

### 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> |
|------------------------------------|---|

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

**Fiscal Effect**

**State:**

No State Fiscal Effect  
 Indeterminate

|  |  |   |
|--|--|---|
| <input type="checkbox"/> Increase Existing Appropriations<br><input type="checkbox"/> Decrease Existing Appropriations<br><input type="checkbox"/> Create New Appropriations | <input type="checkbox"/> Increase Existing Revenues<br><input type="checkbox"/> Decrease Existing Revenues | <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget<br><input type="checkbox"/> Yes <input type="checkbox"/> No<br><input type="checkbox"/> Decrease Costs |
|--|--|---|

**Local:**

No Local Government Costs  
 Indeterminate

|  |  |   |
|--|--|---|
| 1. <input type="checkbox"/> Increase Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory<br>2. <input type="checkbox"/> Decrease Costs<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenue<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory<br>4. <input type="checkbox"/> Decrease Revenue<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <b>5. Types of Local Government Units Affected</b><br><input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities<br><input type="checkbox"/> Counties <input type="checkbox"/> Others<br><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>            | <b>Authorized Signature</b>  | <b>Date</b> |
| TOUR/ Robert Albrecht (608) 264-6343 | Robin Malicki (608) 264-9576 | 2/15/2024   |

Fiscal Estimate Narratives

TOUR 2/15/2024

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

**Assumptions Used in Arriving at Fiscal Estimate**

2023 Senate Bill 1010 (SB-1010) would create ss. 16.42 (4) (b) 3. and 16.503, Wis. Stats., to require agencies to prepare and submit a report related to the use of artificial intelligence as well as to require a proposal, beginning with the 2031-33 biennial budget submission, for a reduction in the total number of the agency's position authorization 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. Additionally, an audit of agencies' use of artificial intelligence would be conducted by the Legislative Audit Bureau, which would produce a report to identify an inventory of artificial intelligence tools being used or developed by each agency and to provide a summary of written guidelines governing artificial intelligence use, including policies and practices ensuring privacy of personally identifiable information and evaluating data, performance, effectiveness, and results of the tools.

The bill defines "agencies" as any body in state government required to submit a budget request under s. 16.42 (1), Wis. Stats. These bodies would be required, beginning in 2026 and by June 30 of each even-numbered year, to submit a report to the Department of Administration, Joint Committee on Finance, and other appropriate legislative committees, which identifies the following for their agency: (a) full-time equivalent positions whose work could be made more efficient through the use of artificial intelligence; (b) progress made towards the personnel reduction proposal described above; (c) if reductions are unable to be made, reasons why and steps towards that end; (d) progress made towards implementing recommendations from the audit; and (e) data updates found in the audit.

The Department of Administration would be required to create and submit a summary report of the items in the reports submitted to it broken down by agency no later than September 1 of each even-numbered year to the Joint Committee on Finance.

Under the bill, the Department of Tourism (Department) would be required, every other year, to prepare and submit the required report under s. 16.503 starting in 2026, to develop and submit a personnel reduction proposal with its 2031-33 biennial budget submission per the proposed s. 16.42 (4) (b) 3., and to comply with the audit requirements described above. The Department anticipates it would be able administratively to absorb costs related to these activities within current position and expenditure authority.

At present, there do not appear to be potential efficiencies gained through the use of artificial intelligence tools equivalent to the deletion of authorized positions for the Department. The Department would comply with the report requirements, and it would provide justification as required under s. 16.503 (2) (c) for why position reductions are not possible.

**Long-Range Fiscal Implications**