AI Governance Interviews

Created for IBM

Center for Digital Government
April 2025

Purpose

The Center for Digital Government was commissioned by IBM to interview state and local government leaders on their adoption of AI. The goal was to capture market intelligence on the progress, challenges and innovations that are driving their adoption of AI.

Methodology

In February and March 2025, the Center for Digital Government conducted 15 interviews of state and local government leaders. Each interview was conducted via MS Teams and lasted approximately 30 minutes.

The interview guide included 11 questions that were designed in partnership with IBM.

Key Findings

✓ **Organizations recognize the benefits are testing and deploying AI**: While chatbots still remain popular, many organizations cited examples of using AI in back-office operations to improve processes and workflow.

✓ **Oversight of AI deployment tends to be decentralized**: While many organizations noted they have an AI committee, day-to-day monitoring and project oversight tends to remain with business owners.
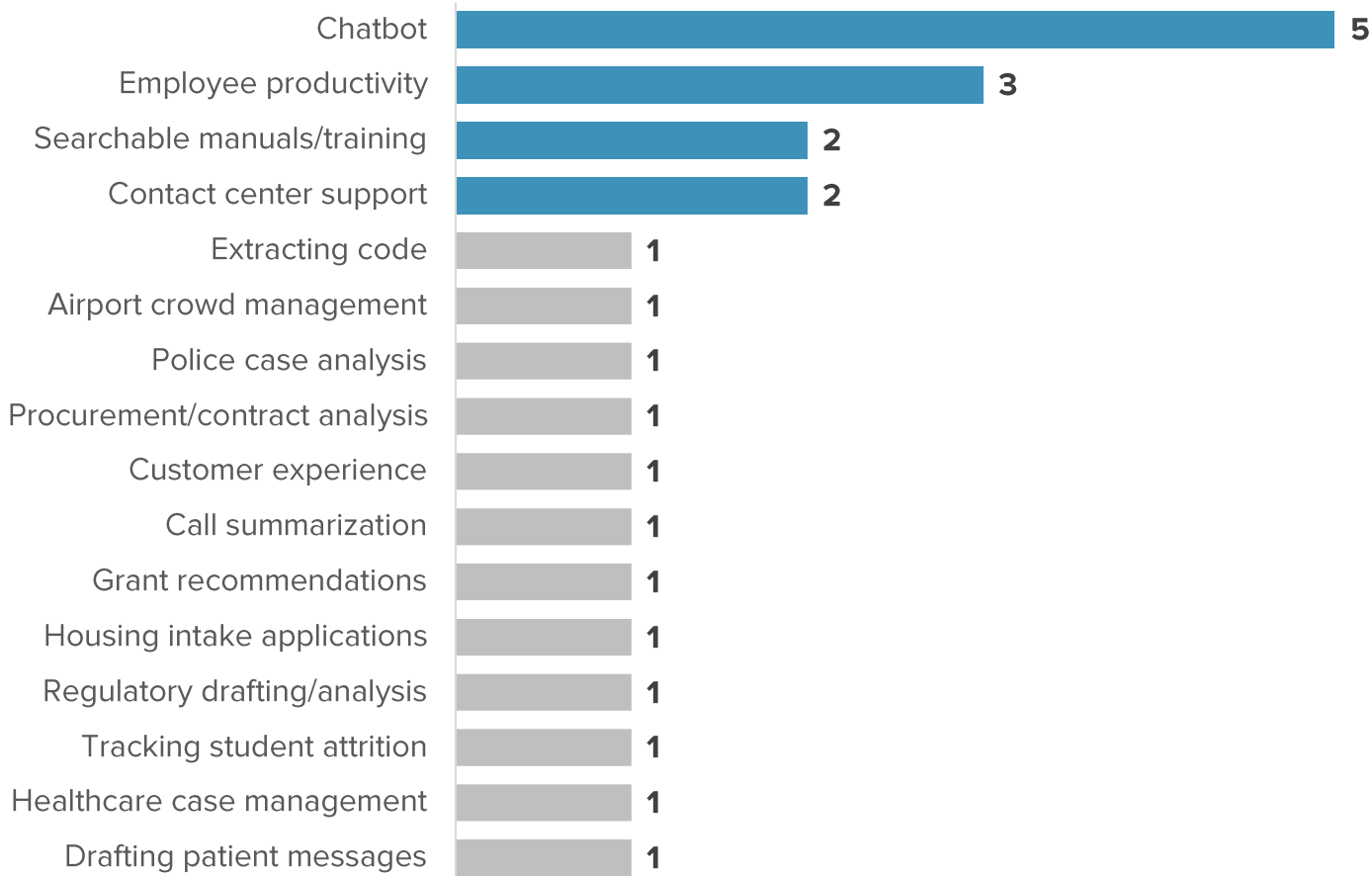
✓ **Data maturity levels vary, but organizations see it as key to successful AI implementation**: Data governance and infrastructure was a key focus area for many organizations as they work to expand their use of AI.
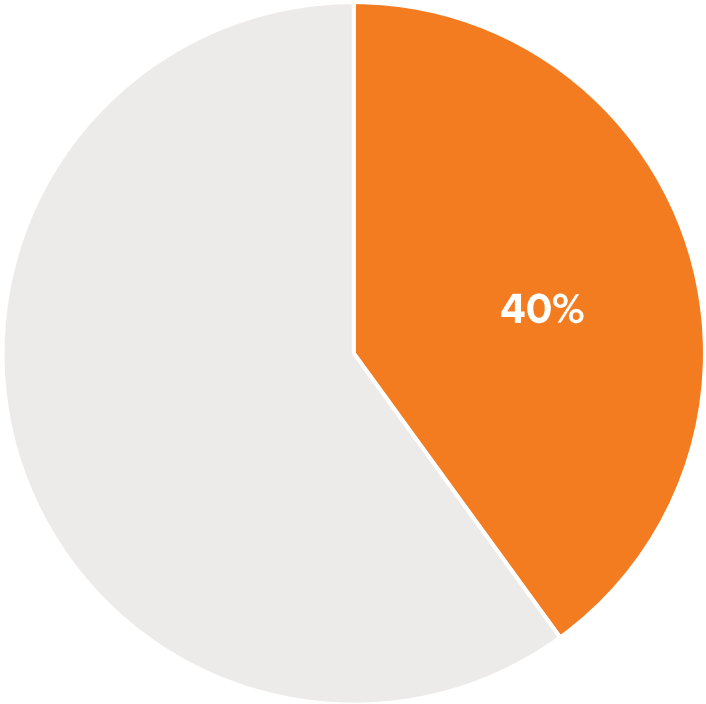
AI Adoption & Investment

