

Department of Legislative Services  
 Maryland General Assembly  
 2018 Session

FISCAL AND POLICY NOTE  
 Third Reader

Senate Bill 236 (Senators Robinson and Smith)  
 Education, Health, and Environmental Affairs

Ways and Means

State Board of Education - Financial Literacy and Entrepreneurship Curriculum  
 - Development and Implementation

This bill requires the State Board of Education to develop curriculum content for a semester-long high school elective course in financial literacy and entrepreneurship. Beginning in the 2018-2019 school year, each local board *may* implement the curriculum content developed. **The bill takes effect July 1, 2018.**

Fiscal Summary

**State Effect:** General fund expenditures increase by \$16,700 in FY 2019 to hire a contractual education specialist to develop the required curriculum content. Revenues are not affected.

(in dollars)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	16,700	0	0	0	0
Net Effect	(\$16,700)	\$0	\$0	\$0	\$0

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

**Local Effect:** None. However, local school systems may choose to implement the new curriculum content beginning with the 2018-2019 school year.

**Small Business Effect:** None.

Analysis

**Current Law:** With the advice of the State Superintendent of Schools, the State Board of Education establishes basic policy and guidelines for the program of instruction for public

schools. Subject to State law and the regulations, bylaws, policies, and guidelines established by the State Board of Education, each local board of education must establish the curriculum guides and courses of study for schools in its jurisdiction. Policies, rules, and regulations for the graduation of students from Maryland public schools are established by local boards of education and the State Board of Education.

According to State regulations, each local school system must provide personal financial literacy programs in elementary, middle, and high schools that at least meet the content standards set in the regulations.

### **Background:**

#### *Maryland's Personal Financial Literacy Standards*

Chapter 186 of 2008 established the Task Force to Study How to Improve Financial Literacy, which began the movement toward developing financial literacy standards for public schools in the State. The curriculum consists of the standards, objectives, and indicators to be used to develop local curricula. The curriculum is organized in grade bands of 3 to 5, 6 to 8, and 9 to 12 in order to ensure that financial literacy education is provided in a continuum throughout elementary, middle, and high school.

In June 2010, the Maryland State Department of Education (MSDE) adopted financial literacy content standards in regulation and required each local school system to implement personal financial literacy programs in elementary, middle, and high schools. By September 1, 2011, and every five years after that, local superintendents must certify to the State Superintendent that the instructional program in the elementary, middle, and high school learning years meets, at a minimum, the financial literacy content standards described in the regulations.

Although financial literacy is now a required content area, MSDE reports that there are currently no financial literacy content specialists at MSDE. Generally, every required content area has a supervisory position housed at MSDE; however, current work relating to the financial literacy curriculum is being absorbed by four staff members from the Career and Technology Education and Social Studies curriculum support areas. The effect of this has been to limit staff availability for those responsibilities.

MSDE reports that it has already developed content standards for financial literacy and entrepreneurship; however, there are no State monetary resources available to implement the current financial literacy content standards, to provide professional development, or to develop curriculum content in these areas.

*Current High School Courses in Financial Literacy and Entrepreneurship*

As of the 2016-2017 school year, seven counties – Allegany, Calvert, Caroline, Carroll, Charles, Frederick, and Garrett counties – require high school students to complete a stand-alone course in financial literacy (either one-half or semester long) in order to graduate. In Queen Anne’s, St. Mary’s, and Talbot counties, high school students must take a stand-alone financial literacy course or the required course with integrated financial literacy content. In the other 14 systems, financial literacy content is integrated into one of the courses required for graduation.

Financial literacy education concepts are also included in business and marketing programs. Currently, 22 school systems offer programs in the Business Management and Finance Cluster, and almost 18,000 students are enrolled in 167 schools. Another program that provides students with both financial literacy and entrepreneurship experiences is Career Research and Development. This program is offered in 14 school systems to approximately 7,500 students.

*Online Financial Literacy Course Created by MSDE*

MSDE advises it expended \$250,000 from its federal Race to the Top grant to develop a one-credit, online financial literacy course. The course was piloted by Charles County in the 2015-2016 school year and was due to be available to all students and school systems beginning in the 2016-2017 school year through Maryland Virtual Learning Opportunities, which MSDE uses to provide online learning to students, schools, and school systems.

**State Expenditures:** General fund expenditures for MSDE increase by \$16,679 in fiscal 2019 only, which accounts for the bill’s July 1, 2018 effective date. This estimate reflects the cost of hiring a contractual curriculum developer for two months to create the required curriculum content for a semester-long, high school elective course in financial literacy and entrepreneurship by September 1, 2019, in time for the beginning of the 2018-2019 school year. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Contractual Position	1
Salary and Fringe Benefits	\$11,683
Operating Expenses	<u>4,996</u>
<b>Total FY 2019 State Expenditures</b>	<b>\$16,679</b>

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal Patient Protection and Affordable Care Act.

**Local Fiscal Effect:** Local school systems may choose to implement the financial literacy and entrepreneurship curriculum content developed by the beginning of the 2018-2019 school year. However, implementing the curriculum is not required.

---

### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Baltimore, Carroll, Harford, and Montgomery counties; Maryland State Department of Education; Department of Legislative Services

**Fiscal Note History:** First Reader - January 30, 2018  
mm/rhh Third Reader - March 20, 2018

---

Analysis by: Caroline L. Boice

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510