AI Acceptable Use Policy

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Purpose and Scope

The purpose of this policy is to establish clear, consistent rules for the responsible use of Artificial Intelligence (AI) technologies by the City of Lincoln to improve public services, decision-making, operational efficiency, equity, and resident experience.

- Protect residents, employees, and the City from risks associated with AI (e.g., privacy breaches, bias, misinformation, security vulnerabilities, intellectual property infringement).
- Ensure AI use complies with applicable laws, regulations, contracts, and City policies, including but not limited to: California Public Records Act (Gov. Code §7920 et seq.), Bagley-Keene/ Brown Act (as applicable to open meetings and public transparency), California Consumer Privacy Act/California Privacy Rights Act (CCPA/CPRA), information security standards (e.g., NIST SP 800-53/800-171 controls adopted by the City), records retention schedules, accessibility requirements (ADA/Section 508), procurement and contracting rules, and any grant-or program-specific conditions (e.g., CJIS for law enforcement systems, HIPAA/FERPA where applicable).
- Promote ethical, transparent, and human-centered AI practices, including human oversight of consequential outcomes, documentation, and continuous monitoring.
- Define accountability for AI decisions and outputs used in City operations and interactions with the public.

The scope of this policy applies to all Staff (full-time, part-time), As-Needed (temporary) Staff, consultants, contractors, partners, and volunteers, City of Lincoln departments, divisions, boards/commissions and enterprise functions.

- Applies wherever City business is conducted, including remote work, field operations, and shared service environments.
- Extends to third parties processing City data or delivering AI-enabled services; contracts must include AI, privacy, IP, security, and transparency requirements.

Exclusions and exceptions:

- Personal use unrelated to City business on personal accounts is out of scope; however, use of City data or representation as a City official brings the activity into scope.
- Research, pilots, or innovation sandboxes are in scope but may operate under limited, pre-approved exceptions with documented controls and time-boxed evaluations.
- Any exception must be formally approved by the CITO (or designee) with documented compensating controls and an expiration date.

Updates and edits:

Due to the nature of AI and the frequent advancements, changes and new laws all people that use AI for City business must refer back to the policy frequently for updates.

Roles & Responsibilities

Several roles are responsible for adhering to this policy, outlined below.

All Employees

All employees must be familiar with this policy, including the Guiding Principles. All employees must use AI tools responsibly.

All employees must complete generative AI training provided by City of Lincoln.

Department Heads, Division Managers, Supervisors

Department heads, division managers, and supervisors are responsible for ensuring staff are trained with this policy and that regular reviews of the policy with staff are performed, as well as review/oversight of the uses of AI within the department for conformance with the terms of this Policy.

Information Technology Department

Receive reports of instances when private information to public generative AI tools is released and follow similar procedures as they would under a cyber security breach.

The Chief Innovation and Technology Officer (CITO) or designee will approve general use of an AI tool procured for City of Lincoln use and must actively ensure AI systems are used in accordance with the City of Lincoln's Information and System Security Policies.

City Attorney’s Office

The City Attorney’s Office is responsible for responding to legal issues arising from the use of AI tools by or on behalf of City of Lincoln departments.

City Manager’s Office

The City Manager’s Office or designee may, at their discretion, inspect the usage of AI tools and require a department to alter or cease its usage of AI tools or a partner's usage of AI tools on behalf of the department.

Finance Department

The Finance Department – Purchasing Division in collaboration with the IT Department is responsible for overseeing the procurement of AI tools and requiring vendors to comply with City of Lincoln's policy standards through contractual agreements.

Artificial Intelligence Defined

Artificial Intelligence (AI) is a set of computational techniques and systems that perform tasks that typically require human intelligence—such as understanding, predicting, generating, or deciding—by learning from data, rules, or experience. AI systems sense or receive inputs, process them using models or logic, and produce outputs (e.g., predictions, classifications, content, recommendations, or actions) with varying levels of autonomy. Human oversight remains accountable for all AI-assisted outcomes.

- If a tool markets an “AI,” “copilot,” “predictive,” or “smart” feature, treat it as AI under this policy.
- When uncertain whether a technology is AI, default to in-scope and route to the City’s AI review process for determination.

Guiding Principles

The Guiding Principles serve as recommendations around responsible AI usage.

Accountability

- Staff should use approved AI tools with the understanding that they are not perfect. Staff are responsible for their work product. Staff should review AI outputs and work deliverables while acknowledging that while City of Lincoln may own the outputs, staff members do not.