Adoption and use is shifting from exploration to pilot and initial deployment

Top Use Cases

Use Case	Count
Chatbot	5
Employee productivity	3
Searchable manuals/training	2
Contact center support	2
Extracting code	1
Airport crowd management	1
Police case analysis	1
Procurement/contract analysis	1
Customer experience	1
Call summarization	1
Grant recommendations	1
Housing intake applications	1
Regulatory drafting/analysis	1
Tracking student attrition	1
Healthcare case management	1
Drafting patient messages	1

Formal Policy Adoption in Past Year

40%

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Question: How has your organization's use and/or adoption of AI technology changed in the past year? Have you identified, tested or deployed any new use cases for AI?

Most respondents indicate they have a specific AI review process and committee

Still Developing Process
7%

Standard IT Review
20%

AI Specific Review Process
73%
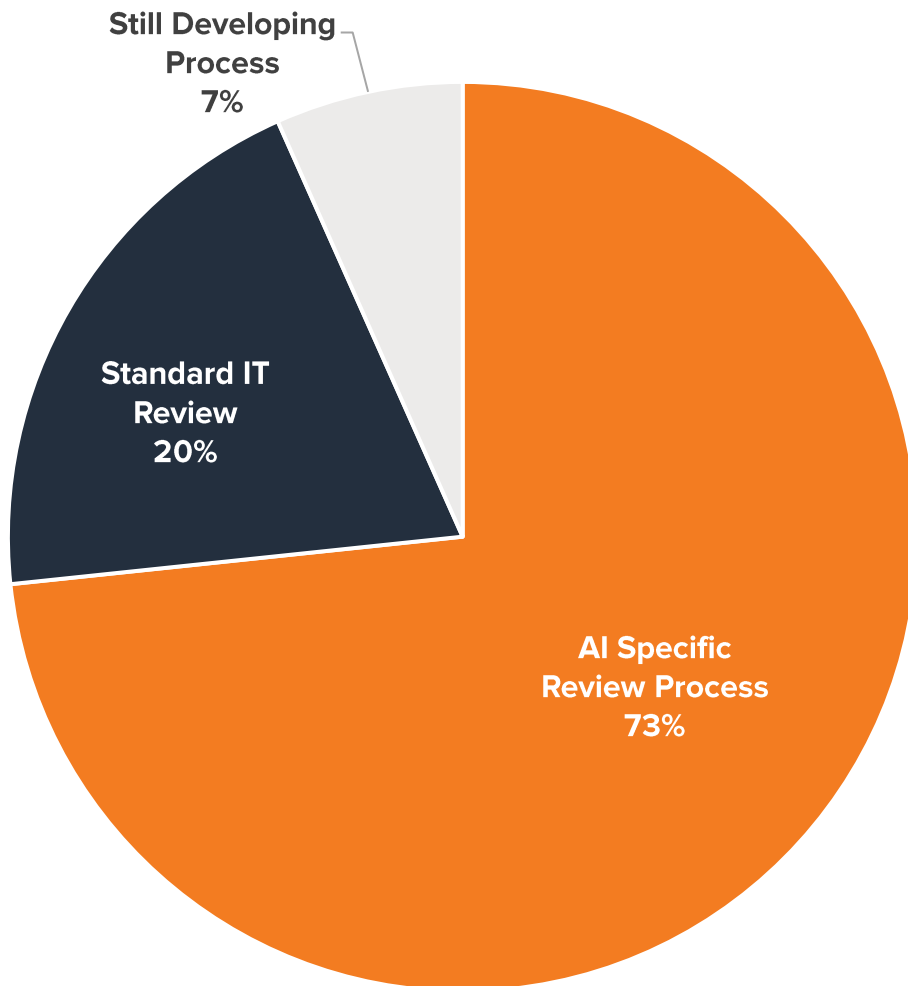
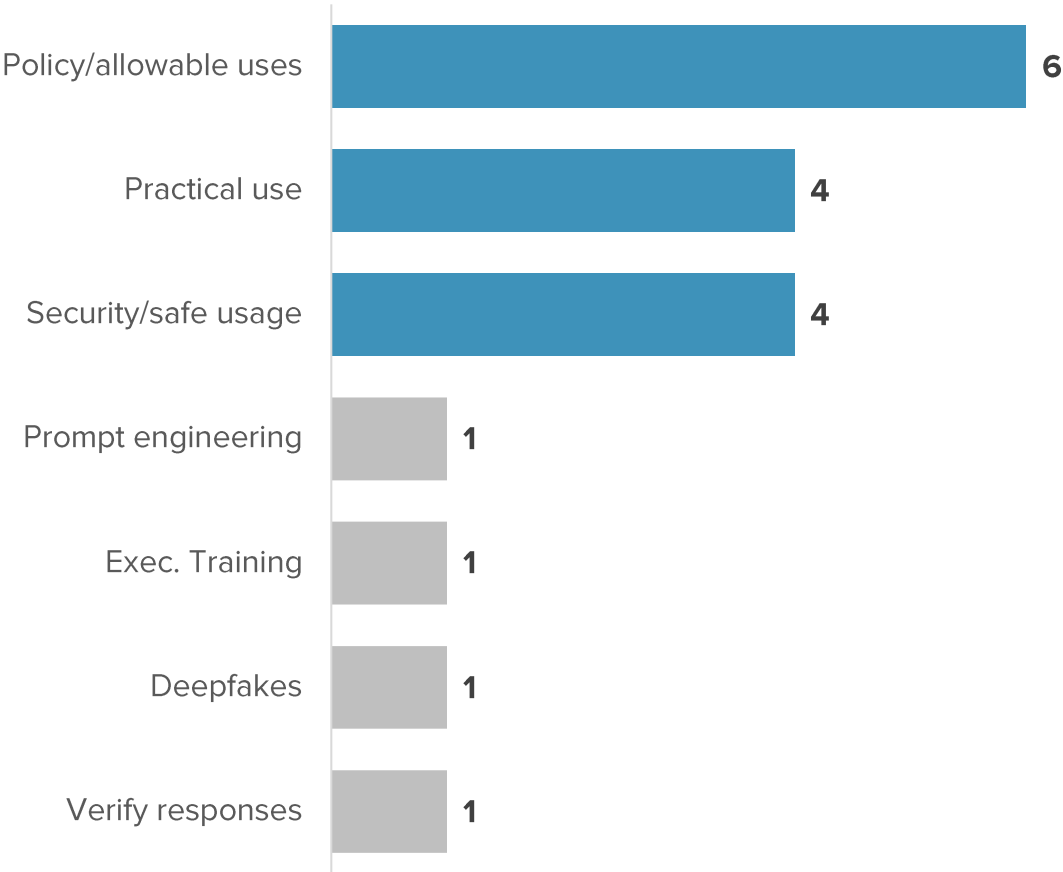"Rather than really reinvent anything for artificial intelligence, we decided to leverage that [existing IT governance] process" – *City, Enterprise IT Office*

