

Multiple Agency Fiscal Note Summary

Bill Number: 5838 SB 5838-S2.E AMF CPB H-3394.1	Title: AI task force
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Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of the Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of State Auditor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Attorney General	1.7	662,000	662,000	662,000	1.3	529,000	529,000	529,000	.0	0	0	0
Department of Commerce	.0	0	0	0	.0	0	0	0	.0	0	0	0
Consolidated Technology Services	.0	0	0	0	.0	0	0	0	.0	0	0	0
Criminal Justice Training Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Superintendent of Public Instruction	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	1.7	662,000	662,000	662,000	1.3	529,000	529,000	529,000	0.0	0	0	0

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
Office of State Auditor	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Consolidated Technology Services	.0	0	0	.0	0	0	.0	0	0
Criminal Justice Training Commission	.0	0	0	.0	0	0	.0	0	0
Superintendent of Public Instruction	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

Prepared by: Val Terre, OFM	Phone: (360) 280-3073	Date Published: Final 2/27/2024
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Individual State Agency Fiscal Note

Bill Number: 5838 SB 5838-S2 AMH CPB H-3394.1	Title: AI task force	Agency: 075-Office of the Governor
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Michelle Rusk	Phone: 360-786-7153	Date: 02/22/2024
Agency Preparation: Kathy Cody	Phone: (360) 480-7237	Date: 02/26/2024
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 02/26/2024
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 02/26/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Senate Bill 5838 S2.E AMH CPB H-3394.1 modifies the membership of the task force to require one member representing private technology industry groups, one member representing business associations, and one member representing the LGBTQ+ community. These modifications do not change the Office's previous fiscal note assumptions.

Changes to the Engrossed Second Substitute bill do not affect the Office of the Governor. The substitute bill contains an emergency clause that will make it effective immediately. Changes made in the substitute bill do not change the Office's previous fiscal note assumptions.

Subject to appropriation, this bill creates a task force to assess current uses and trends to make recommendations to the legislature regarding standards for the use and regulation of generative AI systems. The Attorney General must appoint a member representing the Office of the Governor. The section creating the task force expires on June 30, 2027.

The Governor's Office assumes existing staff can participate in the task force and travel expenses associated with the task force will be minimal and can be absorbed within existing resources.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5838 SB 5838-S2 AMH CPB H-3394.1	Title: AI task force	Agency: 095-Office of State Auditor
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Michelle Rusk	Phone: 360-786-7153	Date: 02/22/2024
Agency Preparation: Charleen Patten	Phone: 564-999-0941	Date: 02/23/2024
Agency Approval: Janel Roper	Phone: 564-999-0820	Date: 02/23/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 02/23/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

The current version of engrossed second substitute senate bill modifies the members of the task force and the required recommendations in section 2.

The modifications to the bill will not fiscally impact the State Auditor.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5838 SB 5838-S2 AMH CPB H-3394.1	Title: AI task force	Agency: 100-Office of Attorney General
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.7	2.6	1.7	1.3	0.0
Account					
General Fund-State 001-1	133,000	529,000	662,000	529,000	0
Total \$	133,000	529,000	662,000	529,000	0

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Michelle Rusk	Phone: 360-786-7153	Date: 02/22/2024
Agency Preparation: Chad Standifer	Phone: 3605863650	Date: 02/27/2024
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 02/27/2024
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 02/27/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 1: New section. Legislative findings and purpose. Acknowledges Executive Order 24-01 regarding Artificial Intelligence (AI).

Section 2: New section. Subject to appropriations, task force created to assess uses of AI and make recommendations to legislature for use and regulation of AI. Specifying the composition of the task force, including members appointed by the Attorney General (AG). Outlines meeting administrative details. Requiring the Attorney General's Office (AGO) to administer and staff the task force. Specifies the duties of the task force; requiring first meeting within 45 days of final appointments to task force, and meetings at least twice per year thereafter; requiring preliminary report by December 31, 2024, an interim report by December 1, 2025, and final report by July 1, 2026. Other administrative and task force member reimbursement details specified. Diversity and inclusive representation specified, including application of RCW 43.03.220. Adding definitions. Providing this section expires June 30, 2027.

Section 3: New section. Effective immediately.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

Attorney General's Office (AGO) Administrative Division (ADM) activities are funded with General Fund-State (GF-S) dollars. No cash receipt impact. There is no client agency to bill for legal services.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Attorney General's Office (AGO) Agency Assumptions:

This bill has an emergency clause and is assumed to be effective immediately.

Location of staffing is assumed to be in a King County office building.

