

OFFICE OF FISCAL ANALYSIS

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sSB-1103

AN ACT CONCERNING ARTIFICIAL INTELLIGENCE,
AUTOMATED DECISION-MAKING AND PERSONAL DATA
PRIVACY.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Policy & Mgmt., Off.	GF - Cost	537,400	574,200
State Comptroller - Fringe Benefits ¹	GF - Cost	228,100	467,600
Department of Administrative Services	GF - Cost	695,300	1,105,300

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill is estimated to result in a total cost to the General Fund of approximately \$1,460,800 in FY 24 and \$2,147,100 in FY 25 (and annually thereafter).

Section 1 results in a cost of approximately \$537,400 in FY 24 and \$574,200 in FY 25 (and annually thereafter) to the Office of Policy and Management (OPM) for staff, consultants, and IT expenses, and a cost of approximately \$101,700 in FY 24 and \$208,400 in FY 25 to the Office of the State Comptroller for associated fringe benefits.

Section 1 requires the OPM secretary to designate an AI officer by

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 42.82% of payroll in FY 24.

October 1, 2023 and outlines the officer's responsibilities. To meet these requirements, OPM is expected to need an additional four staff, at an estimated cost of \$237,400 in FY 24 and fully annualized costs of \$486,660 in FY 25, along with associated fringe benefits. OPM will also have cost associated with IT expenses, consisting of a one-time cost of \$250,000 in FY 24 for AI portal development and annual costs of \$37,500 beginning in FY 25 for AI portal maintenance. There is also an annual cost of \$50,000 anticipated, beginning in FY 24, for IT and policy consultants.

Section 2 creates the Connecticut Artificial Intelligence Advisory Board resulting in no fiscal impact to the state because the board has the expertise to meet the requirements of the bill.

Sections 3 and 4 result in a cost of approximately \$695,300 in FY 24 and \$1,105,300 in FY 25 (and annually thereafter) to the Department of Administrative Services (DAS) for staff, consultants, and IT expenses, and a cost of approximately \$126,400 in FY 24 and \$259,200 in FY 25 to the Office of the State Comptroller for associated fringe benefits.

Sections 3 and 4 require the DAS commissioner to designate an AI Implementation Officer by October 1, 2023 and outline the officer's responsibilities. To meet these requirements, DAS is expected to need an additional five staff, at an estimated cost of \$295,300 in FY 24 and fully annualized costs of \$605,300 in FY 25, along with associated fringe benefits. DAS will also have cost associated with Other Expenses, IT expenses and consulting totaling approximately \$400,000 in FY 24 and \$500,000 in FY 25.

Sections 5 to 7 make changes relating to the consumer data privacy law that have no anticipated fiscal impact.

Section 8 creates a task force to study artificial intelligence resulting in no fiscal impact to the state because the task force has the expertise to meet the requirements of the bill.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.