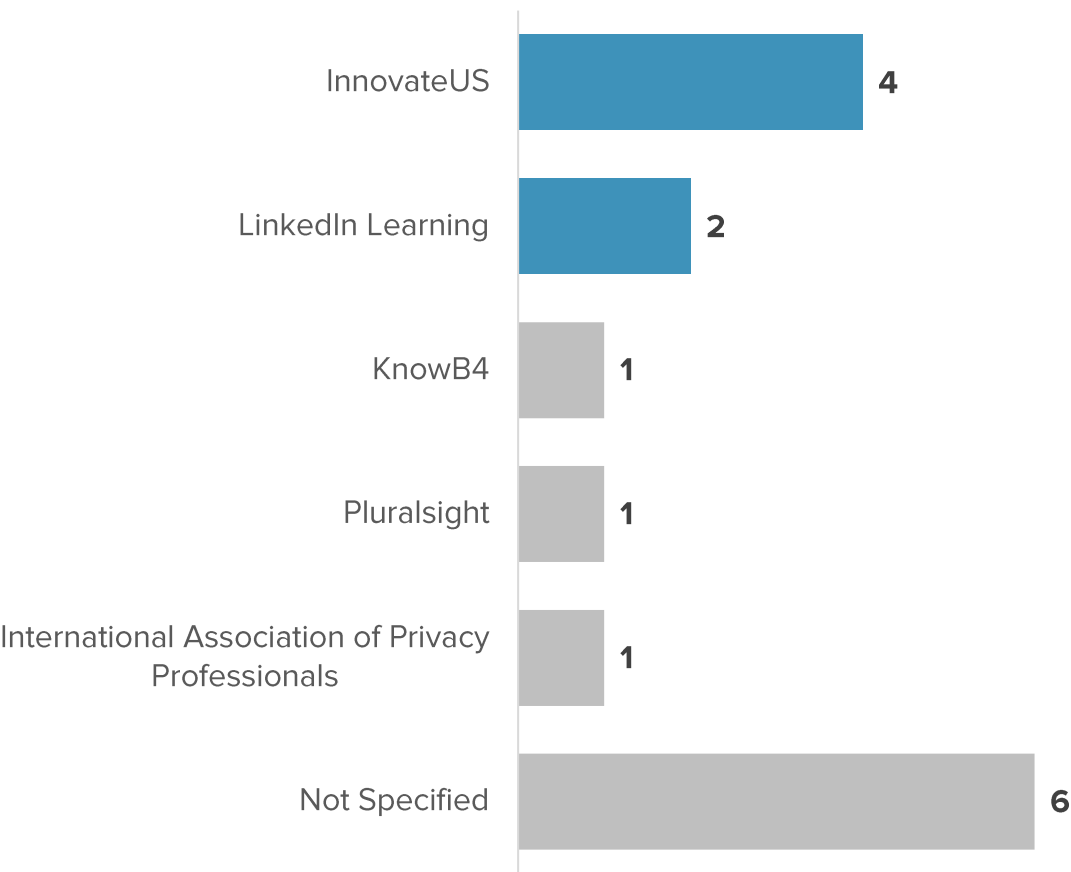"[as] a large state government, we have to get it right. There's more impetus on us to do that" – *State, Enterprise IT Office*

Question: What process or strategy does your organization employ to determine which AI projects receive funding? What is your process for initiating enterprise-wide AI use cases?

