

Fiscal Estimate Narratives

ETF 2/9/2024

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

Assumptions Used in Arriving at Fiscal Estimate

The bill requires that ETF establish position reduction goals beginning with its 2030 biennial budget request. Additionally, beginning in 2026, the bill requires ETF to submit a report to the legislature that identifies positions whose work could be made more efficient using AI and describes ETF's progress toward meeting the position reduction goal. Finally, the bill requires LAB to conduct an audit of ETF's use of AI tools to increase efficiency and carry out the agency's functions.

The Department of Employee Trust Funds (ETF) manages retirement and insurance benefits for more than 660,000 individuals and is one of the largest public sector trust funds in the nation. ETF is responsible for ensuring employees and retirees have detailed and accurate information to make important medical and financial decisions.

While ETF acknowledges AI may offer possible enhancements to the administration of ETF benefit programs, it also recognizes there are potential drawbacks, limitations and legal risks associated with the use of AI in employee benefits.

ETF is in the early stages of evaluating the appropriate use of AI at ETF. At this time, ETF is not able to provide a fiscal estimate of cost changes associated with using AI.

Long-Range Fiscal Implications