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SOUTH CAROLINA
DEPARTMENT of ADMINISTRATION

# Responsible AI in State Government

Better service. Strong safeguards. Human accountability.

**A briefing for the South Carolina Senate**

**PROTECT**
Citizen data, privacy and trust

**PROMOTE**
Meaningful public service

**PURSUE**
Knowledge, training and skills


PRESENTERS

**Nathan Hogue**
State Chief Information Officer

**Ben Willis**
State Chief Information Security Officer

# From strategy to governed adoption.

Legislative direction, statewide coordination and practical applications — 2024 to 2026.

2024 2025 2026

## 2024 | FOUNDATION

### Statewide AI strategy

**Published June 2024**

Established the state's Protect, Promote and Pursue framework for secure, beneficial adoption.

**AI SECURITY + PRIVACY**
2024 | Safeguard principles set

## 2025 | GOVERNANCE + SERVICE

| | |
|---|---|
| **LEADERSHIP** | State AI Director hired. |
| **AI CENTER OF EXCELLENCE** | Agency meetings and coordinated intake reviews begin. |
| **VIRTUAL ASSISTANT** | State Agency Virtual Assistant goes live. |
| **PROVISO 117.214** | First AI appropriations proviso requires CoE coordination. |

**AI SECURITY + PRIVACY**
2025 | Intake and Admin controls developed

## 2026 | OVERSIGHT EVOLVES

**WINTER 2026**

### Enterprise AI pilots

ChatGPT Enterprise and Microsoft 365 Copilot tested in governed settings.

**FY 2026–27 | AMENDED**

### PROVISO 117.194

CoE coordination continues; qualifying higher-ed uses report monthly.

**AI SECURITY + PRIVACY**
2026 | Applied in Admin environment

**THE THROUGHLINE | Mission need + Privacy & security review + Human accountability + Legislative oversight**

# Protect. Promote. Pursue.

The three cornerstones work together; none substitutes for the others.

## PROTECT

### Make safe use possible.

Protect citizens' rights, privacy, data and systems through governance and risk management.

## PROMOTE

### Put useful AI to work.

Identify and operationalize applications that benefit citizens and the state workforce.

## PURSUE

### Build the ability to use it well.

Advance AI literacy, awareness, training and educational opportunities for state agencies.

**Guiding principles**

**Safely and securely | Fairly and objectively | Ethically | Transparently | Beneficially**

# Similar technology. A different operating model.

Beyond viral images and open-ended chats: government use needs a defined purpose, controls and accountability.

| The Test | Pop-culture / casual-use lens | Responsible state-use lens |
|---|---|---|
| **Purpose** | What can this tool create? | What citizen or agency problem will it solve? |
| **Information** | An open-ended prompt or upload | A defined task and approved, necessary data |
| **Output** | An answer that looks convincing | Evidence, review and an accountable owner |
| **Success** | Novelty, speed or engagement | Better service, quality and value—with risk controlled |

# AI is a capability in software—not an authority.

Artificial intelligence (AI) uses models and data to recognize patterns, make recommendations and generate content.

RECOGNIZE

## Find and organize information

Read a document, identify a missing field or group similar information.

PREDICT

## Surface patterns for review

Identify an unusual transaction or a potential technology problem.

GENERATE

## Create a draft response

Summarize a policy, draft text or produce code, images or audio.

**Generative AI is one type of AI. A fluent answer can still be wrong.**

# AI reaches agencies through several delivery models.

Review the actual feature, data flow and business use—whether it is new software or an add-on.

| | | |
|---|---|---|
| 01 | **Enterprise assistants** | **Drafting, research, summaries and knowledge work**<br>ChatGPT Enterprise and Microsoft 365 Copilot pilots |
| 02 | **Shared-service assistants** | **Common capabilities tailored to an agency's information**<br>State Agency Virtual Assistant and agency-facing digital assistants |
| 03 | **Specialized applications** | **AI embedded in a specific mission workflow**<br>Licensing document review and permit preparation |

**A familiar software product can add AI. That new capability still needs review.**

# AI review starts with Admin's IT planning process.

The AI Center of Excellence coordinates evaluation of the use case, not just the product.

**~250** AI use cases evaluated

**49** agencies and institutions represented

2026 executive update: reported counts, not percentages of all statewide use cases or agencies.

