Yelin Testimony - SB818 2024.pdf

Uploaded by: Ben Yelin

Position: FAV

CHHS

SB818 - INFORMATION TECHNOLOGY - ARTIFICIAL INTELLIGENCE - POLICIES AND PROCEDURES (ARTIFICIAL INTELLIGENCE GOVERNANCE ACT OF 2024)

EDUCATION, ENERGY AND THE ENVIRONMENT

MARCH 7, 2024

Chair Feldman, Vice Chair Kagan and Members of the Committee:

My name is Ben Yelin, and I am the Program Director for Public Policy & External Affairs at the University of Maryland Center for Health and Homeland Security. We were pleased to work with Senator Hester this past summer on research related to AI governance structures in other States. We were pleased to present summaries of this research to the Joint Committee on Cybersecurity, Information Technology and Biotechnology during the interim, and submit a report of our findings to the General Assembly. Based on this research, we were able to identify best practices of other States that are wrestling with the task of balancing the potential benefits of AI, while also establishing guard rails against its most deleterious effects.

SB0818 strikes that balance. The bill builds off the Governor's Executive Order and helps create a governance structure that will ensure that Maryland remains a leader in the development of smart, well-balanced AI policy. While many States have set up Task Forces as AI governance body, this bill goes a step further by:

- Formally codifying the Governor's Executive Order establishing the AI advisory subcabinet to ensure that there is proper oversight on how state agencies are using AI tools.
- Leveraging the technical expertise of the Department of Information Technology (DoIT) to help develop policies that balance the benefits of using AI systems against the privacy, security and other risks of unchecked systems;
- Setting guardrails to prohibit units of state government from using AI systems in "high risk" scenarios where it may violate Marylanders' constitutional rights;
- Mandating transparency by having DoIT conduct regular inventories of AI systems being used at state agencies, and reporting those uses both to the public and to the General Assembly; and
- Ensuring that beginning July 1, 2025, state agencies cannot employ AI systems that have not been properly vetted through the oversight process prescribed in the bill.

With Artificial Intelligence, particularly Generative AI, in its relative infancy, it is incumbent upon policymakers to craft governance structures to maximize the many benefits of this technology, while protecting against unregulated systems that threaten our safety and security. This is particularly true given the relative inaction of the United States Congress on AI issues. Because this bill creates a workable governance structure commensurate with best practices from other states, **we respectfully request a favorable report on SB0818.**

Maryland Catholic Conference _FAV_SB818.pdf

Uploaded by: Jenny Kraska

Position: FAV

March 07, 2024

SB 818
Information Technology – Artificial Intelligence – Policies and Procedures (Artificial Intelligence Governance Act of 2024)

Senate Education, Energy, and the Environment Committee

Position: Favorable

The Maryland Catholic Conference (MCC) offers this testimony in support of Senate Bill 818. The Catholic Conference is the public policy representative of the three (arch)dioceses serving Maryland, which together encompass over one million Marylanders. Statewide, their parishes, schools, hospitals, and numerous charities combine to form our state's second largest social service provider network, behind only our state government.

Senate Bill 818 concerns the regulation and oversight of artificial intelligence (AI) systems within State government. The Catholic tradition emphasizes the inherent dignity of every human person and calls us to exercise stewardship over technology in a manner that upholds this dignity and serves the common good. It is essential to establish clear guidelines and safeguards for the development and deployment of AI systems within government operations.

The proposed legislation, which requires each unit of State government to conduct inventories and assessments of AI systems, as well as prohibiting the implementation or use of AI systems under certain circumstances, reflects a responsible and prudent approach to governance. By mandating transparency and accountability in the utilization of AI technologies, this legislation seeks to mitigate potential risks and ensure that these systems are deployed in a manner consistent with ethical principles and the public interest.

The establishment of the Governor's Artificial Intelligence Subcabinet represents an important step towards coordinated oversight and strategic planning in this rapidly evolving field. This Subcabinet, tasked with monitoring AI implementation and adopting policies and procedures to safeguard against misuse, has the potential to promote responsible innovation while protecting the rights and dignity of Maryland residents. This bill embodies principles of ethical governance, transparency, and respect for human dignity. By enacting robust regulations and oversight mechanisms for AI systems, Maryland can lead by example in promoting responsible innovation. The MCC appreciates your consideration and, for these reasons, respectfully requests a favorable report on Senate Bill 818.

5. Friedler - State Leg Considerations (1).pdf

Uploaded by: Katie Fry Hester

Position: FAV

State Governance Considerations on AI

Sorelle Friedler

Shibulal Family Associate Professor

HAVERFORD
COLLEGE

DEPARTMENT OF COMPUTER SCIENCE

Why is AI important?

Nvidia hits $1tn market cap as chipmaker rides AI wave

Silicon Valley company joins elite group of US-listed companies including Apple, Microsoft, Amazon and Alphabet

🇺🇸 USA

Apple 1 AAPL		$2.788 T
Microsoft 2 MSFT		$2.462 T
Alphabet (Google) 3 GOOG		$1.576 T
Amazon 4 AMZN		$1.248 T
NVIDIA 5 NVDA		$991.99 B
Meta Platforms (Facebook) 6 META		$672.76 B

FORTUNE

TECH · A.I.

ChatGPT could rocket Microsoft's valuation another $300 billion after Nvidia's massive gains, according to analyst Dan Ives

BY **TRISTAN BOVE**
May 30, 2023 at 2:24 PM EDT

Mitigating the risk of extinction from AI should be a global priority alongside other societal-scale risks such as pandemics and nuclear war.

