

I-82.4 Artificial Intelligence Appropriate Use Policy
To: Department Heads
Subject: I-82.4 Artificial Intelligence Appropriate Use Policy

PURPOSE

This policy provides guidelines for City of Santa Cruz (City) employees and officials on the use of artificial intelligence (AI). The City is dedicated to the responsible and ethical use of AI technologies, aiming to enhance processes, improve services for residents, and empower employees to excel in their work. In response to the rapid development of AI tools, the City will consistently assess and revise this policy to ensure alignment with ethical, legal standards, and the latest advancements in AI as required.

This policy establishes a comprehensive, yet flexible, governance structure for AI systems used by, or on behalf of, the City. This policy enables the City to use AI systems for the benefit of the community while safeguarding against potential harms.

The key objectives of the AI Policy are to:

- a. Provide guidance that is clear, easy to follow, and supports decision-making for the staff (full-time, part-time), interns, consultants, contractors, partners, and volunteers who may be purchasing, configuring, developing, operating, or maintaining the City’s systems or leveraging AI systems to provide services to the City.
- b. Ensure that when using AI systems, the City or those operating on its behalf, adhere to the Guiding Principles that represent values with regards to how AI systems are purchased, configured, developed, operated, or maintained.
- c. Define roles and responsibilities related to the City’s usage of AI systems.
- d. Establish and maintain processes to assess and manage risks presented by AI systems used by the City.
- e. Align the governance of AI systems with existing data governance, security, and privacy measures in accordance with Administrative Procedure Order *(APO) I-82.1 Use of City of Santa Cruz’s Electronic Systems and Tools*.
- f. Define prohibited uses of AI systems.

SCOPE

This policy applies to any employee or official using or accessing the City’s Technology Resources and Systems to access AI technologies deployed by the City or are involved in using AI tools or platforms on behalf of the organization. Employee as used in this policy is defined as an individual performing business activities under direct supervision of another City employee and includes full-time, part-time, and temporary employees, contractors, unpaid interns, and volunteers. Officials as used in this policy is defined as anyone in a position of official authority that holds a legislative or administrative position of any kind, whether appointed or elected.

DEFINITIONS

Artificial Intelligence (AI):

The City defines “artificial intelligence” or “AI” to be a machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations, or decisions influencing real or virtual environments. AI systems use machine and human-based inputs to perceive real and virtual environments; abstract such perceptions into models through analysis in

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an automated manner; and use model inference to formulate options for information or action. The City defines an “AI system or technologies” to be any data system, software, hardware, application, tool, or utility that operates in whole or in part using AI.

Generative AI Tools

A category of AI tools designed to generate new content, data, or outputs based on patterns and information learned from existing examples. 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 City values.

AI-Powered Search

A category of advanced search technology that integrates artificial intelligence (AI) to enhance traditional search engine functionalities, such as those found in platforms like Google and Bing. AI-powered search leverages techniques like machine learning, natural language processing (NLP), and deep learning.

POLICY

Guiding Principles

Staff should be open to responsibly incorporating AI tools into their work where it can be beneficial for making services better, more just, and more efficient. Each employee is responsible for using AI tools in a manner that ensures the security of sensitive information and aligns with City policies. Specific guiding principles include:

- 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 AI prompts.
- b. **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. Privacy is preserved in all AI systems by safeguarding personally identifiable information (PII) and sensitive data from unauthorized access, disclosure, and manipulation.
- c. **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.
- d. **Responsible Use:** AI tools and systems should be used ethically and always include human oversight to ensure accountability and proper decision-making.
- e. **Continuous Learning:** Employees using AI tools are encouraged to educate themselves on effective and appropriate AI usage for their work.
- f. **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.
- g. **Equity:** AI systems should support equitable outcomes for everyone. Bias in AI systems is effectively managed with the intention of reducing harm for anyone impacted by its use.
- h. **Decision Making:** Do not use AI tools to make impactful decisions. Be conscientious about how AI tools are used to inform decision making processes.

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- i. **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 City guidelines and policies.
- j. **Transparency:** The use of AI systems should be explainable to those who use and are affected by their use. The purpose and use of AI systems is proactively communicated and disclosed to the public to ensure transparency. When using this rapidly evolving technology, indicate when AI tools 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:** [Artificial Intelligence contributed to the development of this document using Google Bard, 2023, in compliance with the City of Santa Cruz Appropriate Use Policy.]
 - ii. **Specific Citation Example:** OpenAI. (2023). ChatGPT (Mar 14 version) [Large language model]
 - iii. **In text Example for specific information:** (OpenAI, 2023)
- k. **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 City will regularly monitor and evaluate approved AI products to ensure they meet security and risk management criteria. Roles and responsibilities govern the deployment and maintenance of AI systems, and human oversight ensures adherence to relevant laws and regulations.
- l. **Security & Safety:** AI systems maintain confidentiality, integrity, and availability through safeguards that prevent unauthorized access and use. Implementation of AI systems is reliable and safe, and minimizes risks to individuals, society, and the environment.