### 1 | AGENCY SUBMISSION

**IT plan intake**

Submit the business need, proposed AI use, data and cost through ITPS.

### 2 | AI COE-COORDINATED REVIEW

| | |
|---|---|
| **Operational need** | Value, cost and fit |
| **Security** | Data, access and risk |
| **Privacy** | Data use and handling |

### 3 | OUTCOME + TRACKING

**Decision + tracking**

Document the outcome and conditions; track status and agency results.

ITPS = Information Technology Planning System. Review does not mean blanket approval or deployment.

COUNTS: 2026 executive update [S3, pp. 1-2]. INTAKE: AI Strategy [S1, pp. 11, 13]; AI CoE [S2]; inventory [S5]; IT Planning [S8].

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# Approve the use case—not just the tool.

A practical view of the statewide review approach and the decisions that should follow.

**DEFINE**
**Problem, owner and baseline**

**REVIEW**
**Data, privacy, security and cost**

**TEST**
**Limited pilot; quality and value**

**DECIDE**
**Expand, revise or stop**

**MONITOR**
**Outcomes, risk and changes**

## Agency leadership

Owns the business need, authorized use and service outcome.

## AI Center of Excellence

Coordinates inventory and cross-functional review.

## Privacy, security, governance

Evaluate data handling, risk, compliance and financial impact.

# Security protects access. Privacy governs use.

Both must be designed into the specific service and verified before sensitive information is used.

SECURE

## Who can get to it?

**Controlled access**
Approved accounts and permissions

**Protected environment**
Encryption, logging and monitoring

**Limited capabilities**
Only necessary connections and actions

PRIVATE

## What may be done with it?

**Minimum necessary data**
Use only what the approved task requires

**Clear provider terms**
Verify retention, reuse, training and sharing

**Controlled records**
Handle outputs under agency records rules

**An enterprise license is not blanket approval to upload citizen records.**

# Statewide Security Services

Shared capabilities to protect state agencies, essential services and citizen data.

## Policies, Standards & Guidance

Set statewide requirements and practical security guidance.

## Audits, Assessments & Risk Reporting

Assess controls, identify gaps and report agency cyber risk.

## Security Operations & Monitoring

Monitor security events and investigate suspicious activity.

## Cyber Incident Response

Coordinate investigations and containment with agencies.

## Shared Security Technologies

Provide shared security tools and engineering support.

## Agency Consulting & Program Support

Support agency security program development.

**Value:** Centralized defenses and expert support for state government agencies.

# Assessing AI Cyber Risk

Support agencies by assessing every use case for cyber risk through the AI COE.

### Public Data Research

Gather and assess publicly available risk information.

### Agency Meetings

COE meets with agency representatives to explore possible risk factors.

### Vendor Meetings

COE meets with solution vendor when needed to investigate architecture and controls.

### Reusable Risk Insights

Risk insights can be reused for assessments for multiple agencies.

### Collaborative Assessment of Risk

Input from all COE areas (including security, privacy and operations) is included in risk evaluations.

### Agency Empowerment

Centralized AI risk expertise and experience inform and enable agency decision making.

**Focus:** Centralized risk assessment, collaborative process, agency enablement.

# Enterprise AI Adoption vs. Adversarial AI

The same technology creates very different risk depending on intent, controls and accountability.

STATE WORKFORCE

## Enterprise AI Adoption

| | |
|---|---|
| PURPOSE | Improve public services, productivity and decision support. |
| ACCESS | Approved platforms, managed identities and least-privilege permissions. |
| DATA | Classified, governed and limited to the minimum necessary for the task. |
| STRATEGY | Strong standards, human oversight, monitoring, policy enforcement and incident readiness. |

THREAT ACTORS

## Adversarial AI

| | |
|---|---|
| PURPOSE | Gain access, steal information, disrupt services and monetize compromise. |
| ACCESS | Credential theft, exploitation and persistence to expand unauthorized access. |
| DATA | Discover, aggregate, weaponize and exfiltrate valuable information. |
| STRATEGY | Automation optimized for speed, scale, persistence and evasion. |

**Mission:** Enable trusted AI adoption while defending against AI-enabled threats.

# Adversarial AI Use

AI is compressing the time, cost and expertise required to attack.

