Fiscal Estimate - 2023 Session

☒ Original   ☐ Updated   ☐ Corrected   ☐ Supplemental

LRB Number 23-5817/1	Introduction Number SB-1010

Description
use of artificial intelligence by state agencies and staff reduction goals

Fiscal Effect

State:
☐ No State Fiscal Effect
☐ Indeterminate

☐ Increase Existing Appropriations
☐ Decrease Existing Appropriations
☐ Create New Appropriations

☐ Increase Existing Revenues
☐ Decrease Existing Revenues

☒ Increase Costs - May be possible to absorb within agency's budget
    ☐ Yes   ☒ No
☐ Decrease Costs

Local:
☐ No Local Government Costs
☐ Indeterminate

1. ☐ Increase Costs
   ☐ Permissive ☐ Mandatory
2. ☐ Decrease Costs
   ☐ Permissive ☐ Mandatory

3. ☐ Increase Revenue
   ☐ Permissive ☐ Mandatory
4. ☐ Decrease Revenue
   ☐ Permissive ☐ Mandatory

5. Types of Local Government Units Affected
☐ Towns   ☐ Village   ☐ Cities
☐ Counties   ☐ Others   0
☐ School Districts   ☐ WTCS Districts

Fund Sources Affected   **Affected Ch. 20 Appropriations**

☒ GPR   ☐ FED   ☐ PRO   ☐ PRS   ☐ SEG   ☐ SEGS

Agency/Prepared By	Authorized Signature	Date
DOR/ Zach Petersen (608) 267-2428	Michael Oakleaf (608) 261-5173	2/14/2024

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Description use of artificial intelligence by state agencies and staff reduction goals		

Assumptions Used in Arriving at Fiscal Estimate

Beginning in 2030, the bill requires state agencies to include a proposal to reduce the number of authorized positions with their budget request submissions to the Department of Administration.

The bill also requires beginning in 2026 that each agency submits a report in even-numbered years that identifies full-time equivalent positions within the agency whose work could be made more efficient through the use of artificial tools. The bill also requires the Legislative Audit Bureau to conduct an audit of each agency's use of artificial intelligence tools to increase efficiency and carry out the agency's functions.

Fiscal Estimate

The bill will require a one-time cost of $3,900,690 to create an additional section within the Division of Technical Services to manage artificial intelligence software. The cost includes staff, training, and initial licensing costs.

The bill will incur an annual cost of $3,850,090 related to the new section staff and annual artificial intelligence licensing costs.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2023 Session
Detailed Estimate of Annual Fiscal Effect

☒ Original   ☐ Updated   ☐ Corrected   ☐ Supplemental

LRB Number **23-5817/1**	Introduction Number **SB-1010**

Description
use of artificial intelligence by state agencies and staff reduction goals

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

The bill has a one-time cost of $3,900,690 related to new staff, training, and licensing costs.

II. Annualized Costs:	**Annualized Fiscal Impact on funds from:**	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	$1,325,890	$
(FTE Position Changes)		
State Operations - Other Costs	2,524,200	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	**$3,850,090**	**$**
B. State Costs by Source of Funds		
GPR	3,850,090	
FED		
PRO/PRS		
SEG/SEG-S		

III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)

	Increased Rev	Decreased Rev
GPR Taxes	$	$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	**$**	**$**

NET ANNUALIZED FISCAL IMPACT		
	State	Local
NET CHANGE IN COSTS	$3,850,090	$
NET CHANGE IN REVENUE	$	$

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