



Transforming How
Texas Government
Serves Texans

State

Texas

Agency

Texas Department of Information Resources

Award Category

Artificial Intelligence

Project Title

**The Texas Innovation and Education Center: A Launchpad for
Responsible AI Innovation in Texas**

Project Dates

June 2023 – May 2025

Contact

David Tucker

Director of Strategic Digital Services

Texas Department of Information Resources

David.Tucker@dir.texas.gov

Executive Summary

The Texas Department of Information Resources (DIR) brings innovation to government, transforming how Texas government serves Texans.

In June 2023, DIR chartered the Artificial Intelligence (AI) User Group, a volunteer forum of public sector employees who meet to hear, learn, and share about artificial intelligence. The participating community members obtain necessary information about the development, implementation, reporting, education, and guidance on AI standards and practices, benefitting from shared experiences, discussions, and questions.

In the fall of 2023, DIR initiated the **Texas Innovation and Education Center (TIEC)** to drive digital transformation initiatives within state agencies. TIEC's program goals mirror those of DIR's Strategic Digital Services, which are to:

- Assist agencies in formulating clear digital visions and strategies.
- Develop internal champions for transformation and modernization.
- Provide comprehensive education, training, and upskilling opportunities.
- Establish an interactive environment for innovation, discussion, and continuous learning.

To accomplish these goals, TIEC has five major components:

1. **The Playbook:** A collection of resources to create a custom Digital Transformation Playbook to execute customers' project-specific strategy.
2. **Workshops/Facilitated Sessions:** Workshops for customers to discuss components of emerging technologies through digital transformation and modernization.
3. **Training:** In-person and online training covering new technologies and processes.
4. **AI User Group:** A public sector community of practice to discuss AI technology, governance, security, or any other topic related to AI or intelligent automation.
5. **The Innovation Lab:** A secure location created to showcase emerging technology and provide best practices and innovative solutions to solve enterprise problems.

Idea

As the population of Texas increases and the public's expectations evolve, maintaining base services and improving the ability to deliver excellent services becomes more challenging. To rise to this challenge, DIR formed the AI User Group (AI-UG).

The AI-UG has over 700 members from public-sector organizations across the state. The AI-UG meets approximately bimonthly and regularly holds special events outside of bimonthly meetings. These events include three AI Day conferences in 2024 and 2025, each of which hosted 150 public sector employees and featured a combined 30+ presentations and panels from vendor partners, in addition to dozens of technical demonstrations and workshops. Furthermore, the AI-UG is planning a healthcare-focused HHS AI Day, created in cooperation with the Health and Human Services Commission. It is scheduled for June 2025, and another AI Day, or AI Day 4, is scheduled for August 2025. AI Day 4 will focus entirely on agency and institutions of higher education implementations, including lessons learned and project benefits.

Additionally, the AI-UG Microsoft Teams site is a repository for current AI policies and technology articles and has a robust and active forum.

Finally, a subcommittee of AI-UG members is acting as an advisory council as DIR creates a new AI Literacy Program. This training will soon roll out state-wide for Texas public employees.

The Innovation Lab

The TIEC established and houses the DIR Innovation Lab, a secure location at the Capitol Complex in downtown Austin to showcase emerging and relevant technology, teach technology best practices, and solve enterprise problems. The lab currently showcases over 10 examples of emerging technology, with a focus on AI. Those examples include applications related to content creation regarding topics such as generative AI, human resources, network operations, upskilling course creation, secure web browsing, office efficiency (such as Microsoft Copilot,) and AI-assisted legislative analysis.

This lab was created mostly using operational resources. DIR does not pay vendors to be present in the lab; instead, we typically use evaluator licenses.

Since its inception in 2024, the lab has been a busy venue for state employee participation, showcasing:

- Dozens of lab engagements and events each week.
- 44 areas of emerging tech (with a dozen ready to engage at the lab).
- Employee participation from 27 agencies.
- Emerging technology open houses.
- Projects including workshops, emerging technology engagements, training sessions, and Art of the Possible sessions.

