# Generative AI Use by Local Governments:

# A Resource for County Leaders in Illinois



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## Introduction

The rapid advancement of artificial intelligence (AI), particularly generative AI, is reshaping how governments deliver services, engage with residents, and manage internal operations. As AI tools become more accessible and powerful, local governments—including counties—are exploring how these technologies can improve efficiency, transparency, and decision-making. However, alongside the opportunities come important questions about data privacy, bias, accountability, and public trust.

This resource is intended to help Illinois counties better understand generative AI, assess its implications, and consider responsible approaches for use in the public sector. It provides foundational information about what AI is, outlines key considerations for local policy development, and highlights current federal and state-level guidance relevant to county government operations. Counties that proactively plan for AI use can not only enhance service delivery but also safeguard the public interest in a time of technological disruption.

## What is AI and How Does It Work?

Artificial Intelligence (AI) refers to computer systems designed to perform tasks that typically require human intelligence—such as recognizing patterns, making decisions, understanding language, and generating content. Within AI, generative AI represents a powerful subset that can create new outputs (like text, images, or audio) based on patterns learned from existing data. Examples include tools like ChatGPT, DALL·E, Grok, Meta, and GitHub Copilot.

Most modern AI tools rely on a form of machine learning, where algorithms are trained using large datasets to identify patterns and improve over time. In the case of generative AI, models are often built using deep learning—specifically neural networks that simulate aspects of how the human brain processes information. These models are capable of producing human-like responses, realistic images, or even computer code, all based on probabilities derived from training data.

For counties, understanding this basic structure is important. While AI can be incredibly efficient, it doesn't possess understanding in the way humans do. It generates outputs based on statistical correlations—not comprehension—raising questions about reliability, context, and oversight in a government setting.

## Concerns for County Governments Regarding AI Use

As counties consider implementing or regulating AI technologies, several key concerns must be addressed to ensure responsible and equitable use:

**Data Privacy and Security**: AI systems often require access to large datasets, some of which may contain sensitive or personally identifiable information. Counties must ensure compliance with privacy laws and implement safeguards to prevent data misuse or breaches.

**Bias and Discrimination**: AI tools can inadvertently replicate and amplify biases present in their training data. This creates risks of unfair treatment in applications like law enforcement, hiring, or social service eligibility, potentially leading to civil rights concerns.

**Transparency and Explainability**: Many AI systems operate as "black boxes," producing outputs that are difficult to interpret or audit. This lack of explainability can erode public trust and complicate accountability for decisions influenced by AI.

**Accountability and Liability**: When AI tools make or inform decisions, it's essential to define who is responsible for those outcomes. Counties must establish clear lines of oversight and ensure that AI is not used to abdicate human judgment.

**Impact on Public Sector Jobs**: Automation of certain government functions may displace workers or shift roles. Counties should anticipate workforce changes and invest in training to prepare employees for new responsibilities.

**Cybersecurity Risks**: Integrating AI can expand the county's digital footprint, increasing vulnerability to cyberattacks. AI systems themselves may also be exploited if not properly secured.

By proactively identifying and addressing these concerns, counties can maximize the benefits of AI while minimizing harm to residents, operations, and public trust.

## Crafting a County AI Policy Framework

Establishing a thoughtful AI policy is essential for counties to manage the risks and harness the benefits of emerging technologies. A well-structured policy ensures that AI is implemented ethically, transparently, and effectively within the public sector. The following steps provide a foundation for counties to develop their own framework:

**Establish Governance and Oversight**
Create a cross-functional AI governance group—including IT, legal, administrative, and department heads—to guide policy development, monitor AI use, and ensure alignment with county values and legal obligations.

**Conduct an AI Inventory and Risk Assessment**
Identify all current and proposed AI tools in use across departments. Evaluate each for potential risks (privacy, bias, liability) and benefits (efficiency, cost savings, service delivery).

**Define Ethical Principles**
Codify the county's commitment to principles such as fairness, accountability, transparency, non-discrimination, and privacy. These values should inform both internal operations and third-party procurement.

**Develop Procurement and Contracting Standards**
Require AI vendors to disclose how their systems work, what data they use, how they mitigate bias, and how their tools can be audited. Embed performance and transparency requirements into contracts.

**Foster Transparency and Public Engagement**
Communicate openly with residents about AI use in county services. Provide accessible information about how decisions are made, and invite community input through surveys, forums, or advisory boards.

**Invest in Staff Training and Capacity Building**
Equip employees with the knowledge and tools to understand, manage, and oversee AI systems. Training should focus on both technical literacy and ethical considerations.

Creating an AI policy framework is not a one-time task—it requires ongoing evaluation and revision as technology, regulations, and community expectations evolve.

## Federal Policies Influencing Local AI Use

Although there is currently no comprehensive federal law specifically governing AI, several executive actions and agency initiatives shape the national framework and guide how local governments—including counties—should approach the use of AI:

**Executive Order on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence (October 2023)**
This executive order establishes guiding principles for federal agencies, emphasizing responsible AI development, civil rights protections, data privacy, and cybersecurity. While primarily aimed at federal operations, it signals national priorities and serves as a roadmap for state and local adaptation.

