

**Commission on Financial Education and Capability**

**2016 Annual Report to the Maryland General Assembly**

**In accordance with State Government Article Section 9–801 through 9–804 under the subtitle “Subtitle 8. Financial Education and Capability Commission”**

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## **Financial Education and Capability Commission Members**

Co-Chairs: Senator Katherine A. Klausmeier and Delegate Dana M. Stein

Senator Ronald N. Young  
Delegate Alonzo Washington  
Ms. Susanne Brogan (designee for Treasurer Nancy Kopp)  
Ms. Michelle Byrnie-Parker (partial year for Comptroller's Office)  
Mr. Stuart Campbell (designee for DHCD Secretary)  
Mr. Sheldon Caplis  
Mr. Gordon Cooley  
Dr. Allen Cox  
Ms. Marilyn Lorenzo (partial year for Department of Human Resources)  
Ms. Melissa Gardner  
Dr. Lynne Gilli (designee for State Superintendent)  
Mr. Bill Gruhn  
Dr. Russell Kelley  
Dr. Bruce Lubich  
Ms. Robin McKinney  
Mr. Wilson Parran  
Ms. Valerie Radomsky (partial year for Comptroller's Office)  
Ms. Courtney Thomas  
Ms. Donna Thomas (designee for Maryland Higher Education Commission)  
Mr. Ken Venick  
Ms. Jan Wagner  
Ms. Meg Woodside

### **Staff**

The Commission is staffed by the Maryland Creating Assets, Savings, and Hope (CASH) Campaign, a program of the non-profit Job Opportunities Task Force. No state funds are provided for staffing of the Commission or its activities. Commission Staff is Sue Rogan, Director of Financial Education, from the Maryland CASH Campaign.

## **Executive Summary**

The Financial Education and Capability Commission was created by legislation in 2012. The Financial Education and Capability Commission is required to submit an annual report to the Governor and General Assembly on its recommendations and the status of efforts undertaken by state agencies or in partnership with state agencies.

The legislative purposes of the Commission are 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 focused on the existing financial capability programs and needs of state agencies and the private sector. There was also a continued focus on college affordability and student loan debt. The following report outlines its 2016 recommendations.

### **Recommendation #1 - Increase state funding for agencies offering financial capability grant programs or providing financial capability services (including consumer education).**

This includes, but is not limited to:

- Department of Housing and Community Development - [Maryland Housing Counseling Fund \(MHCF\)](#)
- Rural Maryland Council - [Maryland Agricultural Education and Rural Development Assistance Fund \(MAERDAF\)](#) and [Rural Maryland Prosperity Investment Fund \(RMPPIF\)](#)
- Need-based aid through the Maryland Higher Education Commission
- Outreach and education functions within the Department of Labor, Licensing, and Regulation - Office of the Commissioner on Financial Regulation
- Activities to support the delivery of financial education content in K-12 schools through the Maryland State Department of Education

### **Recommendation #2 - Increase awareness of and coordinate promotion of state and private financial capability programs.**

- State agencies and private sector groups should promote the consumer education materials and workshops from government agencies, including, but not limited to, the Maryland Insurance Administration and Maryland Supplemental Retirement Plan (MSRP)
- State agencies and private sector groups should promote free tax preparation, financial education/counseling/coaching through DHCD's network of community action agencies and housing counselors
- State agencies and private sector groups should promote volunteer opportunities for reality fairs offered by credit unions

### **Recommendation #3 - Increase opportunities for retirement savings by state employees.**

- Provide the Maryland Supplemental Retirement Plan (MSRP) access to all new state employees, including salary data
- Explore auto-enrollment and auto-escalation based on salary raises, and reinstate the \$600 match
- Allow employees to contribute as a percentage of pay

- Allow MSRP to communicate directly with non-participants and those terminating employment
- Provide financial education to state employees and encourage attendance by providing on-site or granting leave

**Recommendation #4 – Continue to promote access to financial education for K-12 students.**

- Continue to support the Code of Maryland Regulation requiring that financial education be taught in public schools at the elementary, middle and high school levels.
- Continue to connect middle school math curriculum to real world scenarios.

