



Commission on Financial Education and Capability

2025 Annual Report to the Maryland General Assembly and the Governor

In accordance with State Government Article Section 9-801 through 9-804 under the subtitle "Subtitle 8. Financial Education and Capability Commission"

Submitted: December 1, 2025



Table of Contents

Financial Education and Capability Commission Members.....	2
Executive Summary	3
Commission Background.....	4
Legislative Response	4
Process	5
2025 Recommendations.....	5
Meeting Summaries	8
Appendix A: 2025 Legislative Wrap-up for the Maryland Financial Education & Capability Commission	9
Appendix B: 2025 Financial Education and Capability Award Winners	10



Financial Education and Capability Commission Members

Co-Chairs: Senator Benjamin Brooks and Delegate Dana M. Stein

Megan Schutz (designee for Maryland State Treasurer)
Vacant (designee for DHCD Secretary)
Julie Weaver (Maryland Council on Economic Education)
Lynne Durbin, Esq. (Maryland State Employees Supplemental Retirement Plans Board)
Marquita Friday (designee for State Superintendent)
Bill Gruhn (Office of Attorney General)
Dr. Bruce Lubich (Maryland Association of CPAs)
Robin McKinney (CASH Campaign of Maryland)
Franklin McNeil (PNC Bank)
Antonio Salazar (Commissioner of Financial Regulation, Maryland Department of Labor)
Jacqueline Colkley (designee for Maryland Higher Education Commission)
Ken Venick (Apex Home Loans)
Meg Woodside (The Woodside Foundation)
Andi Overton (designee for the Comptroller)
Sarina Coates-Golden (designee for the Executive Director of Family Investment, DHS)
Adrian Sherman Johnson (Credit Union Representative)
Tisa Silver Canady (Nonprofit Organization for Financial Assistance & Free Financial Education
for Postsecondary Education)

Vacancy: Maryland State Education Association

Staff

The Commission is staffed by the CASH (Creating Assets, Savings, and Hope) Campaign of Maryland, a non-profit based in Baltimore dedicated to promoting the economic advancement of low- to moderate-income communities across Maryland. No state funds are provided for the staffing of the Commission or its activities. Commission staff includes Lonja Muckle, Senior Policy Associate at CASH Campaign of Maryland.



The Financial Education and Capability Commission, which was created through legislation in 2012, holds a series of meetings each year to discuss recommendations for improving the financial capability of Marylanders. Each year, the Financial Education and Capability Commission is required to report to the Governor and the General Assembly on its recommendations to improve financial capability for Maryland’s low-to-moderate income communities.

This year, the Commission chose to discuss the following topics as they relate to financial capability: (1) resources from state departments and (2) student loan debt. The Commission agreed on the following recommendations, which will be discussed at length in this report.

- **Recommendation #1-** Facilitate the creation of a constituent support guide for the General Assembly covering issues faced by low-income individuals and families and financial capability services.
- **Recommendation #2-** Consider making cancelled student loan debt non-taxable at the state level.
- **Recommendation #3-** Support a standalone financial education graduation requirement in every school district through legislation and a corresponding letter to the state school board.

Commission Background

The Financial Education and Capability Commission was formed following the Great Recession of 2008. The Great Recession resulted in high foreclosure rates, job loss, increased credit card and student loan debt, and a lack of personal savings across Maryland. While some Maryland households have recovered from the crisis, many still experience economic insecurity. According to Prosperity Now’s Scorecard, 16% (± 10) of Maryland households are liquid asset poor, meaning that they do not have enough money in accessible savings to live at the poverty level for three months. Additionally, 37% of Marylanders are credit-constrained consumers (borrowers with limited credit history or poor/fair credit), and 15% of Marylanders have accounts in collections.¹ This data shows that while Maryland is a state with a significant amount of wealth, more work is required to make sure all Maryland residents have access to education and opportunities that can help them reach financial security and independence.