SPEED

## Faster attacks

Automated reconnaissance, phishing and code iteration compress the attack cycle.

COST & SKILL

## Lower barriers

Less manual effort and less specialist expertise for many attack tasks.

VULNERABILITIES

## Faster discovery

AI scales vulnerability discovery and exploit development, leaving less time to remediate.

### Under 24 hours

MICROSOFT DIGITAL DEFENSE REPORT | 2026

Median time from vulnerability discovery in the wild to weaponization has fallen to well below 24 hours.

### Dozens in parallel

ANTHROPIC THREAT INTELLIGENCE | SEP 2026

Individual operators handled dozens of victims in parallel; observed breaches were completed in two to three hours.

**Implication:** AI increases attack speed and scale—reducing time to detect, remediate and contain.

# From safeguards to real-world service.

Selected agency examples show how Protect, Promote and Pursue work together.

PROTECT

## Protect public trust

Review security, privacy and operational risk. Keep people accountable for decisions.

PROMOTE

## Solve real problems

Improve hatchery work, citizen access, licensing and permitting with measurable results.

PURSUE

## Build human capability

Train staff to interpret outputs, verify quality and recognize when AI is not ready.

THE CASES AHEAD

**DNR STRIPE • State Agency Virtual Assistant • LLR licensing • DES permitting • DPS pilot**

**Responsible adoption means testing value, maintaining human judgment, and being willing to pause.**

# STRIPE: AI for better hatchery timing.

Department of Natural Resources | Striped bass is South Carolina's state fish.

## Striped bass Time-based Reproductive Intelligence Prediction Engine

Uses egg images to predict ovulation timing and support hatchery staff.

**5-6 million** fish per year
DNR's annual stocking responsibility

**01 | STAFF CAPTURE**
Staff capture and select egg images.

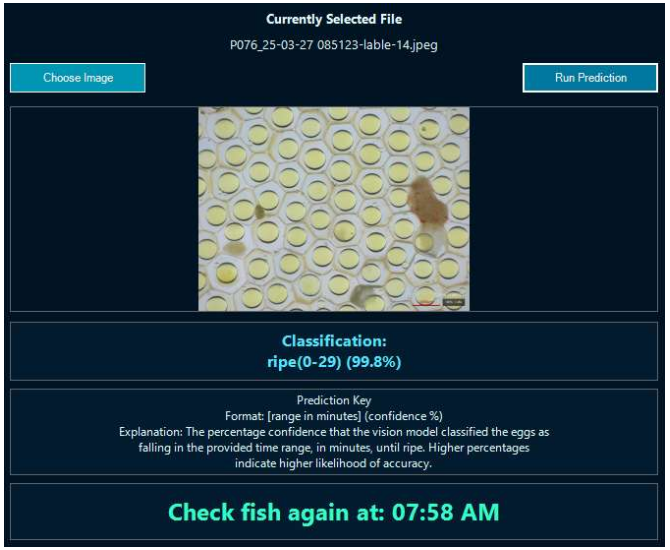
**02 | AI ANALYSIS**
AI predicts an egg-maturity time range.

**03 | STAFF DECIDE**
Staff check fish and make the decisions.

**NOT YET LIVE | Planned production: spring 2027 spawning season**

**Staff do most of the work. AI supports timing decisions.**

### STRIPE APPLICATION EXAMPLE




99.8% is confidence for this example, not the system's measured accuracy.

# State Agency Virtual Assistant: the usage pattern since launch.

SC.GOV resident assistant | A spring 2026 peak, followed by continued use into fall.