**Legislative proposals recommended:**

- Eliminate awards displacement at higher education institutions (refer to 2016 [HB231/SB313](#))
- Require colleges that receive state funding to report the amount of student loans owed and estimated monthly payment to the student (borrower) annually
- Community College Affordability Act (refer to 2016 [SB698/HB1620](#))
- Career pathway funding for community colleges (refer to 2016 [SB38](#))

## **Background**

Maryland, like many other states, was hit hard by the economic recession beginning in 2008. High foreclosure rates, job loss, credit card and student loan debt, and a lack of savings contributed to decreases in net worth across most households. Legislative responses included regulatory changes, increased oversight of financial institutions, and increased access to non-profit housing counseling and mortgage relief programs. During this same timeframe, there was a proliferation of financial education by public agencies, non-profits, the financial services industry, educational and faith-based institutions, and community groups. The momentum behind these efforts culminated in the creation of a legislative task force from 2008-2010. Created by legislation, the Task Force to Study How to Improve Financial Literacy in the State released its final recommendations in 2010. Much of the Task Force's work focused on ways to expand financial education in public schools, grades K-12. Other recommendations focused on ways to integrate adult financial education into various state systems.

Since 2010, the economic climate has improved, but there is still a significant role for the state to play in increasing and highlighting financial education. According to the Corporation for Enterprise Development's (CFED) 2016 Assets & Opportunity Scorecard, almost 35% of Maryland households were considered liquid asset poor, meaning that they do not have enough money in accessible savings to live at the poverty level for three months. Additionally, over half of Marylanders are using subprime credit. On the positive side, almost 80% of households have savings accounts and are making payments on time. This data shows that there is a solid foundation to build from; however, there is significant work to be done to make sure Maryland residents have access to information and resources that can help them to be financially secure and to make informed financial decisions.

## **Legislative Response**

The General Assembly sought to build off of the 2010 recommendations of the Task Force to Study Financial Literacy in the State by creating a standing commission entitled the Financial Education and Capability Commission. The Commission was created by legislation in 2012. The Financial Education and Capability Commission is required to submit an annual report to the Governor and General Assembly on its recommendations and the status of efforts undertaken by State agencies or in partnership with State agencies. The legislative purposes of the Commission are 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 also charged with issuing a comprehensive review of programs every three years. As such, in 2015, the Commission engaged in research to determine the current state of financial education and financial capability services in Maryland. In 2016, the Commission solicited presentations from various state agencies to further investigate existing offerings as well as programmatic or funding needs.

## Process

The Commission was seated in December 2012 - January 2013. Meetings in 2016 were held in June, September, October and November. The Commission decided to analyze what agencies/organizations are doing to promote financial capability and identify areas that need assistance with implementation of certain programs or recommendations. Financial capability services include, but are not limited to:

- Assistance accessing free or low-cost financial services
- Credit counseling or credit-building
- Financial education, coaching, or counseling
- Free tax preparation
- Housing counseling – pre-purchase or foreclosure prevention
- Legal services
- Screening for public benefits and/or assistance with enrollment (ex: food assistance)

The Commission asked agencies and private sector groups to consider the following questions:

- What is the agency doing around financial capability?
- What linkages does the agency need to expand outreach or improve programming?
- How are financial education programs funded and/or staffed?
- What is the agency measuring or tracking for program outcomes?
- What is on the agency's wish list of things they want to do, but cannot?
- Is the agency required to report outcomes to a board, funder, legislature, etc.?

Over the course of the year, the Commission had presentations from the following agencies and private sector group:

- Maryland Department of Labor, Licensing, and Regulation
- Maryland Department of Housing and Community Development
- Maryland Department of Human Resources
- Maryland Higher Education Commission
- Maryland Insurance Administration
- Maryland State Department of Education
- Maryland Supplemental Retirement Plan
- Maryland Veterans Affairs (email report only)
- Rural Maryland Council
- Maryland/DC Credit Union Association

## 2016 Recommendations

**Recommendation #1 - Increase state funding for agencies offering financial capability grant programs or are providing financial capability services (including consumer education).** This includes, but is not limited to:

- Department of Housing and Community Development - [Maryland Housing Counseling Fund \(MHCF\)](#)
- Rural Maryland Council - [Maryland Agricultural Education and Rural Development Assistance Fund \(MAERDAF\)](#) and [Rural Maryland Prosperity Investment Fund \(RMPIF\)](#)

