



**County of Santa Cruz Board of Supervisors
Agenda Item Submittal**

From: County Administrative Office
(831) 454-2100

Subject: County Policy for Employee Use of Artificial Intelligence Systems

Meeting Date: September 19, 2023

Recommended Actions:

- 1) Accept and file status report on development of an artificial intelligence appropriate use policy for County employees;
- 2) Approve the attached County of Santa Cruz Artificial Intelligence Appropriate Use Policy governing the use of artificial intelligence systems by County employees, and direct the Clerk of the Board to add the policy to the Policy and Procedures Manual;
- 3) Authorize the County Administrative Officer to further develop and implement iterative updates to County of Santa Cruz Artificial Intelligence Appropriate Use Policy that are in alignment with the framework and principles approved by the Board, as reflected in the attached policy and direct the Clerk of the Board to amend the policy in the Policy and Procedures Manual as necessary; and
- 4) Direct the County Administrative Office and Information Services Department to return on or before March 26, 2024, with an update on the Artificial Intelligence Appropriate Use Policy for County Employees, to include advancements in iterative policy development and implementation, artificial intelligence training programs, and statistical data regarding usage by County employees.

Executive Summary

On June 13, 2023, the Board of Supervisors directed the County Administrative Office (CAO) to create and implement an adaptable policy for the responsible and ethical use of artificial intelligence (AI) systems by County employees that will address issues such as data privacy, cybersecurity, bias, and transparency, and return in September with a report on these efforts. This report provides an update on the development of an AI appropriate use policy for County employees, designed to guide staff in the responsible and secure utilization of generative AI tools, recommends approval of County of Santa Cruz Artificial Intelligence Appropriate Use Policy, and recommends authorizing the County Administrative Officer to further develop and implement iterative updates to the recommended policy, with direction to return in March 2024 with an update.

Background

In December 2022, Open AI, an American AI company, launched a free version of ChatGPT, a new AI “chatbot.” A chatbot is a software application that attempts to mimic human conversation through text or voice. ChatGPT immediately stood out as a

powerful application capable of providing detailed, coherent responses to complex questions across a wide variety of subjects. In the months since the release of ChatGPT, a large number of technology companies have released their own artificial intelligence products as the burgeoning field continues to grow.

Given the rapid developments and the potent capabilities of AI, there is an urgent need for a structured policy framework. Previous discussions around the use of AI in government, business, education and healthcare have taken on increased importance as the public and government employees now have access to powerful AI tools.

AI Policy Committee

On June 13, 2023, the Board of Supervisors directed the CAO to create an adaptable policy with a proposed set of guidelines for the responsible and ethical use of AI systems by County employees that will address issues such as data privacy, cybersecurity, bias, and transparency, and return in September with a report on these efforts. In response to this direction, the CAO formed the ad-hoc AI Policy Committee (AIPC), which has developed a first iteration AI policy, launched an AI Early Adopters Users Work Group, taken steps to implement trainings for County staff, and begun consideration of how to manage rapid integration of AI features within software products the County purchases.

Since receiving the Board's direction in June, the AIPC was formed and is currently comprised of representatives from the Information Services Department (ISD), County Counsel, Personnel, and the County Administrative Office. The AIPC began its work by presenting to County department heads an intention to take a cautiously optimistic stance on developing AI policy, considering both the opportunities and risks posed by this new technology. The AIPC consulted with other jurisdictions and interested organizations from the technology sector to solicit ideas for an initial AI policy. Additionally, ISD developed a dashboard to quantify staff usage trends of ChatGPT, a leading AI tool. In August, the AIPC began discussions on development of procurement criteria, training programs and convened an AI Early Adopters Workgroup.

AI Early Adopters Workgroup

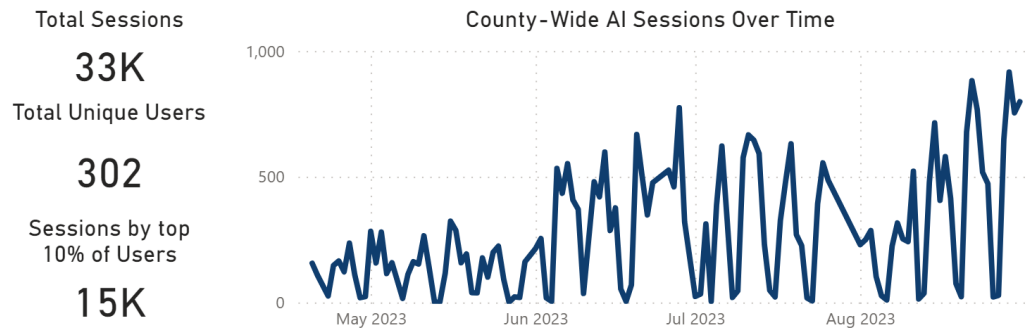
The AI Early Adopters Workgroup was convened to encourage dialogue and shared learning of use cases across disciplines. Facilitated by ISD staff, and comprised of 12 employees from six departments, members of the workgroup represent a cross section of expertise within the County, and all are volunteers who have an interest in how we can utilize these technologies to improve services to our residents. The workgroup has served as a learning circle for use of AI and sounding board for development of the appropriate use policy. Staff are sharing their use cases, results of their efforts, and have provided important feedback to further develop the AI policy.