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AI-specific training is increasing, but training programs, content and platforms vary

Training / Skill Development Focus Areas

Policy/allowable uses	6
Practical use	4
Security/safe usage	4
Prompt engineering	1
Exec. Training	1
Deepfakes	1
Verify responses	1

Training Platforms

InnovateUS	4
LinkedIn Learning	2
KnowB4	1
Pluralsight	1
International Association of Privacy Professionals	1
Not Specified	6

Question: What training or skills programs have you developed or investigated to prepare your employees?

AI Governance

All organizations have developed AI-focused policies, with most addressing the risks associated with AI

Areas Covered in AI Policies/Frameworks

Area	Value
Security/Risk	8
Responsible Use	4
Ethics	4
Compliance/Legal Review	4
Human-in-the-loop	4
Privacy/Confidentiality	4
Bias	3
Transparency	3
Testing before implementation	2
Documentation	2
Governance	2
Prohibited Uses	2
Accountability	2
Flexibility	1
Procurement	1
Quality control	1
AI Literacy	1
Acceptable Tools	1

"AI doesn't change the fact that you are still accountable for your work" – *City, Enterprise IT Office*

"Making sure that you use GenAI to create code, that you fully understand what the code and you fully document what that code does" – *State, Department IT Office*

"One of the things that we are very clear [about] in our policies is that there is no automated decision-making" – *State, Enterprise IT Office*

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Question: What guidelines, policies or frameworks does your organization have in place to govern the use of AI technology?

Oversight of AI projects is often decentralized, resting with individual project/business owners

Responsible Party(s) for AI Oversight
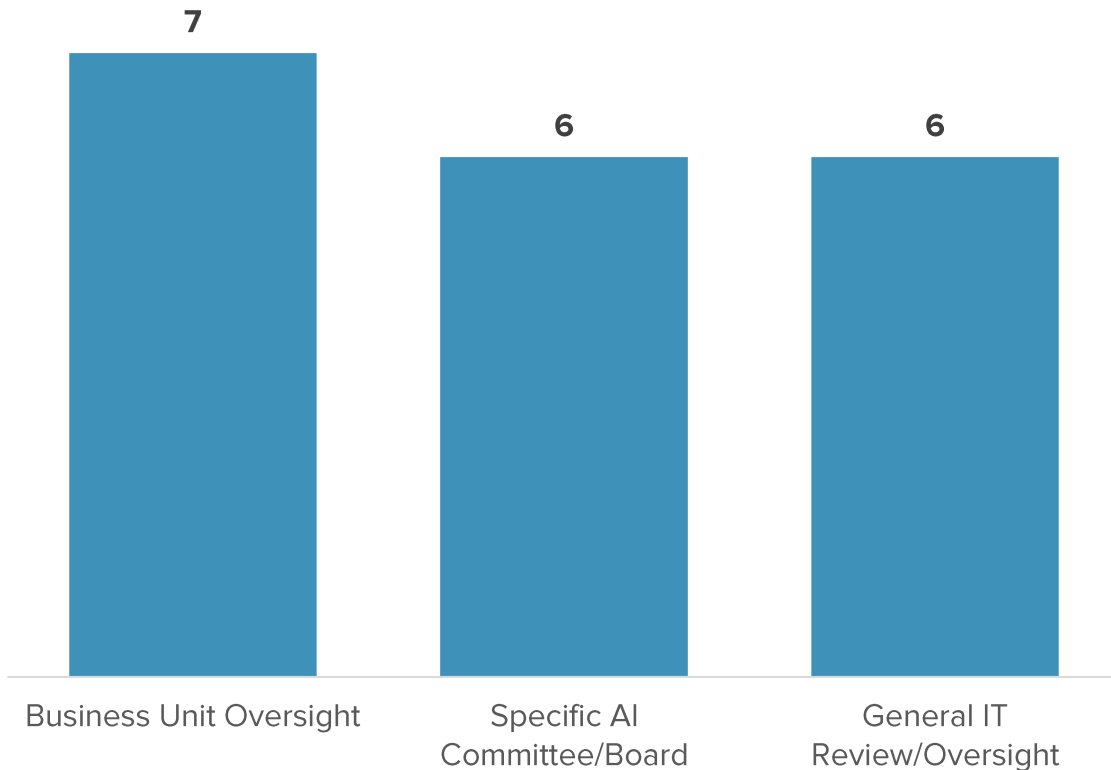
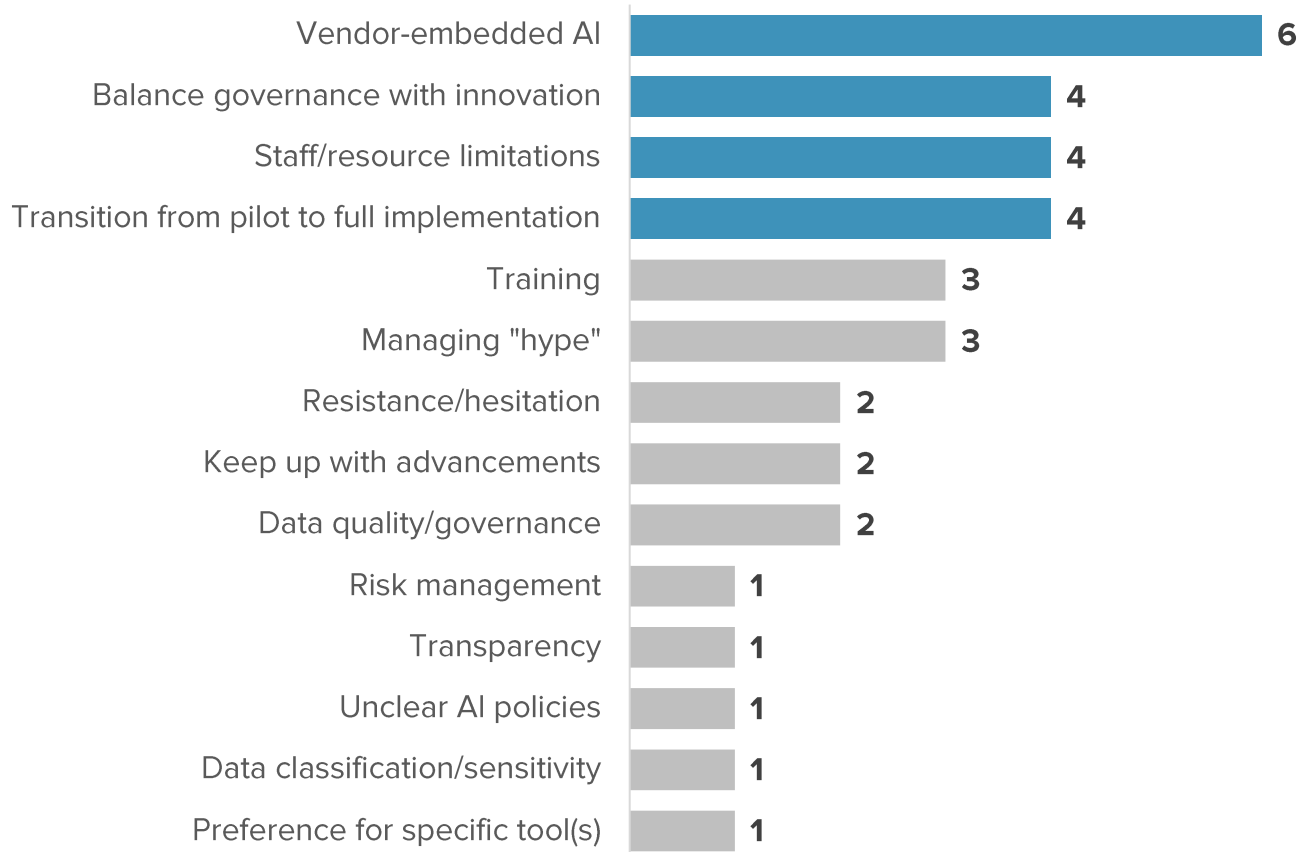"We are not going to be the governing body for agencies" – *State, Enterprise IT Office*