- Need-based aid through the Maryland Higher Education Commission
- Outreach and education functions within the Department of Labor, Licensing, and Regulation - Office of the Commissioner on Financial Regulation
- Activities to support the delivery of financial education content in K-12 schools through the Maryland State Department of Education

Funding for financial capability programs has increased significantly over the last fifteen years. Initially, funding was focused primarily on free tax preparation, homeownership, and matched savings programs, which allowed participants to save for education, a home, or a business. The funding has grown as the field of financial capability has expanded its range of services and has developed programming for specific populations (example: foster youth) or goals (example: homeownership). There has been significant investment by philanthropy, with a growing focus on funding through the public sector. Several state agencies have added new funding sources or expanded their existing funding sources to include financial capability services. These resources are critical to leverage continued private sector investments. For maximum benefit by programs, the funding needs to be reliable from year to year and of sufficient volume to meet growing demand.

In addition to grant funding, several state agencies perform critical consumer outreach and education. These functions allow Maryland residents to understand their rights, avoid scams, and make informed financial decisions. The Commission recommended that sufficient funding should be provided to continue and expand outreach and consumer education.

The Commission re-affirms its recommendation to increase need-based financial aid through the Maryland Higher Education Commission. As discussed in previous reports, need-based financial aid should be expanded to part-time students and those pursuing credentials or basic education courses.

Lastly, the Maryland State Department of Education created financial education content standards that are required for all school systems to adopt as of September 2011. MSDE provides access to curriculum and professional development, but does not have a dedicated specialist assigned to financial education. Private sector and philanthropy were initial investors at the program's inception, but do not provide on-going funding for staff.

**Recommendation #2 - Increase awareness and coordinate promotion of state and private financial capability programs.**

- State agencies and private sector groups should promote the consumer education materials and workshops from government agencies, including, but not limited to, the Maryland Insurance Administration and Maryland Supplemental Retirement Plan
- State agencies and private sector groups should promote free tax preparation, financial education/counseling/coaching through DHCD's network of community action agencies and housing counselors
- State agencies and private sector groups should promote volunteer opportunities for reality fairs offered by credit unions and financial education offered by non-profits and financial institutions

As discussed in the previous recommendation, several state agencies provide consumer education and outreach. All relevant state agencies should share these materials with their employees, partners, grantees, and provide links on their websites. Several state agencies also provide funding for direct financial capability services that benefit Maryland residents. All state agencies should assist in the promotion of these services.

Many financial capability programs utilize volunteers to deliver services. State agencies and private sector groups should promote these volunteer activities. One opportunity is a reality fair, often offered by credit unions, where students have a hands on learning experience managing a career and their finances. Another opportunity is free, in-person financial education offered by non-profits and financial institutions.

**Recommendation #3 - Increase opportunities for retirement savings by state employees.**

- Provide the Maryland Supplemental Retirement Plan access to all new state employees, including salary data
- Explore auto-enrollment, auto-escalation based on salary raises, and reinstate the \$600 match
- Allow employees to contribute as a percentage of pay
- Allow MSRP to communicate directly with non-participants and those terminating employment
- Provide financial education to state employees and encourage attendance by providing on-site or granting leave

An estimated 56% of Americans have less than \$10,000 in retirement savings. The average age of state employees is typically older and there are many nearing retirement each year. In order to best prepare state employees for a secure retirement, the Commission supports recommendations by the Maryland Supplemental Retirement Plan (MSRP). The below recommendations provide MSRP with access to state employees earlier in the hiring process and allow them to communicate directly with those who sign up as well as those eligible, but not yet participating. The Commission additionally recommends exploring the ability for state employees to be auto-enrolled and have their contribution automatically increase each year coupled with a reinstatement of a \$600 match. The account alone is important, but the Commission recommends that state employees to be encouraged to attend free financial education workshops offered by MSRP and community partners.

**Recommendation #4 – Continue to promote access to financial education for K-12 students.**

- Continue to support the Code of Maryland Regulation requiring that financial education be taught in public schools at the elementary, middle and high school levels.
- Continue to connect middle school math curriculum to real world scenarios.

