

### Fiscal Estimate - 2023 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>23-5817/1</b>	<b>Introduction Number</b> <b>SB-1010</b>	
<b>Description</b> use of artificial intelligence by state agencies and staff reduction goals		
<b>Fiscal Effect</b>  <b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory              3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory              4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others             0 <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
<b>Agency/Prepared By</b> DPI/ Erin Fath (608) 266-2804	<b>Authorized Signature</b> Erin Fath (608) 266-2804	<b>Date</b> 2/9/2024

## Fiscal Estimate Narratives

DPI 2/9/2024

LRB Number	23-5817/1	Introduction Number	SB-1010	Estimate Type	Original
<b>Description</b> use of artificial intelligence by state agencies and staff reduction goals					

### Assumptions Used in Arriving at Fiscal Estimate

This bill creates new requirements for state agencies that are required under current law to submit their biennial budget requests to the Department of Administration (DOA) by September 15 of each even-numbered year (all state agencies except the legislature and the court system).

Under the bill, beginning in 2030 (for the 2031-33 school year), a state agency would be required to include a proposal to reduce the total number of the agency's position authorizations for each fiscal year of the succeeding fiscal biennium, using as a base the agency's total number of position authorizations in the 2023-24 fiscal year (FY24).

Additionally, under the bill, beginning in 2026, a state agency would be required to submit a report to the legislature, by June 30 of each even-numbered year, which identifies full-time equivalent (FTE) positions within the agency whose work could be made more efficient through the use of artificial intelligence (AI) tools and that describes the agency's progress toward meeting the position authorization reduction goal described above. The annual report must also include updates on the information provided in the audit required under the bill that would be conducted by the Legislative Audit Bureau (LAB) relating to agency use of artificial intelligence tools.

Under the bill, LAB is required to conduct an audit of each agency's use of AI tools to increase efficiency and carry out the agency's functions, by June 30, 2025.

The immediate impact of the bill would be to divert state agency resources from the work the agency conducts under state and federal law, in order to conduct a review of efficiencies gained through the use of artificial intelligence and provide information to the LAB related to agency use of AI tools. Regarding the longer-term impact of the bill, DPI is not able to provide a reasonable estimate at this time of the number of positions that would be identified in future years as being made more efficient through the use of AI tools.

### Long-Range Fiscal Implications