State of Wisconsin
2023 - 2024 LEGISLATURE

LRB-5522/2
MIM&MPG:cjs/cdc/wlj

# 2023 ASSEMBLY BILL 1068

February 5, 2024 - Introduced by Representatives GUSTAFSON, MAXEY, NEYLON, ZIMMERMAN, ALLEN and BRANDTJEN, cosponsored by Senator CABRAL-GUEVARA. Referred to Committee on State Affairs.

AN ACT ***to create*** 16.42 (4) (b) 3. and 16.503 of the statutes; **relating to:** use of artificial intelligence by state agencies and staff reduction goals.

---

***Analysis by the Legislative Reference Bureau***

Under current law, state agencies, not including the legislature and the court system, are required to submit their biennial budget requests to the Department of Administration by September 15 of each even-numbered year. This bill requires, beginning in 2030, each submission 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.

The bill also requires each agency that is required to submit a budget proposal as described above, beginning in 2026, to submit a report to the legislature by June 30 of each even-numbered year that identifies full-time equivalent positions within the agency whose work could be made more efficient through the use of artificial intelligence 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 and described below conducted by the Legislative Audit Bureau relating to agency use of artificial intelligence tools.

Under the bill, LAB is required to conduct an audit of each agency's use of artificial intelligence tools to increase efficiency and carry out the agency's functions. The audit report is due no later than June 30, 2025, and must include all of the following:

1. An inventory of each artificial intelligence tool the agency is using, developing, or decommissioning, and the reason for the use, development, or decommission of the tool, and any initiatives regarding the use of artificial intelligence tools the agency is undertaking.

2. A summary of any written guidelines governing the use of artificial intelligence tools by employees and contractors of the agency.

3. A summary of the policies and practices in place at the agency to ensure the privacy of personally identifiable information the agency collects or uses with artificial intelligence tools.

4. A summary of the policies and practices of the agency to evaluate the data collected and used with artificial intelligence tools, the performance of the tools, the effectiveness of the tools, and the results of the use of the tools.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

---

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

**SECTION 1.** 16.42 (4) (b) 3. of the statutes is created to read:

16.42 **(4)** (b) 3. Beginning with the submission for the 2031–33 fiscal biennium, 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.

**SECTION 2.** 16.503 of the statutes is created to read:

**16.503 Use of artificial intelligence tools by agencies. (1)** DEFINITIONS. In this section:

(a) "Agency" means each agency or other body in state government required to submit a budget request under s. 16.42 (1).

(b) "Artificial intelligence tool" means an application that an agency uses to increase the agency's efficiency and assist the agency in carrying out its functions and that uses artificial intelligence, including generative artificial intelligence, large

language models, and machine learning, to perform tasks, solve problems, make predictions, or exercise automated decision making.

**(2)** REPORTS FROM AGENCIES. Beginning in 2026, each agency shall, by June 30 of each even–numbered year, submit to the department, the joint committee on finance, each legislative committee that is charged with reviewing technology used by governmental entities, and the appropriate standing committees of the legislature under s. 13.172 (3), a report that contains all of the following:

(a) An identification of full–time equivalent positions within the agency whose work could be made more efficient through the use of artificial intelligence tools.

(b) A description of progress towards making the reductions described in s. 16.42 (4) (b) 3.

(c) If an agency is unable to make the reductions described in s. 16.42 (4) (b) 3., the reasons for that and the steps the agency is taking to be able to make the reductions.

(d) An explanation of the progress the agency is making toward any recommendation from the audit required by 2023 Wisconsin Act .... (this act), section 3.

(e) Updates of the data found in the audit required by 2023 Wisconsin Act .... (this act), section 3, including, at a minimum, all of the following:

1. An inventory of each artificial intelligence tool the agency is using, developing, or decommissioning, and the reason for the use, development, or decommission of the tool, and any initiatives regarding the use of artificial intelligence tools the agency is undertaking.

2. A summary of any written guidelines governing the use of artificial intelligence tools by employees and contractors of the agency.

3. A summary of the policies and practices in place at the agency to ensure the privacy of personally identifiable information the agency collects or uses with artificial intelligence tools.

4. A summary of the policies and practices of the agency to evaluate the data collected and used with artificial intelligence tools, the performance of the tools, the effectiveness of the tools, and the results of the use of the tools.

**(3)** SUMMARY REPORT. The department shall create a summary report of the items in the reports submitted to it under sub. (2), broken down by each agency. The department shall submit the summary report to the joint committee on finance no later than September 1 of each even–numbered year.

**SECTION 3. Nonstatutory provisions.**

(1) AUDIT OF AGENCY USE OF ARTIFICIAL INTELLIGENCE. The legislative audit bureau shall conduct an audit of the use of artificial intelligence tools, as defined in s. 16.503 (1) (b), by each agency, as defined in s. 16.503 (1) (a), to increase the agency's efficiency in carrying out its functions and shall file a copy of its audit report under this subsection with the distributees specified in s. 13.94 (1) (b) no later than June 30, 2025. The audit report shall include at least all of the following:

(a) An inventory of each artificial intelligence tool the agency is using, developing, or decommissioning, and the reason for the use, development, or decommission of the tool, and any initiatives regarding the use of artificial intelligence tools the agency is undertaking.

(b) A summary of any written guidelines governing the use of artificial intelligence tools by employees and contractors of the agency.

(c) A summary of the policies and practices in place at the agency to ensure the privacy of personally identifiable information the agency collects or uses with artificial intelligence tools.

(d) A summary of the policies and practices of the agency to evaluate the data collected and used with artificial intelligence tools, the performance of the tools, the effectiveness of the tools, and the results of the use of the tools.

**(END)**