Operationalizing Artificial Intelligence

From Data Readiness to Generative Prototypes

Tim Marczewski | Director of AI and Innovation | Office of Administration, State of Missouri

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Missouri's AI Mandate: The Foundation We Built On

EO 26-02

AI Governance Framework

- Requires every agency to designate an AI Lead
- Mandates an agency AI inventory and use case registry
- Establishes AI Steering Committee at Governor's Office level
- Requires risk classification for every AI deployment

EO 26-03

Missouri GREAT Initiative

- Government Redesign and Efficiency in AI Technology
- Requires documented ROI for every AI investment
- Drives workflow optimization before AI layer is added
- Ties agency budget requests to efficiency outcomes

SP -19

Acceptable Use Policy

- Governs what AI tools state employees can and cannot use at work
- Requires a signed User Agreement before any AI tool access is granted
- KnowBe4 AI awareness training required before access — training-before-access
- Prohibits entering PII, FTI, CJIS, CMS, and PHI data into unapproved AI systems
- Vendors must disclose AI tool use in state contracts — disclosure and review required

Data Readiness: The Work Before the AI

What Data Readiness Means in Practice

- Data must be findable, accessible, and consistently formatted before any model touches it
- Most state agencies carry years of siloed, inconsistently labeled data across legacy systems
- Workflow mapping comes before tooling: fix the process, then add the AI layer
- Metadata governance and lineage documentation are not optional for regulated data (CJIS, FTI, CMS)
- A data readiness audit is the first deliverable in every Missouri agency AI engagement

What Breaks Without It

Hallucination risk

Models trained or prompted on inconsistent data produce outputs that look authoritative but are wrong. State decisions get made on bad data.

Audit failure

Without documented data lineage, agencies cannot explain how an AI output was generated. Federal compliance audits (IRS, CMS, HHS) require explainability.

ROI goes negative

EO 26-03 requires documented efficiency returns. AI built on a broken workflow automates the broken workflow. You get faster bad outcomes.

Missouri AI & Agentic AI Risk Management Framework

Built on Global Best Practice

NIST AI RMF 1.0 — Foundation
Govern, Map, Measure, Manage. Missouri adopts all four functions as the structural core.

IRS Internal Revenue Manual 10.24.1
IRS AI Governance Policy (Feb 2026) — peer validation for human oversight, training-before-access, and risk classification at scale.

HHS AI Strategy
HHS Office of the Chief AI Officer — governs AI in federal health and human services programs. Relevant wherever Missouri agencies operate under Medicaid/Medicare.

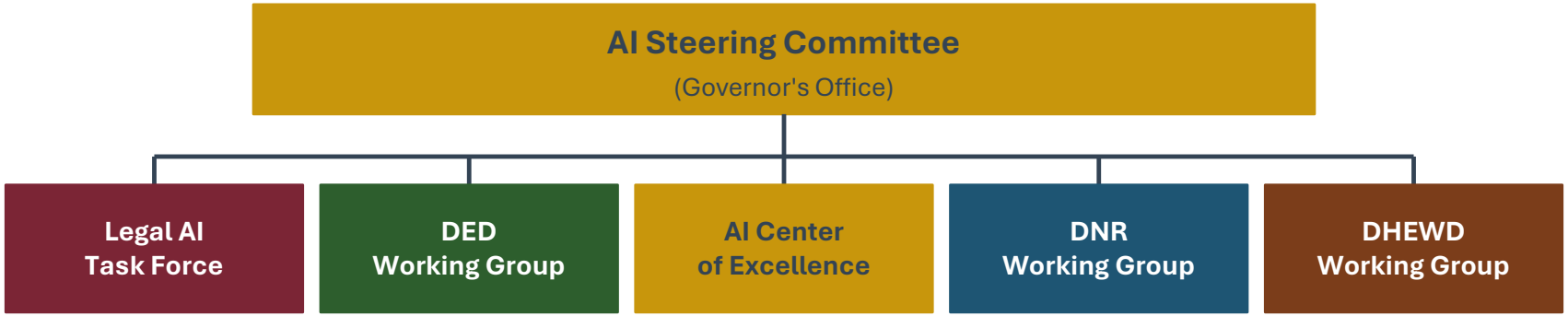
Google DeepMind: Intelligent AI Delegation
arXiv:2602.11865 (Feb 2026) — informs Missouri's agentic AI guardrails: task scoping, minimal tool access, and reversible action design.

Risk Tiers & Agency Customization

Tier 1 Low	Internal productivity tools. No regulated data. Standard use with SP-19 compliance.
Tier 2 Moderate	Data-informed tools with limited constituent impact. AI Lead review required before deployment.
Tier 3 High	Constituent-facing tools or significant operational impact. Steering Committee notification. CoE review required.
Tier 4 Critical	Autonomous decision-making affecting rights or benefits. Full governance review, legal, and CISO sign-off required.

SP-19 governs behavior. The RMF governs risk. They work symbiotically.
Agencies like DSS layer CMS-specific AI requirements on top of the Missouri RMF, creating a local policy that meets both state and federal standards. The AI COE at OA manages the framework and approves agency-level extensions.

