

**Department of Legislative Services**  
Maryland General Assembly  
2016 Session

**FISCAL AND POLICY NOTE**  
**Third Reader**

House Bill 136  
Ways and Means

(Delegates Stein and A. Washington)

Education, Health, and Environmental Affairs

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**State Government - Financial Education and Capability Commission -  
Composition**

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This bill adds one representative of a nonprofit organization in the State that provides financial assistance and free financial education to State residents for postsecondary education to the Financial Education and Capability Commission.

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**Fiscal Summary**

**State Effect:** None. State funds are not used for staffing of the commission or its activities.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Chapters 519 and 520 of 2012 created the Financial Education and Capability Commission to (1) monitor the implementation of public and private initiatives to improve the financial education and capability of residents of the State and (2) make recommendations on the coordination of financial education and capability efforts across State agencies. The commission is required to report to the Governor and the General Assembly, by December 1 of each year, on its recommendations and the status of the State's efforts to improve the financial education and capability of residents of the State. The Maryland Creating Assets, Savings, and Hope Campaign provides staff for the commission.

The commission consists of 23 members, 12 of whom are appointed by the Governor, who serve for a term of four years. The terms of the members are staggered. The Senate President and the Speaker of the House of Delegates must both designate one member to be a co-chair of the commission.

At the end of a term, an appointed member continues to serve until a successor is appointed and qualifies. Additionally, if a member is appointed after a term begins, the member serves only for the remainder of the term. Commission members may not be compensated but may be reimbursed for expenses. The commission must meet at least two times each year at the times and places determined by the commission.

Every three years, the commission has to include in its annual report a comprehensive discussion of statewide efforts to improve the financial education and capability of residents of the State, including State- or local government-funded initiatives and those undertaken in the private sector by nonprofit organizations, financial institutions, and other persons.

**Background:** The recession that began in 2008 and the problems of high foreclosure rates, job loss, credit card and student loan debt, and a lack of savings that it revealed led to an interest in increasing financial literacy in the State. The Financial Education and Capability Commission is one of the groups that was formed in response to that interest.

The commission held its first meeting in May 2013. For the year, the commission held four meetings to discuss organizing the commission, student loan issues, and developing recommendations for the annual report. The commission issued seven recommendations in its 2013 annual report, including promoting April as Financial Education Month through the commission. Chapters 264 and 265 of 2014 altered the membership of the commission and required it to encourage financial education events and activities to highlight national Financial Education Month in April.

The commission met three times in 2014. The meetings focused on the topic of paying for college. In its 2014 annual report, the commission issued five recommendations related to paying for college, including promoting student loan debt calculators on the Maryland Higher Education Commission website.

In 2015, the commission met four times and focused on issues related to student debt. In its 2015 annual report, the commission made three recommendations related to financial aid.

## **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 314 (Senator Klausmeier) – Education, Health, and Environmental Affairs.

**Information Source(s):** Financial Education and Capability Commission, Department of Legislative Services

**Fiscal Note History:** First Reader - February 1, 2016  
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