Wisconsin Legislative Council

MINUTES



STUDY COMMITTEE ON THE REGULATION OF ARTIFICIAL INTELLIGENCE IN WISCONSIN

Waukesha County Technical College, RTA Education Center Pewaukee, WI July 24, 2024 9:00 a.m. – 11:45 a.m.

CALL TO ORDER AND ROLL CALL

Chair Bradley called the meeting to order and determined that a quorum was present.

COMMITTEE MEMBERS

PRESENT:

Sen. Julian Bradley, Chair; Rep. David Armstrong, Vice Chair; Sen. Tim Carpenter; Rep. Clinton Anderson; and Public Members Sarah Alt, Rich Barnhouse, Kathy Henrich, Jay Hill, Christopher Mende, and Eric Toney.

COMMITTEE MEMBERS

EXCUSED:

Public Members Matt Kirchner and Timothy Dickson.

COUNCIL STAFF PRESENT: Brian Larson, Principal Attorney, and Tom Koss and Patrick Ward, Staff

Attorneys.

APPEARANCES: Matthew Friedel, Senior Lecturer, University of Wisconsin-Milwaukee (UWM);

Co-Founder, UWM Disruptive Technologies Lab; and Angel Investor and Co-

Founder, Milwaukee Venture Partners.

OPENING REMARKS

Introductory Video, *Joint Legislative Council Study Committees*, by the Wisconsin Legislative Council

Legislative Council staff presented a video featuring remarks from Anne Sappenfield, Director of the Legislative Council staff, and Wisconsin legislators describing the work of interim study committees.

Senator Bradley, Chair, Study Committee on the Regulation of Artificial Intelligence (AI) in Wisconsin

Chair Bradley introduced himself and welcomed the committee members.

DESCRIPTION OF DISTRIBUTED MATERIALS BY LEGISLATIVE COUNCIL COMMITTEE STAFF

Brian Larson, Principal Attorney, briefly described material provided in Legislative Council Staff Brief 2024-02, <u>Study Committee on the Regulation of Artificial Intelligence in Wisconsin</u>, including recent

developments related to AI in Wisconsin. He also informed members about the research and support services provided to the committee by the assigned Legislative Council staff.

INTRODUCTION OF COMMITTEE MEMBERS AND DISCUSSION OF COMMITTEE ASSIGNMENT

At Chair Bradley's invitation, committee members introduced themselves and briefly explained their backgrounds and interest in the committee's topic.

Presentation, Demystifying Artificial Intelligence, by Matthew Friedel, Senior Lecturer, UWM; Co-Founder, UWM Disruptive Technologies Lab; and Angel Investor and Co-Founder, Milwaukee Venture Partners

The committee heard a presentation from Matthew Friedel, Senior Lecturer, UWM. Mr. Friedel's presentation covered several topics related to AI, including how AI can be defined and conceptualized; how AI can be used, including how Wisconsin companies are using AI; how AI may affect the workforce; and how AI may be used in the future. After Mr. Friedel's presentation, he fielded questions from committee members on a number of topics, including the impact of AI on workers and the tradeoffs of enacting regulations related to the use of AI.

In response to a question about skills needed by workers, Mr. Friedel noted that companies are struggling to re-skill their employees as the use of AI becomes increasingly common. He also noted that instruction on AI is important, even for those who do not pursue careers in technology; for example, students in fields like criminal justice and education will need to know how to use AI and how it can help them become more productive. He also noted that the workforce will continue to need human workers, but companies are struggling to train their workers to adapt to the use of AI and will need assistance from educational institutions.

In response to questions from committee members, Mr. Friedel participated in a robust discussion about the tradeoff between the benefits and costs of enacting guardrails related to the use of AI. For example, some committee members noted that enacting guardrails can stifle innovation. Mr. Friedel said that he believes that some guardrails, such as data privacy protections, are necessary to avoid unintended consequences, even if they curtail some innovation. Mr. Friedel also noted that it is probably necessary to enact data privacy protections in conjunction with AI legislation, and that regulations related to data privacy are important for protecting consumers, even if they may make it more difficult to use data in certain ways.

Mr. Friedel was also asked about how startups are affected by having different standards in different states. Mr. Friedel noted that regulations need to be clear and transparent, as uncertainty is difficult for startups and regulations may drive a startup to want to be in Wisconsin or elsewhere. In response to a question from Chair Bradley about how the state can position the AI industry to grow and expand, Mr. Friedel noted the importance of having high quality educational institutions, cultivating an environment where people have many resources, and selling Wisconsin as a place to live.

ROUNDTABLE ON AI AND THE WORKFORCE

Chair Bradley initiated a robust committee discussion regarding how to attract more jobs related to AI in Wisconsin and how AI will affect the workforce.

Committee members generally agreed that AI will supplement employees' skills and make employees more productive, rather than replace employees. Committee members also noted that AI will make workers in many fields more productive and help address a labor shortage, but that workers need training to adapt to the increasing use of AI.

Committee members distinguished between employees that will develop AI and employees that will use AI, and noted that while training both types of employees is important, that distinction will require different approaches. For example, training workers to use AI will increase productivity while helping Wisconsin companies use AI earlier than they otherwise would. However, some committee members also noted the challenges and expense for employers of training employees to adapt to the use of AI. One member compared this challenge for employers to the Fast Forward program, which provided employers with grants to train their existing employees.

Committee members also discussed the importance of attracting technology companies and workers that can develop AI to Wisconsin. Members discussed incentivizing the use of AI in Wisconsin and developing a talented workforce.

Committee members also discussed the importance of teaching students about concepts related to AI in both K-12 education and post-secondary education. For example, the Waukesha County Technical College has created an AI associate's degree and is working with local school districts to incorporate topics related to AI in their curricula.

Finally, the committee discussed the scope of potential legislation. Chair Bradley noted that he was in favor of taking a narrow, rather than comprehensive, approach, if the study committee takes action, and asked committee members which states the study committee should look to for ideas. Committee members discussed how legislation that addresses AI can vary in scope from niche to comprehensive. For example, Illinois enacted a niche law related to biometric data, while Colorado and California have enacted comprehensive laws related to the use of AI and data privacy, respectively. Some states have also enacted legislation that is not specific to AI but that provides funding for workforce development programs that train workers to adapt to new technologies.

CLOSING REMARKS, SENATOR BRADLEY, CHAIR, STUDY COMMITTEE ON THE REGULATION OF AI IN WISCONSIN

Chair Bradley instructed Legislative Council staff to research recent legislation related to economic development enacted in Indiana and Ohio, and recent legislation related to AI and its impact on consumer protection and data privacy in Connecticut and Colorado. He also announced that the next meeting of the study committee is scheduled for August 29, 2024.

ADJOURNMENT

The meeting adjourned at 11:45 a.m.

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