HB 1391

Department of Legislative Services

Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1391 (Delegate Young, *et al.*)
Ways and Means

Education - Artificial Intelligence - Guidelines, Professional Development, and Task Force

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This bill creates new responsibilities for the Maryland State Department of Education (MSDE), State Board of Education (SBE), local boards of education, and the Career and Technical Education (CTE) Committee related to the use of artificial intelligence (AI) in the State's education system. The bill also establishes the Task Force on Artificial Intelligence in K-12 Education to study the uses of AI in each local school system, as specified. MSDE must staff the task force and may partner or contract with an organization to support the task force. **The bill takes effect June 1, 2025, and provisions related to the task force terminate January 31, 2027.**

Fiscal Summary

State Effect: No effect in fiscal 2025. General fund expenditures increase by $1.3 million in FY 2026 to establish an AI unit within MSDE to implement the bill. Future years reflect inflation, the elimination of one-time costs, and ongoing operating expenses. The Department of Information Technology (DoIT) and Maryland Department of Labor (MD Labor) can implement the bill with existing resources. Revenues are not affected.

($ in millions)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenues	$0	$0	$0	$0	$0
GF Expenditure	1.3	1.2	1.0	1.0	1.0
Net Effect	($1.3)	($1.2)	($1.0)	($1.0)	($1.0)

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

Local Effect: Expenditures for local boards of education increase, potentially significantly, to hire new staff with AI experience, as discussed below. Revenues are not affected. **This bill may impose a mandate on a unit of local government.**

Small Business Effect: Minimal.

Analysis

Bill Summary:

Artificial Intelligence in Education

By August 1, 2026, MSDE must, in consultation with SBE and the task force established by the bill, develop or update K-12 guidance on classroom use and implementation of AI that (1) promotes the safe, responsible, and ethical use of AI; (2) emphasizes students and teachers at the center of educational technology; and (3) prioritizes the educational needs of students using evidence-based approaches and methodologies. MSDE must, in consultation with other interested stakeholders, publish on its website separate guidance for students, teachers, and administrators.

MSDE must develop strategies to assist local boards and county superintendents to implement the guidelines, standards, and best practices developed by MSDE under the bill. MSDE must consult with DoIT to develop and annually update a list of commonly available AI tools approved for use in schools. MSDE must ensure that AI tools approved for use safeguard privacy and security.

Each local board of education must designate an employee to facilitate the productive and ethical use of systems of AI in the local school system.

MSDE must, in consultation with the Maryland Association of Boards of Education, the Maryland State Education Association, and the Public School Superintendents' Association of Maryland, develop and administer a statewide AI needs assessment to determine the capacity of local school systems to integrate AI. The needs assessment should identify whether local school systems need support in integrating AI including the type and level of support; by August 1, 2026, MSDE must report to the General Assembly on the results of the needs assessment.

By July 1, 2026 and each July 1 thereafter, each county board must report specified information about its purchase and use of AI products and compliance with State data privacy laws to MSDE.

Artificial Intelligence Training and Workforce Development

By October 1, 2025, the CTE Committee must ensure that AI literacy is a component of workforce preparation.

MSDE must promote training and workforce development in AI. Professional development in AI for teachers and administrators must include (1) courses on AI; (2) training for

teachers and administrators to learn to train other teachers and administrators related to AI; and (3) monthly webinars. Funds for professional development on AI for teachers and administrators must be as provided in the State budget.

Task Force on Artificial Intelligence in K-12 Education

The Task Force on AI in K-12 Education is established to study the uses of AI in each local school system, including a review of innovation by industry and philanthropic support of schools in the use of AI. MSDE must staff the task force and may partner or contract with an organization to support the task force. A member of the task force may not receive compensation as a member of the task force but is entitle to reimbursement for expenses. The task force must make finding and recommendations regarding:

- the development or update of guidance and best practices for local boards required by the bill;
- the implementation of best practices for relevant professional development;
- the development and administration of the statewide AI needs assessment; and
- the adoption of policies and procedures regarding the development, procurement, implementation, utilization, and ongoing assessment of systems that employ AI by a local board.

The task force must also coordinate with MSDE, the CTE Committee, and the CTE Skills Standards Advisory Committee to provide recommendations for integrating AI into the college and career readiness standards established by the State Board of Education.

By January 1, 2026, based on best practices from across the country, the task force must create a document with examples of AI integrated into curriculum, including examples of (1) elementary, middle, and high school curriculum and (2) all subject areas represented in the courses required for graduation.

By December 1, 2026, the task force must report its findings and recommendations to the Governor and General Assembly.

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 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 MD Labor.

State Expenditures: The bill establishes new and ongoing responsibilities for MSDE related to the use of AI use in the State's public education system. Among other things, the bill requires MSDE to develop AI guidance and strategies, maintain a list of approved AI tools that meet specified requirements (and ensure their safety), provide ongoing support for local boards of education, complete an AI needs assessment, promote training and workforce development in AI, and staff the task force established by the bill. However, MSDE does not have the experience or expertise working with AI necessary to handle these substantial new responsibilities with existing staff.

Accordingly, general fund expenditures for MSDE expenditures increase by $1.3 million 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 to establish an AI unit within MSDE including various AI specialists, coordinators, and administrative staff, to handle the bill's new and ongoing responsibilities. It also includes two temporary contractual positions to assist MSDE with the one-time needs assessment and to staff the task force. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. It also includes $250,000 for technology and programming costs for MSDE to acquire and test various AI systems.

Regular Positions	6.0
Contractual Positions	2.0
Regular Salaries and Fringe Benefits	$721,136
Contractual Salaries and Fringe Benefits	222,245
Technology Costs	250,000
Operating Expenses	61,160
Total FY 2026 State Expenditures	**$1,254,541**

Future year expenditures reflect full salaries with annual increases and employee turnover, annual increases in ongoing operating expenses, ongoing technology costs, and the termination of the contractual positions in fiscal 2028. Given the number of new specialist staff anticipated to be hired by MSDE to implement the bill, DoIT can likely consult with MSDE as required using existing budgeted resources.

Local Expenditures: Expenditures for local boards of education may increase, potentially significantly, for local boards to hire staff with experience and expertise in AI and to the extent that the bill has other operational impacts on local school systems. For example, Anne Arundel County Public Schools, Baltimore County Public Schools, and St. Mary's County Public Schools anticipate costs to hire AI specialists to implement the bill. Additionally, Baltimore County Public Schools also anticipates significant training costs to ensure its staff are knowledgeable and capable in using any AI systems that may be implemented as a result of the bill. As school systems are already required to report all instructional software purchases to MSDE, several school systems advise that they can report AI-related software purchases with existing resources.

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

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