Feedback from the community has been ecstatically positive. By using their experiences from being involved with the lab, agencies have felt more confident in defining their modernization strategies and bringing greater precision to the scopes of work and procurement evaluations. Although too early to qualitatively measure, the value of improved technology solutions will bring lasting value to Texas' agencies and improved experience to their constituents.

What makes it different?

The AI-UG is entirely user driven and user based. While it may invite external vendors to present on certain topics and at conferences, all **700** members are public sector employees of the state.

After kicking off the group and setting up the administration (see below), AI-UG meetings typically spotlight a public sector AI or intelligent automation (IA) project. The member/presenter discusses what business needs led to the project, how it was implemented, what went well with it, and what about it was challenging.

The group also has an active Microsoft Teams forum where members post articles and links to events, and pose questions to the group for input.

Meetings typically have between 200 and 300 attendees and conclude with an extensive Q&A session afterward.

What makes the AI-UG different is that it is a true community of practice. The group shares ideas, issues, concerns, and best practices. Each member is committed to safe, secure, ethical, and unbiased AI applications. The AI Day conferences the group holds twice a year are a diagonal cross-section of public sector IT workers, from newly hired systems analysts to Chief Technology Officers and Chief Information Officers. The group is at the forefront of public sector AI implementation, and every member knows it.

The Innovation Lab is unique in the state and is a great place to start when it comes to emerging technology. It is completely safe and secure: all data used is "dummy" data, it is behind DIR's firewall, and every lab engagement is in-person and supervised by DIR lab proctors. State agencies that don't yet have policies or governance in place but still want to engage with AI or other emerging technology can do so at the lab.

What makes it universal?

By enhancing public sector workers' AI knowledge and skill set, the AI-UG addresses seven of the State CIO Top Ten Priorities:

1. **Cybersecurity and Risk Management:** AI is revolutionizing cybersecurity, and our AIOps demonstration is available for agencies to engage.
2. **Digital Government/Digital Services:** Chatbots, smart search, and digital assistants are not only enhanced by AI, but AI is actively driving innovation in those sectors.
3. **AI/Machine Learning, Robotic Process Automation (RPA):** Such topics are a core focus of the AI-UG.
4. **Legacy Modernization:** Many systems, particularly in the realm of cybersecurity and resident engagement, are being enhanced by—or replaced with—AI, IA, and RPA.
5. **Workforce:** The workshops, training modules, and conferences sponsored by the AI-UG prepare the workforce for the changing landscape of public sector service. The AI-UG is a source of upskilling training licenses as well, with AI-specific training modules and course curricula.
6. **Data Management/Data Analytics:** The AI-UG intends to focus on data management as part of its overall approach to guardrails workshops and resources. Having established the need and provided the templates for policy development, future workshops will include a focus on data governance, architecture, strategy, and intelligence.
7. **Identity Access Management:** Similar to cybersecurity, AI is driving the evolution of identity access management (IAM), and AI-UG presenters have discussed IAM projects based on IA and RPA.

Implementation

What was the roadmap?

The AI-UG evolved from DIR's AI Center of Excellence (CoE.) In June 2023, the AI CoE invited all state Information Resource Managers (IRMs) to an AI "Round Table" to discuss policy, potential training, and any AI projects planned or in flight.

It quickly became clear a regular cadence and platform for engagement on AI topics in the public sector was necessary and urgently needed. The recently chartered TIEC was the ideal program to create and drive the AI-UG and comports with the CTO's mission of supporting all DIR customers in making informed decisions about technology solutions through strategic planning, reporting, and project services.

No funds, however, had been set aside for this effort, so DIR relied on operational resources: the Director of Strategic Digital Services serves as chair; all meetings are Microsoft Teams based; and the Teams channel serves as the primary repository for presentations, example policies, and links to education resources. AI Day 1 and 2 were free events with no sponsorship requirements for presenters. Industry presenters at AI Days include industry leaders in the AI sector.