Signatories:

☑ **AI Scientists** ☑ **Other Notable Figures**

Geoffrey Hinton
Emeritus Professor of Computer Science, University of Toronto

Yoshua Bengio
Professor of Computer Science, U. Montreal / Mila

Demis Hassabis
CEO, Google DeepMind

Sam Altman
CEO, OpenAI

Killer robots are not a near-term concern! But there are important policy implications of AI as it exists today.

The Washington Post
Democracy Dies in Darkness

AI and the future of our food

By Erin Blakemore
February 28, 2022 at 9:00 a.m. EST

The potential benefits are huge. Increases in farm productivity could help feed the approximately 2.4 billion people around the world who experience food insecurity and malnutrition and revolutionize the way farmers use their land.

A tractor sprays a soybean field during the spring. (iStock)

Comment 8   Save   Gift Article

Robots. Drones. Artificial Intelligence.

That could come at a cost. The analysis points out potential flaws in the agricultural data that fuels AI-powered systems and the possibility that autonomous systems could place productivity over the environment. That could lead to inadvertent errors causing overfertilization, dangerous pesticide use, inappropriate irrigation or erosion, risking crop yields, water supplies and soil. And wide-scale crop failures could exacerbate food insecurity.

All three are touted as potential saviors for farmers, and are already being deployed on large farms, where they assist with such tasks as managing crops, milking cows and helping farmers make decisions about their land.

Pew Research Center

REPORT | APRIL 20, 2023

AI in Hiring and Evaluating Workers: What Americans Think

62% believe artificial intelligence will have a major impact on jobholders overall in the next 20 years, but far fewer think it will greatly affect them personally. People are generally wary and uncertain of AI being used in hiring and assessing workers

BY **LEE RAINIE**, **MONICA ANDERSON**, **COLLEEN MCCLAIN**, **EMILY A. VOGELS** AND **RISA GELLES-WATNICK**

Would you want to apply for a job that uses AI to help make hiring decisions?

% of U.S. adults who say they would or would not want to apply for a job with an employer that uses artificial intelligence to help in hiring decisions

66% say **No**   **32%** say **Yes**

Americans widely oppose employers using AI to make final hiring decisions, track workers' movements while they work, and analyze their facial expressions

% of U.S. adults who say they ___ employers' use of artificial intelligence for each of the following

Hiring	Oppose	Favor	Not sure
Making a final hiring decision	71	7	22
Reviewing job applications	41	28	30

Monitoring and evaluations	Oppose	Favor	Not sure
Tracking workers' movements while they work	61	15	23
Keeping track of when office workers are at their desk	56	20	24
Recording exactly what people are doing on their work computers	51	27	22
Evaluating how well people are doing their jobs	39	31	29
Analyzing how retail workers interact with customers	37	34	28
Monitoring workers' driving behavior as they make trips for the company	34	43	23

Face recognition technology	Oppose	Favor	Not sure
Analyzing employees' facial expressions	70	9	20
Tracking how often workers take breaks	52	25	22
Automatically tracking the attendance of their employees	35	45	20

Note: Those who did not give an answer are not shown.
Source: Survey of U.S. adults conducted Dec. 12-18, 2022.
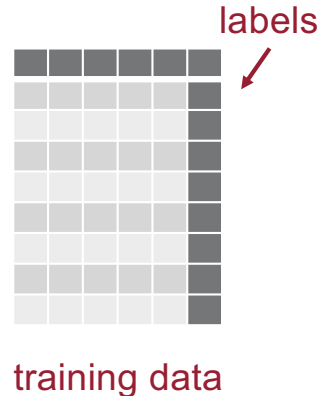"AI in Hiring and Evaluating Workers: What Americans Think"

PEW RESEARCH CENTER

What is AI?

A Basic AI Pipeline

Training

labels

training data

Examples:
- breast cancer scans with radiologist highlighted concerns
- resumes with historical hire / no hire decisions from previous company processes
- text prompts with written responses from specialized contractors

Data takeaways:
- Requires data that is accurately able to represent the goal – this is **not magic**!
- Uses data collected about people who may have **privacy** concerns with its use.

A Basic AI Pipeline

Training

labels

training data   pattern finding algorithm   trained model

Model use

A Basic AI Pipeline

Training

labels

training data

Examples:

