



Financial Education & Capability Commission

May 18, 2021

Meeting Minutes

Members Present: Sen. Kathy Klausmeier (Co-Chair), Del. Dana Stein (Co-Chair), Sen. Ronald Young, Robin McKinney (CASH Campaign), Meg Woodside (Woodside Foundation), Erin Layton (Maryland 529), Megan Schutz (Treasurer’s Office), Franklin McNeil (PNC), Ken Venick (Equity Mortgage Lending), Bill Gruhn (AGO), Donna Thomas (MHEC)

Interested Parties: Dr. Tisa Canady-Silver (Presenter), Cassie Motz (College Bound), Sandra Dodson (Maryland Auto Insurance Fund), Julie Weaver (MCEE)

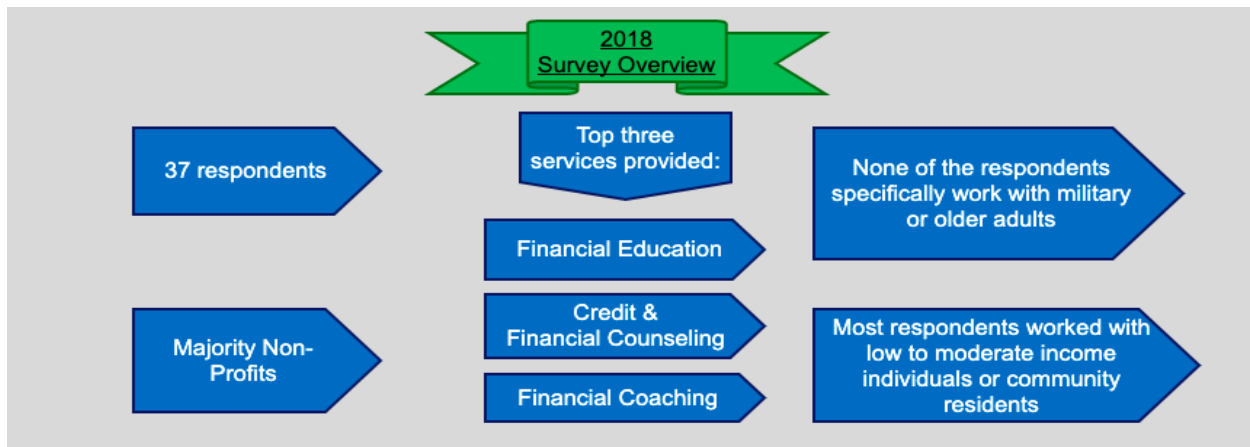
Staff: Sue Rogan, Lonia Muckle, Tonaeya Moore, Christine Galarza

Welcome & Introductions:

- Senator Klausmeier and Delegate Stein welcomed the group. Sue Rogan facilitated introductions and a technology overview.
- Thank you to all involved with the first virtual Financial Education and Capability Awards. If you missed it, watch it [here!](#)

Survey:

- Every three years the commission surveys financial education and capability efforts in Maryland. The commission needs to decide what questions will be in the survey. The proposed timeline is to send the survey out over the summer and report findings in the September or October meetings. Please email [Lonia Muckle](#) if you would like to be on the Survey Work Group.
- Here is a summary of the 2018 survey.



Update on Survey of Post-secondary Institutions (SPIN):

- Last year, the commission voted to endorse SPIN. This means that the commission will receive regular updates about the progress of SPIN’s.
- Background

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- Conduct a statewide review of financial education offerings provided by postsecondary institutions to determine personnel, content, and service providers, and gauge interest in building a statewide network of campus stakeholders to collaborate on future financial education offerings.
- Phase 1 Findings
 - Embrace a more comprehensive approach to financial literacy.
 - Identify a campus “champion” to lead financial education but employ a collaborative approach.
 - Consider implementing a mandatory financial education component.
 - **Establish a statewide network of postsecondary financial education professionals.**
 - Invest in professional development/career paths for financial education staff.
 - **Document and disseminate the most robust student financial education programs in the state**
- Phase 2: This phase focused on the two bold bullets above.
 - Focused on state-wide stakeholders
 - Maryland Center for Collegiate Financial Wellness (MCCFW)
 - The six pillars are goals that MCCFW would like for students to achieve in during their time in college
 - CRREST: Creditworthy, Ready, Resilient, Empowered, Successful, Thriving
 - Two ways to support this goal:
 - Support informed decision making
 - Support Financial Wellness & Student Success

Update from MHEC:

- Last year, the commission noted that it would like an update from MHEC in relation to the financial aid process, so the commission could extend support if needed.
- Technical Enhancements:
 - Electronic File Upload Tool: Students can upload documents securely, and the system will show the documents are uploaded successfully.
 - GPA Upload Tool: Allows schools to report GPA for numerous students at one time. High schools can request to participate in the GPA Upload Tool. Over 100 high schools are participating.
 - Virtual Appointments: Uses Google Meets, and has 500-600 individual appointments per week. Offers a more personal touch with students vs. emails.

