

October 27, 2025

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Executive Office of the President
725 17th Street NW
Washington, DC 20502

**Re: Notice of Request for Information; Regulatory Reform on Artificial Intelligence
Docket ID number OSTP-TECH-2025-0067**

As the bipartisan, national membership association representing state, county, and city human services agencies, the American Public Human Services Association (APHSA) welcomes the opportunity to submit comment on the Request for Information on Regulatory Reform on Artificial Intelligence.

APHSA's members administer economic assistance and child and family well-being services and benefits – such as the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), child welfare and others – at the state, county, and city levels. Our members are experts in administering and aligning these programs, which bolster community well-being through access to food, health care, employment, child care, and other key building blocks. In addition, APHSA's members are leading experts in public data analysis, health and human services Information Technology (IT) systems, workforce development and training, and legal dimensions of the sector.

By convening affinity groups such as IT Solutions Management for Human Services (ISM)¹ and the Public Human Services Attorneys (PHSA),² APHSA stays informed on common interests and concerns of IT and legal professionals in the human services sector. We additionally convene a Process Innovation Community of Practice focused on advancing process improvements in human services for more efficient service delivery and improved customer experience. The insights and recommendations contained in this comment letter are informed by the insight and input of these member groups.

¹ For more information on ISM, see <https://aphsa.org/ISM/>.

² For more information on PHSA, see <https://aphsa.org/PHSA/>.

APHSA Feedback: Regulatory Reform on Artificial Intelligence

APHSA members -- state and local human services agencies -- are exploring how AI can enhance program administration, improve service delivery, and address workforce capacity challenges. Meanwhile, a rapidly changing landscape, limited worker and agency capacity, and fragmented regulatory frameworks present persistent challenges to innovation.

At the Federal level, regulating artificial intelligence (AI) is still in its infancy, with governments across the globe racing to catch up and keep pace with a rapidly-evolving technology. Through ongoing engagement with our membership regarding federal AI policy, regulation, and implementation supports, APHSA has identified the following themes and priorities:

1. Adapt current federal regulations to enable responsible AI in Human Services.
2. Expand sub-regulatory supports to enable innovation.
3. Strengthen state and local autonomy with guardrails and resources.

Together, these priorities reflect the core conditions needed to responsibly advance AI in human services.

Recommendations: Adapt Regulations, Expand Supports, Strengthen Autonomy

1. Adapt Current Federal Regulations to Enable Responsible AI in Human Services.

APHSA members identified two key areas where adaptations to federal regulations could bolster their ability to leverage AI: modernizing “merit-staffing” requirements and simplifying inter-program cost sharing to promote systems interoperability.

Merit Staffing

Federal agencies should modernize merit-staffing requirements to allow state and local human services agencies to responsibly deploy AI and automation tools in non-determinative case-processing functions while maintaining human oversight for eligibility and certification decisions.

A key area for regulatory reform lies in how federal rules govern the processing of public assistance cases. State and local human services agencies are eager to leverage AI and automation to streamline workflows, reduce backlogs, and improve service delivery. Yet, federal merit-staffing rules, designed to protect program integrity, constrain agencies from deploying AI in some routine areas of case management. Under existing regulations, including 7 CFR 272.4 and 5 CFR 900 Subpart F, eligibility and certification functions must be performed exclusively by merit-system employees. These standards have long

safeguarded program integrity by ensuring that trained public servants make critical benefit determinations. However, the policy environment in which they operate has not evolved alongside the capabilities of modern technology. As a result, agencies face unnecessary barriers to using AI tools that could alleviate administrative burdens while preserving, and even strengthening, human oversight. APHSA members report that the greatest opportunity for modernization lies in clarifying which case-processing tasks may be supported by AI without compromising the integrity or legal foundations of public benefit programs, and encouraging states to move these actions forward through federally-provided incentives and resourcing.

Specifically, APHSA recommends that OSTP partner with USDA’s Food and Nutrition Service (FNS) and other relevant agencies to:

- Clarify allowable AI-assisted functions, explicitly authorizing AI to support merit staff with document verification, data entry, scheduling, and case communications, provided that eligibility and benefit determinations remain under merit-staff authority.
- Streamline the “major change” and Advanced Planning Document (APD) approval process for states proposing AI use in administrative workflows, establishing a standardized, expedited pathway for non-determinative use cases
- Ensure transparency and accountability by requiring that all AI-assisted processes remain auditable and operate under documented human oversight.

This regulatory change to merit-staffing practices could preserve program integrity while enabling innovation at the state and county level at a time when agencies are particularly focused on quality control while making quick technical changes to comply with new policies.