Transparency

- Staff should be transparent in their use of AI and disclose when AI tools have contributed substantially to work product; this ensures the work can be reviewed for inaccuracies. For example, disclaimers such as the following may be used when appropriate: "Created with the assistance of AI and reviewed by City of Lincoln."
- Use of AI may be subject to Public Records Act (PRA) requests. Staff should not input anything that is not already public record.

Privacy and Security

- Staff shall not submit any PII into AI tools. Inserting such information into AI tools creates a significant risk of public exposure of this information to other customers of the platform.
- Staff are required to use individual City of Lincoln accounts when using AI tools to conduct City of Lincoln business. Staff should not use AI tools with City of Lincoln accounts for personal use.

Accuracy

- Generative AI is trained on vast amounts of data including the Internet, and therefore the output of generative AI may contain inaccuracies. As well, each AI tool algorithm and dataset may include biases, or such bias may result from or be triggered by the wording of Staff input.
- Generative AI can produce hallucinations (false or misleading information presented as fact), and/or other unanticipated outputs which can put City of Lincoln at risk. These outputs often stem from the model's attempt to generate data that fits the request pattern without a factual basis.
- Staff should review all generative AI output for accuracy, relevancy, validity and that it is free from bias.

Responsible Use

- Staff are encouraged to experiment with AI tools responsibly by being knowledgeable of risks and taking the required training.

- Staff should be aware of proprietary or intellectual property (IP)[1] rights and issues during the use of AI tools. Specifically:

    1. AI tools may create new IP based on Staff input; IP created in the course and scope of your employment is owned by City of Lincoln as your employer,

    2. AI tools may create IP based on third party materials provided by Staff input; this modification or derivative work may not be owned by City of Lincoln and the creation may violate the third party's IP rights, and

    3. Modifications or derivative works might be created based on City of Lincoln IP; City of Lincoln may lose IP rights if certain IP (copyrighted software, trade secrets, etc.) are provided to generative AI tools (such a disclosure might also violate City of Lincoln confidentiality obligations).

Equity

- Generative AI may reflect personal thoughts and opinions found on the Internet and could perpetuate harmful biases. Staff should be aware of biases in the input and output.
- Staff should review the output for word choice, tone, and partiality or unfairness towards specific demographics.

Staffing

- The use of generative AI pursuant to this Policy is intended to be an efficiency tool for staff and not intended to be a substitute for staffing.
- The use of generative AI should not replace or diminish minimum qualifications, knowledge, skills, or abilities associated with any job classifications.

Public Purpose

- All efforts staff put forward are for the overall benefit of the community and City of Lincoln as a public entity. AI tools shall be used in a way that benefits the public. AI generated output from public data also fall under public records act.

[1] Intellectual Property (IP) refers to creations of the mind, such as inventions; literary and artistic works; designs; and symbols, names and images used in commerce. Such works may be protected in law by, for example, patents, copyright and trademarks, which enable people to earn recognition or financial benefit from what they invent or create. [Information from the United Nations' World Intellectual Property Organization.]

Awareness/Training

This section outlines City of Lincoln's requirements for staff awareness and training related to AI tools and usage.

Training Requirements:

- City of Lincoln provides mandatory annual training for all employees on responsible AI usage.
- AI training may be delivered as a standalone program or integrated into existing cybersecurity awareness programs.
- All staff are required to complete this training at least once per year.

Employee Responsibilities:

- Employees must actively participate in the provided AI training and apply learned principles in daily work activities.
- Supervisors are responsible for ensuring that all team members complete the annual training.

This structured training ensures continuous staff awareness and promotes responsible and compliant use of AI technologies within City of Lincoln.

Acceptable Use/Tools

Generative AI tools that are procured and approved by City of Lincoln, are considered acceptable, including but not limited to the following uses:

- Drafting, generating, and editing non-sensitive documents, such as public correspondence.
- Graphic design tools like Adobe Photoshop and Canva for image generation, image manipulation, and generative fill.
- AI-powered search engines like Google, Bing, ArcSearch, and Perplexity.
- Text to speech tools used to create voice overs for trainings and other recordings.
- Translating text into multiple languages.
- Uses specifically authorized by the Chief Innovation and Technology Officer, in accordance with the requirements of this Policy.

Sensitive Data

Compliance with Regulations:

- All AI technology and related processes must comply with federal, state, and local regulations governing sensitive data, including but not limited to HIPAA (Health Insurance Portability and Accountability Act), California Privacy Rights Act (CPRA), CLETS (California Law Enforcement Telecommunications System), CJIS (Criminal Justice Information Systems).

