Department of Legislative Services

Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 907 (Senator Hester)
Education, Energy, and the Environment

Cybersecurity - Standards, Compliance, and Audits - Alterations

This bill requires, beginning in 2026, each local school system to (1) comply with the State minimum cybersecurity standards; (2) biennially conduct a cybersecurity maturity assessment; (3) biennially report compliance to Office of Security Management (OSM) within the Department of Information Technology (DoIT) beginning June 30, 2026; and (4) retain sufficient cybersecurity staff as specified. DoIT must assign at least three information security officers to support local school systems' compliance with these requirements. Fiscal or compliance audits conducted by the Office of Legislative Audits (OLA) must be guided by DoIT's minimum cybersecurity standards. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: General fund expenditures increase by $900,300 in FY 2026 for staffing and contractual support. OLA can likely perform fiscal and compliance audits guided by the State minimum cybersecurity standards using existing 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	900,400	1,166,300	1,191,900	1,218,500	1,245,300
Net Effect	($900,400)	($1,166,300)	($1,191,900)	($1,218,500)	($1,245,300)

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

Local Effect: Local school system expenditures increase for cybersecurity personnel and cybersecurity maturity assessments, as required. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Bill Summary:

Local Staffing

Each local board of education must provide sufficient cybersecurity staffing as determined by the State Chief Information Security Officer in DoIT. Local school systems may share services, contractors, or regional support from DoIT to meet these staffing requirements, if each local school system ensures timely and adequate support for cybersecurity.

State Minimum Cybersecurity Standards

OSM must annually review and update the State minimum cybersecurity standards. For the 2025-2026 school year, DoIT must focus on standard 6.2 Protect (PR) Controls of the State minimum cybersecurity standards.

Reporting

The bill alters the due date for local boards of education to submit technology-related information to the Maryland State Department of Education (MSDE) from November 15 of each year to August 15 of each year. The bill also alters the report's content to require information on the amount spent by the local school system on information technology, disaggregated by full time employees, vendor-supported staff or contractors, and dedicated cybersecurity professionals by type, including chief information security officers and cybersecurity specialists. The report also must include information on cybersecurity expenditures related to the State minimum cybersecurity standards established by DoIT.

Funding

The bill expands authorized uses of the target per pupil foundation amount for implementing the Blueprint for Maryland's Future (Blueprint) to include cybersecurity. The bill also repeals the requirement for local boards of education to prioritize the purchase of digital devices with such funding.

Current Law:

Cybersecurity

Chapters 241, 242, and 243 of 2022 expanded and enhanced the State's regulatory framework for State and local government cybersecurity. Among other things, the Acts required additional funding for cybersecurity, established leadership positions in

State government for cybersecurity, codified existing cybersecurity requirements from a previous executive order, and required State and local governments to perform cybersecurity preparedness assessments.

The Acts also created the Local Cybersecurity Support Fund as a special, nonlapsing fund administered by the Secretary of Emergency Management. Its purpose is to provide financial assistance to local governments to improve cybersecurity preparedness and assist local governments applying for federal cybersecurity preparedness grants. The fund may be used only (1) to provide financial assistance to local governments to improve cybersecurity preparedness, as specified; (2) to assist local governments applying for federal cybersecurity preparedness grants; and (3) for administrative expenses, as specified.

Expenditures from the fund may only be made in accordance with the State budget. To be eligible to receive assistance from the fund, a local government must (1) provide proof to DoIT that the local government conducted a cybersecurity preparedness assessment in the previous 12 months or (2) within 12 months, undergo a cybersecurity preparedness assessment, as specified.

The Acts also required the Governor to include in the budget bill for fiscal 2024 an appropriation of at least 20% of the aggregated amount appropriated for information technology and cybersecurity resources in the annual budget bill for fiscal 2023. The fiscal 2024 budget as enacted included $152.0 million for the Dedicated Purpose Account (DPA) to meet the mandated appropriations required for Chapters 241, 242, and 243. DoIT also processed a fiscal 2023 budget amendment to transfer $94.0 million from DPA for remediation of State and local governments' cybersecurity. In May 2024, DoIT issued a Best Practices Guide Book, which details best practices for compliance with the State minimum cybersecurity standards, including standard 6.2 Protect (PR) Controls.

The Blueprint for Maryland's Future

Blueprint legislation, including Chapter 771 of 2019; Chapters 36 and 55 of 2021; and Chapter 33 of 2022 established new programs and updated education funding formulas to, among other provisions, provide additional support for schools serving high concentrations of students living in poverty, including community schools and wraparound services, and increased support for students learning English and students with disabilities. One aspect of the updated formulas is increased per-pupil funding under the foundation funding formula for, among other things, educational technology, including digital devices, broadband connectivity, and information technology staff. The Acts require that local school systems prioritize the purchase of digital devices among these specified options.

By November 15th annually, each local board of education must submit a report to MSDE detailing the amount spent by the local school system on technology, disaggregated by digital devices, connectivity, and information technology staff. The report also must detail the percentage of students, teachers, and staff with digital devices and adequate connectivity in their homes in accordance with the Federal Communications Commission standards for broadband. Annually by December 15, MSDE must report this information to the General Assembly.

State Expenditures: DoIT lacks staffing capacity to designate personnel to assist local school systems and ensure compliance with the bill's requirements. Therefore, DoIT general fund expenditures increase by $900,385 in fiscal 2026, which accounts for a 90-day start-up from the bill's July 1, 2025 effective date. This estimate includes $562,500 in contractual costs to retain three information security officers to support local school systems as specified in the bill. In addition, this estimate reflects the cost of hiring three cyber and policy strategy planners to evaluate local cybersecurity staffing levels and work with the contracted information security officers to ensure compliance with the State minimum cybersecurity standards and assist in remediation efforts as needed. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position(s)	3.0
Salary/Salaries and Fringe Benefits	$315,779
Contractual Services	562,500
Other Operating Expenses	22,106
Total FY 2026 State Expenditures	**$900,385**

Future year expenditures reflect full salaries with annual increases and employee turnover, annual increases in ongoing operating expenses, and full years of contractual services at approximately $758,000 annually beginning fiscal 2027.

Local Expenditures: Local expenditures increase to (1) comply with the State minimum cybersecurity standards beginning fiscal 2026; (2) conduct cybersecurity maturity assessments; and (3) remediate cybersecurity protocols as a result of those assessments. Anne Arundel County Public Schools advises that the school system likely needs one additional cybersecurity specialist position to ensure compliance and track and report cybersecurity information as required by the bill. Montgomery County Public Schools similarly expects to hire a dedicated full-time cybersecurity staff person at an annual cost of $156,000. Prince George's County Public Schools advises that the annual cost to contract for an external cybersecurity assessment is approximately $50,000. Actual additional expenditures by local governments depend in part on the appropriate level of cybersecurity staffing to be determined by DoIT, however staffing costs may be offset to the extent local school systems are able to share cybersecurity staffing across jurisdictions.

Local school systems can likely update information included in mandated reports to MSDE using existing resources.

Additional Information

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

Designated Cross File: HB 1309 (Delegate Wu) - Health and Government Operations and Ways and Means.

Information Source(s): Department of Information Technology; Maryland Department of Emergency Management; Maryland State Department of Education; Anne Arundel County Public Schools; Montgomery County Public Schools; Prince George's County Public Schools; St. Mary's County Public Schools; Department of Legislative Services

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