- breast cancer scans with radiologist highlighted concerns
- resumes with historical hire / no hire decisions from previous company processes
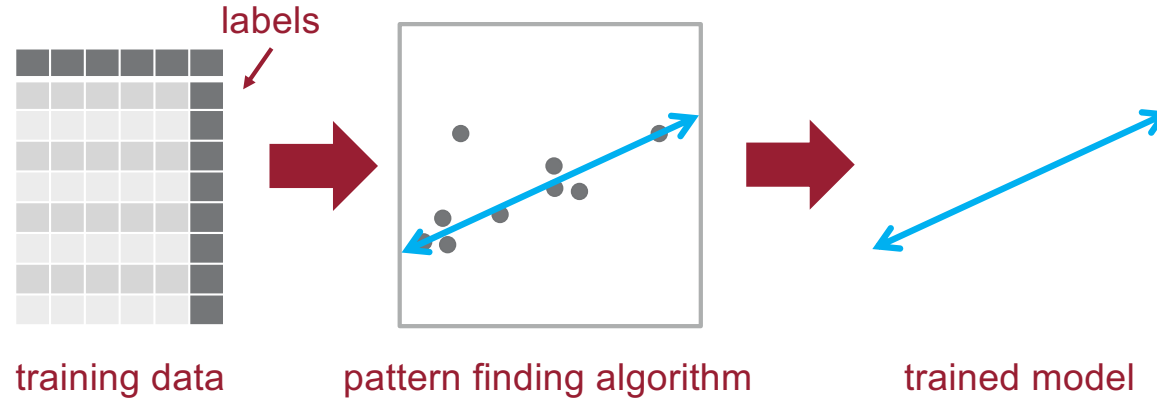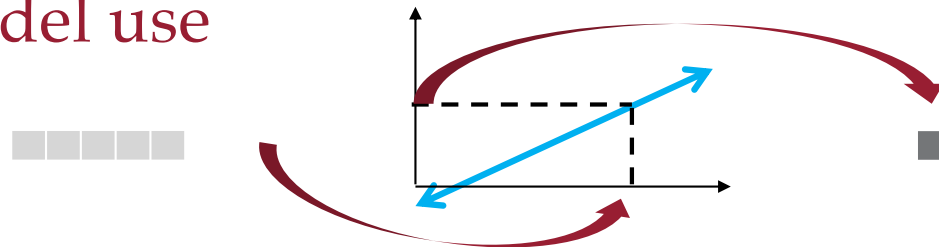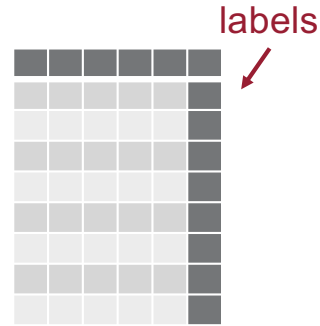- text prompts with written responses from specialized contractors

Manual labor from people makes this possible!

How to Stop Silicon Valley from Building a New Global Underclass

GHOST WORK

Mary L Gray and Siddharth Suri

BEHIND THE SCREEN

content moderation in the shadows of social media

SARAH T. ROBERTS

Yale
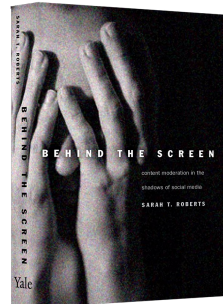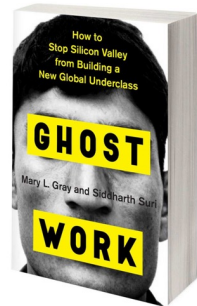
TIME

Exclusive: OpenAI Used Kenyan Workers on Less Than $2 Per Hour to Make ChatGPT Less Toxic

BY BILLY PERRIGO

JANUARY 18, 2023 7:00 AM EST

How can policymakers intervene?

BLUEPRINT FOR AN

AI BILL OF RIGHTS

MAKING AUTOMATED SYSTEMS WORK FOR THE AMERICAN PEOPLE

OCTOBER 2022

THE WHITE HOUSE
WASHINGTON

Blueprint for an AI Bill of Rights

THE WHITE HOUSE

Safe and Effective Systems
You should be protected from unsafe or ineffective systems.

Algorithmic Discrimination Protections
You should not face discrimination by algorithms and systems should be used and designed in an equitable way.

Data Privacy
You should be protected from abusive data practices via built-in protections and you should have agency over how data about you is used.

Notice and Explanation
You should know when an automated system is being used and understand how and why it contributes to outcomes that impact you.

Human Alternatives, Consideration, and Fallback
You should be able to opt out, where appropriate, and have access to a person who can quickly consider and remedy problems you encounter.

President Biden ✓
@POTUS
⚑ United States government official

Artificial Intelligence has enormous potential to tackle some of our toughest challenges.

But we must address its risks.

That's why last year, we proposed an AI Bill of Rights to ensure that important protections for the American people are built into AI systems from the start.

4:05 PM · Apr 4, 2023 · **3.9M** Views

President Biden ✓
@POTUS
⚑ United States government official

When it comes to AI, we must both support responsible innovation and ensure appropriate guardrails to protect folks' rights and safety.

Our Administration is committed to that balance, from addressing bias in algorithms – to protecting privacy and combating disinformation.

5:05 PM · Apr 4, 2023 · **2.2M** Views

http://www.whitehouse.gov/ostp/ai-bill-of-rights

13

A Technical Companion
to the Blueprint for an AI Bill of Rights

1 **WHY THIS PRINCIPLE IS IMPORTANT:**

This section provides a brief summary of the problems that the principle seeks to address and protect against, including illustrative examples.

2 **WHAT SHOULD BE EXPECTED OF AUTOMATED SYSTEMS:**

- The expectations for automated systems are meant to serve as a blueprint for the development of additional technical standards and practices that should be tailored for particular sectors and contexts.

- This section outlines practical steps that can be implemented to realize the vision of the Blueprint for an AI Bill of Rights. The expectations laid out often mirror existing practices for technology development, including pre-deployment testing, ongoing monitoring, and governance structures for automated systems, but also go further to address unmet needs for change and offer concrete directions for how those changes can be made.

3 **HOW THESE PRINCIPLES CAN MOVE INTO PRACTICE:**

This section provides real-life examples of how these guiding principles can become reality, through laws, policies, and practices. It describes practical technical and sociotechnical approaches to protecting rights, opportunities, and access.

http://www.whitehouse.gov/ostp/ai-bill-of-rights

But how can we do this, concretely?

