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San Bernardino County Employees'
Retirement Association

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Area	Administration
Applicability	SBCERA systemwide

Artificial Intelligence Policy

Policy No. 023

I. General

San Bernardino County Employees' Retirement Association (SBCERA) follows all applicable Federal, State, and local laws and regulations. When such criteria does not exist, SBCERA establishes policies and procedures to provide organizational governance. All SBCERA employees are responsible for complying with the Artificial Intelligence Policy and associated procedures.

II. Background

SBCERA strategically adopts technologies identified to provide improved services to our membership and/or employees. Artificial intelligence (AI) is one such technology. As defined by the National Artificial Intelligence Act of 2020, AI is a "Machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations or decisions influencing real or virtual environments." In general, AI attempts to simulate human intelligence and problem-solving. This policy will provide the ethical and responsible governance structure employees must adhere to when acquiring, developing, and using AI solutions.

III. Procedures

A. Strategies

SBCERA AI Strategies will work to balance internal objectives and external trust. As such we will be forward-thinking and apply safeguards to ensure AI delivers desired outcomes, is responsibly used, and complies with applicable regulations.

SBCERA strategies must meet the following requirements when utilizing AI.

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- Comply with existing regulatory requirements.
- Adhere to responsible AI principles.
- Mitigate attacks on AI itself.
- Preserve stakeholder trust.
- Promote organizational values.
- Drive efficiency and effectiveness.

B. Principles

SBCERA will be guided by AI principles that promote ethical and responsible governance.

- Purpose: SBCERA will specify the business outcomes the AI solutions should achieve.
- Culture: SBCERA will embed AI governance into its practices and processes through smart risk tolerance initiatives.
- Action: SBCERA will ensure accountability and transparency through AI stewardship tasks and processes.
- Assessment: SBCERA will observe, measure, and communicate AI's impact.

C. Implementation

SBCERA will provide AI solutions that are member-centric and focus on the needs of the Organization today while remaining flexible enough to adapt to the needs of tomorrow.

SBCERA will do so by:

- Developing a mindset that continuously analyzes, evaluates, and realigns AI solutions to the needs of the organization and its membership.
- Establishing a lifecycle process that allows for the rapid optimization and retirement of any AI solutions in order to address opportunities and vulnerabilities.
- Establishing organizational and stakeholder awareness, training, and sponsorship.
- Set policies and procedures enforcing governance and responsibility across the organization's departments and teams.

D. Data Privacy and Protection

SBCERA will take all reasonable precautions to safeguard Personally Identifiable Information (PII) and sensitive information in AI applications. Strategies utilized will include:

- Ensuring All AI activities comply with applicable privacy laws and regulations, including SBCERA's policies and procedures. Privacy and protection guidelines are to be verified prior to any AI implementation.
- Performing regular data audits and compliance assessments to identify potential risks, vulnerabilities, and non-compliance issues.
- Implementing Data Discovery and Classification to efficiently manage and protect PII and sensitive information.

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- Implementing Access Control measures to restrict unauthorized access to PII and sensitive data.
- Control or restrict external data in SBCERA's Large Language Models (LLM) ensuring only authorized data is used when appropriate
- Continuously monitoring AI data and applications and to quickly identify and resolve incidents or identify potential security threats.

E. Suitable Uses

Suitable uses are those uses that have been identified as permissible by SBCERA. The list may not be exhaustive, and additional clarity may be found in associated AI procedures. In the event an identified use is not outlined within this policy or associated procedures the Chief Executive Officer (CEO) or their designee will review and must approve prior to use. Approved uses will be subsequently ratified by the Board of Retirement (Board) annually.

It should be noted that a final human review and acceptance is required for all suitable uses unless explicitly identified in this policy or associated procedure.

1. Analyze and query data in order to provide answers, suggestions, findings, summaries, or identify patterns
2. Creation of written content drafts
3. Customer Service enhancements
4. Enhance research efficiency
5. Fraud Detection
6. Identifying potential improvements to already written content
7. Language Translation
8. Provide alternative scenarios and option analysis
9. Security Enhancements
10. Self-Service tools

F. Prohibited Uses

Prohibited uses are all other uses not listed as suitable. Employees should assume an AI solution is prohibited unless explicitly identified as suitable in this policy, associated procedures or approved by the CEO or their designee.

Such prohibited uses include any critical or substantive transactions or executions involving financial, confidential, or member data that do not have an SBCERA staff member or designee providing final review and approval.

G. Cyber Security and Continuous Monitoring

The Information Services Department will continuously monitor the use of AI to ensure appropriateness, data integrity, and protection.

IV. EXCEPTIONS

Exceptions to this policy shall be requested in writing to the Chief Information Officer who will make an initial recommendation. The Chief Executive Officer will make the final determination. Any approved exception to this policy will require review and ratification by the Board at their next scheduled meeting.

V. NONCOMPLIANCE

Violators of this policy may be denied access to AI, computing, and network resources and may be subject to other disciplinary action. Violators of this policy will be handled in accordance with the SBCERA established disciplinary procedures.

Approval Signatures

Step Description

Approver

Date

Applicability

SBCERA, SBCERA Internal

DRAFT