

Department of Legislative Services
 Maryland General Assembly
 2025 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1391
 Ways and Means

(Delegate Young, *et al.*)

Education, Energy, and the Environment

Education - Artificial Intelligence - Guidelines and Professional Development

This bill requires the Maryland State Department of Education (MSDE) to (1) in consultation with relevant stakeholders, develop, publish, and periodically update K-12 guidance on classroom use and implementation of artificial intelligence (AI) that meets specified requirements and (2) promote training and workforce development in AI. Funds for professional development on AI for teachers and administrators must be as provided in the State budget. Additionally, before incorporating the use of AI into the statewide framework for career and technical education (CTE), the CTE Committee must use MSDE’s guidance and, if necessary, consult with MSDE. Similarly, the CTE Skills Standards Advisory Committee must use MSDE’s guidance and, if necessary, consult with MSDE before recommending a post-career and college ready CTE pathway to the CTE Committee. **The bill takes effect June 1, 2025.**

Fiscal Summary

State Effect: No effect in fiscal 2025. General fund expenditures increase by \$132,500 in FY 2026 for staffing; future years reflect inflation and ongoing operating expenses. If the CTE Committee *chooses* to adopt AI into the framework and/or pathway specified by the bill, it can use the guidance developed by MSDE using existing budgeted resources. Revenues are not affected.

| (in dollars) | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
|----------------|-------------|-------------|-------------|-------------|-------------|
| Revenues | \$0 | \$0 | \$0 | \$0 | \$0 |
| GF Expenditure | 132,500 | 121,500 | 126,900 | 132,500 | 138,200 |
| Net Effect | (\$132,500) | (\$121,500) | (\$126,900) | (\$132,500) | (\$138,200) |

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill does not directly affect local government operations or finances.

Small Business Effect: Minimal.

Analysis

Current Law:

Artificial Intelligence Use by State Agencies

“Artificial Intelligence” means a machine-based system that (1) can, for a given set of human-defined objectives, make predictions, recommendations, or decisions influencing real or virtual environments; (2) uses machine and human-based inputs to perceive real and virtual environments and abstracts those perceptions into models through analysis in an automated manner; and (3) uses model inference to formulate options for information or action.

Chapter 496 of 2024 expanded the responsibilities of the Secretary of Information Technology and the Department of Information Technology (DoIT) as they relate to the procurement and use of AI by State agencies and codified the Governor’s AI Subcabinet that was established by Executive Order [01.01.2024.02](#). Broadly, among other things, the Act:

- requires DoIT to adopt policies and procedures, in consultation with the Governor’s AI Subcabinet, concerning the development, procurement, deployment, use, and ongoing assessment of systems that employ high-risk AI by a unit of State government;
- prohibits units of State government from procuring or deploying a new system that employs AI unless the system complies with the policies and procedures adopted by DoIT;
- requires each unit of State government to conduct a data inventory to identify data that meets criteria established by the Chief Data Officer and that is (1) necessary for the operations of the unit or otherwise required to be collected as a condition to receive federal funds or by federal or State law and (2) in a form prescribed by the Chief Data Officer, including when the data is used in AI; and
- requires each unit of State government to conduct an inventory of systems that employ high-risk AI.

Career and Technical Education Committee

Chapter 36 of 2021 (Blueprint for Maryland’s Future – Implementation) created the CTE Committee as a unit within the Governor’s Workforce Development Board. The purpose of the committee is to build an integrated, globally competitive framework for providing CTE to Maryland students in public schools, postsecondary institutions, and the workforce. The committee is staffed by the Maryland Department of Labor.

Chapter 36 also created the CTE Skills Standards Advisory Committee to make recommendations and provide advice to the CTE Committee on setting the occupational standards necessary for a strong CTE system. The advisory committee’s recommendations must form the basis for a post college and career readiness (post-CCR) CTE pathway required by the Blueprint for Maryland’s Future.

State Expenditures: General fund expenditures for MSDE increase by \$132,473 in fiscal 2026, which assumes a 30-day start-up delay from the bill’s June 1, 2025 effective date. This estimate reflects the cost for MSDE to hire a permanent full-time AI digital learning specialist to develop and regularly update the required guidance, work with local education agencies as necessary, and promote training and workforce development in AI. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

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|---|------------------|
| Position | 1.0 |
| Regular Salaries and Fringe Benefits | \$124,828 |
| Operating Expenses | <u>7,645</u> |
| Total FY 2026 State Expenditures | \$132,473 |

Future year expenditures reflect a full salary with annual increases and employee turnover and annual increases in ongoing operating expenses.

Additional Comments: The Department of Legislative Services advises that neither current law nor the bill *requires* the CTE Committee to incorporate the use of AI into the statewide framework for CTE or the post-CCR CTE pathway. Rather, the bill specifies that *before* AI is incorporated into the framework or pathway, the CTE Committee and/or the advisory committee must use the guidance developed by MSDE and consult with MSDE if necessary.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 906 (Senator Hester) - Education, Energy, and the Environment.

Information Source(s): Maryland State Department of Education; Department of Information Technology; Maryland Department of Labor; Baltimore City Public Schools; Anne Arundel County Public Schools; Baltimore County Public Schools; Frederick County

Public Schools; Montgomery County Public Schools; Prince George's County Public Schools; St. Mary's County Public Schools; Department of Legislative Services

Fiscal Note History: First Reader - March 5, 2025
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