

AI Provisions in Biden's FY 2025 Budget Proposal — AI: The Washington Report

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1. President Joe Biden's **fiscal year (FY) 2025 budget proposal** includes hundreds of millions of dollars allocated towards executive branch AI efforts.
2. The budget proposal's AI-related provisions can be sorted into three broad categories: supporting AI R&D, managing AI-related risks and abuses, and equipping the federal government with AI talent.
3. Some AI-related provisions of interest in the proposal include funding for a second year of the **National AI Research Resource** pilot, \$32 million towards stimulating a **National AI Talent Surge** across the federal government, and funding for the creation of the US AI Safety Institute within the Department of Commerce tasked with operationalizing the National Institute for Standards and Technologies' **AI Risk Management Framework**.

On March 11, 2024, President Joe Biden released his **fiscal year (FY) 2025 budget proposal**. If enacted, the president's budget would allocate hundreds of millions of dollars towards executive branch efforts on AI.

As discussed in previous newsletters, in the absence of federal AI legislation, the executive branch has **effectively taken up the mantle of AI regulation** in the United States. There are two simultaneous executive branch efforts on AI. The first effort concerns the implementation of **President Biden's October 2023 AI executive order** (AI EO), which called for the enactment of sweeping changes across the federal bureaucracy. The second, spearheaded by the **Federal Trade Commission (FTC) and Department of Justice (DOJ)**, has involved the application of existing enforcement authority to novel uses (and abuses) of AI.

The AI-related provisions in Biden's budget proposal advance the executive branch's AI agenda, chiefly by supporting and complementing the implementation of the AI EO. These provisions fall into three broad categories: supporting AI R&D, managing AI-related risks and abuses, and equipping the federal government with AI talent. In this article, we detail the provisions included in the budget proposal falling under each of these categories. When the budget proposal specifies the exact amount allocated to an AI-related provision, we specify the amount.

Supporting AI R&D

- **Allocating \$30 million** to the **National Science Foundation** to support the **second year** of the **National AI Research Resource pilot**, an initiative that "aims to democratize access to resources to support the research and innovation needed to build the next generation of safe and trustworthy AI."
 - The budget would also provide the **National Science Foundation** with **\$2 billion** of funding to **support R&D** "in critical emerging technology areas in alignment with CHIPS and Science Act priorities of boosting US competitiveness in science and technology, including **AI**" and other cutting-edge technologies.
- Providing funding to the **National Institute for Standards and Technologies** to "support activities responsive to the AI EO" and fund construction and maintenance of research and development facilities."
- Providing support to the **Department of Agriculture** to investigate "the responsible application of artificial intelligence to ensure that the entire spectrum of the agriculture sector can reap the economic benefits of this technology."
- Allocating funds "to responsibly develop, test, procure, and integrate transformative AI applications across" the **Department of Defense**.
- Supporting the **Department of Energy** with **\$455 million** "to extend the frontiers of AI for science and technology and to increase AI's safety, security, and resilience."
 - This funding would support activities ranging from the procurement of more powerful computing resources to the development of AI test beds to the creation of "tools to evaluate AI capabilities to

- generate outputs that may represent nuclear, nonproliferation, biological, chemical, critical-infrastructure, and energy security threats or hazards.”
- The proposal specifically notes that the budget would support the activities of the Department of Energy’s **Office of Science** related to AI.
- Allocating funds to support ongoing efforts within the **Department of Veterans Affairs** directed towards “**expanding the safe use of artificial intelligence to improve veteran care.**”
- Supporting the **National Aeronautics and Space Administration (NASA)** in the **integration of AI into its data collection, aviation, and space exploration activities.**

Managing AI-Related Risks and Abuses

- Allocating **\$65 million** to the **Department of Commerce** “to **safeguard, regulate, and promote AI, including protecting the American public against its societal risks.**”
 - The proposal specifically notes that the budget would fund the establishment of the **US AI Safety Institute**, a body whose function would be to “**operationalize NIST’s AI Risk Management Framework** by creating guidelines, tools, benchmarks, and best practices for evaluating and mitigating dangerous capabilities and conducting evaluations including red-teaming^[1] to identify and mitigate AI risk.”
- Providing funding to the Department of Transportation’s **Office of Automation Safety** to cooperate with other offices within the **National Highway Traffic Safety Administration** on **addressing “cyber security risks as well as risks related to artificial intelligence,** in alignment with the implementation” of the AI EO.
- Supporting the **Department of Health and Human Services** with **\$141 million** for cybersecurity and information system improvements, and for activities “**promoting the use of artificial intelligence in healthcare and public health while protecting against its risks.**”
- Allocating funding to the **Department of Education** to “enhance the capacity of Department staff, schools, and postsecondary institutions **to achieve the promise of AI while managing inherent risks**.”
- Providing funding to the **Department of Homeland Security (DHS)** to support “**investment and expansion of the DHS AI mission**” in Immigration and Customs Enforcement (ICE), Customs and Border Protection (CBP), and the Federal Emergency Management Agency (FEMA).
- Allocating **\$86 million** to the **Department of Housing and Urban Development** to provide “**robust funding** for HUD staffing and technical assistance to affirmatively further fair housing, improve access to affordable housing, address gender-based violence, and **combat housing discrimination,** including discrimination in tenant and homebuyer screening and advertising” **in furtherance of the AI EO.**
- Providing the **Department of State** with **\$20 million** to make “**targeted artificial intelligence investments** firmly aligned with the goals” of the AI EO.
- Allocating **\$2 million** for the **Department of Justice (DOJ)** to implement the AI EO.^[2]

Equipping the Federal Government with AI Talent

- Providing **agencies across the federal bureaucracy,** including the **Department of Agriculture, Department of Labor,** and the **Department of the Treasury** with the funding necessary to **hire Chief AI officers** “accountable for their agency’s use of AI...”
- Allocating **\$32 million** towards the **National AI Talent Surge,** an initiative, which aims to equip federal agencies with personnel sufficiently versed in AI to carry out the requirements of the AI EO and responsibly integrate AI into their agencies’ activities.
- Supporting the creation of a new AI policy office within the **Department of Labor** that would “**guide the effective use of AI, promote AI innovation in DOL programs, and help DOL agencies mitigate risk**,” as well as coordinate the AI-related activities already occurring across the Department.”
- Providing **\$5 million** in funding to **DHS** to open “an office at DHS responsible for **coordinating the Department’s use of AI; promoting AI innovation; and managing risks from the use of AI,** including risks to rights and safety.”

We will continue to monitor, analyze, and issue reports on developments relating to AI and President Biden’s FY 2025 budget proposal. Please feel free to contact us if you have questions as to current practices or how to proceed.

Endnotes

[1] As explained in a [previous newsletter](#), red-teaming is “a strategy whereby an entity designates a team to emulate the behavior of an adversary attempting to break or exploit the entity’s technological systems. As the red team discovers vulnerabilities, the entity patches them, making their technological systems resilient to actual adversaries.”

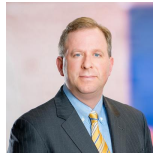
[2] The **AI EO** directs to DOJ to, among other things, convene a meeting of the heads of federal civil rights offices to discuss algorithmic discrimination, and to consider providing guidance, technical assistance, and training “to State, local, Tribal, and territorial investigators and prosecutors on best practices for investigating and prosecuting civil rights violations and discrimination related to automated systems, including AI.”

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