

Department of Legislative Services
Maryland General Assembly
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FISCAL AND POLICY NOTE
First Reader

Senate Bill 238 (Senator Klausmeier, *et al.*)
Education, Energy, and the Environment

**Public High Schools – Financial Literacy – Curriculum, Graduation
Requirement, and Professional Development**

This bill requires the State Board of Education (SBE), with the assistance of the Maryland Council on Economic Education, to develop curriculum content for a semester-long, half-credit high school course in financial literacy. Beginning in the 2026-2027 school year, the financial literacy content developed by SBE must be taught in every public high school. Beginning with students graduating in 2030, a student must complete one of the following courses to graduate from high school: (1) the financial literacy course developed by SBE or (2) if approved by the local board of education, a personal finance course offered at a community college. The financial literacy curriculum content must include specified standards and topics. The Maryland State Department of Education (MSDE) must provide a professional development course for teachers implementing the financial literacy course. Each teacher implementing the financial literacy curriculum must complete a minimum of 15 hours of professional development in financial literacy provided or approved by MSDE. **The bill takes effect July 1, 2023.**

Fiscal Summary

State Effect: As explained below, MSDE can likely lead the curriculum development process and provide the required training using existing resources. To the extent that local boards of education choose to use a personal finance course offered by Baltimore City Community College (BCCC), its revenues and expenditures increase.

Local Effect: Local school system expenditures increase beginning in FY 2027; costs are less for systems with an existing required financial literacy course. To the extent that local boards of education choose to use a personal finance course offered by a local community college, their revenues and expenditures increase. **This bill may impose a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Bill Summary: The financial literacy curriculum must include (1) [Maryland financial literacy education standards](#); (2) [National Standards in Teaching Personal Finance and Economics](#); and (3) instruction on specified topics.

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. The bill does not affect this reporting requirement established in regulation, but it does repeal a requirement that MSDE provide a summary of local certification reports to the Governor and the General Assembly every five years. 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 2021-2022 Report](#).

MSDE offers a 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.

Dual Enrollment

A public institution of higher education may not charge tuition to a dually enrolled student. A public school system must pay 75% of the cost of tuition for a public institution of higher education for its students. If there is an agreement before July 1, 2020, between a public school and a public institution of higher education in which the public institution charges less than 75% of tuition to a dually enrolled student, the local board must pay the cost of tuition under the existing agreement. The Blueprint for Maryland's Future – Revisions (Chapter 55 of 2021) expanded dual enrollment to include noncredit courses leading to an industry-recognized certificate or license.

State Expenditures: Under the bill MSDE, under the leadership of SBE, has three years to develop a financial literacy curriculum that meets the requirements of the bill. In response to a prior introduction of the bill in 2022, MSDE advised that it can lead the curriculum development process and provide the required training using existing resources. Baltimore County Public Schools (BCPS) advised in 2022 that the [Maryland Council on Economic Education](#) is used its course as an exemplar curriculum that meets the requirements of the bill; therefore, the Department of Legislative Services advises that MSDE's assessment is likely correct in that MSDE can use the existing curriculum as a model. Although there is no fiscal effect, MSDE advises that resources will be directed from existing activities including other curriculum development required by the Blueprint for Maryland's Future.

It is assumed that MSDE can develop or approve professional development for teachers that meets the requirements of the bill using existing resources. Under the bill, MSDE has three years to develop or approve the training.

Local Expenditures: 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-long 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. The estimate does not reflect inflation due to materials being purchased in fiscal 2027 for the 2026-2027 school year. In addition, there may be costs in making the course a graduation requirement that are not reflected in this estimate.

BCPS advises that there is no fiscal impact beyond minimal costs associated with professional development as its current curriculum meets the bill's requirements as explained above.

In addition, teachers must complete a minimum of 15 hours of professional development in implementing the financial literacy curriculum. Given the three-year implementation schedule, it is likely that the majority of training can be absorbed into the existing professional development time; however, additional professional development time may be required for some teachers and some local school systems. Additional professional development time may result in additional costs.

Further, Anne Arundel County Public Schools advise that they need to hire additional staff to teach the required course; however, to the extent that existing teachers can be trained to teach the new course, the need for additional staff will be less. Baltimore City Public Schools advises that it needs to purchase materials aligned with content standards.

St. Mary's County Public Schools advises that it estimates adding a half-credit graduation course as a graduation requirement costs approximately \$1 million annually, which includes hiring additional staff to teach the new course, purchasing or developing new curriculum, providing professional development, and purchasing materials.

It is unknown if any local boards of education will choose to approve a personal finance course offered by a community college. If a local board chooses to approve a course, then local school system expenditures increase and community college revenues and expenditures (including BCCC) increase according to the number of students who take the course and the dual enrollment agreement.

Additional Information

Prior Introductions: Similar legislation has been introduced within the last three years. See SB 699 and HB 1437 of 2022.

Designated Cross File: None.

Information Source(s): Baltimore City Public Schools; Baltimore County Public Schools; Anne Arundel County Public Schools; Prince George's County Public Schools; Frederick County Public Schools; St. Mary's County Public Schools; Talbot County Public Schools; Department of Legislative Services

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Analysis by: Caroline L. Boice

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