

DEPARTMENT OF LABOR COMPLIANCE PLAN

OFFICE OF MANAGEMENT AND BUDGET
MEMORANDUM M-25-21

PREPARED BY: MANGALA KUPPA,
CHIEF AI OFFICER, DOL
ISSUED BY: KEITH SONDERLING,
DEPUTY SECRETARY, DOL



Contents

1

DRIVING AI INNOVATION

- 1.1 Removing Barriers to the Use of AI
- 1.2 Sharing and Reuse
- 1.3 AI Talent

2

IMPROVING AI GOVERNANCE

- 2.1 AI Governance Board
- 2.2 Agency Policies
- 2.3 AI Use Case Inventory

3

FOSTERING PUBLIC TRUST IN FEDERAL USE OF AI

- 3.1 Determining Presumed High-Impact AI
- 3.2 Implementation of Risk Management and Termination of Non-Compliant AI

1 DRIVING INNOVATION

The U.S. Department of Labor (DOL) is committed to harnessing artificial intelligence (AI) to advance its mission of protecting and empowering workers, job seekers, and retirees. DOL will employ AI to improve service delivery and outcomes, streamline operations, and strengthen evidence-based decision-making—while maintaining human accountability and safeguarding the public’s trust. DOL is committed to supporting the administration’s pro-innovation approach to government operations and will collaborate across the federal enterprise and with industry/academia to implement innovative, efficient, and secure AI.

This AI compliance framework sets forth the policies, roles, and controls that govern the full AI lifecycle—planning, acquisition, development, deployment, monitoring, and retirement. It aligns DOL’s practices with applicable federal requirements and guidance, including the Office of Management and Budget (OMB) Memorandum M-25-21.

1.1 Removing Barriers to the Use of AI

DOL intends to promote the use of AI while removing barriers to rapidly develop, test, and maintain AI applications. To achieve this, DOL has taken several actions to remove identified barriers to AI adoption as outlined below.

Information Security:



The DOL CAIO office has released an amendment to the information security policy to include AI, especially Generative AI (GenAI), security risks, and mitigations. DOL has advocated against using publicly available GenAI tools due to the risk they present in exposing DOL information or training the models on DOL information. Additionally, DOL has established several secure Generative Pre-trained Transformer (GPT) instances for use by DOL staff.

Infrastructure/Software and Tools:



DOL has established the infrastructure necessary to securely allow access to select GenAI tools. DOL continues to expand the authorized list of AI tools for the department’s use. Any new tool requests undergo a thorough evaluation against security standards and data protection measures before the CAIO approves them for use at DOL. DOL plans to leverage OneGov deals and shared solutions available for federal government use.

Deployment and Monitoring:



DOL has established the ability to rapidly develop, test, and maintain AI applications. The pipeline allows for sandbox, development, testing, and production environments, which leads to deployment that promotes efficiency, consistency, and scalability. DOL also has implemented a process for continuous monitoring that tracks performance and user feedback and will use the information to improve processes.

AI, Data Maturity, and Data Science:



AI requires a strong data foundation for any meaningful use case implementations. DOL aims to enhance enterprise data standards and tools aimed at data maturity across DOL. Working in collaboration with the Chief Data and Analytics Officer (CDAO), DOL will leverage the tools of data science to enhance the quality and integrity of DOL data assets.

AI Literacy and Engagement:



DOL is committed to increasing AI literacy to educate staff about AI and the benefits and necessary precautions of this technology. DOL will conduct regular outreach and training opportunities for staff for AI education, upskilling, and reskilling. DOL is undertaking a comprehensive set of actions geared toward increasing AI literacy and building an AI ready workforce, as shown in Figure 1 in section 1.3 AI Talent.

Budget and Resources:



Although AI can significantly enhance productivity and operational efficiency, adequate funding and resources are essential for overcoming adoption barriers. DOL aims to utilize all available resources and prioritize AI investments to achieve optimal results.

1.2 Sharing and Reuse

Collection and sharing will be centrally coordinated by DOL's CAIO office through data calls, demos, and frequent engagement with agency partners. DOL established the AI Job Enrichment Center, a centralized web portal to promote sharing and reuse. Agency AI use case requests will be vetted against existing use cases to see if there is a ready solution available.

AI Job Enrichment Center:



DOL has established the AI Job Enrichment Center to promote the sharing of secure AI tools and solutions. The center features a user-friendly interface for common AI uses and continues to build various AI solutions that can benefit all DOL while ensuring security and data privacy/protections.