Total workload impact in this request includes standard assumption costs for goods & services, travel, and capital outlays for all FTE identified.

Agency administration support FTE are included in the tables. The Management Analyst 5 FTE (MA) is used as a representative classification. An example ratio is for every 1.0 Assistant Attorney General FTE (AAG), the AGO includes 0.5 Paralegal 1 FTE (PL1) and 0.4 MA.

1. Assumptions for the AGO Administrative Division's (ADM) Legal Services:

During FY 2024, ADM assumes the enactment of this bill will require 0.5 Policy Analyst FTE (PA), along with additional funding for stipends and consultation. ADM assumes costs for the last quarter of FY 2024. During FY 2025 and FY 2026, ADM assumes 2.0 PA, along with additional funding for stipends and consultation with the final report due July 1, 2026. ADM assumes the PA will be required for the appointment of members, outreach and engagement across the state to ensure inclusive and extensive participation, administration of the taskforce, report research, recommendations research, writing of the reports, and facilitation. During FY 2025 and FY 2026, ADM estimates that stipends will be paid for

participation in task force meetings and subcommittee meetings. These meetings are presumed to be mostly virtual. \$8,800 is assumed for four subcommittee meetings for approximately eight people each year, and \$128,000 for a consultant for data analysis and advanced legal questions in the realm of artificial intelligence (AI) (assumption is consistent with previous similar work on other task forces).

Total King County workload impact:

FY 2024: \$133,000 for 0.5 PA, which includes direct costs of \$35,200

FY 2025 and FY 2026: \$529,000 for 2.0 PA, which includes direct costs of \$136,800

2. The AGO Civil Rights Division (CRD) has reviewed this bill and determined it will not increase or decrease the division’s workload. Therefore, no costs are included in this request.

3. The AGO Solicitor General Office Division (SGO) has reviewed this bill and determined it will not increase or decrease the division’s workload. Therefore, no costs are included in this request.

4. The AGO Government Compliance & Enforcement Division (GCE) has reviewed this bill and determined it will not increase or decrease the division’s workload. GCE provides legal advice to the Office of the State Auditor (SAO). This bill would establish a task force to report on identified issues related to the use of AI systems in state and local government and the private sector and its membership would include one member representing the SAO. Enactment of this bill will not generate or impact the provision of legal services to SAO because the issues the task force will address are general policy issues that are not related to any specific authorities or activities of the SAO. Therefore, no costs are included in this request.

5. The AGO Information Services Division (ISD) has reviewed this bill and determined it will not increase or decrease the division’s workload. Therefore, no costs are included in this request.

6. The AGO Revenue and Finance Division (REV) has reviewed this bill and determined it will not increase or decrease the division’s workload. Therefore, costs are not included in this request.

7. The AGO Transportation and Public Construction (TPC) has reviewed this bill and determined it will not increase or decrease the division’s workload. Therefore, no costs are included in this request.

8. The AGO Ethics Division (ETH) has reviewed this bill and determined it will not increase or decrease the workload of the Executive Ethics Board (EEB). Enactment of this bill will not impact the work of the EEB as it does not pertain to the Ethics in Public Service Act (EPSA) or any duties of EEB. Therefore, no costs are included in this request.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	133,000	529,000	662,000	529,000	0
Total \$			133,000	529,000	662,000	529,000	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.7	2.6	1.7	1.3	
A-Salaries and Wages	69,000	275,000	344,000	275,000	
B-Employee Benefits	20,000	81,000	101,000	81,000	
C-Professional Service Contracts	35,000	128,000	163,000	128,000	
E-Goods and Other Services	9,000	44,000	53,000	44,000	
G-Travel		1,000	1,000	1,000	
Total \$	133,000	529,000	662,000	529,000	0

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Management Analyst 5	95,184	0.2	0.6	0.4	0.3	
Policy Analyst - ADM	110,000	0.5	2.0	1.3	1.0	
Total FTEs		0.7	2.6	1.7	1.3	0.0

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Headquarters Administration (GFS) (POL)	133,000	529,000	662,000	529,000	
Total \$	133,000	529,000	662,000	529,000	

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5838 SB 5838-S2 AMH CPB H-3394.1	Title: AI task force	Agency: 103-Department of Commerce
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
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- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Michelle Rusk	Phone: 360-786-7153	Date: 02/22/2024
Agency Preparation: Lawrence Banks	Phone: (360) 725-4139	Date: 02/27/2024
Agency Approval: Tami Clark	Phone: 360-725-2935	Date: 02/27/2024
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/27/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Differences between SB 5838-S2.E AMH CPB H3394.1 and the E2S SB 5838 bill:

There are no impacts to the Department of Commerce associated with the changes.

