THE STATE
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March 10, 2025

The Honorable Calvin Schrage
Chair, Administration Finance Subcommittee
Alaska State Capitol, Room 120
Juneau, AK 99801

Dear Chair Schrage:

The Department of Administration received the questions below following the presentations to the House Administration Finance Subcommittee:

What does Microsoft 365 Copilot (M365 Copilot) offer that current available Microsoft products don't offer?

Microsoft 365 Copilot *adds AI assistants* that greatly enhance productivity of each of the current software packages. Microsoft Copilot enhances productivity across applications by streamlining tasks and providing intelligent assistance:

- Excel – Assists with formula creation, data manipulation, and extracting key insights
- PowerPoint – Generates presentations from brief descriptions or source documents, saving time
- Outlook – Speeds up communication by drafting emails and providing summaries
- Teams – Offers meeting summaries, action items, and answers questions about discussions

All these AI assistants can make employees more productive and improve the quality of their work.

Is there a training program for CoPilot already created? What is the timeline and plan for training DOA staff?

Yes, there is a training program for the M365 Copilot tools currently developed. That training will be provided by an experienced partner at no cost to the state during the pilot program and additional training will be available on an ongoing basis for any interested employees.

For the other AI projects, what is the $360,000 specifically going towards? Contracts, equipment?

The $360,000 will be used to fund utilization cost and partner engagement to deliver projects at the Department of Administration (DOA) and the Department of Environmental Conservation (DEC). In DOA, it will fund delivery of tools that will reduce staff time spent on answering payroll questions and provide faster access to historical records. In DEC, the object is to deliver a tool to dramatically speed up permitting times. All projects funded will have the additional benefit of building expertise within the State of Alaska workforce.

Although it is a one-time increment in the FY26 budget, it looks like it would be a long-term operating cost if the pilot is 'successful.' True?

Yes, the one-time increment will build the initial tools and provide granular detail on what ongoing operational costs will be associated with the increased benefits. Built in the cloud environment, the ongoing cost would be driven by consumption of the services driven by the value provided and leverage existing licensing.
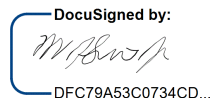
Do either of these AI tools increase risk of cyber security attacks?

No, these tools are within our existing M365 and Azure Cloud environments and are protected by the same controls and security systems in place today. They add functionality, but do not require additional security services or increase the state's cybersecurity risk.

Will either of these tools replace the need to fill positions at DOA?

No, these tools are intended to increase productivity, speed up existing processes and improve results. They do not replace people but will assist them in their duties and allow them to focus on more complex responsibilities.

Sincerely,

DocuSigned by:

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Bill Smith
Chief Information Officer

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