Prohibited Uses of AI:

- AI systems must not process, analyze, or store sensitive data unless explicitly authorized and compliant with regulatory requirements.
- Sensitive data must not be used to train AI models unless anonymized and approved by legal and compliance teams.
- Wearable AI/AR glasses are not permitted for City business. City personnel and contractors must not use Meta smart glasses (including Ray-Ban Meta) or any similar wearable device with cameras, microphones, live-streaming, transcription, or AI-assistance features to:
    - record, photograph, or live-stream in any City workplace, facility, vehicle, job site, or during any City meeting or field interaction;
    - capture or transmit City information (including screen content, documents, conversations, or ambient audio);
    - use AI features (e.g., voice assistant, "look and ask," real-time transcription/translation, summarization) in connection with City work; or
    - connect to City systems (email, Teams/Zoom, shared drives, case management systems, CJIS/FCI environments, etc.), even if only for "hands-free" access.

Examples of Prohibited Data in AI Systems:

- Social Security Numbers (SSNs)
- Driver's license or state ID numbers
- CLETS-accessed information such as criminal history data
- CJIS data, including fingerprints, mugshots, or case files
- Financial information such as credit card numbers or bank account details
- Medical records or protected health information (PHI) under HIPAA
- Confidential business information or trade secrets
- Passwords, private keys, or authentication credentials
- Any data that violates confidentiality agreements or organizational policies

Data Handling and Security:

- Access to sensitive data must be restricted to authorized personnel with a legitimate business need.
- Logs of data access and AI interactions with sensitive data must be maintained and regularly reviewed.

Prohibited Use

In addition to all applicable laws, regulations, and existing City of Lincoln policies (e.g., Privacy Policy, Code of Conduct, Non-Discrimination Policy), the following uses of AI are prohibited:

1. **Discrimination or Bias**
    a. Using AI in ways that unlawfully discriminate or create disparate impacts on protected groups.
    b. Deploying AI tools that have not been vetted to mitigate bias.
2. **Privacy Violations**
    a. Collecting, analyzing, or sharing personal or sensitive data via AI beyond authorized purposes.
    b. Violating privacy rights or data security requirements
3. **Fully Automated Decisions**
    a. Making high-impact determinations (e.g., eligibility, fines) purely through AI without human review.
    b. Bypassing established review or appeals processes
4. **Deceptive or Manipulative Use**
    a. Creating "deepfakes," disinformation, or deceptive content with AI.
    b. Engaging in conduct that erodes public trust or transparency.
5. **Misuse in Elections or Campaigns**
    a. Employing AI to influence political campaigns or ballot measures with City of Lincoln resources
6. **Security and System Misuse**
    a. Deploying AI that compromises networks, data systems, or public safety
    b. Conducting unauthorized "penetration testing" or hacking attempts
7. **Violations of Intellectual Property**
    a. Using AI to infringe copyrights, patents, or trade secrets.
    b. Engaging in unlicensed reverse-engineering of proprietary AI tools

8. **Using non-approved AI tools**
    a. Deploying or utilizing AI software, hardware, applications, browser extensions or platforms that have not been formally reviewed and approved by City of Lincoln's designated oversight body or IT Department.
    b. Inputting any City of Lincoln data (including PII, confidential, or sensitive information) into unapproved or publicly available AI services without explicit authorization.
    c. Conducting "shadow IT" AI projects—where staff independently implement AI tools outside the official approval and governance processes—and thereby bypassing established risk assessments, security protocols, or procurement requirements.

Vendors

Vendor Compliance and AI Integration

This section outlines the expectations, best practices, and responsibilities for vendors providing goods or services that involve the use of AI systems in alignment with City of Lincoln's policies. These guidelines ensure that vendor relationships remain transparent, effective, and compliant with ethical standards, regulations, and public interests, particularly regarding sensitive data protection.