Specific recommendations

↳ Identifying systems of concern

Applying the Blueprint for an AI Bill of Rights

THIS FRAMEWORK DESCRIBES PROTECTIONS THAT SHOULD BE APPLIED WITH RESPECT TO ALL AUTOMATED SYSTEMS THAT HAVE THE POTENTIAL TO MEANINGFULLY IMPACT INDIVIDUALS' OR COMMUNITIES' EXERCISE OF:

RIGHTS, OPPORTUNITIES, OR ACCESS

Civil rights, civil liberties, and privacy, including freedom of speech, voting, and protections from discrimination, excessive punishment, unlawful surveillance, and violations of privacy and other freedoms in both public and private sector contexts;

Equal opportunities, including equitable access to education, housing, credit, employment, and other programs; or,

Access to critical resources or services, such as healthcare, financial services, safety, social services, non-deceptive information about goods and services, and government benefits.

Definitions

CONSEQUENTIAL DECISION.— "Consequential decision" means a decision or judgment that has a legal, material, or similarly significant effect on an individual's life relating to the impact of, access to, or the cost, terms, or availability of, any of the following:

(1) Employment, workers management, or self-employment, including, but not limited to, all of the following: (A) Pay or promotion. (B) Hiring or termination. (C) Automated task allocation.

(2) Education and vocational training, including, but not limited to, all of the following: (A) Assessment, including, but not limited to, detecting student cheating or plagiarism. (B) Accreditation. (C) Certification. (D) Admissions. (E) Financial aid or scholarships.

(3) Housing or lodging, including rental or short-term housing or lodging.

(4) Essential utilities, including electricity, heat, water, internet or telecommunications access, or transportation.

(5) Family planning, including adoption services or reproductive services, as well as assessments related to child protective services.

(6) Health care or health insurance, including mental health care, dental, or vision.

(7) Financial services, including a financial service provided by a mortgage company, mortgage broker, or creditor.

(8) The criminal justice system, including, but not limited to, all of the following: (A) Risk assessments for pretrial hearings. (B) Sentencing. (C) Parole.

(9) Legal services, including private arbitration or mediation.

(10) Voting.

(11) Access to benefits or services or assignment of penalties.

2023 CA AB 331

Options

- ## Sector-specific scoping
  - **Example: "Health and health insurance technologies** such as medical AI systems and devices, AI-assisted diagnostic tools, algorithms or predictive models used to support clinical decision making, medical or insurance health risk assessments, drug addiction risk assessments and associated access algorithms, wearable technologies, wellness apps, insurance care allocation algorithms, and health insurance cost and underwriting algorithms."

    list from: White House AI Bill of Rights: Examples of Automated Systems
    https://www.whitehouse.gov/ostp/ai-bill-of-rights/examples-of-automated-systems/

- ## Regulatory refinement
  - Identify "consequential decisions" and staff a state agency to update a list of covered algorithms in those areas.

Specific recommendations

↳ Ensuring each principle

Safety and Efficacy

Prediction: Bias

Predictive Policing Software Terrible At Predicting Crimes

A software company sold a New Jersey police department an algorithm that was right less than 1% of the time

By Aaron Sankin and Surya Mattu

October 2, 2023 10:00 ET

Photo collage by Gabriel Hongsdusit, Getty Image by by Steve Skinner Photography

Safety and Efficacy

- Preemptive and ongoing requirements
  - Sector-specific and/or regulations from a Tech-focused agency
    - e.g., requirements that policing technology be shown to work
  - Set up a mechanism where concentrated technical talent can work with sector-specific agencies

- Create narrow and specific red lines
  - Ban on affective AI in law enforcement

Sector-specific approaches

Example: employment

- Americans don't want employers to track movements or facial expressions
- Americans want to know that a final hiring decision is made by a person

Options:

- Define a list of employment-specific algorithms
- Set out principles / goals
- Have the state Department of Labor issue guidance on meeting these principles

Americans widely oppose employers using AI to make final hiring decisions, track workers' movements while they work, and analyze their facial expressions

% of U.S. adults who say they ___ employers' use of artificial intelligence for each of the following

Hiring

	Oppose	Favor	Not sure
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Note: Those who did not give an answer are not shown.
Source: Survey of U.S. adults conducted Dec. 12-18, 2022.
"AI in Hiring and Evaluating Workers: What Americans Think"

PEW RESEARCH CENTER

Preemptive requirements
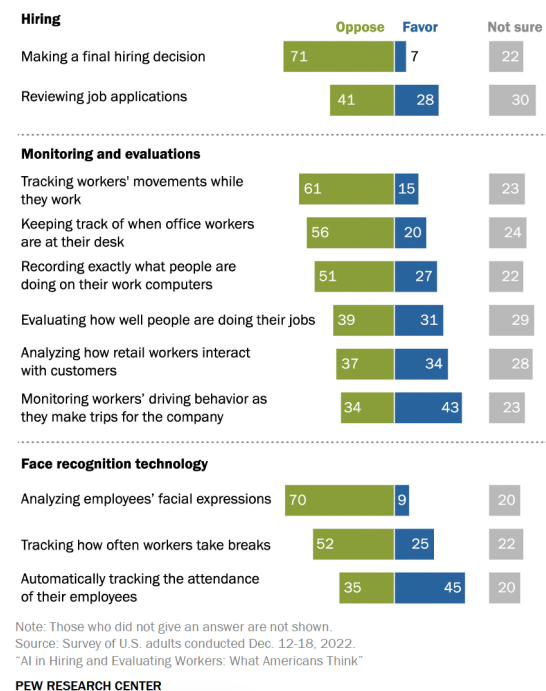
Example: employment

