



Legislative Fiscal Office
 83rd Oregon Legislative Assembly
 2026 Regular Session

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Bill Title: Relating to artificial intelligence.

Government Unit(s) Affected: State Treasurer, Department of Consumer and Business Services, Office of the Governor, Department of Administrative Services, Commission on Indian Services, Judicial Department, Secretary of State, Department of Energy, Oregon Health Authority, Department of Justice, Bureau of Labor and Industries, Legislative Assembly, Higher Education Coordinating Commission

Summary of Fiscal Impact:

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Administrative Services	\$ 323,570	\$ -	\$ -	\$ -	\$ 323,570	3	0.63
Total Fiscal Impact	\$ 323,570	\$ -	\$ -	\$ -	\$ 323,570	3	0.63

2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Administrative Services	\$ -	\$ -	\$ 1,184,517	\$ -	\$ 1,184,517	3	3.00
Total Fiscal Impact	\$ -	\$ -	\$ 1,184,517	\$ -	\$ 1,184,517	3	3.00

- The measure authorizes DAS to charge fees to state agencies, boards and commissions for artificial intelligence-related services. The fiscal impact to other state agencies is indeterminate and will depend on the extent to which agencies request services, and the level of fees assessed.

Measure Description

The measure establishes the Senator Aaron Woods Commission on Artificial Intelligence within the Department of Administrative Services (DAS) Office of Enterprise Information Services (EIS), to identify and report on the long-term policy implications of artificial intelligence (AI) use by Oregon state government. The commission is directed to conduct literature reviews of public policy issues, review existing federal and state legal protections for data, privacy and civil rights, identify high-risk uses of AI systems by the state, evaluate workforce, discrimination and transparency impacts, and provide annual recommendations to the Legislative Assembly.

The commission consists of 10 voting members and six nonvoting ex officio members from state agencies and constitutional offices. The commission may establish one or more advisory committees to assist in an area impacted by AI used by the state. The commission is required to meet at least quarterly, and the State Chief Information Officer (CIO) must provide resources and staffing. Members of the commission are entitled to compensation and expenses.

The measure directs DAS to employ, at the appointment of the CIO, a Chief Artificial Intelligence Officer responsible for developing the state’s strategic vision on privacy, data protection and AI. The Chief Artificial Intelligence Officer is directed to advise the commission and provide policy and staffing support necessary for

the commission to carry out its duties. The measure also authorizes DAS to charge fees to state agencies, officers, boards or commissions to recover costs incurred in providing artificial intelligence-related services.

The measure provides an unspecified General Fund appropriation to DAS for the 2025-27 biennium to hire additional full-time employees to support the Chief Artificial Intelligence Officer in developing and implementing the state's AI strategy and in supporting the work of the commission.

Fiscal Analysis

Quantifiable costs for DAS will require budgetary action. In addition, the fiscal impact to all other state agencies is indeterminate.

Department of Administrative Services

The estimated cost to implement the measure for DAS, Office of Enterprise Information Services, is \$323,570 General Fund and three permanent full-time positions (0.63 FTE) in the 2025-27 biennium and \$1,184,517 Other Funds and three permanent full-time positions (3.00 FTE) in the 2027-29 biennium.

The measure includes an unspecified General Fund appropriation which is assumed to cover initial implementation costs identified by DAS in the 2025-27 biennium. The measure authorizes DAS to charge fees to state agencies to recover costs incurred by the department or the commission in providing artificial intelligence-related services. Funding for the positions and related services and supplies will shift to Other Funds starting in the 2027-29 biennium.

Of the positions noted above, EIS anticipates needing one Operations and Policy Analyst 4 position to serve as the Chief Artificial Intelligence Officer, one Research Analyst 4 position to conduct literature reviews and evaluate legal protections and high-risk uses of AI systems, and one Operations and Policy Analyst 1 position to coordinate commission meetings, advisory committees, public meeting requirements and annual reporting. EIS would also require funding to reimburse per diem and expenses for commission members, as well as a consulting subscription to support technical analysis estimated at \$151,429 General Fund in the 2025-27 biennium and \$302,858 Other Funds in the 2027-29 biennium.

Other entities

Although the fiscal impact to DAS is presented as General Fund, DAS EIS is funded primarily through state agency assessments, which may need to be increased beginning in the 2027-29 biennium to replace the direct appropriation of General Fund noted herein. These assessments are paid by state agencies using a mix of fund types including General Fund, Other Funds, and Federal Funds. The fiscal impact to all state agencies is indeterminate and will depend on the extent of services requested and the level of fees assessed by DAS. For direct services, DAS works with agencies to establish rates based on usage. Costs of indirect services provided by DAS are recovered through a statewide assessment which is included in all state agencies' budgets as part of the line-item expense titled State Government Service Charges (SGSC). Historically, 55.6% of SGSC received by DAS originate as General Fund payments from agencies, with Lottery Funds at 1.1%, Other Funds at 33.4%, and Federal Funds at 9.9%.

Relevant Dates

On or before September 1 of each year, the commission shall submit a report, and may include recommendations for legislation, regulations or policies, to the Legislative Assembly.

The measure takes effect on January 1, 2027.