

State of Morth Carolina Josh stein GOVERNOR

September 2, 2025

EXECUTIVE ORDER NO. 24

ADVANCING TRUSTWORTHY ARTIFICIAL INTELLIGENCE THAT BENEFITS ALL NORTH CAROLINIANS

WHEREAS, artificial intelligence ("AI") is a transformational and rapidly evolving technology impacting countless facets of North Carolina's economy and communities – presenting extraordinary opportunities and new risks for North Carolinians; and

WHEREAS, the State of North Carolina is committed to better serving all North Carolinians by effectively and responsibly deploying AI; and

WHEREAS, the Governor is committed to ensuring that all North Carolinians benefit from the growth and use of AI; and

WHEREAS, AI presents transformative opportunities to enhance government operations and drive economic growth; and

WHEREAS, North Carolina is committed to fostering innovation, advancing AI-driven industries, and preparing its workforce for the evolving technological landscape and is uniquely positioned to achieve these goals as a top state for business and a national hub for world-class academic and training institutions; and

WHEREAS, the responsible and ethical deployment of AI is essential to ensure transparency, accountability, and the protection of civil liberties in government operations and decision-making; and

WHEREAS, the Governor affirms that the civil rights, privacy, and security of all North Carolinians are paramount as use of AI expands in our economy, schools, health care systems, government, and daily life; and

WHEREAS, the uncertainty around AI systems and their associated energy and water needs is creating new challenges for how North Carolina can maintain an adequate and reliable electricity and water supply while not unfairly raising costs for ratepayers or leaving North Carolinians responsible for the costs of unnecessary or underutilized infrastructure; and

WHEREAS, in August 2024, the North Carolina Department of Information Technology ("NCDIT") published the North Carolina State Government Responsible Use of Artificial Intelligence Framework, which consists of principles, practices, and guidance to state agencies as they deploy AI while reducing privacy and data protection risks and protecting sensitive data provided to the state by North Carolinians; and

WHEREAS, NCDIT continues to develop robust AI safety and data governance policies that enable leading-edge AI capabilities, ensuring security, transparency, and accountability in all state-supported IT systems, and supports AI literacy for state employees, educators, and communities to build public trust and become a state leader in workforce AI literacy; and

WHEREAS, pursuant to N.C. Gen. Stat. § 143B-1350(j), the NCDIT is authorized to operate an Information Technology Innovation Center to develop and demonstrate technology solutions to benefit the state and its residents; and

WHEREAS, pursuant to Article III of the North Carolina Constitution and N.C. Gen. Stat. §§ 143A-4 and 143B-4, the Governor is the chief executive officer of the state and is responsible for formulating and administering the policies of the executive branch of state government; and

WHEREAS, pursuant to N.C. Gen. Stat. § 147-12, the Governor has the authority and the duty to supervise the official conduct of all executive and ministerial officers.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, IT IS ORDERED:

Section 1: North Carolina AI Leadership Council

A. Establishment and Purpose.

The North Carolina AI Leadership Council (hereinafter "Council") is hereby established. The purpose of the Council is to advise and support the Governor and state agencies on AI strategy, policy, and training to ensure North Carolina becomes a national leader in AI literacy, governance, and deployment to the benefit of our residents, communities, and economy.

B. Membership.

The Council will consist of twenty-five (25) members (or more, per the Governor's discretion), appointed by the Governor. Members should represent the diversity of all stakeholders who will be impacted by the changing AI landscape. Council members will serve a term of two (2) years and may be reappointed to successive terms. Vacancies shall be filled by the Governor and members appointed to fill vacancies shall serve for the remainder of the unexpired term. Council members serve at the pleasure of the Governor.