As described in earlier recommendations, the Maryland State Department of Education created content standards that are required in K-12 public education. The Commission re-affirms its commitment to provide financial education in schools and clarifies that middle school math curriculum should continue to connect to real world financial scenarios.

**Bills endorsed:**

- Eliminate awards displacement at higher education institutions (refer to 2016 [HB231/SB313](#))

- Require public institutions of higher education to provide students with an annual report on their student debt including how much they owe and estimated monthly payments. (new bill for 2017)
- Community College Affordability Act (refer to 2016 [SB698/HB1620](#))
- Career pathway funding for community colleges (refer to 2016 [SB38](#))

## **Summary of meetings**

### **June meeting:**

The Commission reviewed relevant legislation that had been proposed or passed by the Maryland General Assembly. Please see Appendix A for the full summary of bills tracked.

Del. Adrienne Jones presented on the College Affordability Act of 2016 (HB 1014/SB 676). The bill addresses some key issues for middle and lower-middle class families and seeks to help students graduate earlier and with less debt. The bill includes the following components:

- Increased outreach to low/middle income families about 529 college savings plans and a \$250 state match for families earning under \$75,000 with a \$25 minimum buy-in,
- The bill impacts around 20,000 families who are encouraged to save for their child's education. Families who do not qualify for the match can claim a \$500 tax deduction for their 529 plan.
- State collection agencies cannot pursue students for repayment on loans if they are making some kind of payment
- The bill also has a student loan relief tax credit. The student must sign an assurance that their tax credit will be used to pay down a student debt.
- The bill encourages full-time enrollment by requiring students to take 15 credits per semester and offers grants for part-time summer study.
- The bill includes a study to learn how Maryland financial aid programs are administered.

### **September meeting:**

Maryland Insurance Administration (MIA) presented on its extensive consumer outreach and education activities. Their goal is to summarize what different policies cover in plain language to make it easier to understand. Many consumers find it difficult to understand their policies and what is covered. MIA creates publications and consumer education materials on many different insurance topics, excluding health insurance. MIA has eight staff dedicated to outreach and education activities, which allows them to be present at many event all over the state.

The Veteran's Administration provided an email report on their work related to financial capability. They do not currently have the subject matter expertise or capacity to conduct financial education programs for clients. They currently provide content from the Consumer Financial Protection Bureau (CFPB) and community partners. They provide referrals to community resources as appropriate and are always open to more resources to help veterans. There is a new opportunity through the Consumer Financial Protection Bureau to place coaches around the nation working primarily with veterans. A financial coach was recently placed at the Baltimore CASH Campaign to serve veterans and low-income residents over the next 3 years.

The Commission discussed the potential need for financial education and coaching principles and guidelines. The Commission reviewed draft Financial Education & Coaching Guidelines that were developed by Maryland CASH and Guiding Principles that were created by the CFPB.

### October meeting

Department of Housing and Community Development presented on their two main programs that fund financial capability work. One is the Community Services Block Grant, which is a federal allocation. This is composed of free tax preparation and budget counseling services. In 2015, 8,448 participants went through tax prep and qualified for tax credits. There were 1,635 participants who demonstrated the ability to complete and maintain a budget for 90 days. The second program is the Maryland Housing Counseling Fund (MHCF) which funds financial education along with other financial capability programs. This program is funded by a fee paid by financial institutions when they file a foreclosure. As foreclosures decrease, so does the funding for this program. The demand for these services have increased even as foreclosures have decreased.

The Rural Maryland Council's (RMC) mission is to bring together individuals and organizations together to try and help improve quality of life throughout rural areas in Maryland. The main challenges are a lack of access to healthcare, public transport and some of the highest unemployment rates. Currently, there is a transition in rural areas due to Millennials moving out and not returning to the rural areas. RMC has two programs that can fund financial capability programs, the Maryland Agricultural Education and Rural Development Assistance Fund (MAERDAF) and the Rural Maryland Prosperity Investment Fund (RMPIF). One example is that RMC is currently funding two career coaches in Western Maryland to help people get back into the workforce.