Monthly Agency Partnership Meetings:



Each DOL agency is asked to assign an AI Coordinator on behalf of the agency. The CAIO conducts a monthly meeting with all the coordinators to promote the sharing of AI use cases. These meetings also promote dialogue between the agencies and allow for sharing best practices and insights. Agency coordinators carry out outreach and engagement across each DOL agency to further share information and tools.

Collecting Code, Data and Related Artifacts:



DOL agencies report any intended use of AI to the CAIO office. The CAIO office reviews each use case, provides guidance to the programs, and audits the use case implementation based on the risk level allocated to the use case. The CAIO collects all the artifacts and stores centrally to enable easy sharing.

Publishing:



Generally, use cases and corresponding artifacts will be published through the OMB defined tools/processes. If certain information is under non-disclosure, per DOL mission directives, some or all the artifacts related to those use cases may not be published.

Enablers:



A centralized governance structure is essential for effective sharing of information. The central team must have sufficient resources to carry out the coordination activities. Leadership support and agency partnership and engagement are critical for success.

Externally, DOL intends to publish an AI Use Case Inventory as per the OMB Memo M-25-21 guidelines. Along with an AI Use Case Inventory, DOL will consider sharing additional materials like the code/weights and other artifacts recommended by OMB.

1.3 AI Talent

AI talent is essential for meaningful AI adoption by the department. To this end, DOL is working on talent acquisition as well as robust training programs.

Talent Acquisition:

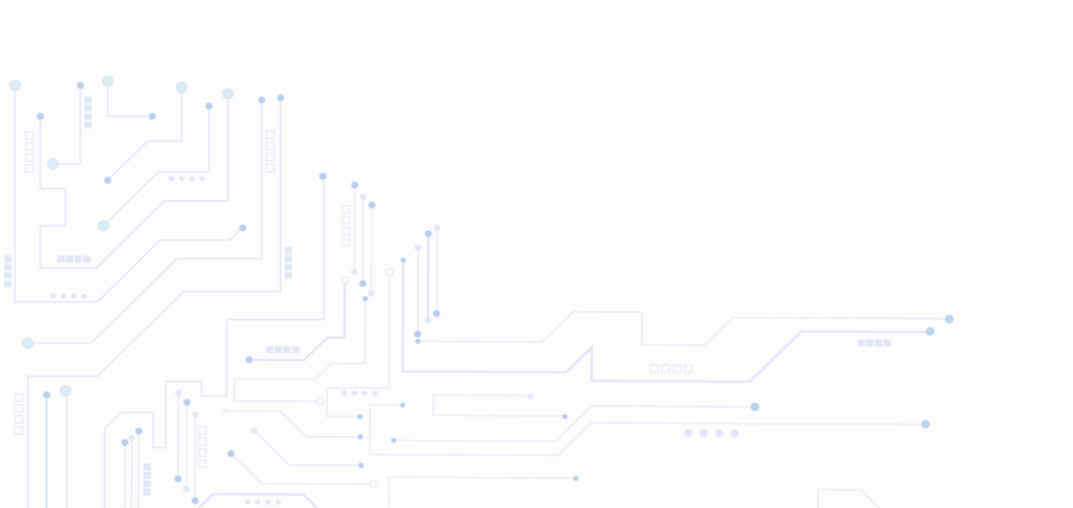


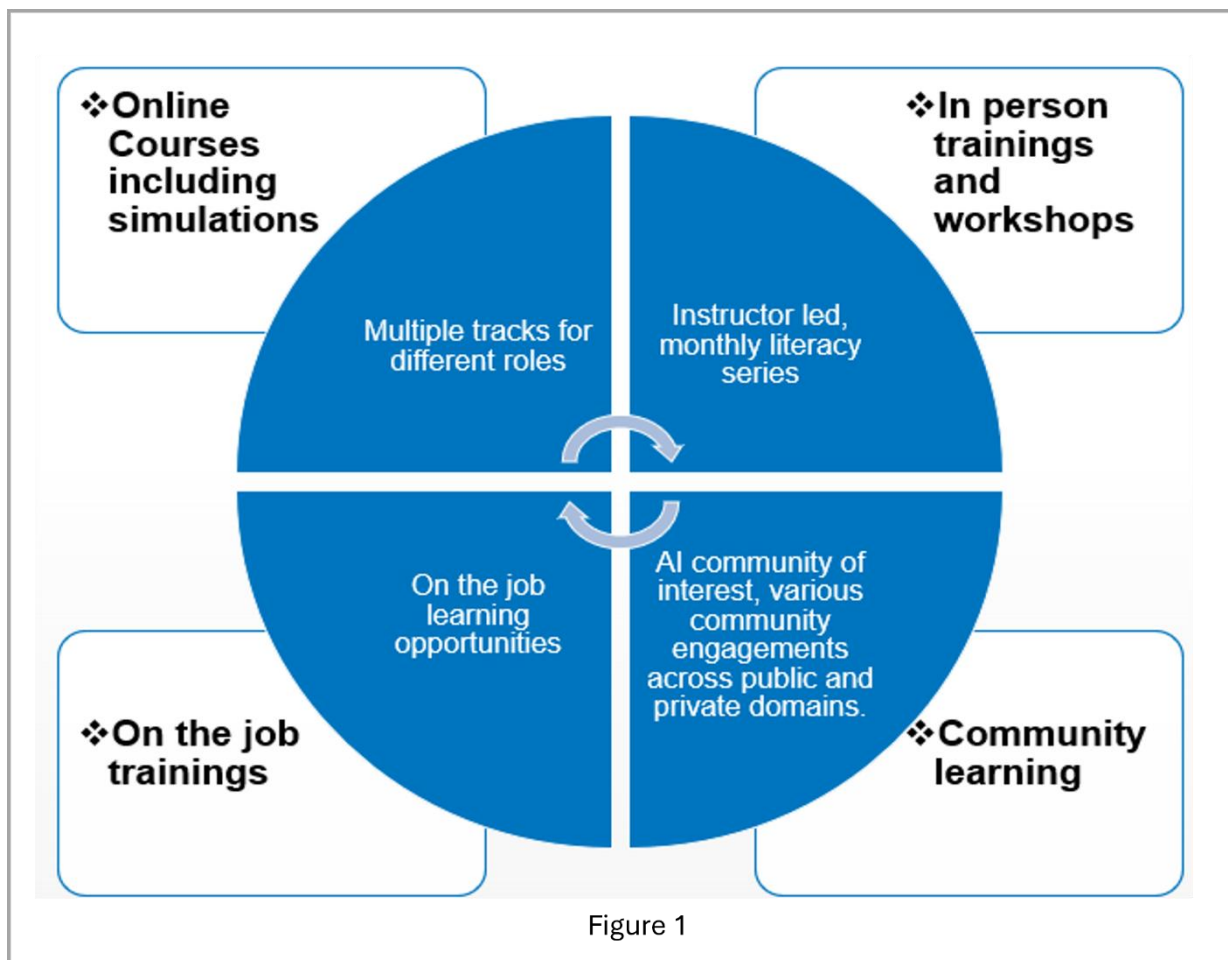
DOL has identified and established AI skills necessary for the department. DOL also established standard Position Descriptions (PDs) for the new roles identified. These roles include both technical and non-technical tracks like the Data Science series. Additionally, DOL will leverage any federally available resources to attract talent. Recognizing the scarcity and competition for AI resources, DOL is also pursuing experienced IT Specialist to develop AI skills. Furthermore, DOL intends to recruit career ladder and college graduates to train them for AI jobs.

Developing AI Talent:



DOL recognizes that training is a critical component of developing AI talent. The DOL CAIO office has and continues to develop training for various AI roles. DOL has established a learning management system and has provided various training paths for DOL staff to pursue. Additionally, DOL plans to establish career track certification programs as a training option so that interested staff can choose to build AI skills. DOL is also investing in role simulations, providing on-the-job experience, as well as many community engagements to develop AI talent.





Monthly Developer Workgroup:



To specifically promote AI for coding and systems development, DOL established a coder workgroup, which is a forum for developers to learn and share ideas. This includes data scientists who use coding to support their activities.

Inter-Agency and Academic Trainings:



DOL is participating in government-wide training opportunities as well as many of the free trainings offered through various academic institutions and the private sector. The AI Job Enrichment Center centrally publishes information for DOL staff about the availability of these opportunities.

AI Action Plan:



DOL is also working with other federal agencies in alignment with the AI Action Plan sections to “Empower American Workers in the Age of AI” and “Train a Skilled Workforce for AI Infrastructure.” While these efforts are focused on AI’s impact on the labor market externally, there are opportunities to synchronize DOL’s internal and external actions in this area.

