

# AI in Arkansas

## Government Effectiveness

AI & Analytics Center of Excellence

September 2025



Faster, Leaner, More Citizen-Friendly

## Summary

The Arkansas Artificial Intelligence (AI) & Analytics Center of Excellence (AI CoE) was established by Governor Sarah Huckabee Sanders to study and offer recommendations for the safe use of artificial intelligence within Arkansas state government.

AI can be used to deliver a government that is faster, leaner, and more citizen friendly.

The objective is not to be the first to deploy, but the first to do it right: intentional, interoperable, and at scale.

Arkansas is aligning its enterprise data foundation, governance structures, and departmental missions to capture the full benefits of AI such as productivity gains for state employees, operational savings, strengthened program integrity, and seamless digital services for citizens. This approach is consistent with the White House AI Executive Order and the Office of Management and Budget (OMB) guidance, which call for intentional, enterprise-wide AI adoption tied to mission outcomes.

### **Key Recommendations**

- Workforce Productivity
  - Deploy secure AI productivity assistants to reduce repetitive work, enhance decision support, and enable state employees to focus on higher-value activities.
- Operational Efficiencies
  - Apply AI to fleet, procurement, and facilities management to reduce costs and modernize operations.
  - Use predictive analytics for smarter resource allocation and contract oversight.
- Program Integrity
  - Integrate anomaly detection to reduce fraud and error rates in Medicaid, Supplemental Nutrition Assistance Program (SNAP), Unemployment Insurance (UI), and tax returns.
- Digital Government Services
  - Launch an AI-enabled Government Services Portal as a digital front door for citizens.

## Workforce Productivity

Government employees are the backbone of service delivery. Yet, they are often burdened by repetitive tasks that reduce the time available for critical work. Artificial Intelligence provides an opportunity to relieve employees of administrative overhead so they can focus on higher-value activities. Workforce productivity is therefore one of the most immediate and impactful applications of AI.

### **AI Productivity Assistants**

AI productivity assistants, deployed securely within state systems, can help staff draft correspondence, summarize case files, generate reports, and automate routine data entry.

### **Caseworker Decision Support**

Caseworkers across programs like human services, corrections, and workforce development handle complex cases that require timely, informed decisions. With proper policies and infrastructure in place to ensure security, privacy, and compliance, AI-enabled decision support tools can help support caseworkers by providing quick summaries of case histories, allowing for quick access to policies and procedures, and flagging potential risks, inconsistencies, or relevant supports. These tools will not replace human judgment but instead serve as copilots increasing accuracy and efficiency, allowing staff to spend more time serving residents.

By embedding AI tools into the daily workflows of government employees, Arkansas could dramatically improve productivity and job satisfaction. This investment in people and data-driven decision-making can help ensure that Arkansas delivers on its commitment to a government that is faster, leaner, and more citizen-friendly.

## Operational Efficiencies and Process Automation

Operational efficiency and process automation are some of the largest opportunities for AI, as it can streamline resource management, optimize state assets, and identify cost-avoidance opportunities at scale. By targeting areas such as fleet, procurement, and real estate, Arkansas can realize significant savings while modernizing government operations.

### **Fleet Optimization**

The state operates a large fleet of vehicles across multiple agencies. AI tools could support fleet optimization efforts by:

- Analyzing usage patterns to identify underutilized vehicles.
- Optimizing routing and scheduling to reduce fuel and maintenance costs.
- Supporting predictive maintenance to prevent breakdowns and extend asset life.

## **Procurement Analytics**

State procurement accounts for billions in annual expenditures. AI-driven procurement analytics could help:

- Identify opportunities for bulk purchasing and contract consolidation.
- Detect irregularities in vendor billing or pricing.
- Support smarter, faster procurement decisions that reduce costs and increase transparency.

## **Facilities & Real Estate Management**

The state is evaluating its real estate footprint in an effort to streamline productivity, improve building utilization, and create long-term savings. AI could help these efforts by:

- Analyzing building utilization to identify opportunities for consolidation.
- Supporting predictive maintenance to reduce repair costs and downtime.
- Enabling data-driven decisions on where to invest, repurpose, or divest real estate.

