

Department of Legislative Services
 Maryland General Assembly
 2023 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 99 (Delegate Sample-Hughes)
 Ways and Means

Education – Public High Schools – Financial Literacy Curriculum

This bill requires the State Board of Education (SBE) to develop curriculum *content* for a half-credit course in financial literacy. The course developed by SBE must include (1) instructional content based on the SBE-approved instructional program on financial literacy for high school students in existence on June 30, 2023, and (2) lessons on specified content related to financial literacy. Each local board of education must implement the financial literacy curriculum content developed by SBE and make the course available to students in every public high school under the board’s jurisdiction. The bill also repeals a reporting requirement for the Maryland State Department of Education (MSDE) related to the certification of local financial literacy instruction. **The bill takes effect July 1, 2023.**

Fiscal Summary

State Effect: General fund expenditures may increase by an estimated \$61,500 in FY 2024, as explained below. Revenues are not affected.

(in dollars)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	61,500	0	0	0	0
Net Effect	(\$61,500)	\$0	\$0	\$0	\$0

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

Local Effect: Local school system expenditures may increase for some school systems in FY 2024. Potential impact in future years, depending on implementation. 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: Minimal.

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 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. 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.

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. It is assumed that the course content developed under the bill is based on these standards.

The Department of Legislative Services advises that for MSDE to develop curriculum *content* based on the existing standards, MSDE general fund expenditures increase by an estimated \$61,542 in fiscal 2024 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, 2023 effective date. It assumes that the contractual work is completed by June 30, 2024, which will allow local school systems and schools to train their staff in the curriculum prior to the 2024-2025 school year. In addition, MSDE staff time may be temporarily redirected from other projects.

Contractual Position	0.5
Salary and Fringe Benefits	\$54,530
Operating Expenditures	<u>7,012</u>
Total MSDE FY 2024 Expenditures	\$61,542

Future year expenditures reflect the termination of the contractual position on June 30, 2024, after developing the curriculum content.

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.

Termination of the reporting requirement has no material effect on MSDE staffing but may enable MSDE to redirect staffing resources to other related endeavors.

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 \$2.7 million to purchase textbooks and materials needed to offer the semester-long stand-alone course in the 14 counties that do not currently offer a stand-alone financial literacy course. This estimate assumes that the 10 counties that currently offer a stand-alone high school course do not need to purchase additional supplies. However, if the new curriculum developed by 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 courses to all high school students, costs may increase for these systems.

It is assumed that local school systems will choose to train existing teachers in the new 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 potentially be used to meet the bill's requirements without significant additional personnel expenditures, *if* the existing online course content conforms with the curriculum content developed under the bill. Although there may be other costs, such as computer costs, associated with that option, the impact of those costs may be more limited in the current environment because many school systems have provided laptops to every student during the COVID-19 pandemic.

Additional Information

Prior Introductions: Similar legislation has been introduced within the last three years. See HB 985 of 2022; HB 1299 of 2021; and HB 508 of 2020.

Designated Cross File: SB 316 (Senator Brooks, *et al.*) - Education, Energy, and the Environment.

Information Source(s): Maryland State Department of Education; Baltimore City Public Schools; Anne Arundel County Public Schools; Montgomery County Public Schools; Frederick County Public Schools; Wicomico County Public Schools; St. Mary's County Public Schools; Department of Legislative Services

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