"[We are] doing minimal viable governance" – *State, Department IT Office*

Question: Who is responsible for oversight and governance of AI systems for your organization?

The rapid evolution of AI and its increasing presence in vendor solutions is a challenge for many organizations

Top Challenges Governing the use of AI

Challenge	Value
Vendor-embedded AI	6
Balance governance with innovation	4
Staff/resource limitations	4
Transition from pilot to full implementation	4
Training	3
Managing "hype"	3
Resistance/hesitation	2
Keep up with advancements	2
Data quality/governance	2
Risk management	1
Transparency	1
Unclear AI policies	1
Data classification/sensitivity	1
Preference for specific tool(s)	1

"[It's] quite a bit of extra work for cybersecurity teams, having in some cases to re-vet tools that previously cleared" – *City, Enterprise IT Office*

"Our biggest challenge is AI, GenAI just showing up in existing products" – *County, Enterprise IT Office*

"Because it's a new technology, it can be difficult getting resources for it" – *State, Department IT Office*

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Question: What challenges has your organization faced when governing the use of AI?

Data maturity levels vary, but most recognize that poor data quality and legacy systems hider AI progress

Data Maturity Level

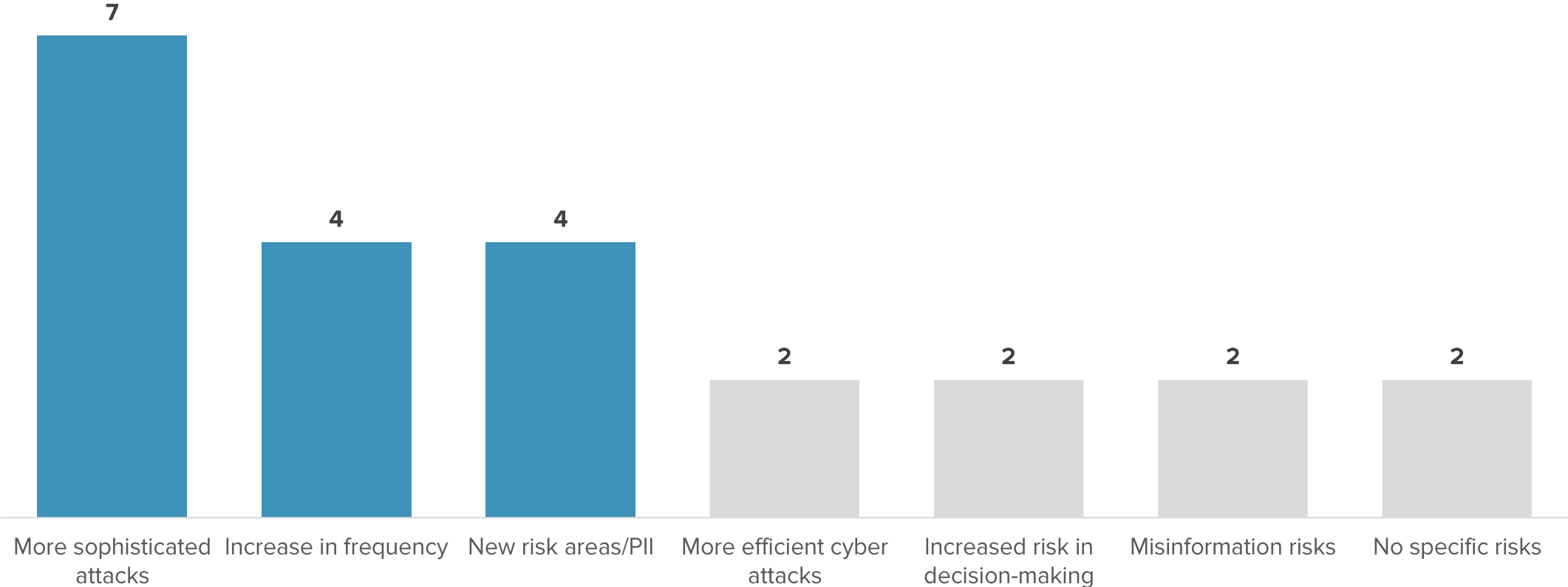|	
Low	5
Moderate	4
Mature	1
Varies by Department/Data	5
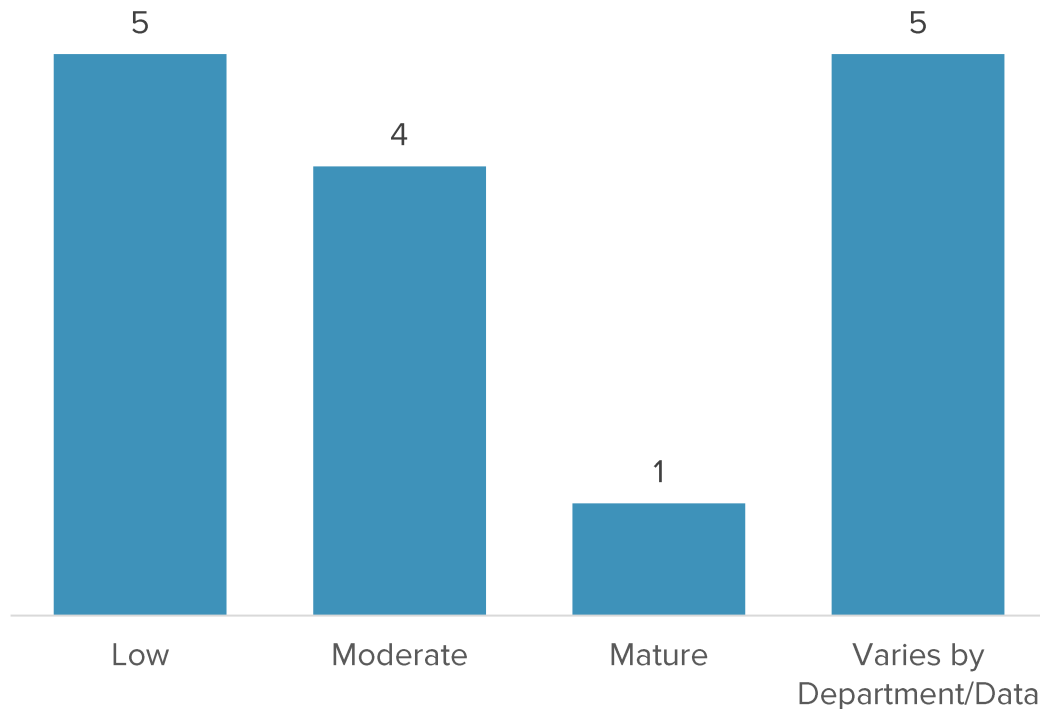
Actions Underway to Prepare Data/Systems

- Modernizing storage
- Adding metadata
- Controlled test datasets
- Data cataloging

- Establishing data governance
- Sensitivity labeling
- AI-assisted data tools
- Data dictionary

Question: How would you describe your organization's maturity level of your data governance framework? What steps are you taking to prepare your data and systems for AI?

Many organizations see escalating cybersecurity risks from AI

AI-Driven Changes to Cybersecurity/Risk

More sophisticated attacks	Increase in frequency	New risk areas/PII	More efficient cyber attacks	Increased risk in decision-making	Misinformation risks	No specific risks
7	4	4	2	2	2	2

Question: What changes have you seen over the last year regarding potential cybersecurity risks associated with AI use? What are you doing in response to these risks?

