

QUARTERLY SNAPSHOT • Q2 2026

Q2 2026 Federal AI Regulatory Snapshot

Encore's quarterly view of the federal AI regulatory landscape. What moved this quarter, what it means for federal AI procurement, and where to direct attention next quarter. Published as a public reference for the federal acquisition workforce.

LIBRARY REFERENCE	ISSUED	VERSION	DISTRIBUTION
EFAIRA-Q2-2026- V1	May 2026	1.0	Public Reference

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A. The quarterly view

This is the first quarterly federal AI regulatory snapshot in the EFAIRA Methodology Library. The snapshot covers Q2 2026 (April through June 2026) and captures the regulatory, policy, and oversight developments that materially affect federal AI procurement decisions.

This snapshot is published as a public reference. It does not constitute legal advice and is not endorsed by any agency or oversight body. Consult original source documents and agency counsel when applying the snapshot to a live acquisition.

B. What moved this quarter

Q1 GAO published GAO-26-107859 on federal AI acquisitions (April 2026)

The Government Accountability Office published its report on federal AI acquisitions in April 2026. The report examined acquisitions across multiple agencies and surfaced themes around lessons-learned collection, acquisition approach selection, and workforce capability. The EFAIRA Methodology Library includes a dedicated crosswalk PDF interpreting the report's recommendations into Section L and Section M evaluation language.

Why it matters. Federal AI acquisitions in Q3 2026 and beyond should reference this report in determinations and findings. Agency program managers and contracting officers should incorporate the report's recommendations into acquisition strategy documents.

Q2 Continued OMB M-25-22 implementation guidance from individual agencies

Multiple civilian and defense agencies continued to publish implementation guidance for OMB Memorandum M-25-22 minimum risk management practices throughout the quarter. The implementation guidance varies by agency but consistently emphasizes pre-deployment risk assessment, human oversight regimes, and transparency artifact requirements.

Why it matters. Contractors pursuing awards at multiple agencies should be aware that M-25-22 implementation specifics vary. The minimum risk management practice floor is consistent; the agency-specific implementation details require attention to the target agency's published guidance.

Q3 NIST AI Safety Institute consortium output continued to grow

The NIST AI Safety Institute consortium continued publishing technical work products throughout Q2 2026. The output is primarily relevant to higher-impact AI capabilities and advanced systems but is increasingly cited in federal proposal evaluations for capabilities at moderate impact and above.

Why it matters. Federal AI proposals at moderate impact and above should consider citing NIST AI Safety Institute alignment where applicable. Citation strengthens the technical credibility of risk management documentation.

Q4 FedRAMP and AI authorization pathway clarifications

FedRAMP continued to clarify the authorization pathway for AI services processing federal data. The authorization process for AI services is incremental on the standard FedRAMP authorization process; AI-specific controls layer on top of the standard control set.

Why it matters. Cloud-hosted AI services in federal use must hold appropriate FedRAMP authorization. Contractors proposing cloud-hosted AI capabilities should verify their authorization posture is current and includes the AI-specific control layers.

Q5 CMMC and AI security framework convergence (DoD)

Defense policy guidance continued to articulate the relationship between CMMC and AI-specific security framework requirements. The framework is implemented as an extension or augmentation of CMMC rather than as a standalone framework.

Why it matters. DoD contractors with CMMC posture in place have a foundation for AI security framework compliance. Civil-side contractors should be aware of the defense AI security framework as a reference even when not directly applicable.

C. Quarterly implications for the acquisition workforce

AUDIENCE	WHAT TO DO IN Q3 2026
Agency Program Managers	Reference GAO-26-107859 in upcoming AI acquisition strategies. Incorporate the report's recommendations into Section L instructions and Section M evaluation criteria. Verify that agency-specific M-25-22 implementation guidance is current.
Contracting Officers	Ensure source selection plans address AI-specific evaluation factors distinct from general IT factors. Consider independent third-party assessment as a supplemental input for higher-complexity AI capabilities. Update determinations and findings templates to reference current authorities.
Agency CIO and CAIO staffs	Review the agency AI use case inventory against current M-25-22 disclosure requirements. Verify that all in-progress AI procurements are mapped to applicable risk management practices. Consider quarterly review cadence for AI acquisition pipeline.
Federal Contractors	Verify all proposal volume citations against current authoritative text. Run the EFAIRA self-check on AI proposals before submission. For higher-value awards, engage independent third-party readiness assessment.
Federal Inspector General staffs	Consider AI procurement oversight as part of upcoming acquisition reviews. Reference GAO-26-107859 recommendations as a baseline for evaluating agency AI acquisition practice maturity.

D. Look-ahead for Q3 2026

- **Agency-specific M-25-22 implementation refinement.** Expect additional agency-specific implementation guidance as agencies operationalize the minimum risk management practices into procurement practice.
- **Additional GAO and IG oversight reports.** The acquisition oversight community has identified federal AI as a priority area. Additional reports are expected throughout 2026.
- **NIST AI Safety Institute technical work products.** Continued growth in published technical work products will influence federal AI proposal evaluation language.
- **Federal AI workforce capability initiatives.** Several agencies have initiated AI acquisition workforce capability programs. These programs will affect how federal evaluators approach AI proposal review.

How to use this snapshot. Use the snapshot as an orientation document at the start of a federal AI acquisition decision window. The current quarter's themes establish the policy context the acquisition will be evaluated against. The look-ahead section helps inform timing decisions for acquisitions that span multiple quarters.

Working summary. This snapshot is Encore's working summary of the federal AI regulatory landscape as of Q2 2026. It is not legal advice, not formal agency guidance, and not endorsed by any federal authority. Verify any application of this snapshot against original source documents and agency counsel. The next snapshot will publish at the start of Q4 2026.

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