2 IMPROVING AI GOVERNANCE

DOL understands the critical role of stakeholder engagement in successful AI governance. DOL has initiated various forums to foster discussions on AI. These forums aim to enhance awareness and understanding of AI technologies among stakeholders, facilitating a collaborative approach to AI governance.

2.1 AI Governance Board

DOL is prioritizing strong AI governance in alignment with OMB Memo M-25-21.

DOL AI Council:



Quarterly meetings are chaired by DOL's Deputy Secretary and co-chaired by the CAIO to discuss status and AI policies and concerns. Membership includes:

- ✓ Chief Information Officer (CIO) or Deputy Chief Information Officer (DCIO)
- ✓ Assistant Secretary for Administration and Management (ASAM) Designee
- ✓ Chief Information Security Officer (CISO)
- ✓ Chief Data and Analytics Officer (CDAO)
- ✓ Senior Agency Official for Privacy (SAOP)
- ✓ Senior Agency Official on Civil Rights and Civil Liberties
- ✓ Senior Official from Bureau of Labor Statistics (Statistics) or Designee
- ✓ Senior Agency Official on Budget
- ✓ Office of the Solicitor (SOL) Designee
- ✓ Senior Procurement Executive (SPE)
- ✓ Chief Human Capital Officer (CHCO) or Deputy CHCO
- ✓ DOL Leadership representatives from each agency
- ✓ Chief Innovation Officer

CAIO and Agency Monthly Meetings:



DOL has initiated monthly collaborative sessions with agencies to explore and deliberate on AI use cases. These meetings are aimed at fostering inter-agency cooperation and ensuring a unified approach to AI implementation and use. The CDAO and the CISO are engaged in these meetings to cover data and security dimensions as they relate to the use of AI, including unique data confidentiality concerns pertaining to the Confidential Information Protection and Statistical Efficiency Act (CIPSEA).

AI Policy Review Group:



DOL has established a quarterly Use Case Impact Assessment Review meeting, which brings together representatives from critical policy offices, including the Civil Rights Center, the Office of Human Resources, the Privacy Office, the Office of Disability Employment Policy, the Office of the Chief Data and Analytics Officer, the Office of the Senior Procurement Executive, and the Solicitors Office. These meetings are focused on assessing the impact of AI use cases, ensuring they align with OMB's guidance and DOL policies, and addressing any potential concerns.

External Consultations:



DOL intends to bring in external consultations as needed. This may include engagement with public, private, and academic institutions, and think tanks/non-profit entities. DOL is actively involved in CAIO Council sponsored workgroups as well as interagency workgroups established by the Office of Personnel Management (OPM) and General Services Administration (GSA).

Through these initiatives, DOL is committed to ensuring that the deployment and governance of AI technologies within the department are conducted in a manner that is collaborative, transparent, and reflective of the mission priorities.

2.2 Agency Policies

DOL believes enterprise AI adoption requires standardized processes to advance secure, innovative, and appropriate use of AI across the department. DOL is updating internal policies to reflect the guidelines set forth in OMB Memos M-25-21 and M-25-22.

AI Security:



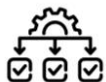
To enhance the security of IT tools with the integration of AI technologies, DOL has updated its IT tools security framework. This update is a testament to DOL's proactive approach in safeguarding its digital infrastructure against the unique challenges posed by AI. DOL has established a process for authorized AI tools. Agencies can request a new tool, but it must first go through the CAIO office security review and be added to the authorized list prior to its deployment.

Cybersecurity and Privacy:



DOL requires compliance with all applicable federal security and privacy requirements for AI adoption. Safeguards are in place to protect personally identifiable information (PII) and other sensitive information and limit the amount of data collected and stored. This also includes unique confidentiality requirements related to CIPSEA. DOL's CAIO office regularly meets with the department's Security and Privacy teams to discuss business demands and use cases.

IT Acquisition:



As the use of AI systems and services becomes increasingly important in government operations, it is essential for project managers and acquisition teams to follow a structured acquisition lifecycle. DOL is drafting updated contract language for IT procurement of AI products and services at the department based on the guidelines established by the OMB M-25-22.

IT Infrastructure:



AI innovation is only possible when DOL invests in securing various AI tools for DOL use. The tools must not present vulnerabilities and must follow federal and DOL security and data protection standards. DOL has established a process to evaluate existing and potential AI use cases. DOL considers shared solutions to benefit more users to advance mission outcomes.