- Americans don't want employers to track movements or facial expressions
- Americans want to know that a final hiring decision is made by a person

Options:

- Define a list of employment-specific algorithms
- Set out principles / goals
- Have the state Department of Labor issue guidance on meeting these principles
- Require that this guidance is met *before* any such system can be used in the state

Americans widely oppose employers using AI to make final hiring decisions, track workers' movements while they work, and analyze their facial expressions

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PEW RESEARCH CENTER

Prohibit Algorithmic Discrimination

- ## Why? Examples:
  - Loan underwriting and pricing model charged **HBCU alums** more
  - Hiring tool rejected applicants with "**women's**" on their resume
  - Statements "I'm **gay**" and "I'm a **Jew**" were marked as toxic
  - Remote exam proctoring systems incorrectly marked **disabled students** as cheating
  - Healthcare risk assessment incorrectly marked **Black patients** as needing less care

Prohibit Algorithmic Discrimination

- Definition:
  - The term "algorithmic discrimination" refers to instances when automated systems contribute to unjustified different treatment or impacts disfavoring people based on their actual or perceived race, color, ethnicity, sex (including based on pregnancy, childbirth, and related conditions; gender identity; intersex status; and sexual orientation), religion, age, national origin, limited English proficiency, disability, veteran status, genetic information, or any other classification protected by law. EO 14091

Prohibit Algorithmic Discrimination

- How:
  - Private right of action (e.g.,: CA AB 331)
  - Sector-specific requirements and oversight
  - Impact assessments

Impact Assessments

- ## Why?

  - Safety and Efficacy Protections

  - Algorithmic Discrimination Tests

  - Transparency

  - Oversight and Accountability

Impact Assessments

- ## What:

  - Detailed, specific questions about the assessment process and results of an algorithmic system
  - Important: public consultation component
  - Example: Algorithmic Accountability Act of 2022

- ## How:

  - pre-release and ongoing
  - kept in private company records versus submitted to a state agency

Transparency

- Impact assessments
- Notice – to people impacted *before* use
- Explanation – how and why was a decision made
  - such adverse action notices already required for financial decisions

- Environmental impact (kWh)
  - targeted requirement to report on the kWh used for AI

Data-focused Interventions

- Data Privacy Protections
  - Data minimization
  - See, e.g.,: American Data Privacy and Protection Act of 2022 (ADPPA)

- Intellectual Property Protections
  - E.g., permission / contract required to use a song as part of training data

Labor

- Ensuring safety and efficacy
  - Require human review for consequential decision systems
- Providing human alternatives
  - Allow people to opt-out and use a provided human alternative
- Protecting jobs
  - Require that AI augments, not replaces, the existing workforce

Specific recommendations

⮡ Places to start

Recommendations

- **Don't set up a task force! Pick something specific instead.**
  - workplace surveillance limits, ban affective AI for law enforcement – **are there AI uses you think should be banned in the state**?
  - state agencies may already have relevant authorities they can use if given encouragement and resources

- **Focus on impacts, not technical details**
  - craft AI definitions that are limited based on impact
  - start with the private and public sector impacts you are most concerned with – **what are these priority areas**?
    - algorithmic discrimination, privacy
    - housing, government benefits

Recommendations

- Make use of the sector-specific expertise in state agencies and add (shared) technical expertise as necessary
  - sector-specific regulation can be owned by the relevant existing agency
  - a centralized team can help agencies with technical expertise

- Build governance across state agencies
  - determine who is responsible for AI use/procurement by each agency
    - Chief AI Officer
  - determine how oversight and public accountability will be achieved across agencies
    - Advisory Council with public membership

Recommendations

- **Be specific when crafting transparency requirements**
  - How is AI being used by state agencies?
    - Make a public inventory.
  - What checks are performed as part of procurement or grant funding?
    - Add specific testing, privacy, and transparency requirements to contracts.

Resources

- White House AI Bill of Rights
  - www.whitehouse.gov/ostp/ai-bill-of-rights
  - "What should be expected" sections include specific actionable safeguards
  - Appendix includes examples of consequential automated systems
- American Data Privacy and Protection Act (2022)
  - bipartisan enforcement framework
- Algorithmic Accountability Act (2022)
  - useful list of specific questions to ask
- CA AB 331 Automated Decision Tools (2023)
  - consequential decision definition including specific domains

- (soon) Executive Order on AI and OMB memo

Thanks!

sorelle@cs.haverford.edu
Sorelle Friedler, Haverford College

SB818 EconAction FAV EEE.pdf

Uploaded by: Marceline White

Position: FAV

Testimony to the Senate Education Energy and the Environment Committee
SB818 Information Technology-Artificial Intelligence-Policies and Procedures
(Artificial Intelligence Governance Act of 2024)
Position: Favorable

March 5, 2024

The Honorable Senator Feldman, Chair
Senate Finance Committee
3 East, Miller Senate Office Building
Annapolis, MD 21401
cc: Education Energy and the Environment Committee

Honorable Chair Feldman and Members of the Committee:

