The Information Technology Advisory Committee was formed by statute to provide advice to the Commonwealth CIO on strategies and priorities for information technology. The purpose of posing universal questions about the implementation of AI across government and private sector is to get feedback from ITAC on their strategies for AI.   The expertise and experience of ITAC members can provide a private and public view regarding current and future state of AI within their organizations.

Overview of Artificial Intelligence Issues

Andrew Wheeler, Director

Office of Regulatory Management

Two Main Types of Artificial Intelligence Uses for State Government

1) **<u>Internal AI systems</u>** are those which are used internally by agencies to increase efficiency, streamline processes, and are strictly utilized within an agency. These are not systems which produce a public output.

   Examples:

   - Data Analysis and Monitoring

   - Compliance and Fraud Detection

   - Policy Impact Assessments

2) **<u>External AI systems</u>** are those which are used as front-facing programs to make decisions, produce outputs, and analyze citizen data that are accessed by citizens.

   Examples:

   - AI Chatbots (VEC uses a chatbot for their website)

   - Mobile Apps (DHRM uses a Sydney mobile app to answer healthcare questions)

We are Asking Four Primary Questions

IT/System Standards

What IT standards do we and agencies need to govern the use of AI:

- Protocols for appropriate technologies, cost, security, cybersecurity, software development, and IT management

- State and agency oversight best practices

- Database management; firewalls, human oversight, etc

- Prerequesites for utilizing AI in specific use cases (e.g. validating appropriate data quality)

Policy Standards

What are the policy standards we need to leverage AI:

- When and how AI can be used
  - What management approvals are required
  - What disclaimers and approvals are required

- How to manage risk (third-party, data privacy)

- Scope of the AI program or database used

Education Standards

What type of standards do we need to consider for K-12 students:

- Potentially revising computer science standards to incorporate AI
  - blended learning, coding, cyber security
  - digital learning expectations for post-secondary experiences
- Concerns over cheating and plagiarism

Legal Issues

What are the legal or statutory authorities needed for the use of AI by Commonwealth agencies and Departments:

- Reviewing the existing regulatory and legal environment

- Are additional legislative and/or regulatory changes needed
  - Protection from misinformation, discrimination, and other potential negative impacts

- Reviewing current IT regulations that control the purchase and use of AI technologies and products

What are some of the additional concerns?

Potential Concerns

- Automation of jobs and the impact on human workers

- Spread of fake news and misinformation

- Privacy and surveillance issues

- Need for Impartiality in AI systems

- Limited knowledge and explainability of AI models

- Lack of transparency around decision-making processes

- Ethical dilemmas and the role of human judgment and values in AI decisions

- Data privacy and security risks

- Concentration of power in a small number of large corporations

A sample question to ChatGPT …..

Who is the current CEO of Twitter?

The current CEO of Twitter is Elon Musk.

How do you know, you were trained on data till 2021?

As a language model, I don't have knowledge of current events beyond the data I was trained on, which was current up until 2021. I apologize for the confusion. The current CEO of Twitter is Jack Dorsey.

"Human Feedback Frenzy: How it Turns AI into Narcissistic, Control-Freak Machines" – Ayush Jain *AnalyticsIndiaMag.com* January 23, 2023

The Four Broad Issues for the Commonwealth to Consider

1) How does the use of AI products impact our existing data?

2) What level of management review and disclaimers are necessary for AI use and products?

3) How do we instruct students to leverage AI ethically?

4) What are the legal requirements and protections for AI use?

Procurement Transformation

Michael O'Malley, Chief Procurement Officer

Effective Government: Our approach to delivering best-in-class procurement for the Commonwealth

➢ Our objective is to continue building the foundation for a best-in-class state procurement function, by establishing an efficient, transparent, and accountable process to fulfill our fiduciary duty to the Commonwealth

➢ We are ensuring consistent processes to sourcing goods and services across the Commonwealth and building the capability for end-to-end category management (the systematic, disciplined approach to managing every category as a strategic unit through detailed analytics and internal behavior changes)

➢ We will hold both ourselves and our vendors accountable to the Commonwealth by managing our own demand, coordinating across the Commonwealth, ensuring fairness of the competitive process and vendor performance

➢ We will partner with Agencies, supporting agency heads in sourcing efforts and exploring future procurement innovation

We are using a comprehensive set of levers to ensure success

➢ Behavior / policy change: modify procurement behavior

➢ Demand management: ensure effective use of purchases

➢ Spec standardization: establish uniform requirements and specs where it makes sense

➢ Contract consolidation: consolidate same vendor contracts and terms across multiple agencies

Call to Order and Welcome:

The meeting was called to order at 1:06pm by Mr. Craft. Mr. Craft welcomed back the members and announced the reappointment of Mr. Ram and Mr. Kane.