Maryland Supplemental Retirement Plan (MSRP) presented on the comprehensive set of financial education that they provide to state employees. MSRP provides workshops to state agencies on a range of topics, include budgeting and planning for retirement. A lot of the workshops focus on saving for retirement and how to invest money. The most popular workshop is about Social Security and how to maximize what they get back. Last year, they had over 300 workshops across the state. They also do individual counseling along with the onsite classes. They have to be invited to speak with any newly hired state employees, so they don't always get to speak with all of them. They have found that only 40% of state employees that are eligible for the savings match are actually saving. Next year, they are offering a financial academy for Law Enforcement officers. For the last two years, they have done Financial Fitness Days in every county throughout the State.

The Maryland/DC Credit Union Association presented on the financial education provided by credit unions. Credit unions are owned by their members. There are 1.7 million credit union members in Maryland. There are many financial education opportunities, including reality fairs for kids. In a reality fair, students have to pick a career, are assigned a salary and then assigned how much student debt they would have on average. There are currently six credit unions in Maryland offering reality fairs. Credit unions also offer classroom support, including online

modules, classroom activities and assignments. First Financial Credit Union has 3,000 active members utilizing their school branches that are run by students. Payday lending is a huge issue facing communities and it can be difficult to transition people to working with a financial institution. Every credit union program is staffed internally, while credit union boards are staffed by volunteer board members. On their wish list is that financial education becomes a requirement in high schools. They also want a better way to target middle school students to show them the power of financial education.

The Financial Education and Coaching Guidelines Workgroup reported out on their discussions. Currently, anyone can call themselves a financial educator or a coach without a clearer definition on the credentials behind the title. The Workgroup met to discuss the need for any standards for this field. One caution that was raised was that we need to consider the impact that people will face who already have some form of certification and therefore have to meet the standards required by that certification. One recommendation was that there could be some sort of disclosure as to whether the Educator or Coach are being paid or are a volunteer. There is also a report out that the Asset Funders Network produced regarding the need for standards. The Commission agreed for the Workgroup to continue meeting and to come up with recommendations for consideration.

#### November meeting

Delegate Shelly Hettleman presented on student loan education and a proposal to increase responsible borrowing. Nine million Americans take out student loans each year. Encouraging and enabling more people to get a higher education is important; however, rising tuition, the recession, and other barriers have stopped people from having access to higher education. Nationwide, student debt has grown to a \$1.3 trillion problem in 2015. Maryland students should know how much student loan debt they have accrued as they are going through college. The average debt is \$27,000 from a Maryland institution; 58% of students carry close to that amount of debt. Del. Hettleman's proposal is to provide a student loan letter at the beginning of each year, so that students can see how much debt they owe and what their monthly payment may be.

The Commissioner of Financial Regulation (CFR) is housed within the Department of Labor, Licensing, and Regulation. They presented on their existing and emerging consumer outreach and education work. A Foreclosure Outreach position was created during the peak of the housing crisis. Every homeowner receives a notice of intent to foreclose before being taken to court. CFR inform residents of scams and provides an informational brochure when they receive these intent to foreclose letters. CFR participates in community events and provides presentations of "Mortgage Late, Don't Wait." CFR can help refer people to legal services and housing counselors. A new position was added this year in order to help with the amount of outreach that is necessary. Providing education to make quality financial decisions is a main focus. CFR wants to help residents to understand budgeting, banking and other financial topics. CFR also provides information to Maryland consumers about their rights under state law.

The Division of Workforce Development and Adult Learning is also housed within the Department of Labor, Licensing and Regulation. They presented on financial capability programs through the workforce development and adult education programs. DLLR focuses on

barriers to employment, including having a criminal background. Over 110,000 people a year visit job centers in Maryland for some form of assistance. American Job Center Resources online provides a tab covering financial education. This page has various tools, including a budget for those recently laid off. DLLR provides a publication titled, "Surviving a Layoff" to those seeking unemployment insurance. DLLR serves 35,000 adult learners annually through local partners. Partners include community colleges or correctional institutions. DLLR focuses on serving people where they are. Through correctional education, they focus on technology as a major component because the financial services system changes so rapidly. They cover all sorts of basic financial principles such as, credit management, tipping, banking basics, calculating taxes, etc.