Update on the Task Force to Study Transportation Access

- The purpose of the task force is to examine barriers that Marylanders face when it comes to transportation. The task force began meeting last year and is chaired by Senator Augustine and Delegate Bridges. The task force split into subcommittees, and CASH is participating on the Employment Subcommittee. The employment subcommittee is focused on finding the gaps to help people get to work. This involves scanning reports, gathering information, and reporting recommendations for the main task force. Unfortunately, the employment subcommittee was the only one that met as a group. The task force needs more energy move the commission forward.



2021 Recommendation Overview

4 recommendations

1. Elder Financial Abuse Unit: No Bill
2. 529 changes needed to fix loopholes in state match: Successful Passed Bill
3. Support the SPIN project: Will Receive Regular Updates
4. Taskforce on fines and fees in criminal justice system: No Bill

Click [here](#) to see the 2020 report and full descriptions of the recommendations.

Legislative Session

- Due to concerns from the pandemic, session was held virtually. This was the first-time session was held virtually, and this led to changes in schedule and hearing procedures.
- Click here to see legislation that is relevant to the commission.

Topics for 2021 Meetings

- Evictions, Fines and Fees, Public Banking, A program similar to Baby Bonds, College Affordability
- Poll: Fines and fees 80%, College Affordability 80%, Evictions 60%
- Work Groups:
 - 529's
 - Public Banking
 - "Baby Bond"
- Other areas of interest:
 - Programs where students can finish an associates degree in high school
 - Free community college and tech schools
 - One class early in high school on post-secondary education options



Financial Education & Capability Commission
June 29, 2021
Meeting Minutes

Members Present: Sen. Kathy Klausmeier (Co-Chair), Del. Dana Stein (Co-Chair), Robin McKinney (CASH Campaign), Meg Woodside (Woodside Foundation), Erin Layton (Maryland 529), Megan Schutz (Treasurer's Office), Franklin McNeil (PNC), Maureen O'Prey (Comptroller Office), Bruce Lubich (American Associate of CPA's), Angela Fraser (DHCD), Jennifer Griffin (MSDE), Courtney Thomas (DHS), Lynne Durbin (MSRP)

Interested Parties: Danielle Meister (DHCD, Presenter), Matthew Losak (Renters Alliance, Presenter), Cassie Motz (College Bound), Sandra Dodson (Maryland Auto Insurance Fund), Angela Sherman (MICUA), Bennett Leckrone (Maryland Matters)

Staff: Sue Rogan, Lonia Muckle, Tonaeya Moore, Samantha Ogundare, Phoebe Bailey- Probst

Welcome & Introductions:

- Senator Klausmeier and Delegate Stein welcomed the group. Sue Rogan facilitated introductions and a technology overview.

The Maryland Center for Collegiate Financial Wellness (MCCFW)

- The [Maryland Center for Collegiate Financial Wellness \(MCCFW\)](https://www.mccfw.org/), is a new initiative to bring high-quality financial education to college students on every Maryland campus.
- Mission Statement: "The Maryland Center for Collegiate Financial Wellness (MCCFW) fosters a continuum of campus-based financial wellness programming and supports that build financial life skills and empower students to thrive. MCCFW recognizes the challenges to financing collegiate education and promotes informed decision-making for students and families at critical decision points, including college/career selection and the borrowing and repayment of student loans." To learn more about MCCFW, please visit <https://www.mccfw.org/>

Work Group Update

- Survey Work Group
 - The Survey Work Group has met, and a draft of the new survey will be distributed when completed.
- Public Banking and "Baby Bonds" Work Group
 - Public Banking and "Baby Bonds" Work Groups will meet in July.
- 529 Work Group
 - The 529 Work Group has met twice. A new problem has been identified: an increase in custodial accounts. The account holder is a minor and the beneficiary is themselves or other family members. The work group is working with Senator Elfreth and Delegate Forbes to determine if the General Assembly expressing legislative intent of the Save4College program is sufficient to address this issue.

