

Department of Legislative Services
 Maryland General Assembly
 2022 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 630 (Delegate Brooks, *et al.*)
 Ways and Means

Public High Schools - Financial Literacy Pilot Program - Establishment

This bill requires the State Board of Education (SBE) to establish a Financial Literacy Pilot Program for public school students in grades 11 and 12. SBE must develop curriculum content that includes lessons on specified content related to financial literacy. Beginning in the 2023-2024 school year, each public school, including public charter schools, may implement the financial literacy curriculum content developed by SBE. By January 1, 2027, SBE must report on the status and results of the pilot program. SBE may adopt regulations to implement the bill. **The bill takes effect July 1, 2022, and terminates June 30, 2027.**

Fiscal Summary

State Effect: General fund expenditures may increase by an estimated \$31,600 in FY 2023, as explained below. The Maryland State Department of Education (MSDE) can prepare the required report with existing resources. Revenues are not affected.

(in dollars)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	31,600	0	0	0	0
Net Effect	(\$31,600)	\$0	\$0	\$0	\$0

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

Local Effect: The bill authorizes but does not require a public school to participate in the Financial Literacy Pilot Program; thus, public school expenditures are not affected. Any costs of implementing the program are due to local choice. Revenues are not affected.

Small Business Effect: None.

Analysis

Bill Summary: The financial literacy curriculum content must include lessons on:

- creating and following a budget;
- saving money;
- debt;
- investments;
- amortization;
- simple and compound interest; and
- any other subject that SBE considers appropriate.

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: MSDE has developed [financial literacy education standards](#) (*i.e.*, content standards), which are also in regulations. They 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. Using the existing content standards, MSDE created an online Personal Finance course, which is currently available for students to take for high school credit. Thus, MSDE advises that it does not need to develop curriculum content for the pilot program.

The Department of Legislative Services advises that *if* MSDE is required to develop additional curriculum content that includes lessons on specified content for the Financial Literacy Pilot Program by the 2023-2024 school year, it would cost an estimated \$31,600 in fiscal 2023 for MSDE to hire a half-time contractual position to lead the work. This estimate assumes a 90-day startup delay following the bill's July 1, 2022 effective date. It assumes that the contractual work is completed by June 30, 2023, which will allow local school systems and schools to train their staff in the curriculum prior to the 2023-2024 school year. In addition, MSDE staff time may be temporarily redirected from other projects.

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; Department of Legislative Services

Fiscal Note History: First Reader - February 15, 2022
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