Data:



DOL has built a data maturity and governance framework. The CAIO works closely with the CDAO to ensure mission alignment and establish enterprise data standards and tools built on a strong data foundation for meaningful use case implementation.

Generative AI:



DOL maintains a secure approach to leveraging GenAI tools within the department. Established guidelines call for staff to use the private and secure instance of the AI assistant developed internally at DOL, avoid sharing PII or sensitive information, validate and verify content, and report accidental exposure of PII and other sensitive information.

Looking ahead:



DOL has outlined several forward-looking plans to strengthen its AI governance framework. These plans include the development of templates for CAIO actions and the incorporation of AI governance expectations into the Department's Labor Manual Series (DLMS). The DLMS are manuals that contain procedures, instructions, and policies of continuing use in department-wide administration and management. Additionally, DOL intends to integrate responsible AI language into all IT contracts and Interagency Agreements (IAA), ensuring that AI governance principles are embedded in them.

Through these comprehensive efforts, DOL demonstrates its unwavering commitment to the governance of AI technologies, ensuring that its adoption and use of AI are aligned with the administration's guidance.

2.3 AI Use Case Inventory

DOL has established a comprehensive inventory of use cases, in alignment with the OMB guidance. This initiative is part of DOL's commitment to transparency and collaboration with both internal and external partners. To ensure that the inventory remains current and reflective of ongoing advancements, DOL is actively engaged in a process to regularly collect and update this inventory. Agencies are required to report any AI use to the CAIO office on a quarterly basis and any changes to existing uses cases as soon as they are known. The inventory will be submitted to OMB at least annually and posted publicly on DOL.gov.

Engagement and Solicitation of Use Cases:



As a key component of its engagement strategy, DOL has instituted a monthly forum that brings together agency AI representatives as mentioned in section 1.2 Sharing and Reuse. This forum serves as a platform for dialogue, exchange of ideas, and collaboration. The CAIO provides standardized templates designed to facilitate the collection and reporting of use cases. Additionally, the CAIO office is committed to addressing any queries or concerns that may arise, ensuring a smooth and effective collection process.

Review and Assessment Process:



Each submitted use case undergoes a thorough review by the CAIO office, which includes gathering all necessary information to guarantee the comprehensiveness of DOL's inventory. An AI use case assessment form is meticulously prepared for each submission, capturing all essential details and ensuring a robust evaluation process.

Inclusion and Exclusion Criteria:



In adherence to the guidance provided by OMB's Integrated Data Collection (IDC), DOL is dedicated to tracking all AI use cases. This commitment involves evaluating each use case with an Impact Assessment Framework, which aids in determining eligibility based on OMB's inclusion criteria. The assessment process also identifies use cases that meet the criteria for exclusion as outlined in the OMB memorandum. Notably, AI applications such as non-AI bots and certain training data may be excluded from the inventory.

Ongoing Review and Update Process:



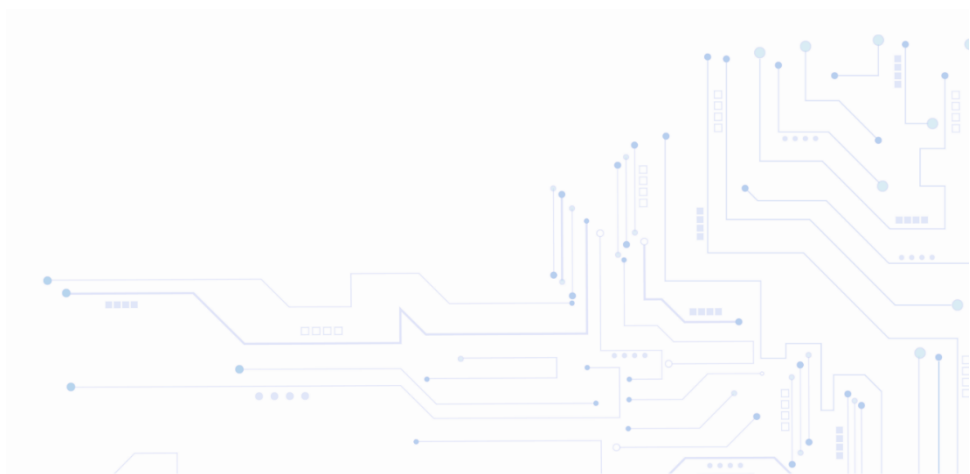
DOL is committed to a continuous review and update cycle for the AI Use Case Inventory. This includes quarterly updates through agency data calls and, when necessary, third-party assessments of critical AI use cases that may impact the rights or safety of the public. The inventory will be updated annually, or as needed, to ensure it remains current. When high-impact AI enters into use, DOL will update documentation for risk management activities for that use case.