Danielle Meister, Department of Housing and Community Development

- Maryland Eviction Protections & Rental Assistance Resources
- Renter Protections in the Pandemic

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- March 2020 – July 2020: CARES Act Eviction Moratorium
- November 2020 – March 2021 – District Courts not hearing Failure to Pay Rent Cases
- March 2020 – August 15, 2021: Governor’s Emergency Order on Evictions
- September 2020 – July 31, 2021: CDC Eviction Moratorium
- As protections lift and courts opens, there will be more movement.
- Even though landlords could not evict due to failure to rent, they could use other means like tenant holding over and breach of lease cases.
- Maryland Emergency Rental Assistance Program (ERAP) Funding
- Assistance funds are administered from the federal government (Treasury) to states or direct grantees.
- DHCD is receiving funding from the Treasury, and due to population, five counties are receiving funding from the Treasury as well.
- The funding must be spent by a certain time.
 - 65% of first round of funding by September 30, 2021
 - All of first round funding by September 30, 2022
 - Second round of funding by September 30, 2025
- Refer Tenants: All county program applications and websites can be found [here](#)
- Danielle’s presentation has more details and be found [here](#).

Matthew Losak, Renters Alliance Montgomery County

- Misconception: Eviction moratoriums are preventing people from being evicted.
 - The eviction moratoriums are not stopping people from being evicted. The moratoriums must be used as a defense in court. The courts were not hearing cases, and now they are backed up in cases. This is leading to many tenants being surprised with evictions.
 - Tenant holding over is not mentioned in the Governor’s protections. Tenants can be evicted due to this reason. There is little to no defense to tenant holding over.
- The eviction crisis pre-dated the pandemic.
 - The number is low-income people that are destabilized by evictions have been increasing over the years.
- Housing Justice Package Bills- see bills [here](#)
 - The only bill passed was HB 18 Landlord and Tenant – Residential Tenants – Access to Counsel.
- There is a lot of confusion surrounding evictions, courts, and moratoriums.
 - Ex: The tenant must bring a current moratorium to court as a defense regardless of when the case was filed.
 - The moratorium only helps now. The cases that were dismissed can be brought back up to court by the landlords once it is over.
- There are evictions that are not calculated.
 - Tenants can leave because they were threatened with eviction. This is called “self-eviction”.

Business

- Constant Contact Issues
 - Updates will be sent through Constant Contact and email

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**Financial Education & Capability Commission
September 9, 2021
Meeting Minutes**

Members Present: Sen. Kathy Klausmeier (Co-Chair), Robin McKinney (CASH Campaign), Meg Woodside (Woodside Foundation), Erin Layton (Maryland 529), Megan Schutz (Treasurer's Office), Franklin McNeil (PNC), Marquita Friday and Jennifer Griffin (MSDE), Lynne Durbin (MSRP), Ken Venick (Equity Mortgage Lending), Stuart Campbell (DHCD), Meredith Merchant and Sean McEvoy (for Tony Salazar DOL, Financial Regulation Division), Bill Gruhn (OAG)

Interested Parties: Marceline White (MCRC, Presenter), Christopher Dews (JOTF, Presenter), Del. Brooks, Danielle DiPietro (Del. Lierman), Sandra Dodson (Maryland Auto Insurance Fund), Hannah Gaskill (Maryland Matters), Sean Malone and Tim Ranzetta (Next Gen Personal Finance), Julie Miller

Staff: Sue Rogan, Lonia Muckle, Tonaeya Moore, Abbie Peck, Whitney Visker

Welcome & Introductions:

- Senator Klausmeier welcomed the group. Sue Rogan facilitated introductions and a technology overview.

Work Group Update

- Survey
 - Every three years the commission surveys financial education and capability efforts in Maryland. The commission needs to decide what questions will be in the survey. Survey is out and the results will be given in the October meeting. Please share the survey with organizations around Maryland.
<https://www.surveymonkey.com/r/SL33CB7>
- Public Bank Work Group
 - This work group is working on next steps and legislative strategies.
- 529 Work Group
 - Members are exploring if the legislation passed last year grants Maryland 529 the authority to make changes to the program if they are in the spirit of the law.
- Baby Bond Work Group
 - This work group has met multiple times and is working on information to bring back the commission.

Marceline White, Maryland Consumer Rights Coalition (MCRC)



Please read MCRC's report [No Exit: How Debt Collection Practices Deepen Poverty and Widens the Racial Wealth Gap](#) and check out their other reports [here](#).