Summary of SB 5838-S2.E AMH CPB H3394.1:

Section 2(1) establishes a task force responsible for assessing current uses and trends and also make recommendations to the legislature regarding standards for use and regulation of artificial intelligence.

Section 2(2) defines the members of the task force.

Section 2(2)(e) defines the members of the subcommittees the executive committee convenes to advise the task force.

Section 2(5) the task force must hold it first meeting within 45 days of final appointments to task force and meet at least twice a year thereafter. The task force must submit preliminary report by December 31, 2024, an interim report by December 1, 2025, and the final report by July 1, 2026.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

With regard to section 2, if a member of the department were to serve on a subcommittee, the department assumes two hours per meeting, with a total of 6 hours for 3 meetings. The staffing costs would amount to less than \$3,000 annually and could be absorbed within existing workloads and appropriation levels.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5838 SB 5838-S2 AMH CPB H-3394.1	Title: AI task force	Agency: 163-Consolidated Technology Services
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Michelle Rusk	Phone: 360-786-7153	Date: 02/22/2024
Agency Preparation: Nenita Ching	Phone: 360-407-8878	Date: 02/27/2024
Agency Approval: Christina Winans	Phone: 360-407-8908	Date: 02/27/2024
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 02/27/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

E2SSB 5838 amendment H-3394.1:

H-3394.1 makes the following changes:

Sec. 2. Modifies task force executive committee membership by requiring:

- one member representing private technology industry groups;
- one member representing business associations; and
- one member representing the LGBTQ+ community.

It also directs the executive committee to include in its recommendations and findings recommendations relating to the appropriate and legal use of training data and provides a definition for training data.

5838 E2SSB:

The engrossed second substitute modifies the intent language by adding a reference to Governor Inslee's Generative Artificial Intelligence Executive Order 24-1 issued on January 30, 2024, and the task force membership appointments by specifying the task force include a member representing public safety rather than law enforcement. It also removes the requirement for the office of the attorney general to consult with the office of the chief information officer on the staffing and administration of the task force and modifies reporting deadlines.

Sec. 1. Adds reference to Governor Inslee's Generative Artificial Intelligence Executive Order 24-1 issued on January 30, 2024.

Sec. 2. Specifies task force membership include a member representing public safety rather than law enforcement.

Removes the requirement for the office of the attorney general to consult with the office of the chief information officer on the staffing and administration of the task force and modifies reporting deadlines.

5838 2SSB:

The second substitute bill modifies the artificial intelligence task force membership structure by establishing a 13-member, rather than 9-member, executive committee. It expands the authority of the executive committee, rather than the attorney general, to include convening subcommittees. It also requires the office of the attorney general to consult with the office of the chief information officer on the staffing and administration of the task force and modifies reporting deadlines.

Sec. 2. Specifies the attorney general shall only appoint members with experience in technology policy.

Expands executive committee membership of the task force from 9 to 13 specified members.

Expands the authority of the task force to include convening subcommittees and defining the scope of the activity and subject matter focus required of the subcommittees.

Requires the attorney general to consult with the office of the chief information officer on the staffing and administration of the task force.

Changes the interim report deadline from July 1, 2025, to December 1, 2025.

Changes the final report deadline from November 1, 2025, to July 1, 2026.

The substitute bill, SSB 5838, modifies the artificial intelligence task force membership structure by establishing a 9-member executive committee and authorizing the attorney general to convene subcommittees to advise the task force. It requires the task force to examine artificial intelligence rather than generative artificial intelligence and modifies meeting and reporting requirements.

Sec. 1. Provides legislative findings.

Sec. 2. Specifies task force membership requirements, including a 9-member executive committee and subcommittee. Requires the office of the attorney general to provide staff support for the task force. Requires the executive committee of the task force to examine the development and use of artificial intelligence by private and public sector entities and make recommendations to the legislature regarding standards for the use and regulation of artificial intelligence systems to protect Washingtonians' safety, privacy, and civil and intellectual property rights. Requires the executive committee of the task force to hold its first meeting within 45 days of final appointments to the task force. Requires a preliminary report to be delivered by December 31, 2024, an interim report by July 1, 2025, and a final report by November 1, 2025.

Sec. 3. Declares the act take effect immediately.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

None.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

E2SSB 5838 amendment H-3394.1:

The amendment H-3394.1 modifies task force executive committee membership by requiring one member representing private technology industry groups, one member representing business associations, and one member representing the LGBTQ+ community. It also directs the executive committee to include in its recommendations and findings relating to the use of training data and provides a definition for training data.