Delegate Anne Kaiser presented on student loan refinancing and other efforts to assist students to get to and through post-secondary education. She discussed concerns about college affordability and the current high debt loads. She said that, "as a state, we need to look at our current system and see what improvements can be made." She also discussed the need for students to have access to advising in high school. This role is often filled by guidance counselors who are pulled to do many non-academic tasks.

The Department of Human Resources presented on their efforts to increase financial capability, including the STEP Program. STEP is a new program to help people understand how to best use their home energy and to make sure that they aren't using too much. They also do a lot of work with non-custodial parents. If a non-custodial parent pays child support, then the family as a unit is more likely to be successful and children are more likely to stay in school. DHR worked with the Maryland CASH Campaign to help provide financial education to the people they help to serve. One challenge is that literacy education and other skill building exercises don't always count towards the required 40 hours a week for Temporary Cash Assistance participants, so it can be difficult to get participants.

The Maryland State Department of Education (MSDE) provided an annual update on implementation of the financial education content standards. MSDE is focused on establishing good financial habits early in life. Local school systems are required to report to MSDE how they are implementing the required standards in grades 3 to 12. Teachers are prepared through workshops, webinars and trainings. They partner with many different organizations, including OneMain Financial, Maryland CASH Campaign, PNC, Junior Achievement, and the Maryland Council on Economic Education. Some local school systems are offering interactive financial experiences like JA Biztown and JA Finance Park. This is when the students have to make financial decisions based off of the income and jobs they are assigned. There are many resources that people are using now including, apps, trade books, lesson plans and different videos. There is an online course that MSDE developed, primarily for high school students. MSDE partners with the Maryland Council on Economic Education and the Maryland CASH Campaign to provide annual financial education awards, which highlight excellent teachers and community champions. Each year, they reach out to local school systems to share updates that MSDE plans to make, ask what schools systems feel they need, and determine how they can better help students prepare for their futures.

The Maryland Higher Education Commission presented on their efforts around the Federal Application for Financial Student Aid (FAFSA). MHEC wants to connect with everyone because they want to create more awareness for the people they hope to serve. This year, they created a paper mail campaign to remind people to fill out the FAFSA and provided them with some more info on MHEC. They redesigned their website and are increasing social media outreach and ability to send text messages. They are trying to get everything more concise, as students like to consume smaller snippets of information. They are trying to keep most items to a one pager. They had an acceptance rate of 65% this year, which was an increase from previous years which they credit to new outreach methods/texting. For the future, they are looking to decrease barriers for students. They eliminated an application process for one of the awards due to it being cumbersome and are going to self-identify students that are eligible going forward.

## Appendix A

### 2016 Legislative Wrap-up for the Maryland Financial Education & Capability Commission

#### Legislation from the 2016 Session

##### **Commission-Related News**

State Government - Financial Education and Capability Commission ([HB 136/SB 314](#))

Over the past two years, the commission has examined the issue of student loan debt. Central Scholarship, a non-profit that provides financial aid to low-income students, has provided advice on this issue. This bill adds a position to the commission for a non-profit such as Central Scholarship.

##### **Long-term Savings**

Income Tax Subtraction Modification for College Savings Plans ([HB 335/SB 374](#)) – This bill reduces the administrative burden of saving money in a college savings account by allowing anyone to take the available deduction (of up to \$2,500) for investing in a student's 529 college savings plan. It reduces red tape and encourages saving for college.

Maryland Small Business Retirement Savings Program and Trust ([HB 1378/SB 1007](#)) – This policy will encourage more workers to save for retirement. The bill requires employers that

1. do not offer employees a savings plan for retirement,
2. use a payroll service to pay employees, and
3. have been in existence for at least two years

to establish a payroll deposit retirement savings IRA plan that allows employee participation in the program. Employees are automatically enrolled unless they chose to opt out – a process that has been shown to increase employee participation.

Maryland Achieving a Better Life Experience (ABLE) Program Established ([HB 431/SB 355](#)) – This bill requires the College Savings Plans of Maryland Board to work with the Maryland Department of Disabilities to establish, administer, manage, and promote the (ABLE) Program. The ABLE Program seeks to eliminate barriers to savings for individuals with disabilities. See [MDOD Website](#) for more info.