2.3.1 Reporting on AI Use Cases Not Subject to Inventory

Most DOL use cases will be subject to inventory. When DOL encounters a use case that may require a waiver, the department will revise this section as needed. DOL anticipates it may not be possible to disclose the training data in some cases where the data may have been collected under a confidentiality agreement, like the case with Confidential Information Protection and Statistical Efficiency Act (CIPSEA).



The Bureau of Labor Statistics (BLS), a sub agency under DOL, collects all of its data under the CIPSEA agreement and micro data cannot be disclosed under this agreement.



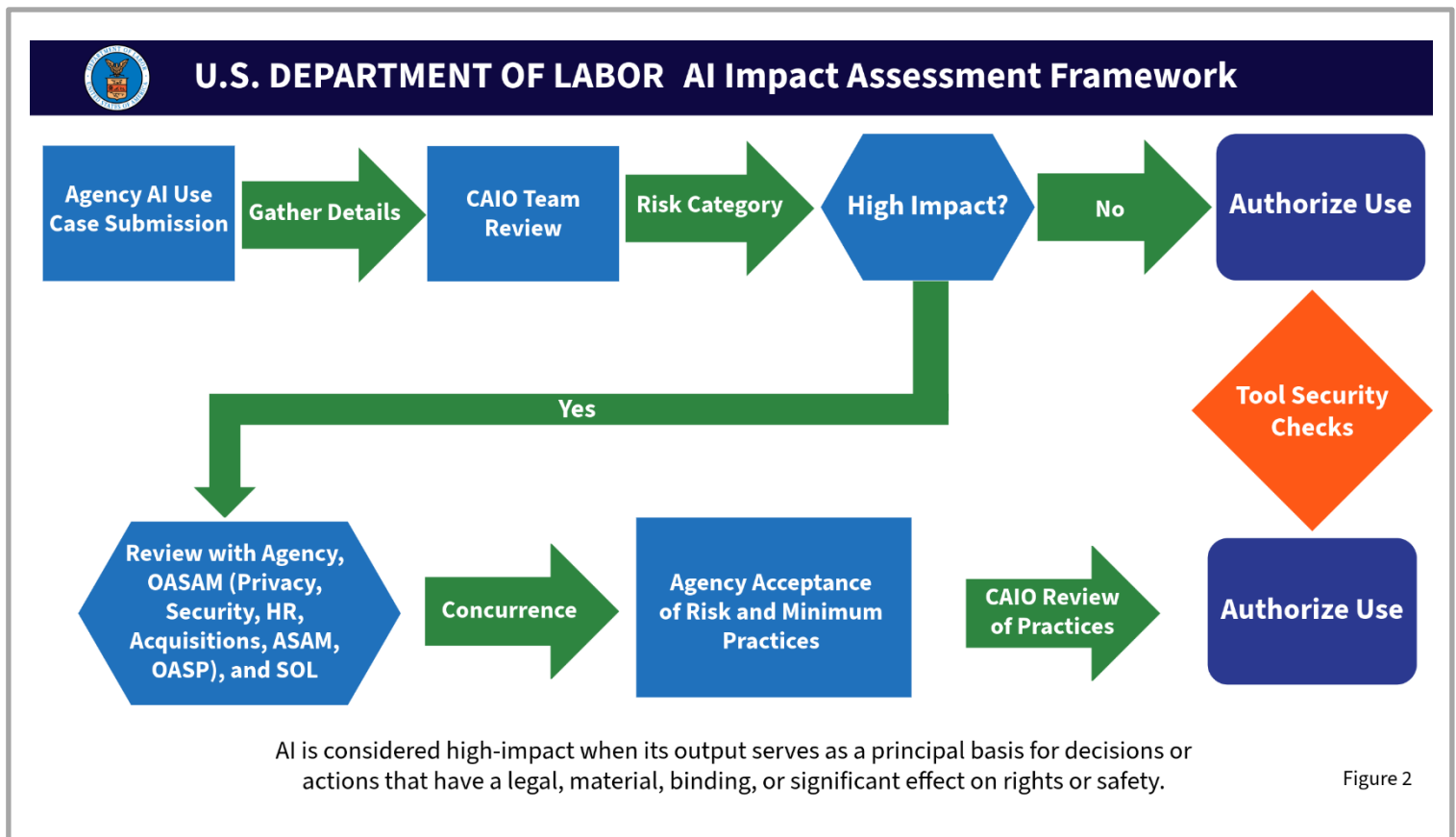
3 FOSTERING PUBLIC TRUST IN FEDERAL USE OF AI

3.1 Determining of Presumed High Impact AI

AI Use Case Impact Assessment Framework:



