



Media Contact:

Kelsea Bond

703-883-9000 ext. 304

kbond@meritalk.com

Federal AI at a Crossroads: New Research Calls for Urgent Action to Scale Beyond Pilots

Leadership, Funding, and Infrastructure Will Drive Breakthroughs

Alexandria, Va., March 17, 2025 – Artificial intelligence (AI) is rapidly reshaping government operations, but Federal agencies are struggling to scale AI beyond pilot programs, according to the newly released “Tech Tonic: 2025 Federal CAIO Outlook” by [MeriTalk](#), government IT’s top digital platform. The study features insights from 10 Federal Chief AI Officers (CAIOs), revealing that while AI use cases have doubled in the past year, agencies lack the leadership, infrastructure, and resources needed to fully integrate AI into mission-critical operations. The [report](#) underscores the urgent need for bold action to ensure AI delivers on its full potential in government.

Eighty-five percent of CAIOs say AI will revolutionize agency operations by 2030, but all cite insufficient funding or resources as a major roadblock to success. As the private sector accelerates AI adoption, Federal leaders struggle to break through bureaucratic barriers, leaving many agencies in a holding pattern. The study finds that while AI pilots are expanding – one generative AI program scaled from 1,000 to 4,000 users in the past year – many agencies remain focused on governance and risk management rather than scaling AI for operational impact.

Leadership structure remains another critical challenge. Eighty-eight percent of surveyed CAIOs hold multiple titles, yet 100 percent agree the position demands full-time dedication. Additionally, nearly half (42 percent) say they lack the authority to drive meaningful AI change within their agencies. Beyond leadership constraints, agencies cite internal AI expertise gaps (83 percent), data accessibility issues (67 percent), and legacy system integration (50 percent) as key barriers to progress.



“AI is no longer optional – it’s the foundation for the future of government,” said Steve O’Keeffe, founder of MeriTalk. “The question isn’t whether agencies should scale AI, but how fast they can do it before they fall behind. Federal leaders must move beyond pilots and take bold, systemic action – empowering CAIOs with real authority, securing sustained funding, and modernizing infrastructure – to drive AI transformation at scale.”

Despite challenges, confidence in AI’s potential remains high – 100 percent of CAIOs agree the benefits of AI to their agencies outweigh the risks and 67 percent believe the Trump administration will fast-track Federal AI adoption.

To move beyond pilots and accelerate AI’s impact, Federal leaders must take decisive action. The report recommends strengthening AI leadership by ensuring CAIOs have clear authority and dedicated resources, modernizing infrastructure and procurement systems to support large-scale, agile AI deployment, and democratizing AI literacy to integrate AI effectively. Additional recommendations include stronger strategic communication and interagency collaboration to embed AI into core mission functions.

MeriTalk gathered insights from 10 Federal CAIOs through surveys and in-depth interviews between December 2024 and February 2025. The “Tech Tonic: 2025 Federal CAIO Outlook” is underwritten by Dell Technologies, Maximus, Salesforce, and ServiceNow. To review the full findings, visit: <https://www.meritalk.com/study/tech-tonic-2025-federal-caio-outlook/>

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