![Michigan.gov logo]

Michigan's Artificial Intelligence Strategy

AI with Purpose: Empowering People Through Intelligent Technology

EXECUTIVE SUMMARY

The Michigan Department of Technology, Management & Budget (DTMB) executive leadership, spearheaded by the director of DTMB and the State of Michigan (SOM) chief information officer (CIO), started the SOM's Artificial Intelligence (AI) journey in the Fall of 2023. To establish a baseline understanding and fundamental impact of AI on state services, a roundtable series, sponsored by Gov. Gretchen Whitmer and hosted by DTMB, was held with industry leaders and experts in partnership with Accenture. In tandem, a legislative briefing on AI was held accompanied by a FY2025 request for $12M in one-time funding. The funding request was presented to, and approved by, the Michigan Legislature to support the development of an enterprise AI strategy and for AI tool implementation.

A series of AI activities were launched in early 2024 resulting in several foundational milestones:

- Collection of AI opportunities and requests from agency partners
- Updates to key information technology standards
- Creation of an AI usage and responsibility guide and FAQs
- Establishment of a SOM AI Core Team
- Implementation of an intake and assessment process
- Bid solicitation for an enterprise generative AI chatbot
- Bid solicitation for an enterprise AI strategy

IDEA

What problems or opportunities does the project address?

The significant accelerated evolution and availability of AI tools since 2023 offered a vast array of opportunities for SOM agencies to improve existing digital services for Michigan residents as well as offer new products, solutions, services, and programs along with optimizing back-office processes and functions. A top requested AI capability across agencies was a generative AI-powered chatbot which resulted in a specific project to select an enterprise chatbot platform to support customer experience across Michigan.gov websites, the Michigan Login (MiLogin) single sign-on digital services portal and future use cases both external and internal.

In addition to interest in chatbot technology, opportunities and requests were gathered across SOM agencies and classified into 5 major categories, totaling 80 distinctive use cases:

1. Chatbot and natural language processing (21)
2. Code generation and modernization (2)
3. Computer visioning and video processing (7)
4. Predictive analytics (21)
5. Document processing (23)
6. *Other (7)*

The below outlines the key use cases per AI category requested by agencies:

Computer Visioning and Video Processing

- Department of Natural Resources (DNR) - Leverage a machine learning heat detection system designed to analyze infrared images at scale and produce meaningful, actionable results in minutes. DNR will upload the infrared imagery from drones and the software will automatically identify and geolocate every hotspot in the dataset.
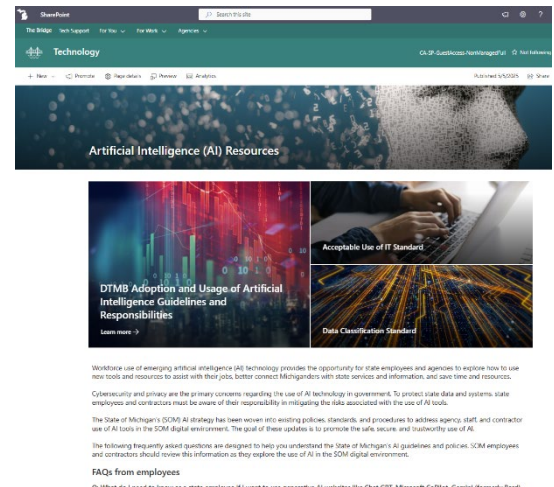
- Michigan State Police (MSP), DNR, Department of Corrections - Provides SOM law enforcement agencies the ability to improve object detection and image classification to accurately identify and categorize vehicles and license plate categories. Enables intelligence sharing between partnering law enforcement agencies with a common goal to reduce crime.