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Impacts of AI

Organizations are starting to see productivity gains from AI

Impact Seen from Use of GenAI

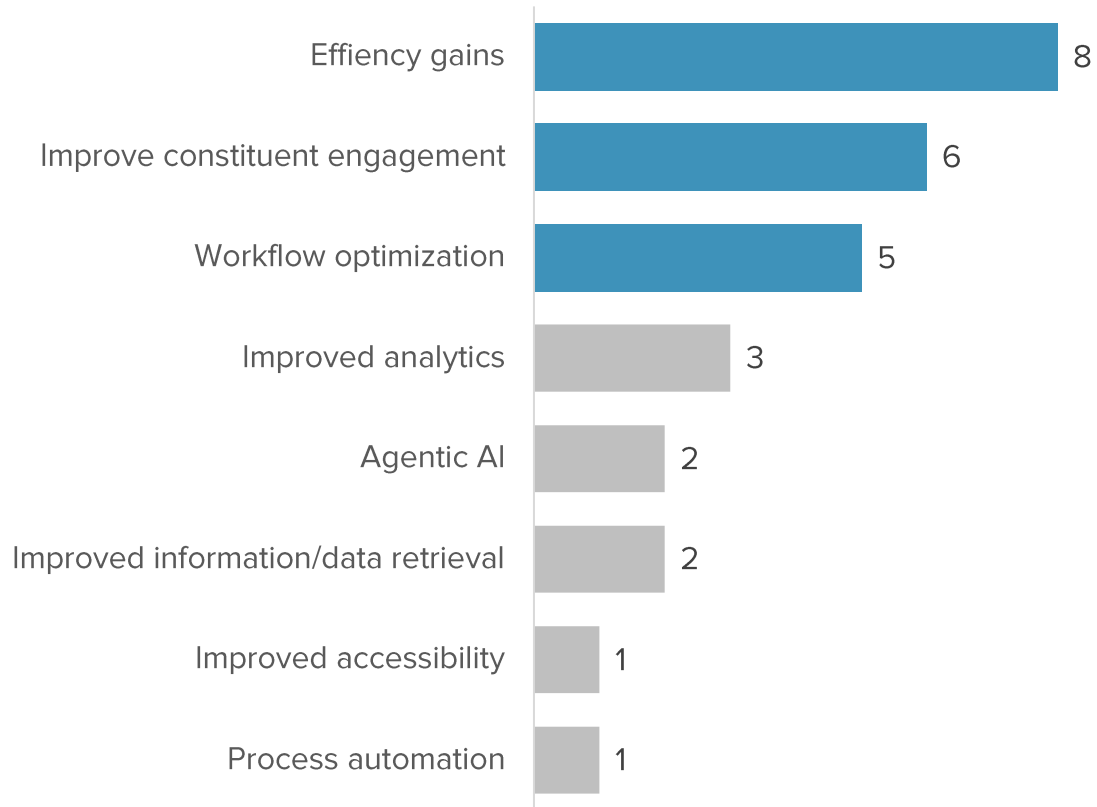| Category	Value
Improved backoffice workflow	9
Improved content generation	6
Extended/improved constituent service availability	5
Improved communication	4
Improved analytics/decision-making	3
Faster information retrieval	3
Faster transcription	1
Faster issue resolution	1
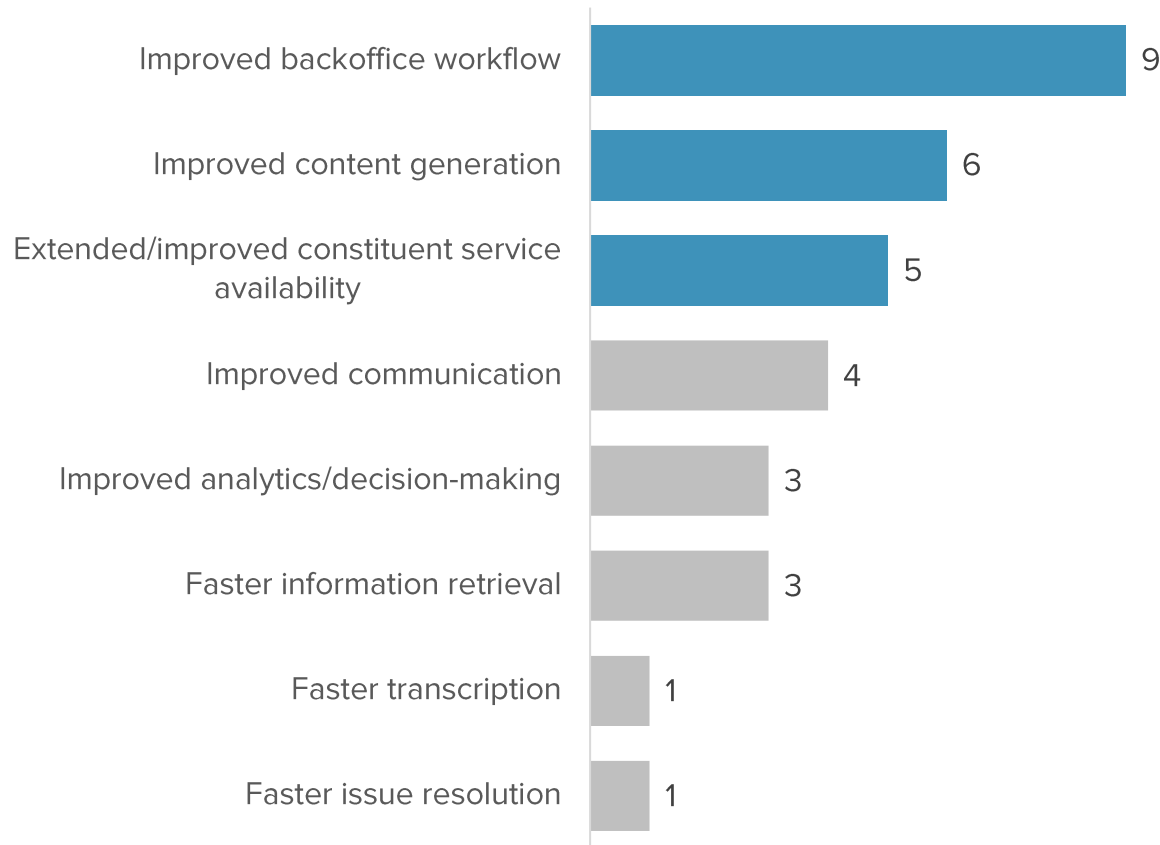
❝ "The biggest impact to date has been an improvement in general communication... you're seeing a general improvement in the communication and you get a more business-like professional communication when it's appropriate." – *State, Department IT Office*

❝ "One really good example was in our time-keeping in payroll process. We had a process that took something like 40-45 hours of human labor every pay period that we got down to 30 minutes using a robotic process automation and AI." – *City, Enterprise IT Office*

Question: What impact has the use of AI had on your organization?

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Organizations see the long-term benefits, but concerns remain

Potential Benefits from AI

Benefit	Value
Effiency gains	8
Improve constituent engagement	6
Workflow optimization	5
Improved analytics	3
Agentic AI	2
Improved information/data retrieval	2
Improved accessibility	1
Process automation	1

Potential Risks from AI

Risk	Value
Keeping a human-in-the-loop	4
Sharing of sensitive/PII	4
Maintaining compliance/regulations	3
Increased cyber threats	3
Ensuring oversight/transparency	3
Maintaining ethical use	3
Mitigating fears of job loss	3
Ensuring responsible use	3
Avoiding bias	2
Implementation costs	1
Privacy concerns	1
Mitigating risks of deepfakes	1

Question: What do you see as the biggest benefits and risks for AI for your organization in the 1-2 years?

