

### 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      3. <input type="checkbox"/> Increase Revenue      5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs      4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <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	
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<b>Date</b> 2/20/2024	

## Fiscal Estimate Narratives

DWD 2/20/2024

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 requires the Legislative Audit Bureau (LAB) to conduct an audit on all state agencies required to submit a biennial budget request about their use of artificial intelligence tools. LAB is required to file the audit report by June 30, 2025. The report must include an inventory of artificial intelligence tools used or developed by each agency and a summary of each agency's written guidelines governing their use of artificial intelligence.

Beginning in 2026, the bill requires agencies to submit to the Department of Administration (DOA) and the Legislature, by June 30 of each even-numbered year, a report that includes, among other requirements:

- information on full-time equivalent positions within the agency whose work could potentially become more efficient by using artificial intelligence tools,
- any updates to the inventory of tools, and
- written guidelines governing artificial intelligence.

Beginning with the 2031-33 biennial budget submission, the bill requires agencies to submit a proposal to reduce the total number of the agency's position authorizations for each fiscal year of the succeeding fiscal biennium, using the agency's total number of positions authorized in the 2023-24 fiscal year as a base.

The estimated fiscal impact of the bill to the Department of Workforce Development (DWD) is indeterminate at this time.

Costs related to producing DWD's report under the bill's new requirements at s. 16.503 (2) are indeterminate. Staff time and other associated costs for evaluations necessary to meet the reporting requirements in the bill will correlate with the pace of DWD's investments in artificial intelligence tools, during the reporting period. At this time, it is not possible to estimate the level of funding DWD will budget for the implementation, support, and maintenance of artificial intelligence tools, or the associated cybersecurity measures. Therefore, the cost estimate for meeting this requirement is indeterminate.

At this time costs related to producing the agency's biennial budget request proposal to reduce staff levels to below the state fiscal year (SFY) 2023-24 base, as proposed in the bill, are also indeterminate. DWD's staffing is primarily federally funded, and these levels are not static; federally authorized position levels are increased and decreased in response to economic expansions and contractions, resulting in staffing surges and declines. Additionally, DWD's staffing is subject to change from factors that include but are not limited to reorganizations, federally required program and policy changes, and new state requirements. The amount of staff time and other costs needed to develop a proposal to reduce staffing to below DWD's position authorizations in SFY 24 is variable and dependent on whether the agency has recently been in a surging or declining staffing phase. Therefore, the fiscal impact is indeterminate.

### Long-Range Fiscal Implications