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

PUBLISHED: 3/5/2026 11:59 AM **ORIGINAL**

Bill Number: SB394H1 **Patron:** Pekarsky
Bill Title: Department of Education; data collection; school division policies and practices; use of artificial intelligence systems for student instruction; report.

Bill Summary: Requires the Department of Education to collect information from each local school division, in narrative form, on the use of artificial intelligence systems for student instruction in the local school division and any school board policies governing such use. The bill also requires the Department to compile such information into a summary report and submit such report to the Chairs of the House Committee on Education and the Senate Committee on Education and Health no later than November 1, 2026.

Budget Amendment Necessary: No **Items Impacted:** None
Explanation: There is no anticipated state fiscal impact as a result of the provisions of this bill. Any impact to local school divisions is indeterminate.

Fiscal Summary: See below.

General Fund Expenditure Impact:

Agency	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
None	$0	$0	$0	$0	$0	$0
TOTAL	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Fiscal Analysis: The Department of Education can absorb any impact to collect information from each local school division on the use of artificial intelligence systems in instructional settings and any policies governing such use. Any impact to local school divisions is indeterminate.

The Department of Education notes that there are a number of bills that require the Department to develop new guidelines, resources, or reports. While the work of each individual bill may be absorbed by existing staff, if several of these bills are adopted during the 2026 session, additional resources may be required.

Other: This version is identical to HB1186 as passed the House.