

PRACTICAL PERSPECTIVES ON AI

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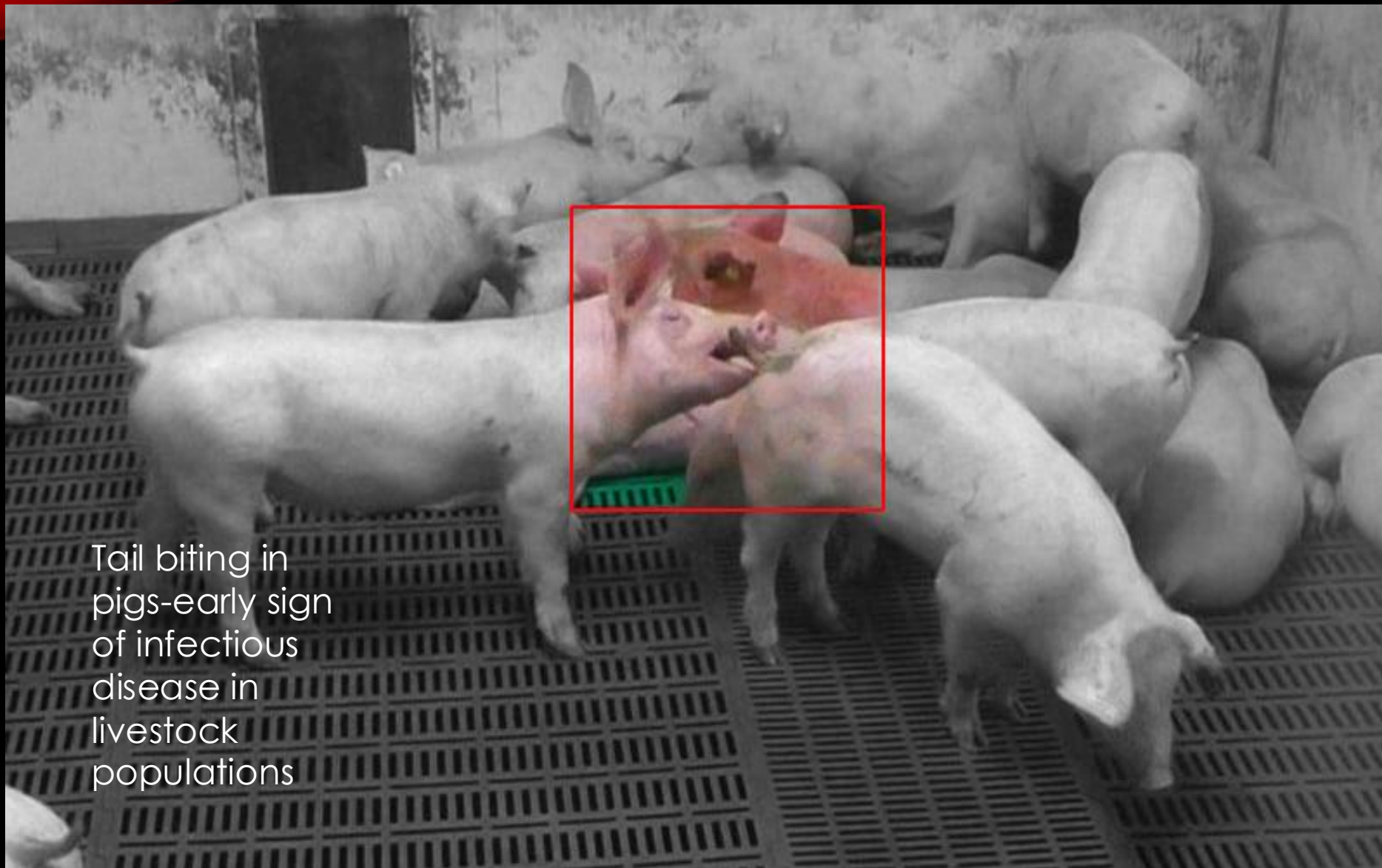
- **80% of AI projects never make it into production** (Gartner) — often due to disconnects between strategy, technical readiness, and business alignment.
- This high failure rate is attributed to a variety of factors, including:
 - **Poor data quality**
 - **Inadequate data availability**
 - **Lack of clear objectives**
 - **Insufficient understanding of AI's capabilities**

PRACTICAL PERSPECTIVES ON AI

- Our Nebraska Steps at increasing probability of success in AI:
 1. Agency Use Case Submitted to OCIO cross functional AI team
 2. OCIO determines if key criteria for success is present
 1. Data exists and is accessible (cloud ready or present)
 2. Use case can be implemented ethically and legally
 3. There is a cost savings, efficiency, or revenue created that exceeds the AI costs
 4. The agency/customer has sufficient funding to move forward with AI use case
 3. Use case is submitted to pre-procured pool of AI service providers/vendors
 1. Vendors bid on the use case with a 30 day required time to implementation
 2. A POC/POV is required before implementing in operations
 3. Agency transfers funding required to implement direct to AI vendor

PRACTICAL PERSPECTIVES ON AI

- Multiple use cases from different cabinet agencies have already gone to implementation.
 - Banking and Finance-Cryptocurrency policies
 - HHS-Medicaid, SNAP/TANF processing
 - Agriculture-infectious disease in crops/livestock
- We are staffing up with Interns and entry level C2H and FTE's to internalize and sustain AI capabilities statewide
- Opening 'Data and AI CoE' in downtown Omaha (over an hour from capital in Lincoln)
- Hosting first ever 'Data and AI Summit' in Omaha August 19th with attendance from Federal Senators, Federal Congressmen and dozens of State Senators to exhibit public-private AI use cases



Tail biting in
pigs-early sign
of infectious
disease in
livestock
populations

visual identification of
infectious disease in
crops



PRACTICAL PERSPECTIVES ON AI

- Concerns we have on scaling efficiently and effectively:
 - \$1 Billion Biennium budget deficit
 - Can't afford expensive AI, ML and algorithm experts as FTE
 - Need stable onboarding and training for interns and entry level FTE's on AI platforms used at the state and best practices
 - Cloud ingest/egress costs
 - Ability to not just deploy but to sustain AI effectiveness
 - State is 90% on an on-prem mainframe-difficult to connect AI platforms
 - Much more data governance and data sharing agreement maturity is needed

OUR ADVICE?

- Start with **clear business outcomes**, not just technology goals — e.g., revenue growth, risk mitigation, savings, efficiency.
- Define **AI ROI frameworks** early: What does success look like? Cost reduction? Decision augmentation? Customer experience?
- Include **cross-functional leadership** (not just IT): AI is a business initiative, not just a tech project.
- Promote **knowledge transfer** and **reusable assets** across departments.
- **Cross-Disciplinary Execution Teams**
 - Bridge data science, IT ops, business units, and compliance from day one.
 - Create “AI product teams” that own end-to-end delivery — not just model development but integration, user training, and performance feedback loops.