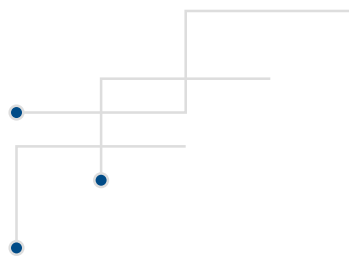


Initial Report

Arkansas Artificial Intelligence
and Analytics
Center of Excellence

February 7, 2025



EXECUTIVE SUMMARY

Artificial intelligence (AI) represents a transformative opportunity for Arkansas to improve residents' quality of life, enhance government services, and drive economic growth, when done safely and correctly. Under Governor Sarah Huckabee Sanders' leadership, the Arkansas AI & Analytics Center of Excellence (AI CoE) has been established to guide the responsible adoption of AI with a focus on three core goals:

- **Protect Arkansans and Their Data** by ensuring AI systems are secure, ethical, and free from harm through robust data protection, transparency, accountability, and safeguards against misuse.
- **Improve Government Services** by leveraging AI to enhance efficiency and effectiveness through a secure AI infrastructure, integrated data and AI governance, and an AI-ready state workforce.
- **Prepare Arkansas for the AI Economy** by equipping residents with the skills needed to thrive through education and training programs aligned with evolving employer needs.

This initial report of the AI CoE outlines a preliminary foundation for the safe and effective use of AI in government service delivery and foundational steps for developing employer-aligned AI talent pipelines.

Over the next nine months, the AI CoE will implement pilot projects designed to inform and test the development of a robust AI governance foundation while delivering value on key state priorities.

Other planned activities include research and analysis to inform approaches for supporting AI literacy and skill development, stimulating AI-related economic development, and leveraging public-private partnerships. A final report delivered in September 2025 will outline a comprehensive strategy for Arkansas to maximize AI's benefits while maintaining strong protection for its residents.

RECOMMENDATIONS

The following recommendations outline actionable initial steps that the state can take to address immediate needs and set the stage for long-term success:

1. **Protect Sensitive Data:** Require the Data and Transparency Panel to establish clear policies for data classification, risk management, and use in government AI applications to safeguard sensitive data.
2. **Safeguard Against Criminal or Harmful AI Uses:** Enact legal protections against misuse of AI and develop protocols to detect and mitigate AI-driven threats to public safety and cybersecurity.
3. **Establish AI Governance:** Formally include AI governance within the responsibilities of the Data and Transparency Panel (DTP) and establish a Chief AI Officer (CAIO) position reporting to the Chief Data Officer and serving on the Data and Transparency Panel to coordinate AI strategy and governance.
4. **Establish Secure AI Infrastructure:** Deploy a secure, shared-service AI infrastructure and update state procurement policies to ensure that AI systems align with governance frameworks and safeguard citizen data.
5. **Develop an AI-Ready State Government Workforce:** Develop AI literacy and training resources for state employees to support evolving skill needs for effective use of AI in government service delivery.
6. **Build Employer-Aligned AI Talent Pipelines:** Leverage the Arkansas Workforce Strategy to develop education and workforce AI talent pipelines aligned with evolving employer needs.

Establishment and Goals of the AI Center of Excellence

The Arkansas AI & Analytics Center of Excellence (AI CoE) was established by Governor Sarah Huckabee Sanders to position Arkansas as a national leader in the responsible adoption of artificial intelligence. Its mission is to enhance resident quality of life, improve government services, and drive economic growth through the strategic use of AI, while also prioritizing safety, transparency, and trust.

The goals of the AI CoE are to:

- **Protect Arkansans and Their Data** by ensuring AI adoption is ethical, transparent, and secure.
- **Improve Government Services** through AI-driven efficiency, personalization, and streamlined operations.
- **Prepare Arkansas for the AI Economy** by fostering an AI-ready workforce and creating a supportive innovation ecosystem.

Purpose of This Initial Report

This initial report provides a roadmap for responsible AI adoption in Arkansas, focusing on actionable policy recommendations to support the state's strategic priorities. It serves as a foundation for policymakers, agency leaders, and stakeholders to align efforts and resources toward a shared vision for AI's transformative potential. The report also sets the stage for ongoing collaboration, ensuring Arkansas remains at the forefront of AI innovation while safeguarding residents and public trust.

Methodology

The strategies and recommendations in this report are result of the following methods:

- **Literature Review:** Examining national and global trends, emerging technologies, and governance frameworks to identify best practices for responsible AI adoption.
- **AI CoE and Data & Transparency Panel (DTP) Discussions:** Engaging state leaders and cross-sector experts in collaborative discussions to define Arkansas' AI vision and priorities.
- **Stakeholder Engagement:** Conducting interviews, working sessions, and electronic collaboration with agency leaders, educators, employers, and community stakeholders to ensure broad representation and relevance.
- **National Best Practices:** Leveraging insights from participation in national convenings and communities of practice focused on responsible AI use.
- **Strategy Mapping:** Developing a clear framework to align AI initiatives with Arkansas' strategic goals, ensuring focus and coherence across all efforts.