AI Usage by County Staff

ISD has developed and is maintaining a dashboard to monitor trends in AI usage by County staff. Currently, the dashboard counts visits to the Open AI ChatGPT and Google Bard sites and is counting sessions by department. The content of the sessions is not being tracked. Since tracking began in May of 2023, staff have engaged in over 33,000 sessions using these two AI tools. While use of these tools is slowly gaining momentum, nearly half of all AI sessions have been initiated by only 10% of the 302

total users (see Figure 1).

Figure 1



State Level Policy Developments

As County staff continue to work on iterative policy development, the policy landscape is concurrently developing rapidly. On September 6, 2023, California Governor Gavin Newsom issued an [Executive Order](#) to study the development, use, and risks of AI technology throughout the state and to develop a deliberate and responsible process for evaluation and deployment of AI within state government. The Executive Order includes, but is not limited to, provisions that direct state agencies to prepare AI risk analysis and beneficial uses reports, develop procurement guidelines, conduct ongoing impact analysis, and provide state employee trainings.

Analysis

AI Appropriate Use Policy

The rapid evolution of AI tools prompted the Board to give direction that the County Administrative Officer and/or designees create a policy that meets general objectives but also provides flexibility to evolve as the capabilities of AI continue to evolve. The Board's direction on June 13, 2023, was to create an AI policy that is meant to be flexible and adapt as uses evolve and advance over time. Directing the CAO and/or designees to treat AI policy as iterative acknowledges that the pace of policy updates may be more frequent than other County policies and may need to iterate at a pace that makes regular Board adoption run counter to the policy goals. To this end, the AIPC, under CAO direction, has created and is prepared to implement an initial AI policy and seeks the Board's authority for the CAO to further develop and implement iterative AI policy updates that are in alignment with the framework and principles reflected in the proposed policy. If approved, any proposed AI policy changes that veer from the framework and principles approved in this policy will return to the Board for approval.

As some jurisdictions, such as the cities of Boston and San Jose, have moved quickly to implement AI policies, the AIPC has reviewed these policies and sought to incorporate helpful elements into the County policy. Additionally, the AIPC met with local technology industry community members and the City of San Jose IT Chief Information Officer to gain insights on what a well-structured policy, based on what is known at this time, would be beneficial to contain and approaches to employee training, pilots, and data collection related to usage.

The attached County of Santa Cruz Artificial Intelligence (AI) Appropriate Use Policy for County Employees was developed by the AIPC and reviewed by the members of the AI Early Adopters Work Group, and additional staff with legal, personnel, and network security subject matter expertise to enhance services while maintaining data privacy and security. The policy is designed for brevity and ease of understanding and compliance, while also broadly covering aspects of AI necessary for staff to consider. The policy emphasizes security, fairness, transparency, and continual learning in the use of rapidly evolving AI technologies and outlines principles and protocols for the responsible and ethical use of generative AI tools by County employees, contractors, and third parties. The attached policy includes a framework of basic definitions, principles for responsible use, prohibited uses, and guidance on usage. The expectation is that the policy will go through regular reviews and iterative updates to stay current with technological and ethical developments based on the underlying framework. Principles for Responsible Generative AI Tools Use include:

- *Data Privacy and Security:* Comply with all data privacy and security standards to protect Personally Identifiable Information (PII), Protected Health Information (PHI), or any sensitive data in generative AI prompts. Treat AI prompts as if they were publicly visible online to anyone and treat AI prompts, data inputs, and outputs as if they are subject to the Freedom of Information Act and Public Records Act.
- *Informed Consent:* Members of the public should be informed when they are interacting with an AI tool and have an “opt out” alternative to using AI tools available.
- *Responsible Use:* AI tools and systems shall only be used in an ethical manner.
- *Continuous Learning:* When County provided AI training becomes available, employees should participate to ensure appropriate use of AI, data handling, and adherence to County policies on a continuing basis.
- *Avoiding Bias:* AI tools can create biased outputs. When using AI tools, develop AI usage practices that minimize bias and regularly review outputs to ensure fairness and accuracy, as you do for all content.
- *Decision Making:* Do not use AI tools to make impactful decisions. Be conscientious about how AI tools are used to inform decision making processes.
- *Accuracy:* AI tools can generate inaccurate and false information. Take time to review and verify AI-generated content to ensure quality, accuracy, and compliance with County guidelines and policies.
- *Transparency:* The use of AI systems should be explainable to those who use and are affected by their use. To ensure transparency when using this rapidly evolving technology, indicate when Generative AI contributed substantially to the development of a work product.
- *Accountability:* Employees are solely responsible for ensuring the quality,

accuracy, and regulatory compliance of all AI generated content utilized in the scope of employment. The County will regularly monitor and evaluate approved AI products to ensure they are meeting security and risk management criteria.

Six Month Workplan

The AIPC is planning an official release of the policy in October, following opportunities to introduce it to labor partners, Department Heads, and staff. Over the next six months, the AIPC will continue to collect stakeholder feedback, AI usage data, convene the AI Early Adopters Workgroup, iteratively update and further develop the AI policy at the administrative level, and collaborate with other jurisdictions and interested community partners to further collective learning.

In addition to building upon earlier actions, new activities for the committee include:

- 1) The need to develop procurement guidance for vetting and selecting AI systems.
- 2) Identification of existing and future County software systems that embed AI technologies and take necessary steps to understand how AI related risks are addressed by vendors.
- 3) Rolling out staff training opportunities that include consideration of AI policy, ethics, biases, accuracy, best practices, risk, and use cases.
- 4) Identify opportunities for continuous process improvement projects where AI use cases can improve services, overall efficiencies, and quality.

[AI Assistance: An Artificial Intelligence large language model tool contributed to the development of this report. OpenAI GPT-4, 2023, in compliance with the proposed County of Santa Cruz Appropriate Use Policy]

Financial Impact

There is no financial impact from the recommended actions.

Strategic Plan Element(s)

- 6.A. Operational Excellence: Customer Experience
- 6.D. Operational Excellence: Continuous Improvement

Submitted by:

Carlos J. Palacios, County Administrative Officer

Recommended by:

Carlos J. Palacios, County Administrative Officer

Attachments:

a 2023.09.13 Proposed County of Santa Cruz Artificial Intelligence Appropriate Use Policy

County of Santa Cruz Artificial Intelligence Appropriate Use Policy

Purpose: The purpose of this policy is to establish County of Santa Cruz employee practices for the responsible and secure use of generative artificial intelligence (AI). The County is committed to utilizing Artificial Intelligence (AI) technologies responsibly and ethically to improve processes, enhance services to County residents, and support employees to do their best work. This AI Appropriate Use Policy provides simple, user-centric guidance for all employees, regardless of technical expertise.

AI tools are developing at an exponential rate. The County will regularly review and update this policy to keep it aligned with ethical and legal standards and technological advancements in generative AI as frequently as needed.

Scope: This policy applies to all employees, contractors, and any other third-party individuals or entities who have access to generative AI technologies or are involved in using generative AI tools or platforms on behalf of our organization.

1. Defining Artificial Intelligence (AI): For the purposes of this policy, Artificial Intelligence, also known as machine intelligence, is the simulation of human intelligence processes, such as problem solving by machines.

2. Defining Generative AI Tools: Generative AI tools are computer programs capable of many activities, including but not limited to completing general administrative office tasks, data analysis, programming, and image creation. While these tools can improve productivity, it is crucial to use them responsibly to comply with various laws, maintain data privacy and security, and uphold County values.

I. Principles for Responsible Generative AI Tools Use: Staff should be open to responsibly incorporating Generative AI into their work where it can be beneficial for making services better, more just, and more efficient. Each employee is responsible for using generative AI tools in a manner that ensures the security of sensitive information and aligns with County policies. Here are key principles to follow:

- a) **Data Privacy and Security:** Comply with all data privacy and security standards such as Health Insurance Portability and Accountability Act (HIPAA), Criminal Justice Information Systems (CJIS), Internal Revenue Service (IRS), and the California Consumer Privacy Act (CCPA) to protect Personally Identifiable Information (PII), Protected Health Information (PHI), or any sensitive data in generative AI prompts. Treat AI prompts as if they were publicly visible online to anyone. Treat AI prompts, data inputs, and outputs as if they are subject to the Freedom of Information Act and Public Records Act.
- b) **Informed Consent:** Members of the public should be informed when they are interacting with an AI tool and have an “opt out” alternative to using AI tools available.
- c) **Responsible Use:** AI tools and systems shall only be used in an ethical manner.

