



**Solution Brief**

# **AI Compliance for Texas Government Agencies**

**Texas SB 1964 | NIST AI RMF 1.0 | NIST AI 600-1 | Cyber AI Profile**

How Island operationalizes AI governance across the full NIST standards stack

**TX-RAMP L 2 Island Certified**

## The Challenge

Texas SB 1964 (Subchapter S, Chapter 2054, Government Code) creates the first comprehensive framework for AI oversight in Texas government. It requires every state agency and local government to **inventory AI systems** (§2054.068), conduct **risk assessments** (§2054.708), comply with a **NIST AI RMF-aligned code of ethics** (§2054.702), and maintain full transparency (§2054.707, §2054.711). Organizations making consequential decisions face **heightened scrutiny** standards (§2054.703). The Attorney General can investigate violations and void vendor contracts (§2054.709).

Most agencies lack the tooling to operationalize these requirements. Island provides a single platform that makes compliance automatic and is already TX-RAMP Level 2 certified for processing confidential state data.

### Texas SB 1964: How Island Maps to Each Requirement

#### **AI System Inventory & Shadow AI Discovery** §2054.068(b), §2054.0965(b)

Discover every AI tool across browser, desktop, extensions, and network. Real-time risk scoring of 200K+ extensions surfaces unknown AI usage before it becomes a compliance gap.

#### **NIST AI RMF Code of Ethics Enforcement** §2054.702

Enforce data boundaries, DLP, and prompt-level controls that operationalize your agency's code of ethics. Policy governs what data reaches which models – turning written standards into technical controls.

#### **Heightened Scrutiny AI Controls** §2054.703

Scope AI access by user identity, role, and context. Apply differentiated governance to high-risk vs. low-risk usage – matching the bill's tiered scrutiny framework for consequential decisions.

#### **Transparency & Full Audit Trails** §2054.707, §2054.711

Every agent runs with policy enforcement, complete audit trails, and human-in-the-loop controls. Built for demonstrating oversight of AI-driven decisions.

## Texas SB 1964: Additional Compliance Coverage

### **Impact Assessments** §2054.708

Unified dashboard provides the data to conduct assessments of unlawful harm risks, system limitations, and information governance practices – and make them available upon request.

### **Public Disclosure & Complaint Response** §2054.710, §2054.711

Policy audit trails provide the data foundation for standardized public notices about AI usage and evidence-backed responses to citizen complaints filed through the AG's web page.

### **Sandbox Program Readiness** §2054.706

Publish internally-built AI apps with identity, security, and compliance inherited automatically. Move from your agency's sandbox to production without a separate security buildout.

### **Vendor Contract Compliance & Enforcement** §2054.709

Governed MCP Gateway with 500+ integrations ensures third-party AI tools operate within policy. Full auditability protects against AG enforcement actions and contract-voiding provisions.

## *Why Island* for SB 1964 Compliance

### **TX-RAMP Level 2 Certified.**

Already validated to handle confidential state data. No additional certification needed.

### **One platform, not seven.**

Replace fragmented point solutions with a single workspace covering AI inventory, risk assessment, policy enforcement, and auditability.

### **Say yes to AI – and comply.**

SB 1964's intent is responsible adoption, not restriction. Island lets agencies embrace AI at scale while meeting every statutory requirement.

## SB 1964 Compliance Checklist

SB 1964 Requirement	Island Capability	Section
AI system inventory & classification	AI Protect	§2054.068, §2054.0965
NIST AI RMF code of ethics compliance	AI Protect (policy engine)	§2054.702
Heightened scrutiny risk standards	AI Browser + AI Protect	§2054.703
Sandbox program readiness	AI Publish	§2054.706
Public-facing AI disclosure	Unified Dashboard	§2054.707
Impact assessments	AI Protect (audit trails)	§2054.708
Vendor enforcement compliance	AI Automate + AI Publish	§2054.709
Citizen complaint response	AI Protect (audit data)	§2054.710
Standardized notice	Unified Dashboard	§2054.711



Island is the ideal environment for enterprise work. By unifying modern work requirements into a single Enterprise Platform, Island enables organizations to see, control, and protect work activity while making work itself smooth and simple. Leading enterprises from across major industries are using Island to safely embrace AI, onboard contractors in minutes, enable BYOD, reduce VDI spend, quickly recover from disasters, facilitate M&A, and eliminate unnecessary infrastructure and related expenses. Island is backed by world-class investors including Coatue Management, Insight Partners, Sequoia Capital, and Cyberstarts.



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