Prohibited Use of AI systems

- a. **Unauthorized Access:** Do not use AI tools to access data or systems you are not authorized to use. Examples of systems that might be deemed unauthorized are AI systems that:
 - i. utilize facial recognition,
 - ii. make automated decisions without human oversight,
 - iii. attempt to make emotional recognition,
 - iv. provide social services decision-making,
 - v. create hyper-realistic images, videos or audio that are indistinguishable from reality, or
 - vi. perform automated image alteration without disclosure.
- b. **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.
- c. **Employment Decisions:** Do not use AI to make consequential decisions regarding hiring, benefits, discipline, or other sensitive matters in which bias could play a role, without additional verification and human oversight. Information gathered from AI, including but not limited to insight on an employee's work performance and behavior, shall not be used in any disciplinary decisions without additional verification and human oversight.

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- d. **Sensitive Data:** Do not enter internal, sensitive, or restricted data into any AI tool or service (e.g. PII, PHI, HIPAA, IRS, CJIS). No AI tool currently meets the City's security, privacy, and compliance standards for handling anything besides public data. However, in the event internal, sensitive, or restricted data may be utilized by an AI system, notice will be provided to all affected individuals within a reasonable time and manner.
- e. **Automated decisions:** Do not use AI Tools to make fully automated decisions that do not require any meaningful human oversight but substantially impact individuals. AI should not be utilized as a sole means to prepare individualized personnel documents, including but not limited to, disciplinary documents and performance evaluations.
- f. **Social scoring:** Do not use AI tools to track and classify individuals based on their behaviors, socioeconomic status, or personal characteristics.
- g. **Behavioral manipulation:** AI tools must not be used as a cognitive manipulation tool of people or specific vulnerable groups.

Roles and Responsibilities

The Information Technology (IT) Director shall:

- a. **Designate an IT Manager** to actively monitor and ensure AI systems are used in compliance with this policy as well as *I-82.1 Use of City of Santa Cruz's Electronic Systems and Tools*. This will ensure AI systems are aligned with organizational policies and standards.
- b. **Authorize an IT Manager** to conduct regular inspections of AI system usage within departments. If any department or its partners are found to be using AI systems inappropriately or outside policy guidelines, the IT Manager will have the authority to direct departments to modify or discontinue the use of such systems.
- c. **Communicate policy updates** to all City departments whenever changes are made to this policy or the overarching City of Santa Cruz Technology Use Policies. This will help maintain consistency in policy adherence across all departments and ensure timely implementation of new directives.

The IT Manager shall:

- a. **Supervise the enterprise security infrastructure**, ensuring that the proper mechanisms for monitoring and compliance with AI-related policies are in place. This includes continuous review of security controls and policy enforcement measures.
- b. **Collaborate with City departments** to conduct an AI Risk Review. This review will evaluate the risks associated with the introduction, integration, and usage of AI systems. The objective is to identify potential vulnerabilities, data privacy issues, and ethical risks before adopting any AI system.
- c. **Provide guidance on AI-related security practices** and offer training, where needed, to ensure departments understand the cybersecurity risks associated with AI tools and their proper usage.

The IT Department shall:

- a. **Maintain and publish a list of approved AI tools** on the IT intranet site. This list will be reviewed and updated regularly to ensure departments have access to the latest approved tools.
- b. **Facilitate AI tool requests** from City departments. If a department wishes to use an AI tool not on the approved list, they must contact the IT Department via helpdesk@santacruzca.gov. The IT Department will review the tool for security, compliance, and functionality before approving its use.

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- c. **Update and maintain guidelines for AI tool usage** and ensure that departments have clear documentation and processes in place to comply with the city's AI governance framework.
- d. **Training:** Develop and provide training resources to the Human Resources department to be included in the new employee orientation training.

City Departments shall:

- a. **Adhere to this AI policy** and any future updates, as well as *I-82.1 Use of City of Santa Cruz's Electronic Systems and Tools*. Departments must annually check for compliance with these documents to ensure continuous alignment with updated policies and technological changes.
- b. **Seek approval from the IT Department** prior to implementing any unapproved AI system. This ensures that all AI systems are vetted for security, ethical implications, and compliance with city policies before they are deployed.
- c. **Use an official City of Santa Cruz email address** when registering or creating accounts with AI service providers to maintain security and accountability. This will also facilitate easier monitoring and traceability in case of any incidents related to AI usage.
- d. **Report AI-related concerns or potential issues** immediately to the IT Department. This includes any suspicious activity, security breaches, or ethical concerns stemming from the use of AI tools, ensuring timely mitigation and resolution.

NO RIGHT OF PRIVACY

See I-82.1 Use of City of Santa Cruz's Technology Resources and Tools.

VIOLATIONS OF POLICY

See I-82.1 Use of City of Santa Cruz's Technology Resources