Predictive Analytics

- DTMB - Implement technology for fraud discovery and prevention using a cloud-based fraud analytics service. Analyze behavioral metrics, device fingerprints, malware detection, bot detection for adaptive authentication. Prevent access from spoofed IP addresses or impersonations. Scan movement, speed of data entry, session length to determine legitimacy. Detect and stop impossible time travel (accounts logging in from far away geographies in a short time interval). Flagging IDs based on user ID creation and authentication pattern.
- Treasury - The Tax Compliance Bureau is evaluating software capable of leveraging public data to find unreported income based on ecommerce transactions. The software would leverage machine learning to enable data analytics capabilities. The state will then use their own systems to validate if all income was reported and correct tax was paid. This type of software would exponentially improve their ability to detect under reported income.

Document Processing

- Environment, Great Lakes, and Energy (EGLE) - Is developing a solicitation to seek an AI enabled solution to review and analyze large documents (e.g. 100-300 pages in length) with varying formats. They require the ability to compare documents and identify key differences, create multi-page summaries of large documents in pre-defined formats and the ability to query about content in large documents. This use case is common amongst other agencies and the solicitation is expected to result in an enterprise contract.
- Department of Health and Human Services (MDHHS) - Vital Records within MDHHS currently receives over 60,000 paper marriage licenses annually from 83 county clerks. Previously, they contracted with a third-party vendor to film these paper documents to microfilm and to key an index. Using Google Cloud and a product called DocAI they are now working to scan paper marriage licenses, extract index information and save it to a database. Images and the index are stored in a secure Google cloud.
- MSP - Processes a variety of forms which are scanned, verified, and then stored. Currently, almost every scanned document is being manually validated due to poor optical character recognition (OCR) capture. MSP is seeking a solution to help modernize the current Document Processing solution and process with a vastly updated AI solution to recognize and ingest and /extract data from forms then compare key fields with the MiPistol data for automatic verification and approval. This Intelligent Document Processing solution will position MSP to further enhance and integrate additional forms in future phases.

Chatbot and Natural Language Processing

- DTMB - Initiated an effort to improve customer experience by implementing a MiLogin and a unified Michigan.gov generative AI chatbot that will provide users with a quick and easy way to ask a question and be directed to the relevant information. While the first two use cases are specific to Michigan.gov websites and MiLogin, this implementation will result in the establishment of an enterprise generative AI chatbot platform that offers a scalable, secure solution for streamlining communication, support, and information access across an entire organization.
- Treasury, MSP, Licensing and Regulatory Affairs (LARA), Labor and Economic Opportunity (LEO), Unemployment Insurance Agency (UIA) - Multiple agencies are seeking a natural language, generative AI chatbot solution. The internal chatbot is a powerful tool for improving staff efficiency and compliance within an organization. It enables employees to quickly access accurate, up-to-date information on policies, procedures, and regulatory requirements without having to search through lengthy documents or consult other staff. These use cases are expected to be implemented on the enterprise chatbot platform.
- MDHHS - Eligibility (ISD) call center is used by constituents to get assistance from MDHHS. On average, eligibility call center receives about 700k calls/month with average call wait of 40-1hr at certain counties. Average abandonment rate is between 15-30% (target – 10% or less) primarily due to wait times. Through this use case the agency seeks to implement a virtual to validate and update mailing and correspondence address eliminating the need for the individual to remain on hold.

Code Generation and Modernization
- DTMB - To improve the efficiency of the development process, DTMB believes a code generation tool can assist developers in handling repetitive and tedious tasks, allowing them to focus on the core business logic, user experience, and the more unique aspects of the application.

Productivity Assistant Technology
- All SOM agencies - Multiple agencies seeking productivity tools to reduce repetitive work, improve communication and maximize efficiencies.

The SOM operates in a centralized IT model with ownership and oversight from the DTMB supporting all agencies. This model includes the evaluation, selection, procurement and implementation of software, hardware and IT related services. The wave of AI promises, opportunities, solutions and innumerable options across a vast spectrum of domains introduced a material challenge for DTMB to consume the volume of requests and manage expectations from the agencies. Related, AI technology providers collaborating directly with agencies along with the proliferation of AI centered events across the country fueled demand and increased expectations.