Legislative Response

Maryland’s General Assembly responded to the Great Recession of 2008 by bolstering consumer protection policies, providing relief for those with student loan debt, increasing oversight of predatory financial institutions, and increasing access to housing support. The momentum behind

¹ Prosperity Now (2024). Prosperity Now Scorecard.



these efforts culminated in the creation of the Task Force to Study How to Improve Financial Literacy in the State, which released its final recommendations in 2010. Much of the Task Force's work focused on ways to expand financial education in public schools from grades K-12. Other recommendations focused on ways to integrate adult financial education into various state systems.

The General Assembly sought to build on the recommendations of the Task Force to Study Financial Literacy in the State by creating a standing commission in 2012 entitled the Financial Education and Capability Commission. 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,
2. Make recommendations on the coordination of financial education and capability efforts across state agencies,
3. Submit an annual report on or before December 1 to the Governor and the General Assembly on its recommendations and the status of efforts undertaken by state agencies or in partnership with state agencies, and
4. Include a comprehensive discussion of statewide efforts to improve the financial education and capability of residents in the report of the Commission every three years, including initiatives funded by the state or a local government and those undertaken in the private sector by nonprofit organizations, financial institutions, and other persons.

Process

The Commission organized its first seating from December 2012 - January 2013 and has maintained its operations to date. This year, virtual meetings took place in May, September, October, and November.

During 2025, the Commission heard from representatives from:

- Comptroller of Maryland
- Maryland Department of Human Service (DHS)
- Maryland Center for Collegiate Financial Wellness (MCCFW)
- Protect Borrowers

2025 Recommendations

Recommendation #1- Facilitate the creation of a constituent support guide for the General Assembly covering issues faced by low-income individuals and families and financial capability services

- The Commission recommends facilitating the creation of a Constituent Support Guide to equip General Assembly members and their staff with clear, accurate, and up-to-date information on the challenges facing low-income Marylanders and the financial capability services available to assist them. This proposal is driven by anticipated federal



legislative changes that will significantly affect SNAP, Medicaid, and other resident support programs over the coming years.

- As these shifts take effect, legislators will increasingly receive constituent inquiries about disrupted benefits, eligibility changes, and financial hardship. The Constituent Support Guide is intended to serve as a practical, standardized tool to help policymakers respond effectively and consistently.
- The Constituent Support Guide will be developed jointly between the Financial Education and Capability Commission and the CASH Campaign of Maryland. The guide will include verified contact information, details on financial capability programs (such as free tax help, financial coaching, student loan support, and benefits navigation), and explanations of common issues faced by low-income individuals and families. The guide will have a publicly accessible paper version and an electronic version, so the document can be updated frequently as programs and policies change.

Recommendation #2 - Ensure student loan debt cancellation is nontaxable at the state level

- The student debt crisis remains a significant national challenge, affecting more than 800,000 Marylanders. Maryland consistently ranks first or second in the nation for per-capita student loan debt, and borrowers in the state hold the highest average balances in the country. Maryland is also one of the few states where the average student loan debt exceeds \$40,000², which intensifies financial strain for Maryland residents.
- Under the American Rescue Plan Act of 2021, most federal student loan forgiveness is treated as tax-free at the federal level for cancellations occurring between January 1, 2021, and December 31, 2025. Unless Congress extends this provision, the federal exemption will expire at the end of 2025. This means canceled student debt will once again be taxed as income. Since Maryland generally aligns with federal rules regarding taxable debt, borrowers could face both substantial federal and state tax bills on forgiven balances beginning in 2026.
- Therefore, the Commission recommends that the Maryland General Assembly codify a state-level exemption, ensuring that any canceled student loan debt is not treated as taxable income in Maryland. This protection would prevent borrowers from facing unexpected and unaffordable state tax liabilities, preserving the intended financial relief of forgiveness programs.
- According to the IRS, “In general, if your debt is canceled, forgiven, or discharged for less than the amount owed, the amount of the canceled debt is taxable.”³ While small cancellations have minimal tax consequences, student loan forgiveness typically involves much larger amounts. A U.S. Department of Education–commissioned report found that borrowers receiving Public Service Loan Forgiveness (PSLF) had an average of \$40,000

² ^[1] <https://educationdata.org/student-loan-debt-by-state>

³ <https://www.irs.gov/taxtopics/tc431>



to \$120,000 forgiven⁴. Taxing balances of this magnitude would create a substantial financial burden for many Marylanders.