Presiding:

John Craft, Chair

Members Present:

Secretary of Administration Lyn McDermid

Chief Information Officer of the Commonwealth Bob Osmond

Senior Advisor for Secretary of Labor Billy Reid

Senator Bill DeSteph

Senator Jennifer Boysko

Goutam Gandhi

Anthony Gitalado

James Kraemer

Adam Lee

Dr. Timothy Tillman

Robert Turner

Members participating remotely:

Dena Kozanas, Vice Chair. Ms. Kozanas participated virtually due to work.

Members Not Present:

Secretary of Labor Bryan Slater

Senator John Bell

Phea Ram

Cherif Kane

Staff Present:

Leslie Allen, Senior Assistant Attorney, Office of the Attorney General

Jason Brown, Chief Administrative Officer, Virginia IT Agency

Joshua Heslinga, Director, Legal and Legislative Services, Virginia IT Agency

Mylam Ly, Legal Compliance & Policy Specialist, Virginia IT Agency

Melinda Stewart, Chief Executive of Enterprise Solutions, Virginia IT Agency

Cynthia Cordova-Edwards, Chief Financial Officer, Virginia IT Agency

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Naveen Abraham, Chief of Core Infrastructure Services, Virginia IT Agency

Richard Matthews, Chief of Customer Experience, Virginia IT Agency

Lindsay LeGrande, Communications Director, Virginia IT Agency

Michael O'Malley,

Trey Stevens, Deputy CISO, Virginia IT Agency

Andrew Wheeler, Director, Office of Regulatory Management

Review of Agenda

Ms. Ly provided an overview of the agenda.

Approval of Minutes

The May meeting minutes were displayed on the screen. Upon a motion by Mr. Kraemer and duly seconded by Mr. Lee, the committee unanimously voted to adopt the meeting minutes.

Artificial Intelligence (AI)

Director Wheeler presented on AI. The presentation provided an overview of the two main types of AI uses for state government:

1. Internal AI Systems: those used within agencies to increase efficiency and streamline processes.
2. External AI Systems: front facing programs used to make decisions, produce outputs, and analyze citizen data accessible to the public

Four primary questions were posed to guide the discussion:

IT/System Standards: the first question focused on the IT standards needed to govern AI use, covering protocols, cost, security, cybersecurity, software development, IT management, state and agency oversight best practices, and database management. It also addresses prerequisites for using AI in specific use cases, such as validating data.

Policy Standards: the second question revolved around policy standards for AI, including when and how AI can be used, required management approvals, necessary disclaimers and approvals, and the extent of disclaimers when using AI products.

Education Standards: the third question pertained to standards for K-12 students, considering potential revisions to computer science standards to incorporate AI, digital learning expectations for post-secondary experiences and concerns relating to cheating and plagiarism.

Legal Issue: the final question addressed the legal or statutory authorities needed for AI use by Commonwealth agencies and departments. This involved reviewing existing regulatory and legal environments, evaluating the need for additional legislative or regulatory changes to protect against misinformation and discrimination, and reviewing current IT regulations governing AI technology purchases and usage.

Several concerns were raised, including the potential automation of jobs, the spread of fake news and misinformation, privacy and surveillance issues, the need for impartiality in AI systems, limited

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knowledge and explainability of AI models, lack of transparency in decision-making processes, ethical dilemmas, and data privacy and security risks. Concerns also extended to the concentration of power in a small number of large corporations.

The discussion extended to specific case examples, such as the role of AI in housing building codes and its impact on internal government processes. Regulatory and policy perspectives, as well as the importance of teachers having tools to identify AI tools. There was further discussion of finding a balance between ethical considerations and the growth of AI.

Break

Procurement Transformation

Chief Procurement Officer O'Malley presented on the strategic approach to enhancing government procurement processes in the Commonwealth. The objective is to establish a best-in-class state procurement function marked by efficiency, transparency, and accountability. The presentation highlighted the importance of consistent processes for sourcing goods and services across the Commonwealth and implementing end-to-end category management. Accountability was a key theme with a focus on managing demand, coordinating across the Commonwealth, ensuring competitive fairness, and evaluation vendor performance. There were additional discussions about experiences in IT procurement and questions regarding the development of an ideal procurement process. Best practices such as behavior and policy change, demand management, spec standardization, and contract consolidation were discussed. Clear communication and data sharing among agencies were also emphasized, with a commitment to continue improving procurement processes based on the discussions.

Public Comment Period

There were no public commenters.

Other Business

Mr. Craft opened the floor for other business. Ms. Ly discussed travel forms and the next meeting on December 5 at 1pm.

Adjourn

Upon a motion by Senator Boysko and duly seconded by Senator DeSteph, the committee unanimously voted to adjourn the meeting at 2:21pm.