Additionally, AI's powerful capabilities introduce significant responsibilities to the agency business owner and the end user of the tool or service. As with other innovative technologies, appropriate due diligence, research, assessment and planning are necessary to understand the risks, dependencies, and impacts to the customer experience for all stakeholders. For AI tools, understanding the data being used is paramount and extreme care needs to be taken.

This was the case with Michigan's public facing websites which contain over 150,000 pages of content and 185,000 documents. The SOM has focused on simplifying the end user experience however the amount of data was still voluminous. The state recognized the potential of a generative AI chatbot in not only addressing the problem but providing a transformative opportunity for improving how the public access information.
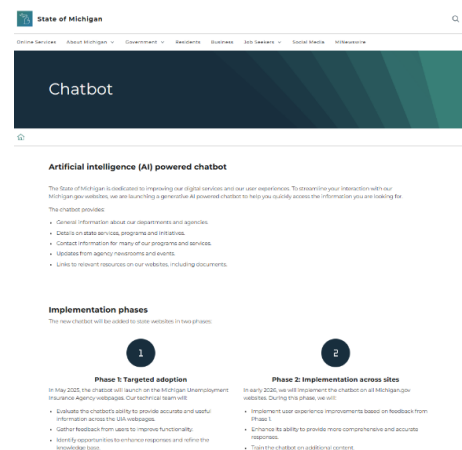
Why does it matter?
In line with DTMB's Strategic Goals of Service Delivery and Customer Relationships, along with serving as the centralized IT function for the SOM, establishing a strategy, governance model, guidance and implementation path is vital to supporting agency needs for AI. Moreover, establishing a defined process to eventually take advantage of AI capabilities and to reap the benefits fundamentally aligned to DTMB's ethos of Help-Connect-Serve.

To meet the objectives around AI intake and governance, a cross functional team of 12 was established and is known as the "AI Core Team". Additionally, DTMB leadership is actively engaged across the AI related functions acting in the capacity of an advisory group. Through the AI Core Team, agency use cases are evaluated for responsible and ethical use of AI. Additionally, guidance, both technical and non-technical, is provided to the agency and DTMB support teams so that next steps are clearly understood. This process is important to ensure that AI truly adds value, validates that that data is reliable and representative, and if the system complies with privacy, security, and regulatory standards. It also ensures that AI is applied in a way that supports transparency, accountability, and trust—especially in high-impact or public-facing domains where there is high demand for generative AI.

What makes it different?
DTMB is following a methodical, holistic and risk-based approach for the adoption of AI capabilities keeping aligned to existing policy and processes when it comes to information technology. Related, DTMB has not created a separate and distinct policy around AI but rather relying on existing policies and incorporating AI language into existing standards.

Acceptable Use of Information Technology Standard	Data Classification Standard	AI Usage Guide
Added a new section dedicated to AI use to detail acceptable use of AI systems, including specifics of reviewing generative AI tool outputs.	Added AI language to assist agencies on the data classification of data that exists in any format, including content generated from AI tools.	Created a translation of technical AI content into common terms for state employees and contractors to follow in daily activities.

What makes it universal?

Before the wave of AI adoption in 2024, DTMB was busy preparing for AI agency demand and eventual adoption in the fall of 2023. The team continues material strategic focus as one of the 2024 State NASCIO Top Priorities. Moreover, DTMB's centralized model scales across all SOM agencies delivering a standard and repeatable process to support AI adoption and leverage enterprise solutions where possible.

As an example, the decision to move forward with implementation of a generative AI chatbot for Michigan.gov websites grew out of a strategy to establish a foundational enterprise platform. Michigan.gov is a first use case of many that will likely follow, as the use case inventory suggests that approximately 25% of all use cases can be met with this type of technology. The DTMB team is collaborating with their vendor partner to establish patterns for future implementations to allow for efficient onboarding and maintenance.