- Maryland has previously considered similar protections. During the 2013 legislative session, a bill was introduced to make student loan cancellation due to permanent disability or death non-taxable at the state level. With federal exemptions set to expire, revisiting and expanding state protection is once again urgent.
- Although Maryland cannot alter federal tax treatment, the state can take meaningful action to shield borrowers from state taxation that undermines the purpose of debt relief programs. This safeguard will become increasingly important as large-scale forgiveness grows more common through income-driven repayment (IDR) reforms, PSLF, and potential future federal initiatives.

Recommendation #3 - Support legislation for a standalone financial education graduation requirement in every school district and send a corresponding letter to the state school board.

- In 2011, Maryland took an important first step by adopting Financial Literacy Education Standards, requiring all local education agencies to provide instruction in financial literacy for students in grades 3–12. These programs must align with the Maryland Personal Financial Literacy State Curriculum, ensuring that students across the state receive at least some exposure to essential financial concepts. While this framework was a meaningful foundation, it has not resulted in consistent or equitable implementation across school districts.
- Over the past decade, momentum has grown for making financial education a high school graduation requirement, reflecting mounting evidence that students need more robust preparation to navigate budgeting, credit, taxes, student loans, savings, insurance, and other real-world financial decisions. Building on this progress, the Commission recommends that Maryland take the next step by enacting legislation requiring a mandatory, standalone financial education course for high school graduation in every school district.
- To advance this goal, the Commission endorses a dual-track strategy:
 - Advocate for legislation establishing a standalone high school financial education graduation requirement through the Maryland General Assembly; and
 - Send a formal letter to the Maryland State Board of Education (MSDE) urging the Board to adopt or support a statewide requirement under its existing authority.
- A dedicated course is essential because current practice varies widely across Maryland. Some school systems have a full financial education course, while others embed financial topics within unrelated subjects such as math or social studies. Incorporating financial education into these other classes helps students relate to the information being taught. However, students would be able to cover financial education topics more in depth with a

⁴ www.ed.gov/media/document/candidly-economic-analysis-cost-effectiveness-of-pslf-submitted-laurel-taylor-110311.pdf



standalone course. This difference in instruction can lead to significant disparities in the depth and quality of education offered. As a result, a student’s access to meaningful financial education is heavily influenced by their zip code. A statewide, standalone graduation requirement would create a more equitable and consistent system, ensuring that every Maryland student receives the comprehensive financial knowledge needed for long-term economic stability.

- As part of this recommendation, the Commission recommends that a formal letter be sent to the Maryland State Board of Education urging the Board to prioritize and support this requirement statewide. The letter should emphasize the uneven access to quality financial education across districts, the demonstrated positive impact of standalone programs on financial behaviors, and the need for consistent, equitable preparation for all students as they transition into adulthood.

Meeting Summaries

May Meeting:

During the May meeting, the Commission discussed the 2025 legislative session. During the 2025 legislative session, the Commission supported bills related to higher education and consumer protection. Refer to Appendix A to see a detailed overview. Commission members also discussed possible topics for the next meetings in 2025.

September Meeting:

The September meeting focused on hearing how the Maryland Department of Human Services (DHS) and the Comptroller’s Office will respond to changes from H.R 1.

DHS outlined the most significant SNAP overhaul in the program’s history, including new work requirements for adults 18–54, elimination of the standard utility allowance, and stricter immigration eligibility rules. Many of these changes still lack federal guidance. These changes will reduce benefits for many households and dramatically increase Maryland’s administrative and cost-sharing responsibilities, resulting in an estimated \$412 million annual impact. The state is preparing through mobile application modernization, expanding SNAP Employment and Training programs, and coordinating outreach.

The Comptroller’s Office presented several state tax changes for Tax Year 2025, including new higher income brackets, an increased top marginal rate of 6.5%, a 2% capital gains surtax for high earners, and the removal of standard deduction phase-ins. Updates also included local tax adjustments, expanded taxation of digital services, and cannabis tax increases. Federal OB3 legislation has triggered temporary decoupling for three provisions, prompting a review of revenue impacts and the creation of new filer guidance.



