

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

House Bill 1299 (Delegate Walker)
 Ways and Means

Education - Public High Schools - Financial Literacy Curriculum and Graduation Requirement

This bill requires the State Board of Education (SBE) to develop curriculum content for a *half*-semester-long course in financial literacy. Each local board of education must implement the curriculum in every public high school under the board’s jurisdiction, and a student must complete the course in order to graduate from a public high school. **This bill takes effect July 1, 2021.**

Fiscal Summary

State Effect: General fund expenditures increase by an estimated \$99,500 in FY 2022 to provide training and technical assistance as local school systems implement the new curriculum and graduation requirement. Future year estimates reflect annualization and regular salary increases. Revenues are not affected.

(in dollars)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	99,500	119,800	123,500	127,800	132,200
Net Effect	(\$99,500)	(\$119,800)	(\$123,500)	(\$127,800)	(\$132,200)

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 2022. 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

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 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 the Maryland State Department of Education's (MSDE) [Personal Financial Literacy Education 2019-2021 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: General fund expenditures increase by an estimated \$99,540 in fiscal 2022, which accounts for a 90-day startup delay following the bill's July 1, 2021 effective date. This estimate reflects the cost of hiring an education program specialist in MSDE to provide guidance and technical assistance to local school systems as they implement the financial literacy curriculum. A full-time salary, fringe benefits, start-up costs, and ongoing operating expenses, as well as travel associated with professional development, are included in the estimate.

Position	1.0
Salary and Fringe Benefits	\$92,717
Travel	1,242
One-time Start-up Expenses	5,090
Ongoing Operating Expenses	<u>491</u>
Total FY 2022 State Expenditures	\$99,540

Future year expenditures reflect annualization, annual increases, employee turnover, and ongoing operating expenses.

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 \$908,000 to purchase textbooks and materials needed for the required *half*-semester stand-alone course in the 14 counties that are not planning to offer a stand-alone financial literacy course. This estimate assumes that the 10 counties that currently offer a standalone high school course, including Prince George’s County that will begin offering a half-credit course beginning with the 2021-2022 school year (fiscal 2022), do not need to purchase additional supplies. This estimate assumes that textbooks are only needed to be purchased for one-quarter of a high school grade, due to the course being a *half*-semester course.

It is assumed that local school systems will choose to train existing teachers in the new required curriculum since the bill requires a *half*-semester course, which is approximately 45 school days. 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 be used to meet the bill’s requirements without significant additional personnel expenditures. 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.

These estimates assume no additional costs in the 10 local school systems that have implemented elective or mandatory semester-long financial literacy courses. If the 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 required courses to all high school students, costs may increase for these systems.

Further, there may be additional costs associated with implementing a half-semester course that are not accounted for in this estimate. For example, local school systems may also need to develop another half-semester course to create a full semester because half-semester courses are not typical for high school students. Conversely, the need for additional costs may be limited by the half-semester requirement, which may allow school systems to incorporate the half-semester course into existing related courses that are already offered. Actual implementation and actual costs will depend on current local school system schedules and local choices.

Additional Information

Prior Introductions: HB 508 of 2020, HB 371 of 2019, HB 921 of 2018, and HB 476 of 2016 each received a hearing in the House Ways and Means Committee, but no further action was taken. Similar bills have also been introduced from 2010 through 2015.

Designated Cross File: None.

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

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