IMPLEMENTATION

What was the roadmap and how does this project fit into an enterprise view?

The below activities have been completed or are in progress as part of the SOM's adoption of AI:

- DTMB hosted a industry Round Table Series sponsored by Gov. Gretchen Whitmer, hosted by DTMB leadership, and in partnership with Accenture, industry leaders and experts across Michigan representing finance/banking, insurance, manufacturing, utilities, higher education, K-12, healthcare, infrastructure and municipalities. Stakeholders came together to share their insights and experience in AI with DTMB leaders. Focus areas included responsible use of AI; business drivers and use cases; data and privacy considerations; technical foundations and tools.
- Secured funding from Michigan Legislature – SOM legislature approved DTMB's request for $12M in funding.
- Created usage and responsibility guideline – Published an overarching AI guideline centered around agency responsibilities, ethical usage and data classification along with providing single source aligning to existing policies, standards and processes. This was part of a larger resource launched on AI on The Bridge, an internal SharePoint site for all SOM employees. The site included links to standards, FAQ's, AI guidelines and more.
- Enhanced technology standards – Both the Acceptable Use of Information Technology Standard and the Data Classification Standard were revised to include AI language and guidance.
- AI use case inventory and assessment – DTMB collaborated with agency partners to identify needs and opportunities along with assessing themes and priorities. As of May 2025, 85 opportunities/requests have been captured.
- Established AI Core Team – Foundational to the AI governance model, a cross functional team of 12 was established to oversee all SOM AI related activities.
- Implemented AI intake process – The AI Core Team developed a process enabled by technology and automation to capture, inventory, categorize and assess requests for AI tools and capabilities in a centralized manner. As of May 2025, over 50 requests have been evaluated by the AI Core Team.
- Hired chief privacy officer – In January of 2025, a chief privacy officer joined DTMB.
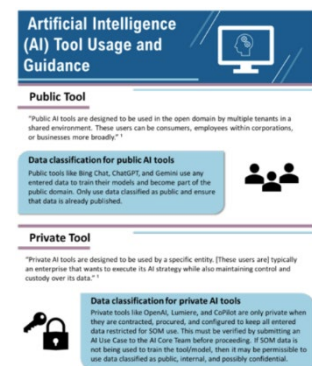
- Upgraded procurement language and terms/conditions – Procurement bid solicitation and contract templates were upgraded to include AI specific language, requirements and terms.
- Bid solicitation for enterprise AI chatbot – Eleven bidders responded to a bid solicitation and an award was made to AI provider, BlueVector.
- Chatbot implementation for Unemployment Insurance Agency (UIA) – In May, the SOM launched its first generative AI chatbot on a SOM website as part of the initial phase of a project aimed at creating a unified chatbot for across all 110 Michigan.gov websites. The beta release of this Retrieval Augmented Generation (RAG) based chatbot offers the public quick and easy access to information related to the Unemployment Insurance Agency. This summer, the project will continue to expand to all 110 sites. Ultimately, this will result in a single chatbot capable of answering questions about all SOM website content, no matter where users start their journey on Michigan.gov.
- Bid Solicitation for AI Strategy, Governance and Roadmap – Seventeen bidders responded to a bid solicitation and an award was made Boston Consulting Group (BCG). The engagement with BCG kicked off in April of 2025.
- Bid Solicitation for AI Enabled Code Generator – Released to vendor community in March of 2025, the SOM sought to procure code generation software to assist developers in automating routine tasks, increase their productivity and standardize code bases.
- AI Powered Fraud Analytics Feature – Identify verification product selected, Socure, with an initial released planned for June 2025.