- 1. The Secretary of the North Carolina Department of Information Technology, who shall serve as Co-Chair of the Council;
- 2. The Secretary of the North Carolina Department of Commerce or designee, who shall serve as Co-Chair of the Council;
- 3. Four representatives from the private sector with significant experience in the development or application of artificial intelligence technologies;
- 4. One representative with expertise in energy or other critical infrastructure systems;
- 5. The Chief Scientist of the Office of State Budget and Management;
- 6. Four representatives from institutions of higher education with demonstrated expertise in artificial intelligence (at least one representative from a UNC System institution, one representative from an NC Independent College or University, and one from the North Carolina Community College System);
- 7. One representative from the North Carolina Department of Justice;
- 8. One representative from the K-12 education community;
- 9. One representative from a local workforce development board;
- 10. One member representing the interests of consumers;
- 11. One representative from local government;
- 12. Four members of the North Carolina General Assembly;
- 13. And any additional members to be added at the Governor's discretion.

C. <u>Duties.</u>

The Council shall have the following duties, with an initial set of deliverables due by June 30, 2026, and an ongoing responsibility to advise, update, and support thereafter.

1. Create a recommended State AI Strategic Roadmap, ensuring alignment with statewide objectives and emerging AI trends.

- 2. Recommend additional AI policy, governance, and ethics frameworks that promote safety, transparency, fairness, and privacy.
- 3. Recommend an AI literacy strategy for the state that will enhance public understanding, skill development, and effective utilization of AI.
- 4. Champion collaboration and facilitate partnerships across the public sector, private entities, and academic institutions that drive AI research, development, and utilization to continue to make North Carolina an attractive destination for AI businesses.
- 5. Provide strategic guidance to the AI Accelerator, established in Section 2, to ensure its alignment with objectives identified in the State AI Strategic Roadmap after it is established.
- 6. Provide guidance on safeguarding public safety and critical infrastructure from AIrelated risks, including risk management strategies and protocols to prevent misuse or failure in high-impact systems.
- 7. Track current and projected labor market impacts due, or potentially due, to AI and provide guidance to workforce development partners to proactively prepare the state's workforce.
- 8. Provide AI workforce recommendations to the Department of Commerce to consider as AI topics and goals are incorporated into the Strategic Economic Development plan.
- 9. Provide AI workforce recommendations to the Governor's Council on Workforce and Apprenticeships to consider as AI topics and goals are incorporated into its strategic plan.
- 10. Provide input to the North Carolina Energy Policy Task Force to help assess the energy and water consumption and environmental impacts of increased use of AI technologies and potential added AI infrastructure in North Carolina.

The Council shall submit an annual AI Strategic Recommendation to the Governor by June 30 of each year, outlining progress, challenges, and strategic recommendations. This report shall incorporate input from public listening sessions, stakeholder engagement, or other community feedback mechanisms to ensure transparency and public trust.

D. Meetings.

The Council shall convene quarterly for in-person meetings. Ad hoc sessions may be called by the Chair or Governor as needed. A simple majority of Council members shall constitute quorum for the purpose of transacting the business of the Council. Recommendations and deliverables shall require a two-thirds majority vote.

The Council may establish subcommittees or work groups to address specific topics such as ethics, workforce development, AI infrastructure, or others as needed; such subcommittees may convene on an ad hoc basis as determined by their respective chairs or the Council.

E. Administration.

NCDIT shall serve as staff and administrative support services for the Leadership Council.

Members shall serve without compensation but may receive necessary travel and subsistence expenses in accordance with State law and policies and regulations of the Office of State Budget and Management.

Section 2: North Carolina AI Accelerator

A. Establishment and Purpose.

The North Carolina AI Accelerator (hereinafter "the Accelerator") is hereby established within NCDIT to serve as the State's centralized hub for AI governance, research, partnership, development, implementation, and training.

B. Duties.

The Accelerator shall promote trustworthy AI use, transparency, data privacy, and responsible AI development through strategic oversight of state AI efforts. This shall include:

- i) The identification and standardization of state-wide definitions for AI and Generative AI.
- ii) The development of an AI Governance Framework outlining principles for responsible AI use, including fairness, accountability, transparency, security, privacy, and the protection of civil liberties, to ensure consistent trustworthy AI use for state government.
- iii) The development of a risk-assessment framework for AI use cases that agencies shall use when submitting use case proposals.