This amendment has no fiscal impact to WaTech.

It is assumed that WaTech will provide subject matter expertise on privacy issues to subcommittees and may be engaged in subcommittee and task force work which may include drafting information for the reports as required in the bill. It is assumed WaTech can absorb the costs for this proposed bill in its base budget if the workload of other enacted legislation does not exceed current staffing levels.

5838 E2SSB:

The engrossed second substitute modifies the intent language by adding a reference to Governor Inslee's Generative Artificial Intelligence Executive Order 24-1. It also removes the requirement for the office of the attorney general to consult with the office of the chief information officer (OCIO) on the staffing and administration of the task force and modifies reporting deadlines.

The bill removes the requirement for WaTech/OCIO to provide support and coordination with the Attorney General's Office. A Management Analyst 5 is not required.

It is assumed that WaTech will provide subject matter expertise on privacy issues to subcommittees and may be engaged in subcommittee and task force work which may include drafting information for the reports as required in the bill. It is assumed WaTech can absorb the costs for this proposed bill in its base budget if the workload of other enacted legislation does not exceed current staffing levels.

5838 2SSB:

The second substitute bill will have workload impact on WaTech.

WaTech assumes that if subcommittees are convened for consumer protection and privacy or state security and cyber security under Section 2(e)(i), the Office of Privacy and Data Protection (OPDP) and the Office of Cybersecurity (OCS) will be appointed to the subcommittees. It is assumed WaTech can absorb the costs for this requirement in its base budget if the workload of other enacted legislation does not exceed current staffing levels.

Section 2(3) also requires WaTech (along with the Attorney General Office (AGO)) to provide administrative support to the task force. Given the amount of work and coordination that will be required by the bill with WaTech engagement and support, there will be significant operational impact to the governance team. This will require a Management Analyst 5 (1.0 FTE) to provide the support and coordination with the Attorney General's Office and among WaTech teams including OPDP, OCS, and Architecture & Innovation Division (AID). Annual expenses are \$219,000 for salaries, benefits, training, and agency support.

WaTech assumes that any reimbursements for committee members (if any) and consultant costs will be the responsibility of AGO.

5838 SSB:

The bill will have impacts on WaTech. Section 2 (2) (c) (iii) requires a WaTech representative to join the taskforce. It is also anticipated that the Office of Privacy and Data Protection (OPDP) will provide subject matter expertise on privacy issues to subcommittees and may be engaged in subcommittee and task force work which may include drafting information for the reports as required in the bill.

There is no fiscal impact to WaTech. It is assumed WaTech can absorb the costs for this proposed bill in its base budget if the workload of other enacted legislation does not exceed current staffing levels.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5838 SB 5838-S2 AMH CPB H-3394.1	Title: AI task force	Agency: 227-Criminal Justice Training Commission
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Michelle Rusk	Phone: 360-786-7153	Date: 02/22/2024
Agency Preparation: Brian Elliott	Phone: 206-835-7337	Date: 02/22/2024
Agency Approval: Brian Elliott	Phone: 206-835-7337	Date: 02/22/2024
OFM Review: Danya Clevenger	Phone: (360) 688-6413	Date: 02/26/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

This bill has no fiscal impact on the Criminal Justice Training Commission.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

This bill has no cash receipt impact.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

This bill has no expenditure impact.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5838 SB 5838-S2 AMH CPB H-3394.1	Title: AI task force	Agency: 350-Superintendent of Public Instruction
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Michelle Rusk	Phone: 360-786-7153	Date: 02/22/2024
Agency Preparation: Troy Klein	Phone: (360) 725-6294	Date: 02/23/2024
Agency Approval: Amy Kollar	Phone: 360 725-6420	Date: 02/23/2024
OFM Review: Brian Fechter	Phone: (360) 688-4225	Date: 02/23/2024

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

5838 S2.E AMH CPB H-3394.1 changes from E2SSB 5838: This version of the bill modifies the membership of the task force and directs the executive committee of the task force to include in its recommendations and findings recommendations relating to the use of training data and establishes a definition for "training data".

Section 2 of the bill establishes a task force, and the Office of the Superintendent of Public Instruction (OSPI) is not a member of that task force.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

No cash receipt impact to OSPI.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

OSPI expenditure impact:

Based on the language in the bill, OSPI is not a member of the Section 2 task force, and the bill would have no expenditure impact.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

No capital budget impact to OSPI.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.