Robust Funding for Federal AI Capacity

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with support from Inclusive Abundance

Artificial intelligence (AI) has exploded into the public consciousness since ChatGPT's 2022 release, and the technology holds revolutionary potential in many domains. Yet a paradox has emerged amidst this AI revolution: the National Institute of Standards and Technology (NIST) – the government agency housing AI expertise and tasked with facilitating the development of relevant standards – remains chronically underfunded. This disconnect between AI's rapid advancement and NIST's limited resources threatens to hinder responsible innovation, leave the U.S. ill-equipped to harness AI's full potential while also mitigating its risks, and surrender America's lead in the global technology race. To address this incongruity, Congress should fully fund NIST's request for $47.7 million in additional funding for its work on AI research, standards, and testing for the current fiscal year.

For over a century, NIST has served as a trusted and impartial leader contributing to the development of technical standards across a range of domains including cybersecurity, telecommunications, manufacturing, and bioscience. NIST's expertise in advanced technology and measurement science, together with its excellent industry relationships, have cemented the agency as the institution of choice for researching and issuing guidance on AI, both in bipartisan legislative proposals and across administrations. Increasing NIST's funding has broad support across the tech and public sectors and fulfilling its FY25 budget request is supported by over 90 groups with perspectives as diverse as OpenAI, the ACLU, Palantir, and the Center for Democracy and Technology.

NIST's unique expertise and connections have recently allowed it, among other things, to:

- Form a consortium of nearly 300 leading AI organizations to develop guidelines and standards for the technology;
- Enter into agreements with leading AI labs to test their advanced models;
- Create voluntary guidelines that shape AI frameworks at the world's largest companies; and,
- Establish and oversee the U.S. AI Safety Institute (AISI) – a critical hub of research and technical expertise for advancing responsible AI development and promoting U.S. international leadership in AI.

NIST is already helping to bolster the American AI industry by tackling the foundational work that no individual firm is incentivized or in the position to develop alone. This includes developing crucial measurement standards for AI model evaluation, creating a [risk management framework](#) that is influencing and being implemented at [large](#) [AI companies](#), and establishing testing methodologies for AI reliability. By developing these industry-wide resources, NIST allows companies to focus on building novel applications and lowers the barrier to entry for new firms to enter the space and innovate.

These achievements underscore NIST's indispensable role in shaping the future of AI technology and policy in the United States. Despite this, years of underfunding have left NIST without adequate resources to tackle its growing mandate amidst the rapidly evolving AI landscape.

Government entities laying the foundation for a transformative technology is a proven model of American innovation. The development of the Internet in the 20th century demonstrates this perfectly: DARPA created ARPANET and developed the TCP/IP protocols which became the Internet's backbone, while the NSF democratized access and enabled commercialization via NSFNET. NASA advanced crucial technical capabilities, while the FCC shaped policies that ensure fair access to the Internet. These agencies provided the essential research, frameworks, and coordination that allowed the Internet to flourish, while standards bodies like the IETF and ITU built upon this foundation to create the interconnected world we take for granted today. With proper funding, NIST is positioned to play a similarly pivotal role in AI's development.

While NIST was allocated $10 million to establish the AISI in Fiscal Year 2024, the agency saw its overall budget cut by over 10 percent. This cut has presented major operational challenges to its AI efforts and has exploded the agency's maintenance backlog–funds needed to [fix NIST's failing infrastructure](#), resolve safety challenges, and ensure employees are able to do their jobs productively. If continuously underfunded, NIST will be forced to decide between employee safety and its core research work.

Fulfilling NIST's request for $47.7 million in additional funding for its core AI work will allow the agency to spearhead a comprehensive effort to ensure responsible and innovative AI development. Specifically, these resources will empower NIST to research the technology's capabilities and limitations, create widely adoptable techniques for testing AI systems, evaluate models at the frontier of AI development, develop guidelines for responsible deployment and use of advanced models, and facilitate the development of consensus-based AI standards. This comprehensive approach will position NIST, and by extension the U.S., as a global leader in AI governance and responsible innovation.

We are encouraged that the 118th Congress's Senate Committee on Appropriations recognized the value of NIST's AI work, as evidenced by their [decision](#) to fully fund NIST's budget request for FY 2025. We strongly support this positive step and urge Congress to fully fund NIST's

budget request when both chambers negotiate a final appropriations bill for the current fiscal year.[1]

There is widespread agreement among lawmakers that NIST is uniquely qualified to serve as the focal point of the federal government's AI efforts. Yet NIST cannot execute its new responsibilities without appropriate funding. By fully granting NIST's request for additional funding, Congress has the opportunity to drive responsible AI innovation, maintain America's technological leadership, and safeguard our future.

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[1] The Senate proposal differs significantly from the House proposal, which would fund NIST at $83.5 million below their budget request. As the two chambers reconcile, we strongly recommend adopting the Senate proposal.