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Demographics
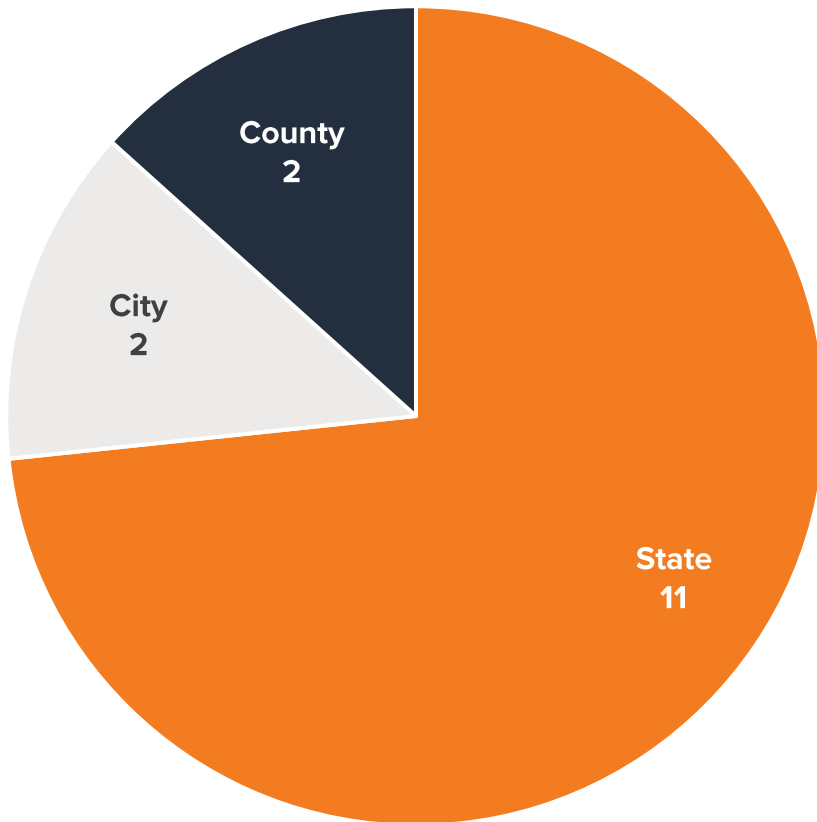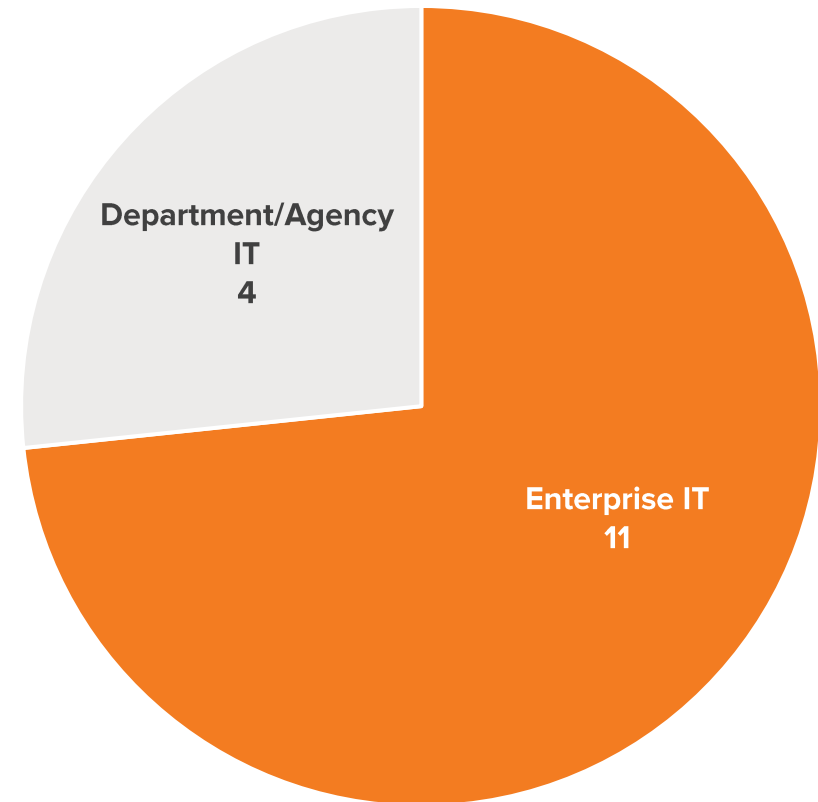
Interviewee Summary

Write-Up #	State	Jurisdiction	Department	Interviewed in 2024
1	PA	Commonwealth of Pennsylvania	State Treasury	
5	AZ	City of Mesa	Innovation & Technology	Yes
8	MA	Commonwealth of Massachusetts	MassHealth	
10	CA	Santa Clara County	County Privacy Office	
13	TX	State of Texas	Department of Agriculture	
15	MN	State of Minnesota	Minnesota IT Services	
16	NE	State of Nebraska	Office of the Chief Information Officer	
18	CA	City of San Diego	Information Technology	Yes
19	GA	State of Georgia	Georgia Technology Authority	
20	CA	State of California	Department of Rehabilitation	Yes
21	MA	Commonwealth of Massachusetts	Exec. Office of Technology Services & Security	
22	OH	State of Ohio	Department of Administrative Services	Yes
38	NJ	State of New Jersey	Office of Information Technology	
35	FL	Miami-Dade County	Information Technology Department	
36	WA	State of Washington	Washington Technology Solutions	

Thank you!

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