

November 13, 2024

Kentucky AI Interim Committee Testimony

**FINAL**

Good morning, Chair Deyoe and members of the Committee.

My name is Paul Baltzell and I am Salesforce's Vice President of Strategy & Business Development. Thank you for the opportunity to join you today.

In my role at Salesforce, I help states to learn and adopt new technology that allows them to serve their constituents better. We are deeply appreciative of the Commonwealth's use of the Salesforce platform in a number of agencies and appreciate working with your dedicated public sector workforce.

Prior to joining Salesforce, I led the State of Indiana's IT consolidation efforts, achieving \$14 million annual savings for the state through shared systems. For these cost-saving initiatives, I was honored with a Governor's Meritorious Service Award.

In 2013, I was appointed Chief Information Officer for the State of Indiana by Governor Mike Pence. During my tenure as State CIO, I implemented the Management and Performance Hub, striving to make Indiana the first Data-Driven State. Once I accomplished my goals as CIO, I transitioned to the healthcare sector, focusing on leveraging technology to enhance senior care.

In 2018, I returned to the public sector with the Indiana Economic Development Corporation, where I worked daily to expand job opportunities across Indiana. In 2020, I joined Salesforce, a role that allows me to harness its industry-leading platform to solve challenges faced by state and local governments.

My background gives a unique perspective on the challenges facing states and municipalities as they look to take advantage of the AI revolution unfolding before us. And so, I spend a lot of my time working with our many Salesforce stakeholders in an effort to ensure our AI public sector solutions are designed, developed, and delivered in line with Salesforce's core values, our responsible AI guidelines and ethical use principles.

Salesforce is a global leader in cloud enterprise software for customer relationship management; providing software-as-a-service and platform-as-a-service offerings to businesses, governments, and other organizations around the world. Our customers represent companies and organizations of all sizes and across all sectors. The Salesforce platform allows governments the ability to configure technology that serves constituents in a modern way without the need for custom code. It is always up to date and secure with three updates per year. So, rather than needing to rebuild or update an application for security or modernization every 4-5 years, you are always on the latest and greatest version.

Salesforce has been building artificial intelligence natively into our platform since 2016 with the launch of Einstein, the first AI for CRM. With Einstein, customers can use AI-powered capabilities

across every Salesforce application, empowering users to work smarter and deliver more personalized experiences by automatically discovering relevant insights, proactively recommending next best actions, and automating repetitive tasks. Agentforce is our newest AI innovation, bringing together humans with agents to help organizations connect to their customers and constituents in the best possible way.

AI has the power to vastly improve government operations to more effectively meet the needs of its citizens. The use cases are virtually endless. It opens up a new window — from traffic management to healthcare delivery to processing the endless forms and paperwork that notoriously clog nearly every government agency.

Health departments are using AI to expedite drug trials. Public safety agencies are deploying AI to support personnel, streamline operations, and analyze large data sets. The list goes on: Identifying infrastructure deficiencies and the most effective and efficient fixes; more effective ways to deploy safety nets while also detecting fraud; self-service options for resident queries; streamlining backlogged court systems.

At Salesforce, Trust has always been our #1 value. Technology is not inherently good or bad - it's what we do with it that matters. This is especially true in how we approach delivering the best AI tools for our customers. Our belief is that your data is yours and should remain yours. Our approach to AI is to ensure that, if the customer chooses to leverage it in improving their constituent experience, the customer's data should be protected regardless of which Large Language Model (LLM) they choose to use. Secondly, we believe in the freedom of choice, allowing our customers to choose which LLM they would like to use. Lastly, we strive to utilize AI where it provides real impact in improving our customers ability to accomplish their business goals.

We apply this vision to all of our customers including the public sector by having some key things in place to protect their data. We mask data before any LLM is allowed to process it to apply AI. We also do not allow the LLM to retain the data after processing. In order to provide for our customer to have the broadest range of options, we allow in our platform the choice of LLM used. Finally, we are innovating with our latest AI based release: Agentforce.

With Agentforce, organizations can use our suite of out-of-the-box autonomous agents or build and customize their own agents. Agents built with Agentforce use AI to complete tasks such as analyzing data, making decisions, and taking action to service constituents 24/7. Agentforce takes trusted data from any source you define to accomplish this. Its boundaries are controlled by humans who set rules, provide guardrails, and define what channels it can function on such as chat, social media, or voice. Agentforce supports natively seamless transfers of tasks to humans. You don't need a developer to make it work, it has been built to allow business users to configure.

AI presents a powerful opportunity to improve the speed and efficiency of public service. By taking on routine, repetitive tasks, AI frees public servants to focus on more complex responsibilities that demand human insight, research, and decision-making. This allows government employees to dedicate more time to nuanced, high-stakes work that truly benefits constituents. Additionally, AI can

summarize and clarify intricate instructions, statutes, and regulations, making them more accessible and understandable for the general public. This not only reduces confusion but also empowers people to engage more fully with government processes and services.

These opportunities also bring with them risks. Failure to use trusted data could lead to incorrect resolutions to citizen requests with potentially severe consequences for those in need of government services. Even the simple delay of someone's SNAP benefits through faulty AI could cause that person in need to not receive the aid they so desperately need.

This same risk applies today as in many cases government employees are overworked and may not have the cycles to respond in a timely or precise manner due to excessive work.

Exploring AI solutions with proper guardrails is essential to addressing the evolving needs of our constituents. By thoughtfully integrating AI into our processes, we can build a future where government services are more responsive, efficient, and accessible.

Thank you for the opportunity to testify today and with that, I am happy to take questions from the committee.