

AI-Ready or AI-Risky? Find Your Why in AI

SCAC Institute of Government | July 27, 2026 | Wild Dunes, Isle of Palms

NACo AI County Compass — Your Reference Bridge

The National Association of Counties published the **AI County Compass** (December 2024), a comprehensive toolkit built by county officials for county officials. This sheet maps what you learned today directly to the NACo framework so you know exactly where to go next.

Everything in today's session was designed to be consistent with and reinforced by the NACo toolkit. Use both together.

1. Today's Session Mapped to the NACo Four-Theme Framework

NACo Theme	NACo Workgroup Focus	What You Did Today That Maps to This
Promote Policy Models	Establish your county's policy framework, review legal exposure, assess procurement	MVG Checklist, vendor procurement questions, acceptable use policy in the Tuesday Morning Test
Establish an Ethical Framework	Fairness, Transparency, Privacy, Accountability; and staff training on the "why"	Human-in-the-loop guardrail, data classification policy, audit trail requirement in the MVG Checklist
Enable Responsible Applications	Evaluate use cases by risk level, practice data governance, update cybersecurity	Use Case Scorecard (scored by risk level), SC Use Case Menu with risk flags, Nate's demo (real-world implementation lens)
Prepare the Workforce	Skills development, capacity building, multi-year workforce strategy, union/staff communication	David Garner's panel segment (internal adoption conversation). Frame AI as Automate/Assist/Augment, not Replace.

2. NACo Policy Pyramid: Where Your Acceptable Use Policy Fits

NACo recommends a layered policy approach. Start at the foundation and build up. Your county doesn't need to be at "Advanced" to start moving, but you must have the foundation.

ADVANCED	Generative AI Policy, Bias Policy, Vendor Management Policy, Mobile Device Management
INTERMEDIATE	Social Media Policy, Remote Work Policy, Data Governance / Records Retention, Cybersecurity Training
BASIC	FOIA Policy, Security / Incident Response, Access Control, Cloud / SaaS Policy, Data Privacy (PHI), Backup & Recovery
FOUNDATION	Acceptable Use Policy: County Equipment, Login, Monitoring, Email, Internet Use

3. NACo Ethical Framework: Four Principles Every County Must Address

Fairness & Impartiality	Transparency	Privacy	Accountability
AI decisions must be explainable, repeatable, and free from bias. Eliminate bias in prompts and outputs.	Disclose when AI is used in public-facing services. Always give constituents a path to a human.	Follow state, federal, and HIPAA guidelines. Protect PII. Train staff not to upload identifiable data.	Assess impact, create audit trails, validate outputs, and build a feedback mechanism for staff and residents.

4. NACo Use Case Risk Ratings: How to Classify What You're Considering

NACo rates county AI use cases on a 1–3 risk scale. Use this alongside your scorecard to decide how much governance structure a use case requires before you start.

Risk	NACo Definition	NACo County Examples	SC Session Examples
1	Low risk: public information, well-defined workflows, clear ownership	Agenda analysis, pet applications, property tax / permitting, grant proposals, automated fire detection	Meeting minutes, permit triage, 311 routing, grant narrative drafting, GIS analysis
2	Medium risk: involves protected information classes (SSNs, health data, financial data)	911 non-emergency calls, cybersecurity monitoring, code development, constituent chatbot (with PII)	Constituent chatbot (with auth), code enforcement triage, social services referral
3	High risk: criminal justice data, HR/hiring decisions, mental health, legal proceedings	Court records / translation, HR recruitment & policy development, mental health intake	HR / hiring screening. Do not start here. Bias, legal exposure, public trust risk.

5. Full NACo AI Procurement Question Set (8 Questions)

Today's session gave you three vendor questions. NACo's full list goes further. Use these in every RFP, RFI, and vendor conversation.

"Are you using GenAI in your solution?"
"Is it a closed environment, where customer data is NOT used to train the model that then becomes available to other customers?"
"Where do you get the data that your model is trained on?"
"How long do you retain our data, and does your model consume new client-provided data to further train it?"
"Have you done a security assessment of your model and run any GenAI solution through a code review?"
"Do you have ongoing security monitoring in place to detect viruses or anomalies?"
"How often do you reassess the model for data accuracy and model methodology?"
"What is the computing cost as well as other underlying costs, including access and egress, and is it monthly, yearly, or transactional?"

6. NACo Myth Busters: What Counties Get Wrong

Common Myth	NACo's Answer
"We can just ban AI use in our county."	AI is already embedded in tools your staff uses every day. The question isn't whether; it's how you govern it.
"GenAI outputs are always accurate."	GenAI models hallucinate; they produce convincing but false outputs. Human review is not optional.
"We can turn off AI features in our software."	Most platforms are integrating AI deeply. Disabling it often breaks core functionality. Know what you're buying.
"AI is going to steal our data."	AI systems aren't designed to steal data. But default settings matter. Update them and follow your data governance policy.
"All GenAI tools work the same way."	Tools vary significantly in model, strength, weakness, data source, and risk profile. Evaluate each one on its own.
"AI will replace our county workforce."	NACo found AI allows employees to deliver higher-value services. Frame it as taking the worst parts of the job, not the job itself.

7. NACo's 7 Guiding Principles for County AI Implementation

#	Principle	What It Means for Your County
1	Be agile, flexible, and creative	Think big, but remember AI is just a tool. The responsibility for outcomes stays with your county.
2	Set outcomes first, then find use cases	Start with what you want to improve. Then match an AI use case to it. Not the other way around.
3	Be proactive, not reactive	Don't ban AI, govern it. Your staff is already using it. Guardrails beat prohibition every time.
4	Maintain vigilance on accuracy, privacy, and bias	Human review is not optional. Verify outputs. Protect PII. Audit for bias regularly.
5	Communicate AI's workforce benefits — and challenges — early	Staff fear job loss. Address it directly. Retrain. Reskill. Involve people before you deploy.
6	Establish strong data governance	Bad data produces bad AI. Know what data you have, where it lives, and whether it's accurate before you start.
7	Plan financially for the transition	ROI is not always immediate or monetary. Budget for staff time, training, and implementation overhead.

8. NACo's 7-Stage County AI Roadmap

Where does your county sit on this roadmap right now? Circle the stage. Write what's needed to advance to the next one.

1 Build a strategy for management	2 Identify and conduct assessments	3 Choose key vendors and establish partnerships	4 Conduct proof of concept for AI projects	5 Move to pilot phase	6 Measure impact	7 Implement
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My county is currently at Stage: _____ To advance, I need to: _____

Go Deeper : NACo AI County Compass Resources

NACo AI Compass and Resource Hub: naco.org — search “AI County Compass”

NACo Tech Xchange: Sample county policies, procurement templates, use cases (membership required)

NIST AI Risk Management Framework:

nist.gov/system/files/documents/2023/01/26/AI%20RMF%20Playbook.pdf

NACo AI Webinar Series: Register at naco.org/AI-compass-resource-hub