In an effort to assess the impact of AI use cases comprehensively, DOL has introduced an AI Use Case Impact Assessment Framework. This framework enables a systematic evaluation of AI projects, ensuring that they meet the department's standards and OMB guidelines.



Risk Assessment of AI Use Cases:



Each AI use case within the department will undergo a thorough review to determine its risk level, particularly categorizing the safety or rights impacting use cases as high impact. The review includes the following steps:

- ✓ The CAIO office will conduct an analysis of the reported use cases with the agency business owners and relevant stakeholders.
- ✓ The findings are reviewed with DOL policy offices including the Civil Rights Center, the Office of Human Resources, the Office of Disability Employment Policy, the Privacy Office, the Office of the Chief Data and Analytics Officer, the Office of the Senior Procurement Officer, and the Solicitors Office.
- ✓ Agreed disposition will be documented in the Impact Assessment Form developed by the DOL CAIO office. Figure 2 illustrates an approved path, but if concurrency is not reached between the agency and the CAIO office, the use case will not be authorized, and the agency will have to work to revise the plans.
- ✓ The agency and the CAIO are to sign-off on the documented impact assessment and categorization of the risk rating for high-impact use cases.

Criteria for Waiving Risk Management Practices:



DOL intends to follow OMB-specified criteria. If a situation arises that warrants additional criteria development, DOL will develop such criteria and amend this plan.

Documentation and Adherence for High-Impact Use Cases:



For use cases identified as high impact, the department will meticulously outline the minimum practices required and document the agency's plan for adherence. DOL will leverage the CAIO Working Group toolkit for ensuring minimum practices for high-impact use cases. This information is included in the Impact Assessment Form and is signed off by the agency coordinator and CAIO representative. All impact assessments will be centrally stored in a secure repository and will be reviewed on an ongoing basis.

Guidance and Review Based on Use Case Phase:



In the early stages of a use case initiation, the department will provide guidance to ensure that the minimum practices are integrated from the outset. For more advanced stages, the department will review the practices followed, comparing them against the OMB minimum practices to ensure compliance.

Waiver Management:



Currently, DOL does not anticipate any waivers. However, as the AI use cases get developed, should there be a need to waive adherence to one or more of the OMB recommended practices, the CAIO office will document that decision and direct the agency accordingly.

3.2 Implementation of Risk Management Practices and Termination of Non-Compliant AI

DOL has outlined the requirements and is centrally coordinating all AI activities through the CAIO office.

Use Case Inventory Reporting Policy:



A mandatory process will be established requiring agencies to report AI use cases to the CAIO office for review on a quarterly basis. This policy will be issued as an amendment to the Department of Labor Manual Series (DLMS) policy that has binding requirements for all DOL.

Audit and Compliance:



The DOL CAIO office conducts a review of all use cases and collects evidence and adherence to the risk management practices recommended by the OMB Memo M-25-21. In situations where the CAIO office is involved in developing the use case, an external third-party audit will be employed to conduct and ensure compliance verification. This includes continuous monitoring of the model performance after the first production deployment. Additionally, DOL will leverage the CAIO Working Group toolkit for ensuring minimum practices for high-impact use cases.

Stakeholder Responsibilities:



The Impact Assessment will clearly define the responsibilities of all stakeholders early in the process to ensure transparency and accountability. This includes mandatory sign-off on the use case by the business owner and a CAIO representative.

Termination of Non-Compliant AI:



Should non-compliance be detected during the use case auditing activities, the CAIO will collaborate with the respective agency to achieve compliance within a three-month timeframe. In instances where compliance is unattainable, the CAIO office will issue a directive to discontinue the use case with clear rationale for such an action. The decision will be binding per the M-memo directive of the CAIO role and responsibilities as well as the DOL DLMS requirements.