1. Vendor Contracts and Agreements

- **Clear Scope of Work:** Vendors must clearly define their deliverables, capabilities, and the expected outcomes for any AI-related systems and services provided. Contracts should outline AI system functions and any limitations to avoid misuse or overreach.
- **Ownership of Data:** City of Lincoln retains full ownership of any data generated by or through AI systems. Vendors are prohibited from using City of Lincoln's data for any purpose beyond the scope of the contract and must comply with all applicable data privacy and security regulations.
- **Liability and Accountability:** Vendors are responsible for any AI-related issues impacting City of Lincoln operations. This includes system failures, security breaches, or the unintentional misuse of AI tools. Vendors must address and resolve any AI issues promptly.
- **Compliance with Regulations:** Vendors must explicitly commit to complying with all applicable local, state, and federal regulations related to sensitive data privacy, security, and AI usage (e.g., HIPAA, CLETS, CJIS, etc.). This includes data processing and ensuring AI systems are used responsibly and ethically.

2. Vendor Communications

- **Transparency and Clarity:** Vendors are expected to communicate regularly with City of Lincoln, providing updates on system performance, maintenance schedules, and new AI features or tools. Communication should be clear and easily understood by City of Lincoln officials, avoiding overly technical language.

- **Incident Reporting:** Vendors are obligated to immediately report any AI system failures or breaches that could compromise City of Lincoln's data or operations. Transparent and timely incident reporting is crucial to mitigate risks and ensure continuous improvement.
- **Support and Feedback Channels:** Vendors should provide clear avenues for City of Lincoln to report issues or seek support, ensuring prompt responses to inquiries or technical challenges.

3. Purchasing and Procurement Guidelines

AI software purchases shall adhere to the existing procurement guidelines of City of Lincoln.

4. AI System Monitoring and Accountability

- **Performance Monitoring**: City of Lincoln will regularly assess the performance of AI systems to ensure that they meet the established standards and objectives outlined in the contract. Vendors must cooperate with City of Lincoln in providing regular performance reports, audits, and any necessary adjustments to improve system functionality.
- **Error Management and Resolution**: AI systems must be regularly tested to ensure they deliver accurate and reliable results. Vendors must provide a process for promptly identifying, reporting, and resolving errors or inaccuracies that affect the system's performance or outcomes.
- **Transparency in AI Decision-Making**: Vendors must ensure that AI systems are transparent in their decision-making processes. City of Lincoln must have a clear understanding of the logic, algorithms, and methodologies used by AI systems, including how they arrive at decisions or recommendations.

5. Data Security and Privacy

- **Data Protection**: Vendors must ensure that all data processed by AI systems is protected in accordance with City of Lincoln's data privacy policies. This includes adhering to encryption, access controls, and data protection laws at all levels (local, state, and federal).
- **Handling Sensitive Data**: Vendors are prohibited from processing, analyzing, or storing sensitive data, such as personally identifiable information (PII), medical records, financial data, or criminal history data, unless explicitly authorized in the contract and in compliance with regulatory standards.
- **Incident Reporting**: Vendors must immediately report any breaches or security incidents that involve AI systems. This includes any accidental or unauthorized access, data leaks, or failures in the AI system that compromise sensitive data.
- **Data Retention and Disposal**: City of Lincoln will define the retention period for data processed by AI systems. Vendors must adhere to this retention period and ensure that all data is securely disposed of once it is no longer needed, in line with City of Lincoln's data retention policies.

6. Meeting Recording and AI Tools Usage

- **Ethical Use of AI in Meetings:** If AI tools are used to record or analyze meetings (e.g., transcriptions, summarization), vendors must ensure these tools comply with privacy and consent regulations. Participants must be informed and provide consent before any AI recording occurs.
- **Transparency of AI-Generated Content:** City of Lincoln should have access to AI-generated content, such as transcripts or analyses, and the right to review and modify them as necessary. AI tools must not create or store content without clear consent or legal basis.

7. Ethical AI and Public Trust

- **Public Transparency**: As part of maintaining public trust, City of Lincoln requires vendors to ensure that their AI systems are transparent and used in ways that do not compromise public confidence. The use of AI by City of Lincoln should be clearly communicated to the public, with a focus on how AI can improve services while respecting privacy and individual rights.
- **Ethical Use**: Vendors must commit to the responsible and ethical use of AI technology, ensuring that it is deployed in ways that benefit the public and align with City of Lincoln's values and priorities.

8. Vendor Evaluation and Continuous Improvement

- **Annual Performance Review**: Vendors and AI systems will undergo an annual review to assess the effectiveness, compliance, and overall performance of the systems provided. City of Lincoln will evaluate the systems based on their ability to meet contract requirements, their impact on City of Lincoln operations, and customer satisfaction.
- **Continuous Improvement**: City of Lincoln encourages vendors to continuously improve the AI systems they provide. This includes offering updates, addressing performance issues, and identifying areas for improvement. Vendors should be proactive in proposing innovations that can enhance City of Lincoln's use of AI technologies.
- **Vendor Feedback**: City of Lincoln will maintain open communication with vendors to gather feedback on AI system usage, performance, and potential enhancements. This feedback loop will help inform future system upgrades or modifications.