Now that the group has been an ongoing initiative for over a year, meetings have undertaken a regular pattern of members presenting about AI and IA projects. The following entities have presented to the AI-UG and at conferences:

- Texas Department of Transportation
- Texas Higher Education Coordinating Board
- Texas Department of Licensing and Regulation
- Tarleton State University
- MD Anderson Cancer Center

Success is measured primarily with user engagement and feedback. With over 700 active members and up to 300 attendees per AI-UG meeting (in addition to sold-out attendance at AI Day conferences), member engagement is very high.

The Innovation Lab

The need for a secure location to showcase emerging technology became evident when AI-UG members' request to engage technology virtually did not have the required security that an onsite lab could provide. DIR had floor space that had traditionally been used for contract negotiations. This lab allows participants to have hands-on practice with emerging technology, with support and supervision from DIR's IT professionals. After three months of purchasing the needed furniture and technology—and after engaging with Adobe, Amazon Web Services (AWS), and Microsoft for the Phase 1 lab instances—it was open for business in early 2024.

Who was involved?

The AI-UG

After the community of IRMs voiced the need for a permanent organization to support AI practitioners, DIR moved quickly to establish the AI-UG. DIR's Executive Leadership Team immediately approved initiating work on the charter. The committee to form the AI-UG charter, initial meeting agendas, and AI Day Agenda and approach included subject matter experts from the following business areas:

- Chief Technology Office
- Office of the Chief Information Security Officer
- Data Governance
- IT Security
- IT Operations
- Strategic Digital Services
- Digital Accessibility Office

DIR discussed and continues to discuss the AI-UG at key industry events such as DIR Discover, DIR Connect, the Government Technology Conference (GTC), ELITE Executive IT Management Training, and NASCIO and National Association of Technology Directors (NASTD) meetings, among others. The AI-UG chair also presents at DIR governance meetings, all-hands meetings, and specific groups such as the Data Management Advisory Committee (DMAC).

Finally, AI Day 2 was privileged to have Texas State Representative Giovanni Capriglione speak on a panel with DIR Executive Director Amanda Crawford at the event. AI Day 3 also had a very memorable panel that included Representative Capriglione, as well as Senator Tan Parker. They discussed their vision for AI in the public sector as well as pending legislation at the time.

In sum, the group reinforces the ties across state agencies, public sector workers at those agencies, industry leaders, and the state legislature with a shared interest in safe, responsible AI projects and programs.

The Innovation Lab

DIR executive leadership has always been a strong advocate of the Innovation Lab and members of DIR's Executive Leadership Team mention it at conferences, meetings, and other events. DIR's internal IT also supported the lab by providing the lab computers and secure network connectivity. The Texas Facilities Commission aided in moving and installing the chairs, tables, and large TVs that each PC can easily project to. Ultimately, the TIEC team did the "grunt work" following their detailed project plan.

Using the same outreach avenues described above, once the lab was-up-and-running, the TIEC team created the Innovation@dir.texas.gov email address to receive requests for lab visits and inquiries into emerging technology. There is also strong synergy between the AI-UG and the lab, as most lab visits are initiated by AI-UG members.

How did you do it?

The AI-UG

The AI-UG relies on operational resources, including staffing, the Microsoft Teams site, available state conference center facilities, and volunteer presenters. Membership, workshops, and conferences are free to AI-UG members. At times, the AI-UG has leveraged the excitement and interest behind recent AI innovations such as large language models (LLMs) to draw attention to practical enhancements such as RPA projects to increase efficiencies and create capacity for additional constituent services. Actual AI projects are the responsibility of member organizations. DIR (generally) and the AI-UG (specifically) are available as resources to support those efforts, as opposed to directly managing or implementing them.

The Innovation Lab

As described above, DIR was able to primarily use existing resources:

- The meeting space was available to convert to the lab.
- The computers are on loan from DIR's internal IT team.
- The emerging technology is provided by the DIR vendor community.
- DIR purchased the tables, chairs, and big-screen TVs.

Finally, the unceasing support from DIR's Executive Leadership Team, plus the CTO's unwavering commitment to helping state agencies gain efficiencies, put us over the top.

Impact

What did the project make better?

