

Agile Government, Governed AI, and Data That Works

Insights from the June 2026 Kyndryl US Government CIO
Expert Exchange

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01

Operating models change at the speed of technology

Government IT organizations are being pushed to adopt agile delivery, dedicated cloud ownership, and product management at the same moment demand for analytics and AI is surging. One transportation agency is replicating a proven motor-vehicle platform built by a technology partner, with a forward-leaning business sponsor locking requirements to the product rather than customizing and invoking sunk-cost discipline to hold the line, a level of business commitment leaders called rare. That same agency secured its own cloud environment by bypassing central-IT overhead and negotiating favorable pricing and now must build a cloud operations team from scratch.

Agencies adopting scaled agile are finding the real barrier is culture, not methodology. Progress depends on training business and IT together, moving from quarterly planning to shorter monthly cycles that reduce mid-stream disruption, and limiting priorities to the few that matter most. Where analytics, data engineering, and AI teams should sit remains unsettled, so leaders urged agencies to learn from peers who have already made those operating-model decisions rather than starting from scratch.



02

Governing AI without smothering the people using it

A common governance pattern is emerging: a generative-AI-specific policy grounded in existing data-protection principles, a formal use-case intake co-owned by the CIO and information security officer, and a community of practice that builds shared knowledge faster than any training program. Scoping the policy to generative AI rather than AI in general speeds publication and clarifies the message, because other forms of AI have been in operational use for decades. One organization has iterated its policy twice in two and a half years, anchoring the entire conversation in data protection — users who already understand shared-responsibility obligations in the cloud can apply the same logic to AI model interactions.

Actionable AI Guardrails →

The goal is governance, not control: put the basic safeguards in place, train people well, and let them move — lock everything down and you lose your most innovative people.

Intake requires agencies to document the business problem, expected benefits, key performance indicators, data involved, and intended tools before approval, with submission doubling as policy acknowledgment and an annually renewed acceptable-use agreement adding accountability.

Communities of practice — one with roughly 500 members spanning dozens of agencies — accelerate peer learning and surface use cases individual teams would never identify alone, while making mandatory awareness training a gate for tool access lets organizations move even before a formal instruction clears lengthy internal review.



03

Use cases delivering measurable value

Production-grade use cases are saving time, reducing error, and improving service. Ballot proofreading for an elections authority saved roughly two thousand staff hours in a single cycle and compressed a multi-weekend process to one weekend; invoice coding and an AI-built budget-request system cut manual effort across agencies; and a vendor-negotiation agent built in-house took \$1.6 million off a vendor's best-and-final offer.

** As reported by Government CIO Expert Exchange participant*

A municipal transportation authority replaced manual time-lapse parking review — one person, eight hours, roughly 800 photographs — with computer vision that processes 1,100 images in about ten minutes under human sample review.

>50x

faster image review

Document AI is piloting outdoor-dining permit screening, flagging incomplete submissions before human review and shortening work that can take weeks or months. Agentic service management is emerging next, with LLMs reasoning over service requests and triggering fulfillment through legacy and ITSM integrations for use cases such as service fulfillment and employee onboarding.

“I gave AI thousands of contracts; twenty minutes later, it found the exposure, with a full audit trail.”

Government CIO Expert Exchange participant



04

The data underneath must be fixed first

Agencies that are data rich, but information poor are confronting fragmented, unmapped legacy databases that block the accurate analytics and AI their business partners increasingly demand. Decades of proprietary and relational systems, integrated through brittle point connections, lack the data models and semantic mappings needed to power cross-system dashboards, analytics, or AI applications.

Migrating siloed legacy and proprietary databases to a modern SQL environment within a cloud platform is the pragmatic first step, providing broader access and a foundation for the analytics and AI tooling that follows.

"The business told us we are data rich and information poor. Until we model and map what we have, we can't deliver the dashboards they need, let alone the AI."

A cloud data platform is increasingly the integration layer of choice, letting agencies ingest structured and unstructured data, including contact-center transcripts, for AI-powered categorization, accessibility compliance checks, and self-service deflection across that corpus.

Business partnership is the essential complement to technology investment: agencies that secure an engaged counterpart to co-own data governance, and that prove value with a few high visibility use cases before attempting broader transformation, are far more likely to sustain progress with some now aiming to replace incumbent third-party software products with internally built AI applications.



05

The new mandate for technology leadership

Government technology leaders are modernizing delivery and adopting artificial intelligence at the same moment, and the organization is straining to keep up. Aging waterfall cultures must give way to agile and product-management disciplines just as demand for cloud-native infrastructure, analytics, and AI accelerates, while governance moves from informal experimentation toward structured policy and use-case review.

The discussion surfaced four problems leaders are working through: an operating model that has to change as fast as the technology, governing AI without smothering the people using it, use cases that are already delivering measurable value, and the fragmented legacy data that has to be fixed before any of it reaches its potential.



Read Kyndryl's 2026 People Readiness Report for an extensive look at workforce, governance, and trust factors shaping AI execution.

Workforce readiness is the competitive advantage in the age of AI →

06

What is the Kyndryl US Government CIO Expert Exchange?

The **Kyndryl US Government CIO Expert Exchange** is an exclusive peer-to-peer community of senior IT leaders, CIOs and CTOs who gather quarterly for open virtual discussions to share their top-of-mind challenges and gain insights from their peers.

The topics for the roundtables are determined based on interests and feedback provided during 15-minute prep calls conducted with participants in the weeks leading up to the roundtable.

The June 2026 conversation was hosted by:



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