**National Institute of Standards and Technology (NIST) AI Risk Management Framework**
NIST's voluntary framework helps organizations—including government entities—assess and manage risks associated with AI systems. It encourages transparency, accountability, and reliability in AI development and deployment.

**Office of Management and Budget (OMB) AI Guidance (March 2024)**
This federal guidance requires agencies to implement AI governance strategies and establish inventories of AI use. Though binding only for federal entities, the guidance offers a template that counties can adapt for internal controls and auditing.

**Federal Trade Commission (FTC) Oversight**
The FTC has asserted its authority to regulate unfair or deceptive AI practices, especially in cases involving consumer protection. Local governments using AI to interface with the public should be aware of these standards and avoid practices that could be seen as misleading or discriminatory.

**Other Sector-Specific Regulations**
Federal laws such as the Americans with Disabilities Act (ADA), the Health Insurance Portability and Accountability Act (HIPAA), and civil rights statutes may apply when AI is used in areas like public health, employment, or social services.

Together, these policies form a patchwork of obligations and recommendations that counties should monitor closely. As federal rules evolve, local governments will need to stay informed and flexible to ensure compliance and best practices.

## Illinois Policies on AI Use

While Illinois does not yet have a comprehensive statute governing artificial intelligence across all sectors, state lawmakers and agencies are actively engaging with the issue. Several recent laws and proposals have implications for how counties and other public entities in Illinois approach AI use:

**Biometric Information Privacy Act (BIPA)**
Enacted in 2008, BIPA regulates the collection, use, and storage of biometric data—such as facial recognition or fingerprint scans—by both private and public entities. Counties using AI tools that rely on biometric identifiers must ensure strict compliance with BIPA's consent and data handling provisions.

**AI Hiring Transparency Law (Public Act 101-0260)**
Effective since 2020, this law requires employers using AI to analyze video interviews to notify applicants and obtain consent. While directed at private employers, it signals a growing legislative interest in AI's fairness and transparency—especially in employment and hiring contexts that public employers may also engage in.

**Proposed Legislation and Task Forces**
In recent sessions, Illinois legislators have introduced bills and formed study commissions to explore ethical AI development, algorithmic transparency, and public sector accountability. While these efforts are in development, they underscore the likelihood of future regulatory frameworks affecting local government use of AI.

**Freedom of Information Act (FOIA) and AI**
AI-generated content or decisions used in public administration may be subject to disclosure under Illinois FOIA laws. Counties should consider how AI outputs, algorithms, and data inputs are documented and stored to ensure compliance with transparency obligations.

**Illinois Department of Innovation & Technology (DoIT) Initiatives**
DoIT has shown interest in AI applications within state government, offering guidance on digital transformation and data governance. County officials can monitor DoIT communications for evolving standards or technical support models that may assist local implementation.

Counties in Illinois should anticipate that regulatory expectations will continue to evolve. A proactive approach—grounded in transparency, accountability, and ethical use—can help counties adapt to future requirements while building public trust.

**Illinois Supreme Court AI Policy**

In December 2024, the Illinois Supreme Court adopted a policy governing the use of artificial intelligence (AI) in state courts, effective January 1, 2025. The policy authorizes the use of AI-including generative AI-by litigants, attorneys, judges, judicial clerks, research attorneys, and court staff, provided that such use complies with all existing legal and ethical standards. The Court emphasized that AI use should not be discouraged and that disclosure of AI use is not required in pleadings. However, the policy underscores vigilance against AI technologies that could compromise due process, equal protection, or access to justice, and it prohibits the

submission of unsubstantiated or misleading AI-generated content. The policy was informed by recommendations from the Illinois Judicial Conference's Task Force on Artificial Intelligence, reflecting a commitment to both technological innovation and the integrity of the judicial process.

## County Policies in Illinois

Illinois counties may be at various stages of considering or implementing AI policies. This section will be updated as ISACo becomes aware of enacted policies. The following counties have either enacted a policy or are known to be in the process of formulating a policy.

**McHenry County**

In November 2024, McHenry County adopted the "Artificial Intelligence Appropriate Use Policy." This policy was developed by an AI Workgroup comprising representatives from various county departments and elected offices, including Administration, Auditor, Circuit Clerk, County Board, County Clerk/Recorder, ETSB/911, GIS, Health, Information Technology, Planning & Development, Procurement and Special Services, Sheriff, State's Attorney, Treasurer, and Workforce Network Board. The Workgroup's efforts were informed by resources from the National Association of Counties (NACo) and collaborations with other counties, such as DuPage County. The policy aims to guide responsible, ethical, legal, and verifiable use of AI to enhance efficiency and service delivery while maintaining data security and accuracy.

**Cook County**

Cook County's Bureau of Technology Strategic Plan for FY2024 indicated the county is exploring a transformative machine learning and AI strategy. The plan emphasizes ethical considerations, aiming for responsible and transparent utilization of AI to uphold privacy and equity standards across all applications. Anticipated uses include translation services, chatbots, and other applications to bolster decision-making and operational efficiency.

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