar, if not greater, challenges than other areas of technology policy.

3. **Transparency:** AI regulation should be clear and transparent regarding expectations for both government personnel and industry. Policies should delineate the roles and responsibilities for developers, deployers, and users to promote effective implementation and reduce compliance challenges throughout the procurement, governance, and operation processes.
Recommendations

With policymakers beginning to assess the various actions that they can take to help shape the future of AI in the public sector, ITI offers eight recommendations. If followed, these recommendations can help promote the three core principles above while lowering costs, fostering trust, and increasing efficiency across the public sector while ensuring that the government maintains access to cutting-edge commercial solutions that make these innovations possible. ITI’s recommends that U.S. public sector policymakers:

1. **Establish an overarching policy framework to drive harmonization within the public sector.** Policymakers should align their approach to AI governance in the public sector to avoid the creation of duplicative and divergent policies, which is critical for lowering costs and improving service delivery in government operations. Importantly, all AI related policy frameworks should be risk-based, context-specific, rights-preserving, and refrain from adopting measures that could undermine innovation and hinder the government’s ability to access innovative commercial technologies offered by industry. Governments are encouraged to adopt the National Institute of Standards and Technology (NIST) AI Risk Management Framework (RMF) to the greatest extent possible to facilitate responsible adoption of AI technologies that can support the government’s mission. In line with the NIST AI RMF, dialogue with industry leaders should be robust and consistent to ensure that policy provides the proper safeguards to avoid and/or mitigate risks without inadvertently disincentivizing the adoption of AI technologies that can advance digital service delivery.

2. **Develop a skilled workforce with AI expertise across the government.** Fostering AI expertise and building a skilled workforce across the government is pivotal for harnessing the transformative potential of AI. This includes training employees of various occupations in AI concepts, tools, and ethics, as well as advancing and incentivizing professional and technical apprenticeships, education, and training programs. Increasing resources for hiring, training, and retaining AI talent is important, but building a sustainable pipeline of AI talent with diverse backgrounds and perspectives is essential for driving long-term mission outcomes. This will not only enhance the efficiency and effectiveness of government but also foster greater trust and confidence among the public.

3. **Partner policy implementation with strong investments.** As AI continues to shape the future of public services, robust government investments in AI become essential for driving innovation, implementing solutions by sector and/or agency, and addressing unique regional challenges. Investment in pilot projects, research and development efforts, and infrastructure modernization will be consequential in the utilization of AI for government services. This includes modernizing data center operations and preparing U.S. energy infrastructure to meet the energy demands necessary for sustainable deployment of AI-powered technologies. Enacting policies without accompanying resources will result in government agencies accumulating technical debt and/or failing to fully realize the benefits of AI for their constituencies.

4. **Promote competition in the acquisition process for AI technologies.** Policies that govern the acquisition process for AI should prioritize competition, interoperability, and transparency and not impede the government’s access to best-in-class commercial technologies or serve as a barrier to entry in the government marketplace. To
avoid entrenching incumbents, we encourage the government to adopt commercial best practices for interoperability and develop specific, transparent criteria that agencies can use when evaluating AI solutions. Doing so will support a vendor-agnostic environment, permitting new or competitive technologies to be incorporated into the public sector IT ecosystem as they become available.

5. Minimize compliance complexity. Doing business with the government can be complicated, particularly for new entrants into the market. Complex policy regulations not only require significant time and resources to implement but also present compliance challenges for agencies. When policies are overly complicated, both government and industry are left to interpret their limits and impacts, resulting in delays and inefficiencies in service delivery to constituents. Streamlining regulatory processes and reducing unnecessary complexity will empower agencies and vendors to operate more efficiently, freeing up resources for delivering essential services to the public. Simplifying compliance requirements—including through developing policies that are consistent with established baselines such as the NIST AI RMF discussed above—will not only enhance government responsiveness to its constituents but also expand the pool of innovative AI products and services available for government procurement.

6. Limit collection of companies’ proprietary or sensitive information. Information collected by the government should be limited to the bare minimum necessary for achieving the goal of promoting the safe and responsible use of AI. When the government has a reasonable need to collect information, security measures and access controls should be implemented to balance information sharing with protecting sensitive information. Governments should collaborate with industry stakeholders to develop commonsense, minimally scoped requirements for information collection, use, and necessary disclosure that are targeted and advance public trust and safety without disclosing proprietary information.

7. Construct safeguards for digital government platforms powered by AI. Users of digital government platforms should trust that the platform works exactly as intended. Governments should make sure that the infrastructure supporting AI technologies is sound prior to integrating AI tools as part of a digital and open standards-based government platform. One option for governments completing this assessment is to examine the cyber environment of the supporting infrastructure to identify potential vulnerabilities, before deploying new AI capabilities. Governments can also enhance transparency by providing users with the structure to understand how AI tools are being deployed. Implementing provisions of the NIST AI RMF to help users gain greater insight into an AI’s functionality, including where the data is sourced, will foster trust in this emerging technology. Platforms should be easy to navigate for the diverse audiences that they hope to serve and should offer users the ability to opt-out of using AI features where appropriate. Importantly, policymakers should maintain consistency with existing laws and regulations relative to data privacy and cybersecurity.

8. Adopt standard definitions for key terms and concepts to drive consistency in AI policy throughout the public sector. If the public sector wants to design sound policy that addresses the unique challenges associated with this suite of technologies, then stakeholders across all levels of government should be operating from the same playbook. Core terminology like “AI system” should not have distinct differences in the way it is defined in the federal government versus state and local governments. Fostering the responsible use and deployment of AI technology in the public sector requires consistency in how we discuss these complex issues.

¹ An open standard is a standard that is “made available to the general public and is developed (or approved) and maintained via a collaborative and consensus driven process.” This helps to support interoperability and data exchange among different products or services and are intended for widespread adoption. See: https://www.itu.int/en/ITU-T/Ipri/Open.aspx
Conclusion

By embracing our core principles of collaboration, flexibility, and transparency and the recommendations laid out above, the government can harness AI’s transformative power to enhance service delivery and strengthen the bond between government and its constituents, while fostering an environment of innovation and inclusivity. ITI looks forward to continuing our partnership with U.S. federal, state, and local governments as we collectively navigate the evolving landscape of AI governance, ensuring that the United States remains at the forefront of technological progress while safeguarding the rights and interests of its citizens.

ITI AI Resources
Below is a list of resources created by ITI’s policy professionals in partnership with our 80 member companies. These sources provide further details and information related to our recommendations above in both a global and federal context.

- ITI Global AI Policy Recommendations
- ITI Policy Principles for Enabling Transparency of AI Systems
- Authenticating AI-Generated Content: Exploring Risks, Techniques, and Policy Recommendations
- Understanding Foundation Models and the AI Value Chain: ITI’s Comprehensive Policy Guide
- ITI Comments to the Office of Management and Budget AI Memo
- ITI Generative AI Recommendations to President’s Council of Advisors on Science and Technology (PCAST)