Who was involved?
Many functional teams participated and continue to support the SOM's AI efforts, each contributing critical components to deliver solutions.
- DTMB senior leadership – Overall sponsorship, hosted the industry roundtable series, secured funding, advisory, decision making.
- Agency IT relationship managers – Collaborate with agency partners on AI needs, manage expectations, provide guidance, primary contact.
- Agency directors and process owners – Outline AI opportunities/needs, submit requests via intake process, partner with DTMB on risk assessment and implementation, follow established policy, standards and processes.
- AI Core Team – Manage intake process, day to day operations of AI governance, subject matter experts, partner with DTMB IT divisions, procurement, privacy, etc.
- DTMB communications – Helps communicate policies, maintain AI resources pages and collaborate on AI adoption strategies.

How did you do it?
- DTMB leadership – The AI journey began with clear commitment and sponsorship with DTMB Leadership on the overall mission.
- Funding – The Michigan Legislature granted $12M to fund the AI tools and AI strategy initiatives.
- Collaboration – Several departments within DTMB contributed to the various workstreams and continue to do so.
- Agency IT relationship managers – Expanded AI into their scope of responsibility in partnering and supporting agencies.
- AI Core Team – Existing resources and subject matter experts expanded their scope of responsibility.
- Procurement – Both the AI ChatBot and the AI Strategy bid solicitations followed DTMB's standard policy and processes. Members from DTMB leadership were directly involved as well as the AI Core Team.

IMPACT

What did the project make better?

- Grounding – Establish a baseline of understanding of AI usage and impacts across various industries coupled with domain expertise from a globally respected consulting firm.
- Strategic philosophy – From the beginning of the journey, the mission was to pursue an enterprise methodology while avoiding a tactical, tool-centric approach.
- Comprehensive approach – As part of the strategic model, care was taken to consider the various components that AI opportunities would impact including, but not limited to: Policy and standards, risk management/assessment, data classification, governance, education, communications, procurement, readiness, operational support, etc.
- Centralized management – In line with DTMB's function as the centralized information technology agency, AI opportunities from agencies are gathered, assessed and directed in a unified manner.
- Expertise – DTMB leveraged AI proficiency from vendor partners from the beginning, starting with the industry round table series in collaboration with Accenture. Further, advisory service providers, Gartner and InfoTech, were significantly involved in various aspects of the AI path forward Lastly, Boston Consulting Group was awarded the engagement to partner with DTMB to develop the enterprise AI strategy.

How do you know?

- Engagement with agencies on policy – Approximately a half dozen agencies directly collaborated on enhancements to the technology standards as well as the SOM's AI usage guide.
- Successful collaboration with agencies – Over 80 opportunities and requests were collected from 19+ agencies and entities.
- Operationalized intake - Over 55 opportunities/requests have flowed through the centralized AI intake process.
- Vendor community response – Material interest from AI partners including 11 bids for the enterprise chatbot and 17 bids for the AI strategy.

What now?

- AI strategy – DTMB will continue the partnership with Boston Consulting Group to deliver an enterprise AI strategy, product roadmap, support model and maturity plan with a timeframe of July 2025. Overall, consume the outputs of the BCG engagement, develop plans accordingly and start to execute post engagement.
- Generative AI chatBot UIA – After monitoring the results of the beta phase, adjustment and improvement will be made leading to a full deployment of the functionality.
- Generative AI chatBot Michigan.gov sites – Deploy the chatbot functionality in a phased rollout model.
- Generative AI chatBot MiLogin – Deploy the chatbot functionality in a phased rollout model.
- AI code generator – Complete the bid solicitation, award the vendor or vendors and follow standard policy and processes to make the toolsets available to end users/developers with a target of October 2025.
- AI governance and intake – Continue to capture opportunities and requests from the agencies via the established intake process and assess accordingly.
- Project portfolio management and delivery – Leveraging the outputs, opportunities and requests from the centralized AI model, governance and intake, DTMB has begun to outline and prioritize AI-related projects through the standard project intake and delivery processes, with a focus on 2026-2027 fiscal year.