

Assets and Liabilities: Pedagogical Use of AI

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While the full economic impact of Generative AI (GenAI) and Agentic AI has yet to unfold, their influence on the classroom is already profound. These models offer students unprecedented access to information and analysis, yet their impact on learning remains volatile. This essay argues that inappropriate reliance on AI creates a dangerous competency gap: a scenario where students graduate with advanced credentials but lack the foundational training to perform safely or effectively.

This essay explores the burgeoning liability landscape created by this shift. For educators and institutions, we examine the risk of regulatory scrutiny and common law claims—such as breach of contract or educational malpractice—when educational institutions produce AI-reliant but inadequately trained graduates. At the same time, graduates may incur personal and professional risks of passing off AI-generated competence that leads to findings of professional negligence. Analyzing current regulatory frameworks and the common law, this essay questions whether the legal conundrum facing universities and schools and provides a path forward.