

Department of Legislative Services  
Maryland General Assembly  
2010 Session

FISCAL AND POLICY NOTE  
Revised

House Bill 1400  
Ways and Means

(Delegates Stein and Krebs)

Finance

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Commissioner of Financial Regulation - Financial Education Resources  
Clearinghouse

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This bill requires the Office of the Commissioner of Financial Regulation to serve as a clearinghouse for information on financial education resources, services, and programs available to residents of the State. The commissioner may include specified financial education information on the office's public web site and must include a summary of the office's efforts in its annual report to the Governor and the General Assembly.

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Fiscal Summary

**State Effect:** To the extent the clearinghouse will operate within the confines of the Commissioner of Financial Regulation's existing web site, the bill's requirements can be handled with existing budgeted resources. No effect on revenues.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Current Law:** A State-operated clearinghouse containing information on financial education resources, services, and programs does not currently exist.

**Background:** In response to the current nationwide financial crisis, the Task Force to Study How to Improve Financial Literacy in the State was created during the 2008 legislative session (Chapters 186 and 187 of 2008) to study the ability of high school students to understand basic financial concepts; assess the utility of financial literacy education as part of primary and secondary education; study the ability of

consumers older than age 21 who have achieved a high school diploma to understand basic financial concepts; study the problems created for the average consumer by a lack of financial literacy or knowledge; and make recommendations regarding how to address these problems.

The full task force met seven times and made 18 recommendations in its final report presented to the Governor and the General Assembly in January 2010. The task force's final recommendations include:

- directing the State Board of Education to develop and adopt financial literacy education standards and curriculum for students in primary and secondary schools;
- urging institutions of higher education in the State to mandate financial literacy education for their students;
- directing the establishment of a web-based clearinghouse of financial literacy resources;
- establishing a special fund to finance the clearinghouse and other financial literacy services and programs;
- providing a specified notice of housing counseling;
- providing financial education to both public and private-sector employees; and
- providing financial education to individuals who receive public benefits.

Considerable financial education efforts are underway in Maryland, including the availability of education classes through nonprofits, State and local agencies, educational institutions, financial institutions, realtors, faith-based institutions, and many others. Two statewide organizations seeking to better coordinate and support these efforts are the Maryland CASH (Creating Assets, Savings, and Hope) Campaign and the Maryland Coalition for Financial Literacy.

The task force recommends the creation of a clearinghouse of State financial education services and programs that will coordinate and complement existing services and programs made available through other nonprofit entities and clearinghouses.

For instance, Pennsylvania currently operates a state-specific, noncommercial web site designed for that state's residents titled *Your Money's Best Friend*. This web site provides materials on a variety of topics including banking basics, coping with job loss, filing taxes, bankruptcy, and talking with one's family about personal finances. The Pennsylvania Office of Financial Education pre-screens and pre-approves all links and information posted to the web site, which primarily consists of materials provided by government agencies and nonprofit organizations.

## Additional Information

**Prior Introductions:** None.

**Cross File:** SB 1036 (Senator Muse, *et al.*) - Finance.

**Information Source(s):** Department of Labor, Licensing, and Regulation; Department of Legislative Services

**Fiscal Note History:** First Reader - March 18, 2010  
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