This methodology ensures the approach reflects both Arkansas' unique needs and the broader context of AI's evolving role in public service and economic development.

HOW AI CAN SUPPORT ARKANSAS PRIORITIES

By leveraging AI responsibly, Arkansas can drive meaningful improvements in key policy areas:

- **Boost Labor Force Participation:** AI-powered tools can identify workforce barriers, predict labor market trends, and connect Arkansans with tailored employment and training opportunities, strengthening the state's economy and individual economic security and mobility.
- **Reduce Recidivism:** AI can enhance rehabilitation and education programs, and support post-incarceration employment alignment, helping individuals reintegrate successfully into society.
- **Improve Maternal Health:** AI can identify high-risk pregnancies early by analyzing patterns in healthcare data, enabling timely, targeted, and life-saving interventions for mothers and babies.
- **Address Food Insecurity:** AI-driven tools can optimize outreach to underserved populations, streamline benefits processing, and provide personalized guidance and connection with resources.
- **Attract Employers:** Showcasing Arkansas' skilled, AI-ready workforce and innovation-friendly environment can attract businesses and industries seeking to leverage cutting-edge technologies.
- **Enhance Education Outcomes:** AI can support personalized learning pathways for students, addressing individual needs to boost engagement, achievement, and long-term success.
- **Prevent Fraud and Optimize Resources:** AI can reduce fraud and optimize processes in state programs ensuring efficient use of public resources.

ARKANSAS VISION AND GOALS FOR RESPONSIBLE AI ADOPTION

VISION

Arkansas leverages AI responsibly to improve residents' quality of life, enhance government services, and drive economic growth while protecting Arkansans and their data.

GOALS

Protect Arkansans and Their Data

Safeguard residents by ensuring that AI systems are ethical, secure, and free from harm.

- Establish secure, ethical AI systems that protect resident privacy and safety.
- Develop clear protocols for AI transparency and accountability.
- Implement strong safeguards against AI misuse and harm.

Improve Government Services

Leverage AI to enhance the efficiency, transparency, and effectiveness of state operations.

- Enhance citizen experiences and deliver more efficient and responsive government services.
- Reduce operational costs and improve resource allocation.
- Advance data-driven decision making across agencies.

Prepare Arkansas for the AI Economy

Equip Arkansans with the skills and resources needed to thrive in an AI-driven economy.

- Build a workforce ready for AI-enabled jobs.
- Develop a strong AI education and training ecosystem.
- Drive AI-related economic development across the state.

GUARDRAILS FOR SAFE AND RESPONSIBLE ADOPTION OF AI

Our approach to responsible AI adoption starts with establishing the following guardrails as enduring principles that will guide the safe and responsible adoption of AI in Arkansas. These principles ensure that progress aligns with Arkansas' values and the needs of its residents. They are designed to endure as AI technologies evolve, offering clear, consistent guidance for policymakers, agencies, and stakeholders.

1. **Prioritize Privacy** - AI systems must be designed and deployed in a manner that protects sensitive and regulated data, using robust privacy-enhancing technologies.
2. **Ensure Transparency in AI Interactions** - AI systems must disclose their use in interactions or decisions that directly affect individuals, ensuring clarity and trust in citizen-facing applications.
3. **Protect Sensitive Data in AI Systems** - Sensitive or regulated data must not be processed by AI systems that lack appropriate governance and security measures.
4. **Provide Explainable Decisions** - AI systems must provide clear and understandable reasoning for decisions, especially those directly impacting residents.
5. **Require Human Oversight for Critical Decisions** - Critical decisions made by AI systems must include human oversight to ensure fairness, safety, and accountability.
6. **Assess Accountability in AI Deployment** - AI systems must undergo assessments of their ethical, legal, and social implications before deployment in public services.
7. **Secure AI Infrastructure** - AI systems must operate within secure and reliable infrastructure to protect against vulnerabilities, ensure consistency, and support long-term reliability across state agencies.
8. **Ensure AI Readiness** - AI users must possess foundational knowledge and skills to ensure responsible and effective use.
9. **Prevent AI Misuse and Protect Residents** - AI systems must be designed and governed to protect residents from harm, prevent misuse, and enforce accountability for ethical violations.

INTEGRATED DATA AND AI GOVERNANCE

The first step towards implementation of the guardrails is the establishment of AI governance. Due to the highly interrelated nature of data and AI, we recommend establishing an integrated data and AI governance framework. By aligning AI and data governance policies and controls, Arkansas can enable faster realization of the benefits of AI while maintaining data quality and security, avoiding duplicative efforts, and maintaining appropriate oversight.