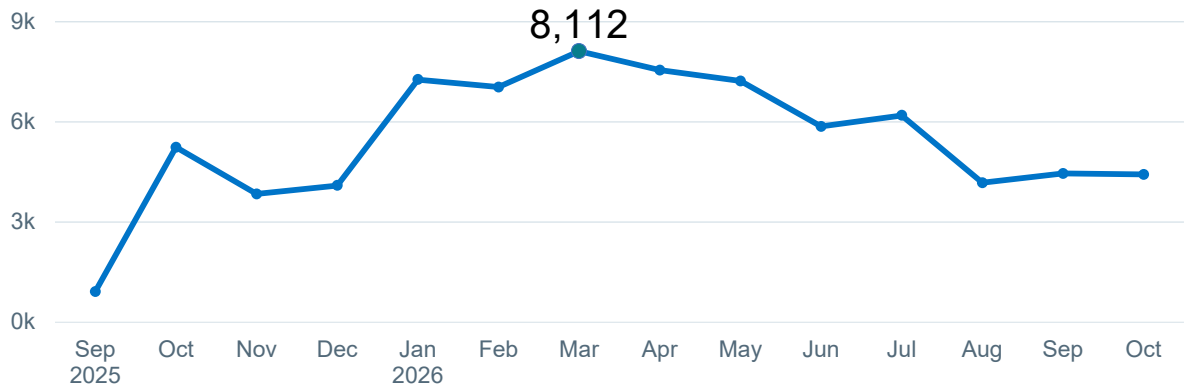
**94,282** **production interaction records**

Oct. 22, 2024–Oct. 29, 2026

**ALL AVAILABLE PRODUCTION HISTORY**

Separate from monthly question totals below

**MONTHLY QUESTIONS | SEP. 2025–OCT. 2026**




**March peak: 8,112 questions. Aug.–Oct.: 4,175–4,456 per month.**

**FY26 | SEP. 2025–JUN. 2026**

**57,144** questions

**FY27 TO DATE | JUL.–OCT. 2026**

**19,248** questions

**POSITIVE SHARE OF SUBMITTED FEEDBACK**

**69.6% → 73.2%**

FY26 reported period → FY27 to date

# At 8:03 p.m., a daughter found a path to help.

Story 4 | Elder care | A daughter 2,400 miles away sought help for her 86-year-old father.

THE RESIDENT'S NEED

## "Are there any government agencies that can assist in this situation?"

Her father lived alone and could no longer cook for himself. She could not be there in person.

### 01 Identify support

State Agency Virtual Assistant outlined meal delivery, homemaker services, transportation and caregiver support.

### 02 Find local contacts

It narrowed the options to regional aging agencies serving Lee, Darlington and Florence counties.

### 03 Prepare for the next call

The daughter said she would contact the agencies during business hours and gather more details.

**"Thank you! I will check with these facilities tomorrow during business hours to see which direction to go."**

# AI-supported modernization can mean less waiting.

Department of Labor, Licensing and Regulation | Nursing Board results reported in July 2026

## AVERAGE ELAPSED APPLICATION PROCESSING TIME




Reported remaining cycle: Three staff-processing days and six customer-remediation days.

**68%**

**shorter elapsed processing time**

No change in day-to-day application-processing staffing reported.

**Measure the full-service process — not just how fast an AI task runs.**

# Faster preparation. Engineering judgment stays.

Department of Environmental Services | PermitPro for lower-complexity wastewater permit renewals

SCDES

| Task | Before | With AI support |
|---|---|---|
| **Application review** | 2-3 hours | ~8 minutes |
| **Limit extraction** | 50-75 hours | 15-20 minutes |
| **Permit drafting** | 15-25 hours | 10-15 minutes |

**~66-102**

**hours**

**saved per qualifying permit workflow**

When all three reported task baselines apply

**Staff retain professional engineering judgment and confirm discretionary decisions.**

# Responsible governance can mean saying “not yet.”

Department of Public Safety | Body-worn camera pilot

POTENTIAL ANNUAL DEPLOYMENT COMMITMENT NOT MADE

**$408,000–$432,000**

01

## Potential benefit

The pilot showed useful operational possibilities.

02

## Unresolved concerns

Transcription accuracy and workflow fit were not sufficient.

03

## Disciplined decision

Broader deployment was not justified at that time.

NEXT PHASE

PROTECT PROMOTE PURSUE

# Scale what works. Strengthen what protects.

The next step is disciplined expansion—not blanket permission for every use.

### ESTABLISHED / REPORTED

01 **Published statewide strategy**

02 CoE and centralized use-case review

03 Shared-service assistant model

04 Completed enterprise pilots

### IN DEVELOPMENT / NEXT FOCUS

01 Statewide AI security standard and agency guidance

02 Consistent efficiency and quality measures

03 Stronger data and permissions readiness

04 Training and selective expansion of proven uses

FOR SENATE DISCUSSION

**Common safeguards. Evidence-based investment. Clear agency accountability.**