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a statewide coalition of individuals and organizations that advances economic rights and equity for Maryland families through research, education, direct service, and advocacy. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We are here in support of SB818 which addresses the potential promise and peril of Artificial Intelligence (AI) by: 1) requiring inventory and impact assessments of state systems that use AI; 2) require departments to develop and adopt policies and procedures related to development, procurement, implementation, use and ongoing assessment of systems that use AI as well as notify individuals or groups that may have been harmed by the use of AI; and 3) establishes a Governor's subcabinet to facilitate coordination and collaboration and work with academics and industry

Last summer, Economic Action released a new report Digital Equity and Justice in Maryland which looks at issues of digital access as well as digital justice. Within the digital justice landscape, the report highlights challenges with the use of AI in hiring decisions, predictive policing, and housing. There is potential for AI to be calibrated in a way that it reduces rather than amplifies bias and existing inequalities but that is far from a given. We believe that SB818 is an important first step but would suggest that the subcabinet should also consider including advocates in their conversations since there are consumer protection, civil rights, fair housing, and privacy advocates who would add to these important dialogues.

We support SB818 and urge a favorable report.

Best,

Marceline White
Executive Director

2209 Maryland Ave · Baltimore, MD · 21218 · 410-220-0494
info@econaction.org · www.econaction.org · Tax
ID 52-2266235
Economic Action Maryland is a 501(c)(3) nonprofit organization and your contributions are tax deductible to the extent allowed by law.

2024 LCPCM SB 818 Senate Side.pdf

Committee:	Senate Education, Energy, and the Environment Committee
Bill:	Senate Bill 818 - Information Technology - Artificial Intelligence - Policies and Procedures (Artificial Intelligence Governance Act of 2024)
Hearing Date:	March 7, 2024
Position:	Support

The Licensed Clinical Professional Counselors of Maryland (LCPCM) supports *Senate Bill 818 - Information Technology - Artificial Intelligence - Policies and Procedures (Artificial Intelligence Governance Act of 2024).* The legislation requires the state agencies to adopt appropriate safeguards against bias in using artificial intelligence. LCPCM believes that artificial intelligence holds much promise for efficiency, but we are concerned that such systems could perpetuate or influence bias against certain communities. We support the premise in the preamble of the legislation that "Automated systems should be safe and effective, developed with consultation from diverse communities, stakeholders, and domain experts to identify concerns, risks, and potential impacts of the systems."

We ask for a favorable report. If you need any additional information, please contact Robyn Elliott at relliott@policypartners.net.

letterhead_CAMI_SB818.pdf
Uploaded by: Tasha Cornish
Position: FAV

FAVORABLE

TESTIMONY PRESENTED TO THE EDUCATION, ENERGY, AND ENVIRONMENT COMMITTEE

SENATE BILL 818
Information Technology - Artificial Intelligence -
Policies and Procedures (Artificial Intelligence Governance Act of 2024)

TASHA CORNISH
CYBERSECURITY ASSOCIATION OF MARYLAND, INC.
POSITION: FAVORABLE
March 7, 2024

Chair Feldman, Vice Chair Kagan, and Members of this Committee, thank you for the opportunity to submit testimony in support of Senate Bill 818.

The Cybersecurity Association of Maryland, Inc. ("CAMI") supports SB 818. CAMI is a statewide, 501(c)(6) nonprofit organization established in 2015, created to drive the growth of Maryland's cybersecurity industry. Our membership includes over 600 firms ranging in size from Fortune 500 companies to solo owner operators and represents nearly 100,000 Maryland employees.

The Artificial Intelligence Governance Act of 2024 is a Maryland state bill that codifies the 2024 Executive Order on artificial intelligence (AI) and is designed to regulate how state government agencies use AI.

We are particularly supportive of the following provisions.

• Annual Inventories: Each state government unit will be required to compile an annual inventory their data, and the AI systems they use. Having a comprehensive list of all data assets will enable each unit to locate and categorize sensitive information. This is crucial for prioritizing security efforts and implementing appropriate safeguards depending on the data's sensitivity.
• Impact Assessments: State government units are now required to conduct an "impact assessment" for any AI system they are using that might be deemed "high-risk." This will aid units in maintaining security guardrails and flag systems that don't properly maintain data security.
• AI Policies: The Department of Information Technology will be responsible for creating guidelines for how state government units develop, buy, put into use, and evaluate AI systems. This will provide all units of government, regardless of size and sophistication, with the necessary guardrails for deploying AI solutions with cybersecurity in mind.
• Competitive Proof of Concept Procurement: The bill outlines new rules for a procurement method called "competitive proof of concept." This method will give government agencies access to cutting-edge AI products and services through a competitive process.

This bill is significant because it highlights the growing use of AI by state governments, and sets standards for its responsible implementation, including the necessary data security provisions. Maryland is taking proactive steps to ensure that artificial intelligence is used in a way that is beneficial to its citizens and not harmful.

SB818_USM_FWA.pdf

Uploaded by: Andy Clark

Position: FWA

UNIVERSITY SYSTEM
of **MARYLAND**

SENATE EDUCATION, ENERGY, AND THE ENVIRONMENT COMMITTEE
Senate Bill 818
Information Technology - Artificial Intelligence - Policies and Procedures
(Artificial Intelligence Governance Act of 2024)
March 7, 2024
Favorable with Amendment

Chair Feldman, Vice Chair Kagan and committee members, thank you for the opportunity to share our position on Senate Bill 818. The bill takes important steps to regulate artificial intelligence within the state government and the University System of Maryland (USM) looks forward to working with all the stakeholders to mitigate risk of these vastly accelerated burgeoning technologies.

