

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

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

Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <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 <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
--	--	--

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By	Authorized Signature	Date
WEDC/ Rachael Wilson (608) 210-6888	Flannery Geoghegan (608) 210-6759	2/15/2024

Fiscal Estimate Narratives

WEDC 2/15/2024

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

Summary of the Bill

- **Staff Reduction Goals:** Starting in 2030, state agencies (excluding the legislature and the court system) are mandated to propose reductions in their total number of position authorizations for each fiscal year of the succeeding biennium, using the 2023-24 fiscal year as a baseline.
- **AI Efficiency Reports:** Beginning in 2026, these agencies must also report biennially by June 30 on full-time equivalent positions that could be made more efficient with AI tools. This report should describe the agency's progress toward the staff reduction goals and include updates on AI tool use, developments, and decommissions, alongside guidelines, privacy policies, data evaluation practices, and the effectiveness of these AI tools.
- **Audit Requirements:** The Legislative Audit Bureau (LAB) is tasked with auditing each agency's use of AI tools to enhance efficiency and function. The initial audit report, due by June 30, 2025, will cover AI tool inventories, usage guidelines, privacy practices, and evaluation of AI effectiveness.

Implications for WEDC

- **Initial Investment:** WEDC must invest substantially in artificial intelligence (AI) technology and strategy. This investment is a prerequisite for any potential staff reductions at the agency. It is important to note that any overall cost savings would be contingent upon the successful implementation and deployment of the technology. Therefore, if achievable, such savings would not be realized immediately but would be deferred until after the successful deployment of the AI technology.
- **Operational Efficiency:** Agencies must identify and implement AI tools to streamline operations, potentially leading to significant operational efficiencies.
- **Workforce Implications:** The bill pushes for a leaner workforce by adopting AI, which may involve staff reductions or reallocations based on the efficiencies gained. However, it could also provide an opportunity to redeploy human resources toward critical thinking, planning, outreach, and other human-centered tasks that AI cannot complete.
- **Reporting and Accountability:** Agencies are required to maintain detailed records of AI tool usage, including their impact on efficiency and privacy concerns, and report these findings to the legislature and relevant committees. No additional funding for reporting is made available through this proposal. Thus, adding these requirements to the corporation may reduce resources available for other activities and programs.
- **Guideline and Policy Development:** Agencies must develop and adhere to guidelines and policies that govern the use of AI, ensuring the privacy and security of data used or generated by these tools.

Long-Range Fiscal Implications