A **GOVERNMENT TECHNOLOGY** THOUGHT LEADERSHIP PAPER

Private AI for Government

Why edge computing delivers higher performance, stronger security and better results

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AI is transforming the way governments get things done. But as AI adoption accelerates, many agencies are discovering that traditional IT environments — particularly cloud-only architectures — may not be sufficient to support the performance, governance and security requirements of modern AI workloads.

AI systems often rely on massive data sets, real-time analytics and compute-intensive processing. These demands create infrastructure challenges that many government organizations are only beginning to address.

To move from experimentation to operational success, agencies are exploring a new model: private AI.

Private AI refers to AI systems that run inside environments controlled by the agency itself — such as on-premises data centers, secure private infrastructure or edge computing environments. Instead of sending sensitive data to external AI services, agencies can deploy and operate AI capabilities within their own trusted networks.

This approach gives government leaders greater control over data, infrastructure and performance while enabling them to deploy AI in mission-critical environments.

Why AI Infrastructure Matters

Massive data volumes. AI systems rely on large data sets — including video feeds, sensor data, operational records and transactional systems. Moving these data sets to distant cloud environments can introduce latency and increase network costs.

Real-time workloads. Many AI use cases require immediate responses. Traffic management systems, cybersecurity monitoring and emergency response tools depend on near real-time analysis. Even small delays can reduce effectiveness.

Security and governance requirements. Government agencies manage sensitive data, including public safety information, financial records and personal data belonging to residents. Leaders must ensure AI systems comply with strict governance, transparency and privacy requirements.

Organizational readiness. AI introduces cultural and operational concerns. Agency leaders must ensure employees have the skills to use new tools effectively; elected officials and residents want assurance that AI systems are transparent and accountable.

These pressures can slow progress. In many agencies, the rapid emergence of easily accessible cloud-based AI tools has also led to a rise in "shadow AI," where employees experiment with tools outside official governance structures. Without clear oversight and infrastructure strategies, agencies risk fragmented AI adoption that creates more complexity rather than delivering real value.

"AI is available to pretty much everyone," says Raphael Meyerowitz, vice president and go-to-market partner with Presidio, a system integrator specializing in Cisco Systems technologies. "How you use it is a different story."[1]

The Limits of Cloud-Only AI

For more than a decade, governments have been encouraged to adopt cloud-first strategies — and cloud platforms remain an essential part of modern public sector IT.

But AI workloads introduce new considerations that make a purely cloud-based approach less practical in some cases.

First, **latency** can become a significant challenge. AI applications that rely on real-time video analysis or sensor data may perform poorly when data must travel across networks to remote cloud systems before being processed.

Second, **data governance** becomes more complex when sensitive datasets must be transferred outside agency-controlled environments.

Third, **costs** can escalate quickly when agencies run large-scale AI workloads in public cloud environments.

As a result, many organizations are adopting a more balanced approach that combines cloud services with on-premises infrastructure and edge computing resources.

What is Private AI?

In a private AI architecture, AI models and applications operate inside infrastructure controlled by the agency. This may include:

- **On-premises data centers**
- **Secure private clouds**
- **Edge computing environments located near data sources**
- **Hybrid architectures that combine these elements**

Instead of sending data to external AI systems, agencies bring AI capabilities closer to the data they already manage.

Benefits of Private AI

Proximity to data. "By 2027, it's expected that 75-plus percent of all data that is being created and processed will be at the edge," says Matthew Dietz, global director of security and AI product marketing with Cisco Systems. On-premises environments allow agencies to process data close to where it is generated, reducing network delays and improving system performance.

Secure AI experimentation. Private infrastructure lets agencies build secure environments for testing and training AI models without exposing sensitive data to external systems.

Operational efficiency. AI-powered automation streamlines administrative tasks, allowing employees to focus on higher-value work.

Public safety applications. Real-time analysis of traffic cameras, emergency response systems and environmental sensors becomes far more effective when AI processing happens at the edge.

Faster service delivery. Field employees can process images, inspections and documentation directly from mobile devices instead of sending data back to centralized systems for analysis.

Enhanced cybersecurity. AI systems can monitor network activity and analyze security logs at speeds that would overwhelm human analysts. Running these systems in controlled environments allows agencies to apply existing governance frameworks to AI workloads.

A Partner in AI Progress

Implementing private AI can be complex. Agencies must design systems that balance performance, governance and cost while integrating with existing technology environments.

An experienced implementation partner can help agencies navigate these challenges by designing infrastructure architectures, deploying AI-optimized hardware and integrating AI tools into existing operational workflows.

With the right approach, agencies can move beyond experimentation and begin delivering measurable results from AI initiatives.

1. All quotes from webinars.govtech.com/Unlock-the-Power-of-Private-AI-for-State-and-Local-Government-144411

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