USM comprises 12 distinguished universities and three regional centers with distinct and unique approaches to the mission of educating students and promoting the economic, intellectual, and cultural growth of its surrounding community. These institutions are located throughout the state, from Western Maryland to the Eastern Shore. A range of institutional types complement this geographic diversity. The USM includes land-grant universities, regional universities, and HBCUs, together with universities whose missions focus on online education, professional and graduate education, and environmental education.

The Chancellor, USM Presidents, and the Board of Regents all understand the importance of addressing the risks posed by artificial intelligence. We have been engaged in research related to the risks and impacts of artificial intelligence on all facets of society for several years. Experts across the University System of Maryland have written numerous papers about important topics such as algorithmic bias and discrimination, the legal risks posed by artificial intelligence, and the ethical use of artificial intelligence across many fields of society.

While we agree with many of the principles included in this bill, we have the following concerns:

The Definition of Artificial Intelligence

The definition of Artificial Intelligence, in the bill, is very broad. Many technology products have functions that would fall under this definition. As examples, word processors and most smartphones make suggestions related to sentence completion, spelling, and grammar; all internet search engines use AI to tailor the results that are produced; and even language translation tools use AI in the background to convert text from one language to another. We believe the definition of artificial intelligence in this bill would include a significant amount of the technology currently in use across the USM.

The Artificial Intelligence Inventory

Given the very broad definition of artificial intelligence in the bill, creating the inventory of artificial intelligence systems would be a massive undertaking, and updating it annually would require the permanent allocation of human and financial resources. Given the pressure that everyone feels to keep the cost of higher education as low as possible, we would discourage the requirement to create and maintain an inventory that would include a significant amount of the technology across all our institutions.

Even more, we believe one of the main principals of the bill is to identify and address algorithmic decision making that poses a high risk to individuals; and while the vast majority of our artificial intelligence systems do not make decisions and pose no risk to individuals, we would be required to create and maintain an inventory of all artificial intelligence related systems. The inventory will inefficiently expend resources to include many systems that pose no risk to individuals instead of focusing resources on the few systems that are making possibly high-risk algorithmic decisions.

Artificial Intelligence Impact Assessments

The impact assessments will be a challenge to complete by any unit of state government, including the USM. The risks posed by artificial intelligence are typically related to the artificial intelligence algorithm used by the solution and the way the AI algorithm was trained. Information about a system's algorithms and training is typically considered to be a trade secret, and most vendors will not share it. Even more, many product vendors use another vendor's artificial intelligence solution and don't know the technical details of the artificial intelligence vendor's solution. In the end, the information necessary to do an AI risk assessment will be very difficult if not impossible for agencies or institutions to obtain.

Cybersecurity Risk of Publishing the Inventory

This bill also requires the artificial intelligence inventory to be published on the organization's public website. The inventory would be required to include the name of the

system, the vendor of the system, the capabilities of the system, and the purpose and use of the system. Foreign adversaries and hackers already routinely watch the websites of our units for information they can use to target our state, and this inventory would give them a roadmap to hack our agencies and institutions. All assessments and inventories must be kept confidential to help keep our information and systems secure.

Required Policies and Procedures – Differences Between Agencies and Public Higher Education

Higher education institutions and state agencies are very different. While most agencies serve one community, sector of the state economy, or mission; institutions of higher education serve all sectors, multiple different missions, and local, state, federal, and international communities. Agencies are comparable to business enterprises while institutions of higher education are like small cities.

In recognition of the differences, the USM is already exempted from several sections of the Maryland Code and instead required to develop and maintain information technology policies that are functionally compatible with IT policies established for the executive branch. For each of the policies, the USM determines how to develop a parallel policy that meets the spirit and intention of the state policy while providing the flexibility the USM needs to meet the needs of all of our communities. In recognition of our differences from state agencies and to be able to compete locally, nationally, and internationally, we need the ability to establish and maintain USM policies that are functionally compatible with any artificial intelligence policies established by Maryland DoIT.

Limits on Procurement

The bill blocks the procurement of any technology that is not compliant with the artificial intelligence policies established by Maryland DoIT. Given that many vendors may be unable or unwilling to provide details of their algorithms and training data, this could limit the pool of vendors available to state agencies. Related to the USM, we need to be sure that we can limit our procurement to technologies that are compatible with our functionally compatible versions of Maryland DoIT artificial intelligence policies.

Impact on Research

The bill would impact our ability to continue to compete for and be a thought leader in AI research. While we agree that any potential impact on human subjects must be mitigated, we have instances where we need to procure solutions so that we can study risks like bias and discrimination. The bill as written could block our ability to procure artificial intelligence solutions that we need for research. Risk to individuals is already something our institutional review boards consider for each research project that involves human

subjects. We need the flexibility to be able to procure any technologies we may need for our research while addressing any risks to individuals through our existing review processes.

Recommended Amendments

In order to address the concerns outlined above, we suggest the following amendments to the bill.

1. Given that one of the principal concerns is to address any algorithmic decisions that could pose a risk to individuals, the focus should be taken off the artificial intelligence technology and placed on how agencies are making decisions that impact individuals. The law should focus on business functions that involve decisions that pose a risk to an individual, where the agency is turning the decision over to artificial intelligence.

