

BRIEF 02 OF 07 · BEFORE YOU RENEW

Information Technology

AI adoption is nearly universal; governance and measured return are not. Most of the exposure sits in tools no contract reaches.

94%

of higher ed employees used AI tools for work in the past six months

56%

used AI tools their institution didn't provide

13%

of institutions measure return on AI implementations at all

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If you read one thing here, measure how much artificial intelligence use at your institution is occurring in tools you did not acquire, and prohibit in writing the use of institutional data to train or improve products sold to other customers.

The challenge as members describe it

Adoption is no longer the question. Ninety-four percent of higher education employees report having used artificial intelligence tools for work in the preceding six months, and 92 percent believe their institution has a work related artificial intelligence strategy (Robert, 2026). What members describe is a gap between that strategy and daily practice. They ask who holds decision rights, how governance is enforced when the technology arrives embedded in a product they already license, and what a contract should require when the underlying model may change without notice.

Status quo belief and the more accurate insight

THE BELIEF

The exposure sits in the platforms the institution licensed.

THE EVIDENCE

A majority of it sits in the tools the institution never acquired, where no contract reaches.

Fifty-six percent of employees report using artificial intelligence tools their institution did not provide, and 46 percent report being unaware of institutional policies governing work related use (Robert, 2026). An institution that has negotiated strong data provisions in its enterprise agreement, and whose staff are working in a consumer interface, has purchased a protection that is not attaching to the activity. That is a supply problem before it is a compliance problem, and a stricter memorandum does not address a supply problem.

Dynamics E&I is observing

Two dynamics dominated category engagement this quarter. The first is that institutional commitment is rising faster than measured return. Half of surveyed campus technology leaders report unclear results or outcomes below expectation, while 49 percent now characterize generative artificial intelligence investment as a high or essential priority, up from 34 percent the prior year (Palmer, 2026). Only 13 percent of institutions measure return on these implementations at all (Robert, 2026).

The second is that federal policy has moved governance toward institutions rather than centralizing it. In issuing its final supplemental grant priority on artificial intelligence in April 2026, the Department of Education expressly declined to impose federal level privacy requirements, reasoning that decisions about safety and communication regarding technology use are best made at the state and local level (U.S. Department of Education, 2026c).

Meanwhile the operative student privacy regulation has not been amended since December 2011, and no guidance specific to artificial intelligence has issued from the Student Privacy Policy Office. The applicable federal guidance on third party educational services dates to February 2014.

Sourcing implications

- Measure unsanctioned use rather than assuming it. The national figure is 56 percent; the institutional figure is discoverable through identity and network telemetry, and it should set the urgency of everything else.
- Require in every agreement an explicit prohibition on the use of institutional data to train, fine tune, or otherwise improve products offered to other customers, absent written authorization.
- Require advance notice of material changes to models or data handling, paired with a right to terminate without penalty, and refuse unilateral vendor amendment. Beyond commercial hygiene, a vendor able to

change terms without institutional consent is difficult to describe as under institutional control with respect to education records.

- Confirm that the institution's annual notification of rights under the Family Educational Rights and Privacy Act defines the criteria under which a contractor may be designated a school official. Department guidance requires it, and a contract clause does not accomplish the designation (Privacy Technical Assistance Center, 2014).
- Where governance analysis points toward acquisition, a competitively solicited agreement lets a team require terms rather than negotiate them alone. E&I's generative artificial intelligence agreements are available on that basis, and a member's E&I sourcing consultant can identify the vehicle that fits the institution.

Want help acting on this?

Your E&I sourcing consultant can point you to the contract that fits. The Executive Overview, full report, and 90-day checklists: [LANDING PAGE LINK]

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Sources

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