

| <b>Agency</b> | <b><u>FY2026</u></b> | <b><u>FY2027</u></b> | <b><u>FY2028</u></b> | <b><u>FY2029</u></b> | <b><u>FY2030</u></b> | <b><u>FY2031</u></b> |
|---------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| VITA          |                      | 2                    | 2                    | 2                    | 2                    | 2                    |
| <b>TOTAL</b>  |                      | <b>2</b>             | <b>2</b>             | <b>2</b>             | <b>2</b>             | <b>2</b>             |

**Department of Planning and Budget**  
**2026 General Assembly Session**  
**State Fiscal Impact Statement**

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**Fiscal Analysis:** The cost shown above encompasses personnel costs, Artificial Intelligence Safety Advisory Board costs, systems creation and management, and review of Artificial Intelligence systems and applications.

Personnel Costs: VITA is requesting \$300,000 for 2 FTE to support procurements for IVO onboarding, define rules and processes that the AI Safety Advisory Council (AISAC) will operate within, updates to the AI Registry, technology management to support the AISAC and IVO document storage, and create processes to vet the AI use cases by risk categories. The costs associated with the 2 positions include updates to the AI registry and other technological support.

To fund the AISAC, VITA will need \$5,000 annually for 12 members for a total of \$60,000 a year. The 12 members with the support of the two positions requested will be advising and monitoring licensing and auditing IVO's.

\$500,000 of the requested \$860,000 NGF is based on current IVO cases in the Commonwealth for FY26 as well as 20% growth in cases VITA is seeing each year. Funding is also needed for developers and deployers to certify compliance with existing frameworks like NIST AI Risk Management Framework, ISO/IEC standards for AI, or industry-specific standards. Currently there are 20 medium to high-risk AI use cases and the agency expects it will continue to increase like other project types. VITA is estimating the cost per project to be approximately \$25,000. The funding is necessary for VITA to track and record updates on AI registry use cases to factor risk type and development status.

The one-time \$1,000,000 General Fund is requested for startup costs of the program. This is seed money to build the program, including the licensing and enforcement system, prior to VITA receiving licensing revenue to fund operations. Revenue collection would lag by one fiscal year as VITA would need time to create regulations and get them approved through the regulatory process. VITA would also need time to build the system as well as onboard IVO organizations.

**Other:**