The Accelerator shall also be responsible for accelerating AI implementation within state government operations by reviewing, prioritizing, and piloting potential AI use cases and serving as a collaborative platform for pilot projects, partnerships, and applied research. This shall include:

- i) Monitoring AI activities across state agencies to ensure alignment to statewide strategic priorities and to track AI-related risks across the state use case inventory.
- ii) Developing, implementing, and evaluating pilot projects that apply trustworthy, responsible, and sustainable AI to address state government challenges.
- iii) Serving as the central hub for AI partnerships by facilitating research collaborations and data-sharing agreements among state agencies, institutions of higher education, private sector entities, and nonprofit organizations, in compliance with data classification and security standards.
- iv) Developing and enforcing intellectual property and data protection frameworks to safeguard sensitive information, define ownership of AI-generated outputs, and ensure transparency, accountability, and security in state AI initiatives and partnerships.
- v) Leading the development and implementation of AI literacy training programs for state employees and the public, in alignment with the strategic direction of the AI Leadership Council, to support workforce development, education, and public safety awareness.

C. Administration.

The Accelerator shall be led and staffed by NCDIT. The Accelerator will use input from the Council to guide AI governance and implementation efforts for the state.

D. Reporting and Accountability.

The Accelerator shall submit an annual report to the Governor by June 30th of every year, made available to the public on the Department of Information Technology website, detailing progress on AI initiatives, including but not limited to:

- i) A description and results of AI use cases deployed or implemented by each agency through the Accelerator pursuant to Section 3.
- ii) Training program participation and outcomes for the state workforce.

The Accelerator shall collect high-risk AI use cases and make the inventory information available on the Accelerator website for public review. The AI Accelerator will define what constitutes a high-risk AI use case, ensuring the definition includes applications that involve sensitive or personal data, those deployed in critical sectors such as law enforcement, education, healthcare, and infrastructure, or those that are highly interconnected with other systems. The Accelerator shall work with the Leadership Council to determine what information about high-risk AI use cases is important to provide to the public.

Section 3: Mandate for AI Use Case Proposals for State Agencies

Each Cabinet agency shall establish an Agency AI Oversight Team that will lead AI-related efforts for the state agency. Each Agency AI Oversight Team shall include a minimum of four (4) members and should, to the extent practicable, collectively possess a mix of business, policy, and technical expertise, including artificial intelligence, data management, privacy, and cybersecurity.

Cabinet agencies will submit proposed use cases to the Accelerator for review and prioritization for rapid piloting and potential implementation. Use cases are defined as a specific application of artificial intelligence by a state agency that has the potential to improve efficiency, service delivery, or decision-making processes and aligns with statewide AI governance frameworks. The Accelerator will assess use cases for strategic alignment, potential impact, and risk.

Each Cabinet agency shall identify, document, and propose to the Accelerator at least three AI use case proposals within 180 days of this Executive Order; which the Accelerator will evaluate through its pilot process.

State agencies that are not members of the Governor's Cabinet are encouraged, but not required, to provide use cases to the Accelerator for piloting.

Section 4: Statewide AI Literacy and Fraud Prevention Training Program

The Council will provide its recommendations on a State AI Literacy strategy to the Accelerator, which will coordinate with state stakeholders, including the Department of Commerce, DIT, the North Carolina Business Committee for Education, the North Carolina Department of Justice, North Carolina Department of Public Instruction, and others, to develop and disseminate AI literacy trainings that are understandable by and accessible to the general public, on topics such as:

- i) Foundational AI concepts and applications;
- ii) Identifying AI-related fraud, scams, and misinformation;
- iii) Ethical considerations in AI use;
- iv) AI safety considerations;
- v) And others.

The AI literacy trainings shall be accessible to the general public and shall foster a well-informed and AI-literate population.

Section 5. Effect and Duration

This Executive Order is effective immediately. It shall remain in effect until December 31, 2028, or until rescinded, provided, however, that the Accelerator may continue to operate upon expiration or repeal of this Executive Order.

The Council shall sunset on December 31, 2028, unless extended by the Governor.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 2nd day of September in the year of our Lord two thousand and twenty-five.

Josh Stein Governor

ATTEST:

Timothy L. Crowley

Chief of Staff, Secretary of State

