

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 200
Ways and Means

(Delegate Amprey)

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

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. The State Board of Education (SBE) must develop online or virtual curriculum content for a semester-long high school course. Beginning with the 2023-2024 school year, each public high school must offer a semester-long financial literacy course using the content developed by SBE. **The bill takes effect July 1, 2022.**

Fiscal Summary

State Effect: None. It is assumed that any updates to the financial literacy standards can be done using existing resources, as explained below.

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.

Analysis

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

The 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;
- plan and manage money effectively through identifying financial goals and developing spending plans;
- 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.

A student must receive certification upon completing the offered course.

SBE may adopt regulations to implement the bill.

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 MSDE's [Personal Financial Literacy Education 2019-2021 Report](#).

State Expenditures: According to MSDE, the current [financial literacy standards education standards](#) (*i.e.*, content standards) address the content standard requirements of the bill. The six standards, which are also in regulations, are: (1) make informed, financially responsible decisions; (2) relate careers, education, and income; (3) plan and manage money; (4) manage credit and debt; (5) create and build wealth; and (6) manage risks and preserve wealth. Although (1) applying for and managing student loans and (2) filing and managing taxes are not specifically addressed in the standards, as the standards are just a general framework of topics that must be taught, it is assumed that these topics can be added to the standards (and corresponding regulations) using existing resources.

Using the existing content standards, MSDE created an online Personal Finance course, which is currently available for students to take for high school credit. MSDE advises that the online course includes content on student loans in a module titled "Financing Postsecondary Study" and taxes in a module titled "Understanding Taxes." Thus, it is assumed that the existing online course can be used to meet the requirements of the bill.

Each April, MSDE partners with local school systems and businesses to celebrate Financial Literacy Month. Thus, this requirement incurs no additional costs.

Local Expenditures: Local school systems have the flexibility to implement the bill in the manner that best uses the resources available for their schools. To the extent that MSDE's online course, which became available to all school systems after the 2016-2017 school year, meets the requirements of the bill, the bill can be implemented without significant additional personnel expenditures. Although there may be other costs, such as computer costs, associated with requiring students to complete an online course, these computer costs may be less due to the recent investment in student computers related to the COVID-19 pandemic.

Alternatively, at a minimum, local school system costs likely increase by \$2.7 million for 14 systems to purchase textbooks and materials needed for the required semester high school course. This estimate assumes that the 10 counties that currently offer a semester course do not need to purchase additional supplies. However, if the new curriculum is developed by SBE *and* 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.

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

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland State Department of Education; Baltimore City Public Schools; Anne Arundel 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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