



Montgomery County Community Action Board Testimony
SB518 - Maryland Financial Empowerment Center Network Pilot Program - Establishment
Senate Budget and Taxation Committee
February 25, 2026

POSITION: SUPPORT

TO: The Honorable Guy Guzzone, Chair; The Honorable Jim Rosapepe, Vice Chair; and Members of the Budget and Taxation Committee

FROM: The Montgomery County Community Action Board

The Montgomery County Community Action Board, the County's local, state, and federally designated anti-poverty group, supports SB518, which would establish the Maryland Financial Empowerment Center Network Pilot Program within the Office of the Comptroller.

The Financial Empowerment Center (FEC) model has operated municipal free services for fifteen years, working with more than 201,000 clients, helping them reduce debt by more than \$344 million, and increase savings by \$69 million. The core tenets of the FEC model include one-on-one counseling services at no cost with professionally trained counselors, rigorous data to measure impact against key financial behavior change outcomes, and partnerships with other industries such as workforce development, housing, and re-entry.¹

Locally, the City of Gaithersburg's Financial Empowerment Center has provided free, confidential, professional, one-on-one financial counseling as a public service to City residents since 2022. In this time, 749 clients improved their financial wellbeing, \$2.3 million in non-mortgage debt was eliminated, and \$740,000 in savings increases were achieved.

Our own Community Action Agency works closely with the Gaithersburg FEC, which regularly provides financial counseling services onsite at our Volunteer Income Tax Assistance (VITA) program's Gaithersburg site. Our agency is also a member of the Gaithersburg Financial Wellness Coalition, which is managed by the FEC. We know firsthand that the FEC's evidence-based model can promote upward mobility and mitigate economic hardships for our residents. However, the vast majority of Marylanders who do not reside in a municipality with an FEC, do not have access to this transformative service.

¹ <https://fecpublic.org/about/>

FECs aim to reduce disparities and can have a positive impact in areas like our own, where the cost of living is so high. According to the Montgomery County Self-Sufficiency Standard, a family of four consisting of two adults, one school-age child, and one preschooler must earn \$122,943 to meet basic needs.² This is over four times the Federal Poverty Level. SB518 would address this ever-widening economic gap in our county by establishing FECs to provide financial education along with support to increase savings, pay down debt, access banking, and improve credit scores for those living at the lowest margins.

The Montgomery County Community Action Board strongly supports SB518 and asks for the Committee's favorable report.

² <https://www.montgomerycountymd.gov/HHS-Program/OCA/CommunityAction/Self-SufficiencyStandard.html>