Operational efficiencies powered by AI could allow Arkansas to save millions of taxpayer dollars while delivering better outcomes. From fleet to procurement to facilities, these tools can enable a smaller, smarter government that maximizes the value of public resources while fueling reinvestment into innovation and improving citizen services.

## **Program Integrity**

Leveraging AI for program integrity offers one of the most effective strategies for cost reduction, allowing the state to detect fraud, minimize errors, and protect taxpayer resources at a scale that is not practical with human review alone. By applying AI to areas like Medicaid, SNAP, and UI, Arkansas can significantly reduce waste while protecting benefits for those who truly need them.

### **Medicaid Program Integrity**

Medicaid is one of the state's largest expenditures, and even small error rates can lead to significant costs. AI solutions could help improve Medicaid program integrity by:

- Detecting anomalies in claims data to identify potential fraud or improper payments.
- Flagging high-risk providers or billing patterns for additional review.
- Supporting more targeted audits while reducing administrative burden.

### **SNAP Error Reduction**

Recent federal legislation requires states with a SNAP payment error rate of 6% or higher to pay a share of SNAP benefit costs ranging from 5% to 15% beginning in federal fiscal year 2028. Arkansas' SNAP error rate in federal fiscal year 2024 was 9.56%, which could represent significant costs for Arkansas if not lowered. AI could help reduce SNAP payment error rates by:

- Validating eligibility documentation more efficiently.
- Detecting inconsistencies across applications.
- Providing caseworkers with support to reduce manual errors.

### **UI Fraud Detection**

UI programs are particularly vulnerable to fraud, especially during periods of high claims volume. AI tools could help reduce improper payments by:

- Cross-checking applications against additional trusted data sources with more accurate and automated matching to reduce improper payments allowing for more dedicated time to claim adjudication.
- Detecting suspicious patterns such as duplicate claims, State Unemployment Tax dumping, or synthetic employers.
- Provide real-time alerts to prevent fraudulent payments before they occur.

### **Broader Applications**

AI-based program integrity approaches can also be extended to other benefit programs, further reducing misuse and ensuring funds are directed to their intended recipients. These tools do not replace human oversight but enhance it, by accelerating claims processing and increasing the number of claims that can be adjudicated.

## **Digital Government Services**

Citizens often face difficulty interacting with government services. Too often, services are fragmented across multiple portals, require paper processing, and in-person office visits. Artificial Intelligence provides an opportunity to create seamless, user-friendly digital services that save time for citizens and reduce the administrative burden for staff.

### **Government Services Portal**

The Arkansas Department of Finance and Administration has the most resident interactions and aspires to deliver a customer service experience comparable to top-tier consumer banking. Arkansas is well-positioned to advance this vision by building on its strong digital foundation, which includes statewide digital identity management, a digital driver's license, and the Arkansas Data Hub for connection to state systems.

An AI-enabled Government Services Portal could serve as Arkansas' digital front door, allowing citizens to access all services through a single interface and improving resident experience by:

- Providing personalized navigation based on user profiles and needs.
- Offering conversational assistance that guides users through forms and processes.

- Integrating with back-end systems to reduce duplicate data entry and save time for both residents and state employees.

Digital government services can be the most visible demonstration of AI's value to citizens. By launching an AI-enabled Government Services Portal, Arkansas can transform the way citizens experience government, delivering on the promise of a faster, leaner, and more citizen-friendly state.

## Closing

By applying AI to improve workforce productivity, optimize operations, strengthen program integrity, and modernize delivery of government services, we can transform the daily operations of government, making it faster, leaner, and more citizen friendly. In doing so, Arkansas advances the priorities outlined in America's AI Action Plan, positioning the state as a national model for responsible, enterprise-scale AI adoption.

These effectiveness initiatives are part of a broader statewide approach. Arkansas' Safety, Security & Trust report establishes the guardrails that ensure adoption is safe as well as effective.