



VERMONT LEGISLATIVE
Joint Fiscal Office

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Fiscal Note

May 13, 2026

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H.650 – An act relating to educational technology products

As recommended by the Senate Committee on Education, Draft 3.2¹

Bill Summary

Effective July 1, 2026, this bill would require educational technology providers registering with the Office of the Secretary of State to provide specific information about themselves and the schools or school districts that they do business with and attest that their products comply with certain laws. This bill would also create a moratorium, with some exceptions, on the use of chatbots by students and create the Educational Technology Legislative Working Group.

Fiscal Impact

The Joint Fiscal Office (JFO) estimates the total fiscal impact of this bill to the State would be approximately \$70-90,000 in fiscal year 2027.

Based on feedback from the Office of the Secretary of State, updating its website to collect the additional information required by this bill would cost between \$60,000 and \$80,000 in fiscal year 2027. This cost would be borne by the Secretary's budget.

JFO also estimates that the per diems and expense reimbursement for the Educational Technology Legislative Working Group would cost up to \$10,000. This cost would be borne by the General Assembly's budget; this bill has no appropriation for this purpose.

Background and Details

Section 1: Mandatory Data Reporting

Section 1 would require educational technology providers registering with the Office of the Secretary of State to provide additional information about themselves and the schools or school districts that they do business with.

Educational technology providers would also be required to attest that each product provided complies with the student privacy guidelines established in 9 V.S.A. chapter 62 subchapter 3A, the Vermont Age-

¹ *The Joint Fiscal Office (JFO) is a nonpartisan legislative office dedicated to producing unbiased fiscal analysis – this fiscal note is meant to provide information for legislative consideration, not to provide policy recommendations.*

Appropriate Design Code Act established in 9 V.S.A. chapter 62 subchapter 6, and all relevant federal and State privacy laws, including the federal Children’s Online Privacy Protection Act.

According to the Office of the Secretary of State, the cost to update the underlying IT system to receive the additional data would total approximately \$60,000 to \$80,000 in fiscal year 2027. This cost would be borne by the Secretary’s budget.

Section 2: Two-Year Pause on Chatbots in Schools

Section 2 would place a moratorium on the usage of chatbots by students for teaching and learning purposes until June 30, 2028. Exceptions could be issued by a principal or head of school as needed provided that the chatbot is educationally warranted, part of a student’s individualized education program or 504 plan, or required to meet an international student without an individualized education program or 504 plan’s special education needs or disability accommodation.

Section 3: Educational Technology Legislative Working Group

Section 3 would create the Educational Technology Legislative Working Group. The Group would consist of six members: three from the House (chosen by the Speaker of the House) and three from the Senate (chosen by the Committee on Committees). The Group would be charged with, in consultation with stakeholders, studying and making recommendations on the use of educational technology products in Vermont schools.

The Group would begin meeting on or before August 15, 2026 and cease to exist on January 15, 2027. On or before December 30, 2026, the Group would submit proposed legislation based on its findings to the House Committees on Commerce and Economic Development and on Education and the Senate Committees on Economic Development, Housing, and General Affairs and on Education.

Members of the Group would be eligible for per diems and expense reimbursement for up to six meetings. JFO estimates that this would cost up to in \$10,000 in fiscal year 2027; this cost would be absorbed by the General Assembly’s budget.

ⁱ The full fiscal note history is available on the fiscal tab of the bill page on the General Assembly website and can be pulled up through a bill number search on the JFO page.