- d) **Continuous Learning:** When County provided AI training becomes available, employees should participate to ensure appropriate use of AI, data handling, and adherence to County policies on a continuing basis. Employees using AI tools are encouraged to educate themselves on effective and appropriate AI usage for their work.
- e) **Avoiding Bias:** AI tools can create biased outputs. When using AI tools, develop AI usage practices that minimize bias and regularly review outputs to ensure fairness and accuracy, as you do for all content.
- f) **Decision Making:** Do not use AI tools to make impactful decisions. Be conscientious about how AI tools are used to inform decision making processes.
- g) **Accuracy:** AI tools can generate inaccurate and false information. Take time to review and verify AI-generated content to ensure quality, accuracy, and compliance with County guidelines and policies.
- h) **Transparency:** The use of AI systems should be explainable to those who use and are affected by their use. Commonly understood explanations of how AI features work will be maintained and available to convey a concrete sense of how or why a particular result has been arrived at based on inputs.

To ensure transparency when using this rapidly evolving technology, indicate when Generative AI contributed substantially to the development of a work product. Use good judgement when considering citing use of AI tools. For example, when working with regulatory, legal, or life critical subjects, citations will be appropriate. When attributing AI usage in a work product indicate the product and version used. Some example citations include:

- i. Whole Document Example: [AI Assistance: This document was generated with the assistance of an Artificial Intelligence language model, OpenAI GPT-4, 2023, in compliance with the County of Santa Cruz Appropriate Use Policy.]
- ii. Whole Document Example: [Artificial Intelligence contributed to the development of this document using Google Bard, 2023, in compliance with the County of Santa Cruz Appropriate Use Policy.]
- iii. Specific Citation Example: OpenAI. (2023). *ChatGPT* (Mar 14 version) [Large language model]
- iv. In text Example for specific information: (OpenAI, 2023)
- i) **Accountability:** Employees are solely responsible for ensuring the quality, accuracy, and regulatory compliance of all AI generated content utilized in the scope of employment. The County will regularly monitor and evaluate approved AI products to ensure they are meeting security and risk management criteria.

II. Prohibited Uses:

- a) **Unauthorized Access:** Do not use AI tools to access data or systems you are not authorized to use.

- b) **Personally Identifiable Information:** Do not enter personally identifiable information (PII) into AI systems.
- c) **Unlawful Activities:** AI tools must not be used for any illegal, harmful, or malicious activities. This includes activities that perpetuate unlawful bias, automate unlawful discrimination, and produce other harmful outcomes.
- d) **Hiring Decisions:** Do not use AI to make consequential decisions regarding hiring, benefits, or other sensitive matters in which bias could play a role.
- e) **Data Entry:** You may not enter internal, sensitive, or restricted data into any generative AI tool or service. No AI tool currently meets the County's security, privacy, and compliance standards for handling anything besides public data.

III. Use of AI Systems:

1. **Policy Compliance:** Anyone who utilizes AI systems for County business, or supervises someone who does, is responsible for knowing the general intent of this policy. The user is responsible for complying with this policy and the County Worker Acceptable Use and Mobile Device Policies and exercising reasonable and prudent judgment related to AI usage for County business. Employees are encouraged to participate in AI workgroups and communities of practice.
2. **Voluntary Use:** Employees are not currently required to use AI systems and tools. Members of the public should be informed when they are interacting with an AI tool and have an alternative to using AI tools available to them.
3. **Authorized AI Tools:** Only use AI tools that are on the list of Approved AI tools and systems. If there is an AI tool that you would like to use but is not on the list, contact the Information Services Department at ITSupport@santacruzcountyca.gov so they can review and approve the tool for use. The current list of approved AI tools is as follows:
 - a) Bard (Google)
 - b) ChatGPT (Open AI)
 - c) Claude (Anthropic)
 - d) Scribe

Artificial intelligence (AI) can be used maliciously to create malware, spread phishing emails, launch distributed denial of service (DDoS) attacks, and other types of damaging attacks. As AI becomes more advanced, the potential for cyber attacks using AI will increase.

4. **Use of County Email Address:** When creating accounts with AI providers for generative AI tools, County staff should use their official County email address for better security and accountability.

5. **Reporting Concerns:** If you come across any potential issues or concerns related to the use of generative AI tools, report them to ISD or a supervisor. For example, you may see a new feature in a software you use for your regular duties.
6. **Additional Rules:** Departments may provide additional rules on the usage of generative AI for their staff.