The AI UG

The first meetings of the AI-UG were largely organizational: getting feedback from members on the approach, creating the Teams site, and establishing meeting cadence.

In time, organizations began putting policies in place and developing projects that comported to those policies. That's when the AI-UG became a true user group, with members taking turns discussing successes in opportunities in real-world scenarios. This change led to engaged discussions an approach, governance, and maintenance of AI and IA systems.

Further, by using available online upskilling licenses, learners—including those in the AI-UG community—have enrolled in over 300 courses, taken over 100 assessments, and are averaging 6.8 hours of coursework per learner. This coursework includes the AI and digital transformation curricula that DIR and the training vendor designed for this audience.

Finally, with 700 active members across 65 agencies, meetings that regularly host up to 300 participants, and in-person conferences with over 200 attendees, there is no doubt the AI-UG created a statewide public sector community of practice in under a year.

The Innovation Lab

Several agencies have participated in Art of the Possible sessions at the lab and performed a deep dive into the technology. Then, equipped with their newfound knowledge, they created mature, informed statements of work (SOWs) that accurately reflect what the vendor community can provide.

Agencies, now appropriately equipped, have gone on to begin the procurement process for IT products or services after lab engagements. DIR hopes to continue this trend of success for the state.

How do you know?

The above sections describe the growth in size and scope of the AI-UG and the Innovation Lab. A few testimonials from the conferences and workshops sponsored by the AI-UG include:

"It was nice to engage with and learn from experts in the AI industry without the sales-driven tactics."

"Fantastic day. Thank you for helping understand AI."

"Lot of great take aways".

"Great kickoff event! No suggested changes come to mind. I look forward to continuing to participate with DIR in statewide AI initiatives."

What now?

The AI-UG is chartered and will be an ongoing initiative for the foreseeable future. Unlike centers of excellence, which typically include the goal of becoming obsolete when the desired organizational change takes place, user groups can remain in place as a resource to members as the related technology evolves. As the AI-UG has grown, so have the resources available to that group, the size of the meetings, and the size of the conferences and workshops. Considering the only allocated funds were earmarked for training, DIR may seek sponsorship for future events from approved industry leaders and vendors.

In addition, DIR's Innovation Lab, an onsite space to explore new technology ideas and hold workshops, can continue to grow in tandem with the AI-UG. The lab is always adding new emerging technology instances in new business sectors. For example, the lab has purchased 4 Nvidia chips to create four distinct LLMs. DIR hopes to have agencies and institutions of higher education train these LLMs on their own data for proofs of concepts in a true sandbox. The lab also purchased its own Microsoft Azure tenant and Copilot licenses, so agencies and institutions of higher education can bring their own data, experiment with Copilot, and see if it may bring value to their organizations.

In sum, the TIEC and therefore Innovation Lab is changing how state agencies engage with emerging technology. Individual agencies will measure the success of AI implementations using their own metrics. However, the TIEC's success is best measured by the enthusiasm and support of the public sector community. We were deeply gratified to receive this email after an Innovation Lab visit:

Thank you for the opportunity to experience the DIR Innovation Lab this morning. The collection of IT (myself included) and business folks from [our agency] found it to be incredibly valuable and thought-provoking.

To be frank, my fears of stepping into a vendor sales-pitch or worse were quickly set aside as you and your two incredibly helpful DIR coworkers were able to listen to our use cases and direct us to multiple hands-on AI tools that could possibly be applied for us. Having seen dozens of AI demos, this proves that there is just no substitute for doing something "hands-on" to really get it. After developing a pug-specific (yes, I had fun today) AI chatbot that worked quite well, I had a revelation of the opportunities to deploy similar functions on a small level back at [our agency], which could provide immediate value to employees with a very low development cost and low risk to the agency. It was also beneficial to see the varied offerings of technology from different companies.

I can truly state that we all walked out of that lab with fresh ideas and smiles, and already planning future interactions and next steps to advance our usage of AI to benefit our agency and our customers. As a customer of yours, I truly appreciate the value you brought today, and no doubt will continue to provide going forward. Many thanks!