Arkansas has an existing statewide data governance body in the Data and Transparency Panel (DTP), which has been in operation for seven years and has representation from all executive departments, the Arkansas Supreme Court, the House, the Senate, and the Governor's Office. The DTP already has statutory responsibility for data governance, which can be expanded upon to establish clear policies for data classification, risk management, and use in government AI applications. The DTP should also work with the Office of State Procurement to ensure that state procurement of AI adheres to AI governance policies.

Establishing a Chief AI Officer (CAIO) under the Chief Data Officer (CDO) would provide support for implementing and supporting AI governance. The Chief AI Officer should be added to the membership of the Data and Transparency Panel to lead AI governance efforts and support responsible AI adoption and use.

SECURE AND EFFICIENT AI INFRASTRUCTURE

While strong governance provides the framework for responsible AI adoption, successful implementation requires secure, high-quality data and robust technical infrastructure. Arkansas' investment in the state-managed Data Hub provides this foundation through a centralized, shared service platform that ensures data quality and accessibility while maintaining rigorous governance and security controls. The data hub has been in operation since 2021 and currently supports cross-agency data sharing, integration, analysis, and use across numerous state departments, including existing AI and machine learning deployments.

This shared service approach delivers significant efficiency benefits compared to agency-by-agency solutions. By maintaining full state control over physical, network, and application layers, Arkansas can better protect sensitive data and rapidly deploy new AI capabilities with appropriate safeguards. The existing platform can be extended to support new use cases while leveraging established security protocols and governance frameworks, maximizing return on investment and positioning Arkansas for continued expansion of AI capabilities.

For AI use cases not well suited to the Data Hub environment, the NIST AI Risk Management Framework provides a structured approach for evaluating exceptions while ensuring appropriate security and governance controls.

AI CAPACITY BUILDING

Arkansas recognizes that successful adoption of AI relies not just on technology but on the people and processes that support it. Our approach to AI readiness focuses on building awareness, literacy, and skills across the state's workforce, education system, and government agencies.

State Workforce AI Literacy

We recommend supporting an AI-ready state workforce through a role-based AI literacy framework:

- **Foundational AI Literacy:** Equip individuals with a basic understanding of AI concepts, capabilities, limitations, and implications, ensuring informed interactions with AI technologies.
- **Executive AI Literacy:** Equip decision-makers with a strategic understanding of AI's potential, risks, and policy implications to support responsible implementation and effective use.
- **Professional AI Upskilling:** Deliver role-specific training for employees whose work will be enhanced by AI tools, focusing on practical applications in their field.
- **Technical AI Literacy:** Empower technical staff with the skills needed to build, deploy, and govern AI systems, ensuring secure and effective implementation.

AI Talent Pipelines

We recommend leveraging the [Arkansas Workforce Strategy](#) to develop AI education and training programs aligned with industry needs. These employer-informed initiatives will connect Arkansans to AI training opportunities and support skills-based hiring, driving economic mobility and competitiveness.

Learning Through AI Pilot Projects

Pilot initiatives in fraud prevention, workforce alignment, and recidivism reduction will offer practical learning opportunities while delivering measurable value. These pilots will enable state employees to gain hands-on AI experience while refining governance approaches and implementation practices that can be scaled for broader adoption.

Innovation Partnerships

Collaboration with private sector, nonprofit, and academic institutions can enhance Arkansas' AI capabilities while creating shared learning opportunities to foster AI education, research, and economic development.

NEXT STEPS

The recommendations outlined in this report will establish the foundation needed for safe, incremental adoption of AI through targeted pilots in safe environments that will be used to inform the development of more robust AI governance, strategy, and policy. Over the next nine months, the planned activities of the AI CoE include:

- Providing AI briefings as beneficial to inform and support AI policy development
- Developing an integrated data and AI governance framework in partnership with the DTP
- Creating an inventory of current and planned AI usage across state government
- Launching pilot projects in fraud prevention and recidivism reduction
- Establishing AI governance as needed for LAUNCH and the Government Services Portal
- Leveraging the Arkansas Workforce Strategy to support employer-aligned AI talent pipelines
- Planning broader AI solution evaluation and procurement processes
- Delivering a comprehensive report in September 2025

This phased approach allows Arkansas to move forward deliberately while maintaining flexibility to incorporate learnings and adjust to emerging opportunities. Regular updates will be provided to stakeholders as initiatives progress, with detailed findings and recommendations to be presented in September's comprehensive report.

CONCLUSION

Arkansas is at a pivotal moment in embracing the opportunities presented by artificial intelligence. By focusing on governance, infrastructure, and workforce readiness, the state can build a responsible and sustainable AI ecosystem that delivers real value. The actions outlined in this report will empower Arkansas to harness AI's transformative potential to improve government efficiency, enhance residents' quality of life, and drive economic growth, all while ensuring the protection of Arkansans and their data.

Arkansas Artificial Intelligence and Analytics Center of Excellence

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