

**Department of Legislative Services**  
Maryland General Assembly  
2021 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

House Bill 916  
(Delegate Amprey)  
Ways and Means

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**Education - Public Middle and High Schools - Financial Literacy Curriculum  
and Graduation Requirement**

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This bill requires the Maryland State Department of Education (MSDE) to update the Maryland State Curriculum for Personal Financial Literacy Education and the corresponding financial literacy standards to include content on (1) applying for and managing student loans and (2) filing and managing taxes. Beginning with the 2022-2023 school year, each public middle and high school must implement *half*-semester-long financial literacy courses using content developed by the State Board of Education (SBE). To *graduate* from a public *middle* or high school, a student must complete the respective middle or high school course. **The bill takes effect July 1, 2021.**

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**Fiscal Summary**

**State Effect:** General fund expenditures increase by an estimated \$162,600 in FY 2022 to develop the graduation criteria and provide training and technical assistance as local school systems implement the new curriculum and graduation requirement. Future year estimates reflect the elimination of one-time contractual costs, annualization, and regular salary increases. Revenues are not affected.

(in dollars)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	162,600	190,100	123,500	127,800	132,200
Net Effect	(\$162,600)	(\$190,100)	(\$123,500)	(\$127,800)	(\$132,200)

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

**Local Effect:** Local school system expenditures increase beginning in FY 2023. Costs may be absorbable by some if not all systems. Revenues are not affected. **This bill may impose a mandate on a unit of local government.**

**Small Business Effect:** None.

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## **Analysis**

**Bill Summary:** A local board of education may collaborate with financial managers and institutions to help students achieve financial literacy.

SBE must develop curriculum content for two half-semester-long financial literacy courses, one for middle school and one for high school.

The middle school financial literacy curriculum content must enable students to

- apply financial literacy reasoning to make informed, financially responsible decisions;
- relate choices regarding future education and career paths to earning potential; and
- plan and manage money effectively through identifying financial goals and developing spending plans.

The high school financial literacy curriculum content must enable students to

- make informed decisions about incurring debt and maintaining creditworthiness;
- plan and achieve long-term goals related to saving and investing to build financial security and wealth; and
- minimize financial setbacks through financial planning.

### *Financial Literacy Education Week*

SBE must establish a financial literacy education week each year. During financial literacy education week, a local board of education must require each school to host public discussions on financial literacy.

**Current Law:** With the advice of the State Superintendent of Schools, SBE 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 SBE, 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 SBE.

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 in the regulations. 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. At the middle school level, financial literacy concepts are integrated in units found in social studies classes as well as Family and Consumer Sciences classes. At the high school level, financial literacy is embedded in courses required for graduation or offered as a stand-alone graduation requirement. Additional information about financial literacy courses taken by Maryland students can be found in the Maryland State Department of Education's (MSDE) [Personal Financial Literacy Education 2019-2021 Report](#).

MSDE offers one-credit, online financial literacy course available to all students and school systems through Maryland Virtual Learning Opportunities, which MSDE uses to provide online learning to students, schools, and school systems.

**State Expenditures:** General fund expenditures increase by an estimated \$162,629 in fiscal 2022, which accounts for a 90-day startup delay following the bill's July 1, 2021 effective date. This estimate reflects the cost of hiring an education program specialist in MSDE to provide guidance and technical assistance to local school systems as they implement the financial literacy curriculum. This estimate also reflects a full-time contractual education program specialist for nine months to help develop the required curriculum and establish criteria for a student to demonstrate the financial literacy competency standards established by the State board.

Salaries, fringe benefits, start-up costs, and ongoing operating expenses, one-time contractual costs, and travel associated with professional development, are included in the estimate.

Position	1.0
Contractual Position	1.0
Salary and Fringe Benefits	\$92,717
Contractual Salary and Fringe Benefits	57,540
Travel	1,242
One-time Start-up Expenses	5,090
Ongoing Operating Expenses	491
<b>Total FY 2022 State Expenditures</b>	<b>\$162,629</b>

Future year expenditures reflect contractual expenditures ending in fiscal 2023, a full salary with annual increases, employee turnover, and ongoing operating expenses.

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 Expenditures:** Local school systems have the flexibility to implement the bill in the manner that best uses the resources available for their schools. At a minimum, costs are likely to increase by nearly \$3.4 million to purchase textbooks and materials needed for the required *half*-semester middle and high school courses. This estimate assumes that the 10 counties that currently offer a standalone high school course, including Prince George's County that will begin offering a half-credit course beginning with the 2021-2022 school year, do not need to purchase additional supplies. For middle school, it is assumed that all 24 school systems need to purchase supplies. Further, this estimate assumes that textbooks are only needed to be purchased for one-quarter of a middle or high school grade, due to the course being a *half*-semester course.

It is assumed that local school systems will choose to train existing teachers in the new required curriculum. It is assumed that this training, conducted with the assistance of the education specialist hired by MSDE, can be handled with existing resources by most if not all school systems. To the extent that the training cannot be accommodated during the school system's existing professional development days, local school systems may need to pay teachers to attend the trainings as specified in their contracts.

Alternatively, MSDE's online course, which became available to all school systems after the 2016-2017 school year, could be used to meet the bill's high school course requirements without significant additional personnel expenditures. Although there may be other costs, such as computer costs, associated with that option, these costs may be less in the current environment.

These estimates assume no additional high school costs in the 10 local school systems that have implemented elective or mandatory semester-long financial literacy courses. If the curriculum developed by the SBE does not align with existing financial literacy courses in these 10 systems or if systems with elective courses need to add financial literacy teachers to offer the required courses to all high school students, costs may increase for these systems.

Further, there may be additional costs associated with implementing a half-semester course that are not accounted for in this estimate. For example, local school systems may also need to develop another half-semester course to create a full semester because half-semester courses are not typical for middle and high school students. Conversely, the need for additional costs may be limited by the half-semester requirement, which may allow school systems to incorporate the half-semester course into existing related courses that are already offered. Actual implementation and actual costs will depend on current local school system schedules and local choices.

It is assumed that local school systems can handle any costs associated with hosting yearly financial literacy education week events with existing resources.

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## **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Maryland State Department of Education; Baltimore County Public Schools; Montgomery County Public Schools; Prince George's County Public Schools; Department of Legislative Services

**Fiscal Note History:** First Reader - February 16, 2021

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