October Meeting:

The October meeting focused on the worsening national student loan landscape and its impact on Maryland borrowers.

Protect Borrowers presented a detailed overview of the current crisis, highlighting the end of the COVID-era payment protections, the reactivation of aggressive federal collections, and widespread confusion caused by ongoing litigation against the SAVE repayment plan. Borrowers face growing default rates, long administrative backlogs, shrinking repayment options, and major upcoming federal changes that will limit income-driven repayment eligibility, tighten deferment rules, and potentially reintroduce large tax burdens on forgiven debt. State-level concerns also included predatory practices by Online Program Managers and the risk of future students turning to private loans due to new federal borrowing limits.

The Maryland Center for Collegiate Financial Wellness (MCCFW) focuses on equipping Maryland students with essential financial life skills, aiming to make them creditworthy, ready, resilient, empowered, successful, and thriving.

The Maryland Center for Collegiate Financial Wellness shared data showing that Maryland remains one of the highest student-debt states in the nation, with more than 847,000 borrowers owing over \$37 billion collectively. MCCFW described significant client stress driven by repayment uncertainty, slow forgiveness processing, and conflicting guidance from servicers. Several case studies illustrated the severity of system failures for long-serving public workers and older borrowers stuck in non-qualifying forbearances. MCCFW also highlighted its operational impact, including more than \$23 million in debt canceled for Maryland public servants, recent legislative successes such as HB795, and new educational initiatives like the CREST Academy. With upcoming federal policy shifts expected to worsen borrower burdens, MCCFW emphasized the need for coordinated state support, consistent financial coaching, and proactive education to prevent future debt crises.

November Meeting:

The November meeting focused on Commission members discussing recommendations for the 2025 report.



Appendix A: 2025 Legislative Wrap-up for the Maryland Financial Education & Capability Commission

Successes

- **Budget**
 - Maryland was facing a \$3 billion state budget deficit that had an impact on the bills that were passed this session. The General Assembly passed a budget that generated revenue and had limited cuts to social services.
- **[HB 795](#): Federal Public Service Loan Forgiveness Program - Employee Certification and Awareness Materials**
 - This bill will require public service employers to streamline employment certification and provide awareness materials, so it will be easier to qualify for and navigate the loan forgiveness process.
- **Comptroller Baby Bond Account Program Study**
 - HB 753 did not pass the General Assembly. However, the Comptroller's Office decided that they will still conduct a study on creating a baby bonds program in Maryland.

Missed Opportunity

- **[HB 801](#): Maryland Financial Empowerment Center Network Pilot Program - Establishment**
 - Would have established a program in the Comptroller's Office to create FEC's around the state, so more Marylanders would have access to financial education.



Appendix B: 2025 Financial Education and Capability Award Winners

Each year, the CASH Campaign of Maryland, Maryland Council of Economic Education, and the Maryland State Department of Education present Financial Education and Capability Awards to teachers and organizations that serve as leaders in financial education. Each award winner received a certificate and a \$1,000 prize and attended a ceremony to be recognized on the House and Senate floor. Private funds were raised through The Woodside Foundation, the Maryland Society of Accounting & Tax Professionals (MSATP), and the State Employees Credit Union (SECU) to provide five \$1,000 awards.

Elementary School Teacher or Program:

- **Michelle Classon**, Cromwell Valley Elementary Magnet School

Middle School Teacher or Program:

- **Dr. Amanda Price**, Northern Middle School

High School Teacher or Program:

- **Jeeva Ashok**, Eleanor Roosevelt High School

Community Champion Award (Individual Educator, Volunteer, or Leader):

- **Janet Currie**, Greater Baltimore, Bank of America

Outstanding Organization Award:

- **Maryland Center for Collegiate Financial Wellness (MCCFW)**

Sheldon K. Caplis Award for Outstanding Corporate Partner:

- **Misty Allen, VP of Government and Regulatory Affairs, Comcast** (Beltway Region)