##### **Higher Education**

The College Affordability Act of 2016 ([HB 1014/SB 676](#)) is a comprehensive set of measures designed to make college affordable to more students in Maryland. This bill contains several new programs that will help current and future students, including:

- An incentive program that will match college savings funds for middle- and low-income families. This program will operate much like a 401(k) retirement fund: the state will match parents' contributions to college savings plans by up to \$250 annually. The program intends to encourage more low- and middle-income parents to participate in the 529 college savings plans which help families save for college expenses.
- Another provision will help those who already have substantial student loans. Those who at some point had \$20,000 or more in undergraduate student loans and who still have more than \$5,000 in outstanding loans will be eligible for debt repayment tax credits.

Consumer Protection Provisions for Institutions of Postsecondary Education (HB 741/SB 427)

This bill provides protections for students who attend for-profit colleges and private career schools from a variety of misleading practices. Such colleges/schools are no longer able to enroll students in a program intended to lead to employment in a field requiring licensure or certification, if successful completion of the program will not meet the State educational requirements for licensure or certification. The bill also creates a Guaranty Fund for students that will provide full reimbursement if the institution breaches a contract or closes.

Next Generation Scholars of Maryland (HB 1403/SB 1170) – Expands eligibility to 7th and 8th grade students for the Guaranteed Access Grant program. This Grant provides college scholarships to students who meet a rigorous academic and social criteria through middle and high school.

Study of student loan refinancing in Maryland (HB 1015) – Creates a study on creating low-cost public fund to refinance of college loans. This could save thousands of dollars for those with high interest rates, especially private loans.

Maryland Loan Assistance Repayment Program for Foster Care Recipients (HB 360/SB 73) This policy allows for loan assistance for foster care recipients and orphans who attended a higher education institution in Maryland and work at some level of government.

Financial Aid - Deaf and Hearing Impaired Students - Out-of-State Institutions of Higher Education

(SB 272) This bill allows an applicant who is deaf or hearing impaired to use a Delegate Howard P. Rawlings Educational Excellence Award (EEA) at a degree-granting institution outside of Maryland if the student is attending an institution that makes special provisions for deaf and hearing impaired students, and provisions are not available to the student at an institution of higher education in Maryland.

Housing and Community Development - Community Development Administration - Student and Residential Mortgage Loans (HB 460/SB 381) This bill benefits new homebuyers with student debt. The policy permits the state to make a seller's contribution of as much as 20 percent of the value of a property for paying off the buyer's student loan debt. The student could also opt to have the state make loan payments monthly with the payment taken from the mortgage payments.

Frederick County - Linking Youth to New Experiences (LYNX) High School (HB 1615/SB 1126) This is a policy that establishes the Linking Youth to New Experiences (LYNX) High School at Frederick High School in Frederick County. This school program is public and offers individualized, self-directed learning opportunities for every student in accordance with a personal plan for success.

**Other Bills of Note (Did not pass)**

**Financial Education**

Online Instructional Program for Financial Literacy (SB 503) If passed, this bill would require the State Department of Education, in consultation with the Financial Literacy Education Advisory Council, to develop and implement an online instructional program that provides a financial education curriculum for high school students starting in the 2017-2018 school year.

State Board of Education - Financial Literacy Curriculum - Graduation Requirement (HB 476)

This bill would require the State Board of Education to develop curriculum content for a semester-long course in financial education, and for counties to implement the program as a graduation requirement in specified high schools.

**Savings**

Family Law - Protecting the Resources of Children in State Custody (HB 772/SB 262) A policy, which requires the Department of Human Resources to disclose certain information to a child in the Department's custody, through the child's attorney as it relates to the child's federal benefits.

**Higher Education**

Public Institutions of Higher Education - Financial Aid - Reduction Prohibited (HB 231/SB 313)

This bill prohibits public colleges in Maryland from reducing a student's financial aid after they receive aid from private scholarship groups.

Vocational Certificates and Associate's Degrees - Tuition Waiver for Community Colleges (HB 1620/SB 698) This bill would allow for a tuition waiver for students who achieve above a 2.0 ("C") grade point average in a vocational program at a community college in Maryland.

Higher Education - Community Colleges - Workforce Development Sequence Grants and Scholarships (SB 38) - Would allot an additional \$2,000,000 in state funding, annually, in grants for students enrolled in a Workforce Development Sequence at a community college in Maryland.