2. The requirements to inventory of all artificial intelligence systems, perform impact assessments of all artificial intelligence systems, and publish the inventory on a public website should be deleted. The inventory and assessments would consume a tremendous amount of resources with limited benefit, and publishing the inventory is a large cybersecurity risk.

3. An inventory of where each unit uses artificial intelligence to make high-risk business decisions that impact individuals should be added in place of the system inventory. This inventory should be carefully crafted to not create any cybersecurity risk for the unit.

4. Given the diversity of functions and possible impacts, institutions of public higher education should be exempted from the new artificial intelligence subtitle. This exemption would be consistent with the existing exemptions from other subtitles of the Maryland code and the requirement that we maintain USM policies that are functionally compatible with state policies. If public institutions of higher education are exempted from the new subtitle, Maryland DoIT and the new artificial intelligence subcabinet of the governor's office will be able to develop artificial intelligence related policies that best serve the agencies of the executive branch, and the USM can develop parallel polices that meet the same goals while allowing our research and diverse operations to flourish and compete locally, nationally, and internationally.

Senate Bill 818 addresses some important issues for the State, but instead of first addressing artificial intelligence systems, we suggest that the bill should first focus on the business decisions that are being outsourced to artificial intelligence. Once the decisions and possible risks have been identified from a business function perspective, analysis can be done to ensure that any technology that is used to make decisions has been reviewed to protect individuals.

Finally, given that higher education institutions operate very differently from agencies, we request an exemption from the new subtitle so that we can develop and maintain our own functionally compatible policies to govern all aspects of artificial intelligence.

USM Office of Government Relations – Susan Lawrence: slawrence@usmd.edu

[MD] SB 818 AI_TechNet_pdf.pdf

Uploaded by: margaret durkin

Position: FWA

March 6, 2024

The Honorable Brian Feldman
Chair
Senate Education, Energy, and the Environment Committee
Maryland Senate
2 West
Miller Senate Office Building
Annapolis, MD 21401

RE: SB 818 (Hester) - Information Technology - Artificial Intelligence - Policies and Procedures (Artificial Intelligence Governance Act of 2024).

Dear Chair Feldman and Members of the Committee,

On behalf of TechNet, I'm writing to offer comments on SB 818 related to AI policies and procedures.

TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. TechNet's diverse membership includes dynamic American businesses ranging from startups to the most iconic companies on the planet and represents over 4.2 million employees and countless customers in the fields of information technology, e-commerce, the sharing and gig economies, advanced energy, cybersecurity, venture capital, and finance. TechNet has offices in Austin, Boston, Chicago, Denver, Harrisburg, Olympia, Sacramento, Silicon Valley, and Washington, D.C.

Artificial intelligence, machine learning, and the algorithms that often support artificial intelligence have generated policymaker interest. We acknowledge that as technological advances emerge, policymakers' understanding of how these technologies work is vital for responsible policymaking. Our member companies are committed to responsible AI development and use.

The intent of SB 818 is laudable and TechNet thanks the sponsor for taking the lead on this important issue. TechNet is seeking further changes to the bill, which are outlined below.

3.5-802.

TechNet suggests the sponsor consider an inventory of AI systems characterized as high risk only to narrow the scope of the bill.

3.5-802. (5)

We suggest striking ~~being implemented~~ and replacing that phrase with "deployment".

3.5-803.

Throughout the bill, consider replacing the term "implementation" with "deployment".

3.5-803. (B) (2)

A question to consider here: is the intention to eliminate state agencies' use of any AI system which is deemed high-risk (even with proper impact assessments performed and human oversight)?

13–116. (A)

We suggest adding "demonstration" after "evaluation", as part of the "proof of concept". Regarding "a good or service", sometimes technology is defined separately so we are suggesting this definition include technology.

13–116. (C) (2) (II)

We suggest adding "and overall value" after "price".

Thank you for your consideration and please don't hesitate to reach out should you have any questions.

Sincerely,

Margaret Durkin

Margaret Durkin
TechNet Executive Director, Pennsylvania & the Mid-Atlantic

'24 SB 818 IT-Artificial Intelligence-Policies & P

Uploaded by: Ellen Robertson

Position: INFO

BILL: **Senate Bill 818** - Information Technology -
Artificial Intelligence - Policies and Procedures

COMMITTEE: Senate Energy, Education and Environment

DATE: March 7, 2024

POSITION: Letter of Information

Upon review of Senate Bill 818 – Information Technology - Artificial Intelligence - Policies and Procedures, the Department of General Services (DGS) provides these comments.

The bill will require each unit of State government, including DGS, to annually report an inventory of data as identified by the Department of Information Technology; an inventory of systems that employ artificial intelligence; and other reporting requirements.

DGS supports the provisions of the bill that establish and implement the competitive proof of concept procurement method. This is a formal procurement method that may be used to solicit proposals for the conduct of a proof of concept prior to full implementation. A proof of concept is the feasibility study performed before committing to a project or idea.

DGS would also be required to report annually to the Board of Public Works on these proof of concept procurements and, in consultation with the Department of Information Technology, adopt policies and procedures for the development and implementation of the proof of concept procurements.

Implementation of the competitive proof of concept procurement method and complying with the associated reporting will require additional policy, training, and procurement and administrative resources resulting in a fiscal and operational annual impact to DGS, as detailed in our fiscal impact statement and spreadsheet.

For additional information, contact Ellen Robertson at 410-260-2908 or Lisa Nissley at 410-260-2922.