How Missouri Governs AI



AI Center of Excellence (CoE) — Led by OA, Director of AI and Innovation

- Operational Policy & Procedures
- Risk Management Framework (NIST AI RMF 1.0 aligned)
- Data Governance & CRAFT Standards
- Testing, Monitoring & Incident Response
- Pilot-to-Production Pipeline
- Human Oversight Requirements
- Statewide AI Inventory (catalog of all AI in use)
- ROI Measurement Templates (per EO 26-03)

Active Pilots & Real-World Prototypes

35+	3,300+	6	2026
Active Pilots Statewide	Grant Applications Scored by AI	Agencies in Copilot Rollout	ROI Documentation Deadline

DOR / AWS Bedrock

W-2 Intelligent Character Recognition

ICR pilot processing W-2 tax forms using AWS Bedrock. Reduces manual data entry at DOR. Structured for tax-season scale with FTI compliance built in.

MDA / Google Gemini on GCP

Agriculture Grants AI Scoring

3,300+ beef and dairy grant applications scored by Google Gemini on GCP. SharePoint to BigQuery pipeline. Reduced review from months to weeks. ROI in progress.

OA / M365 Copilot Chat

Statewide Copilot Deployment

Copilot Chat with Commercial Data Protection deployed to OA Feb 23, 2026. Six-group phased rollout through May 2026. Productivity benchmarking underway.

OA / ServiceNow Now Assist

AI Control Tower & Intelligent ITSM

ServiceNow AI Control Tower and Now Assist (Zurich release) in procurement. Governance controls, model monitoring, and agentic workflow automation for state IT.

Generative AI for Visualization & Rapid Process Improvement

What Generative AI Does in State Operations

Document Analysis & Extraction
Structured extraction from unstructured documents: forms, grants, applications, correspondence. Replaces manual data entry for high-volume processing.

Information Visualization
Prompting a model to produce charts, summaries, and dashboards from raw agency data. Removes the analyst bottleneck for internal reporting.

Process Mapping & Optimization
Using AI to identify redundant steps in existing workflows before automation is applied. Produces a cleaner process to automate.

Agentic Workflows
Multi-step AI actions across tools: read a form, classify it, route it, draft a response, log the outcome. Human-in-the-loop required for regulated decisions.

What We Learned from Prototyping

- Prompt quality matters more than model selection at the prototype stage
- Agency subject matter experts are the most valuable asset in a pilot; developers are second
- Start with a defined input/output spec before selecting a platform or model
- Regulatory data classification must be resolved before the first API call, not after
- Build the evaluation rubric before building the model; know what good looks like
- Short feedback loops matter: a 2-week prototype cycle outperforms a 6-month waterfall build

The Hard Tradeoffs

Every AI deployment forces a conversation about public service values

Efficiency	vs.	**Privacy**	*How much citizen data is acceptable to process if it speeds up services?*
Speed	vs.	**Accuracy**	*When does faster = riskier? Child welfare decisions cannot be 'mostly right'.*
Automation	vs.	**Accountability**	*When AI makes a mistake affecting a citizen's benefits, who is responsible?*
Innovation	vs.	**Equity**	*Does AI adoption widen the gap for Missourians without digital access?*

The RMF: Built for Innovation, Not Just Compliance

A Collaborative, Layered Model

Innovation Zone

New pilots, emerging tools, and agency-led experiments. The RMF gives pilots a defined path from prototype to production.

Agency Policy Layer

DSS layers in CMS and HHS AI regulations. DHEWD adds workforce policy. DOR enforces FTI-specific controls. Each agency meets its own federal and program requirements.

Missouri AI & Agentic AI RMF

The statewide foundation. Risk tiers 1-4, agentic guardrails, NIST AI RMF 1.0 core. Every agency builds on this — no agency starts from scratch.

What This Enables

01 Agencies don't start from scratch

The RMF is the baseline. Every agency inherits risk tiers, oversight requirements, and data governance standards. Build on top, not from zero.

02 Federal requirements stack on the RMF

DSS adds CMS and HHS AI requirements on top of the Missouri RMF. The frameworks are compatible by design. State and federal compliance work together, not against each other.

03 The AI COE is a partner, not a gatekeeper

OA reviews and approves agency extensions. The goal is to help agencies succeed, not block deployment. Fast-track paths exist for lower-risk Tier 1 and 2 tools.

04 Innovation has a path to production

Pilots start in the Innovation Zone. When they prove ROI and pass risk review, they move to production. The framework creates a repeatable path, not a one-time exception.

Key Takeaways for Higher Education

01

Governance before tools

Acceptable use policy, data classification, and a designated AI lead belong in place before you deploy anything. Missouri stood up governance first and it made pilot approvals faster, not slower.

02

Data readiness is the hard part

Every stalled pilot we have seen stalled on data, not models. Clean data pipelines, consistent labeling, and access controls determine whether a prototype makes it to production.

03

ROI documentation is now mandatory

Missouri requires it by EO. Higher ed will face the same question from boards and legislators. Build your measurement framework at the start, not the end, of a pilot.

04

Agentic AI requires a different risk model

Agents act across tools and make decisions in sequence. A generative AI policy written for chatbots does not cover agentic workflows. Update your framework before agents go live.

Tim Marczewski | tim.marczewski@oa.mo.gov | MoHEIT, April 9, 2026