9. Vendor Termination or Renewal

- **Contract Renewal**: City of Lincoln will consider contract renewals based on the vendor's performance, continued compliance with City of Lincoln requirements, and the effectiveness of their AI systems. The vendor's ability to meet performance standards and contribute to City of Lincoln's needs will be a key factor in the renewal decision.
- **Termination**: City of Lincoln reserves the right to terminate any vendor contract if the vendor fails to meet agreed-upon performance standards, regulatory compliance, or ethical guidelines. If the contract is terminated, the vendor must assist with the smooth transition of services and ensure that all City of Lincoln data is handled securely.

Policy Definitions

- **AI (Artificial Intelligence)** — A software system capable of performing tasks that typically require human intelligence, such as pattern recognition, decision-making, or language understanding, often using algorithms and neural networks to compute.
    - **Machine Learning (ML)** — A subset of AI where systems learn from data sets to identify patterns, make decisions, and predict outcomes without being explicitly programmed for specific tasks.
    - **Generative AI (GenAI)** — A type of AI that creates new content such as text, images, videos, or sounds.
    - **Artificial General Intelligence (AGI)** — The concept of an AI system that has the capability to perform any intellectual task that a human being can do. This type of AI is considered hypothetical as it has not been achieved yet and would imply true cognitive abilities comparable to human intelligence.
- **GPT (Generative Pretrained Transformer)** — A type of machine learning model that uses transformer architecture to process sequences of data and generate outputs based on pre-trained patterns. It is designed to perform generative tasks across various domains, such as text, images, or other data, by leveraging pre-training from large datasets and fine-tuning for specific applications.
- **Large Language Models (LLMs)** — A type of machine learning model trained using large amounts of text data. These models learn nuanced patterns and structure of language.
- **Cloud** — Computing resources and data processing are managed on remote servers hosted by third-party providers. When AI is involved, data is sent to these off-site systems for analysis and computation.
- **On-Premises** — The AI system, including the necessary hardware and software, is installed and managed within the organization's own data centers or servers.
- **On-Device** — The processing and computation of AI tasks are conducted directly on the user's local device, such as a smartphone or computer, without the need to send data to remote servers.
- **Hybrid** — A combination of Cloud, On-Premises, and On-Device deployment models.
- **AI Enhanced Image** — An image that has been digitally enhanced to improve its quality and clarity by AI. Enhancements may include adjustments to color, sharpness, white balance, or resolution upscaling. The enhanced image must retain all original content in a recognizable form, with no new elements added.
- **AI Altered Image** — An image that has been modified using artificial intelligence to add, remove, or alter elements within the image. These changes go beyond simple quality enhancements.
- **AI Generated** — Something created by a GenAI by a prompt. This includes but is not limited to: Text, Image, Video, Voice, Music, Code.

- **Explainability** — The ability of an AI system to explain its decisions or actions in a way that is understandable to humans.
- **Data Privacy** — The practice of safeguarding personal or sensitive information, especially when processed by AI systems.
- **Training Data** — The dataset used to teach an AI model during the training phase, often requiring significant preprocessing and labeling.
- **Bias** — Any systematic error introduced into AI systems during the training phase, which may lead to unfair or inaccurate outcomes. Bias can stem from the training data or the model design and needs to be monitored and mitigated.
- **Human-in-the-Loop (HITL)** — An approach to AI where human intervention is integrated into the AI decision-making process to validate or oversee the outcomes, especially in critical or high-stakes scenarios.
- **AI Risk Assessment** — The process of identifying, analyzing, and mitigating risks associated with the development, deployment, and use of AI systems.
- **Ethical AI** — The practice of developing and deploying AI systems in a manner that aligns with ethical principles, including fairness, transparency, accountability, and respect for user privacy and rights.
- **Sensitive Data** — Any data that is not publicly available and requires protection due to its confidential nature. This includes internal documents not intended for public disclosure, as well as personal information such as Social Security Numbers, credit card details, and other identifiable or financial data.
- **PII (Personally Identifiable Information)** — Data that can be used to distinguish or trace an individual's identity, either alone or when combined with other information, and is a target for attackers in data breaches due to its high value.