Inter-program Cost Sharing

Program administrators at the state and county level navigate complex and restrictive requirements around how their human services program funds may be used, which often results in duplicative investments and hinder innovation. Simplifying cost-sharing mechanisms and allowing greater flexibility to braid and blend funds across programs would promote interoperability, reduce administrative burden, and improve public trust through better customer experiences.

2. Expand sub-regulatory supports to enable innovation.

APHSA’s members shared that while there is relatively little in existing law or rule that directly prohibits or limits responsible AI use in human services, the most significant challenges to adoption involve capacity, clarity, and coordination. State and local agency

leaders require access to tools, funding, and practical supports to adopt AI safely, ethically, and effectively. In the current pre-regulatory environment, most barriers to responsible AI adoption stem not from statutory or regulatory restrictions but from a lack of clear, practical supports. Agencies need guidance and guardrails, workforce development support, and access to funding to develop trustworthy, compliant, and effective AI solutions. These supports can be delivered through sub-regulatory mechanisms -- such as guidance documents, templates, technical assistance, and funding flexibility -- without new rulemaking.

Guidance and Guardrails

Agencies are eager to explore how AI can streamline operations and improve service delivery, but many feel underprepared to design or deploy these systems responsibly. Federal agencies should collaborate to produce practical implementation resources, including case-specific model templates, and risk-mitigation frameworks that help states plan for data security, transparency, and ethical use. Coordinated, cross-agency guidance and access to expertise at the federal level will promote consistency, reduce duplication, and ensure that AI adoption strengthens rather than fragments service delivery across programs.

Workforce Development

AI adoption will transform the public-sector workforce. Agencies need federal investment in training and transition supports to help staff use new tools effectively, adapt to evolving job responsibilities, and maintain job stability. Workforce resources should include funding, technical assistance, and training materials that prepare staff as both end users and decision-makers in AI-enabled systems. Federal partners can also help ensure that innovation complements, rather than displaces, human expertise and customer engagement.

Funding Access

Many agencies operate legacy IT systems that require substantial investment to modernize, yet lengthy, complex funding processes delay innovation. As briefly touched on in the first section of this letter, APHSA recommends that federal partners simplify and expedite grant and APD reviews for technology and AI projects, removing procedural barriers that divert staff time away from innovation. Additionally, flexibility and transitional support are needed to ensure that cost constraints do not limit agencies' ability to explore, test, or scale AI solutions.

3: Strengthen state and local autonomy with guardrails and resources.

Rather than prescribing a single model of AI adoption, the federal government should focus on enabling flexibility, coordination, and autonomy -- ensuring that agencies can design, test, and scale responsible AI solutions that reflect their specific program structures and populations. Empowering state and local agencies to lead with innovation, supported by clear federal guardrails, transparent oversight, and accessible resources, will ensure that AI strengthens the nation's human services infrastructure.

Standards and Supports

Federal partners should issue consistent national standards for data security, interoperability, and privacy-preserving data sharing, accompanied by funding and technical assistance to support implementation. These standards should balance data-driven service delivery with strong protections for personally identifiable information (PII) and personal health information (PHI). Open-source data frameworks, reference architectures, and shared technology resources can help agencies streamline services while maintaining public trust.

Safe Experimentation

A strong and consistent partnership between state agencies and their federal counterparts is essential for enabling dialogue, flexibility, and faster iteration during the AI development and deployment process. Many states are ready to pilot or scale responsible AI solutions but encounter delays or uncertainties due to opaque federal approval processes. APHSA recommends establishing clear, transparent, and timely procedures for project and waiver approvals, including specific feedback when submissions require revision or are denied. Federal agencies can accelerate learning across jurisdictions by providing:

- Open-access datasets to train and validate responsible AI models;
- Testing environments and sandboxes where agencies can safely pilot emerging tools; and
- Readily available technical assistance from federal subject-matter experts to guide implementation and ensure compliance with federal standards.

These resources would help states build AI capacity while avoiding duplication and minimizing risk.

Broader Considerations

APHSA's membership also shared that to promote long-term, responsible innovation, federal partners should integrate environmental and sustainability considerations into AI guidance, encouraging energy-efficient and climate-conscious adoption; and allow flexibility in implementation timelines when new federal AI standards or rules are

introduced, giving agencies the space to adapt responsibly without disrupting service delivery.

APHSA welcomes the opportunity to elaborate upon the insights and recommendations provided in this letter. APHSA is committed to supporting state and local human services agencies' mission in planning for and implementing AI solutions in public benefit administration while safeguarding privacy, transparency, and accuracy. For any questions or follow-up, please contact Jessica Maneely.

Respectfully,
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