
MARYLAND DEPARTMENT OF LABOR TESTIMONY ON HOUSE BILL 314

TO: Economic Matters Committee Members
FROM: Maryland Department of Labor (MD Labor)
DATE: January 28, 2026
BILL: Automation Technology Deployment Assessment and Displaced Employee Retraining Fund - Established

MD LABOR POSITION: INFORMATION

HB 347 creates a series of requirements for employers and the Department related to the potential impact of automation technologies (defined as AI, machine learning systems, robotics, or other advanced technologies implemented with the primary purpose or substantial effect of replacing human labor) for reductions in force. These requirements include submission of forms by covered employers, payments made by covered employers into the Displaced Employee Retraining Fund, overseeing and managing service delivery from the Fund, and assessing penalties against employees that fail to submit timely reports or make required payments to the Fund.

MD Labor recognizes that there are both opportunities and challenges that AI brings to the workforce system, however, meeting the specific requirements of HB 314 would have a significant financial and operational impact on MD Labor.

The Maryland Department of Labor's Division of Workforce Development and Adult Learning oversees Dislocated Worker services for the State. These activities include collecting and processing reports related to mass layoffs, such as Worker Adjustment Retraining Notifications (WARN) and Economic Stabilization Act (ESA) notifications, and referring dislocated workers to reemployment and training resources.

HB 314's requirements go beyond the scope of the Division's current work and would require significant new staffing and procedures. MD Labor estimates that the Division's costs, starting in Fiscal Year 2028, would average over \$414,000 annually.

The Division of Unemployment Insurance (MDUI) would also require extensive upgrades to the BEACON data system, as well as new investigators to determine if employers were properly filing reports and making appropriate payments to the Fund. While these costs are not currently known, the Department estimates that it would likely be hundreds of thousands of additional dollars annually.

The Department respectfully requests the Committee consider this information as they evaluate HB 314. For questions, please contact Andrew Fulginiti at Andrew.Fulginiti@maryland.gov.