- Maryland's Central Collection Unit (CCU)
 - State owned debt is when citizens are sued by state or local municipalities. The CCU pursues consumer debt including:
 - Debt to state agencies
 - Video tolls
 - E-Z pass Violations
 - Tuition, and fees for state schools
 - Fines for lapsed auto insurance, and
 - Other state or local municipal fines and fees
 - The CCU is self-supporting due to legislation passed in 1992 which assesses an additional 17% collection fee on all debts. This extra fee can increase debts up to \$1000.
 - Example: \$2,500 debt would become \$2,925 and \$5,000 would become \$5,850.
 - For other consumer debt, the interest rate is only 10%
 - Other states have a 7.8% interest rate on debts lower than \$2,500.
 - Low-income households that are already struggling to pay the original debts will struggle even more when their debt is increased. This leads to low-income households subsidizing the state to sue them. In 2019, the CCU collected \$15.9 million fees.
- Debt Collection Data:
 - 1 and 3 Marylanders have debt in collection, and 40% of those debts are communities of color.
 - Income based payment plans work.
- Transcript Withholding
 - Several schools will withhold transcripts for fees and fines, some as small as \$250. This negatively effects student's ability to graduate, peruse higher education, and upward mobility.
- Possible Recommendations:
 - Reduce CCU fee to between 6%-10%
 - Review the powers of the State's CCU and compare it to private debt collection practices
 - Have schools report to the General Assembly information about their debt collection practices



- Income based payment plans for the CCU

Christopher Dews, Job Opportunities Task Force (JOTF)

Please read JOTF's [The Criminalization of Poverty: How to break the cycle through policy reform in Maryland](#) report and check out their other reports [here](#).

- Fines and Fees in the Criminal Justice System
 - Fines are monetary penalty on a person due to a sentence. There are also district court fines and fine related to encountering the system.
 - Driving on a suspended license
 - Driving without car insurance
 - Fees are produced to pay for services. Maryland charges individuals' fees for "services" at every stage or interaction whether they are innocent or guilty.
 - Probation and Parole
 - Drug and Alcohol testing
 - Reimburse the state for your incarceration
 - Work release
 - Restitution
 - Criminal Justice Debt is not defined as "debt" placing them outside of debt protection laws. This means that debt protection laws do not apply.
 - Wage and tax garnishment, probation violation, and arrests are all forms of debt collection.
 - Charges cannot be expunged until all debt is paid.
- Three categories of debt
 - Pre-conviction
 - Sentencing/incarceration
 - Probation, parole, or other supervision
- Historic policy wins
 - [HB316](#) (2021)
 - A pretrial defendant may not be required to pay a private home detention monitoring agency's monitoring fess or pay for a home detention monitoring device if the defendant qualifies as indigent

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- [HB36](#) (2020)
 - Repeals statutory provisions that authorize the juvenile court to (1) impose civil fines or court costs, (2) assess attorney's fees, and (3) order a parent to pay a sum to support child
- [HB280](#) (2020)
 - Restricts the ability of MVA to suspend driver's license for nonpayment of a traffic citation or judgment
 - Includes nonpayment of an installment plan agreement made with the District Court or a Circuit Court.
- Policy Recommendations
 - Eliminate criminal justice fees and existing interest/late fees
 - Reduce the CCUs collection fee to a more reasonable rate
 - Ensure ability to pay before imposing fees
 - Consider the elimination of private home detention
 - Eliminate the cash bail system
 - Eliminate debtor's prison
 - Study the impact of current fines and fees on lower-income communities

Business

- Constant contact issues
 - Information will be sent through email and constant contact.

Meeting Dates for 2021:

- October 21st from 10:00 AM to 11:30 AM



**Financial Education & Capability Commission
November 15, 2021
Meeting Minutes**

Members Present: Senator Kathy Klausmeier (Co-Chair), Delegate Stein (Co-Chair), Senator Young, Robin McKinney (CASH Campaign), Meg Woodside (Woodside Foundation), Erin Layton (Maryland 529), Megan Schutz (Treasurer’s Office), Franklin McNeil (PNC), Jennifer Griffin (MSDE), Lynne Durbin (MSRP), Ken Venick (Equity Mortgage Lending), Stuart Campbell (DHCD), Sean McEvoy (for Tony Salazar DOL, Financial Regulation Division), Bill Gruhn (OAG), Donna Thomas, Jacqueline Turner (DHS), Moreen

Interested Parties: Del. Brooks (Tenth), Danielle DiPietro (Del. Lierman), Sandra Dodson (Maryland Auto Insurance Fund), Julie Miller, Anegla Sherman, Bob Enten (Bankers), Drew Jabin, Irnande, Jason Weintraub

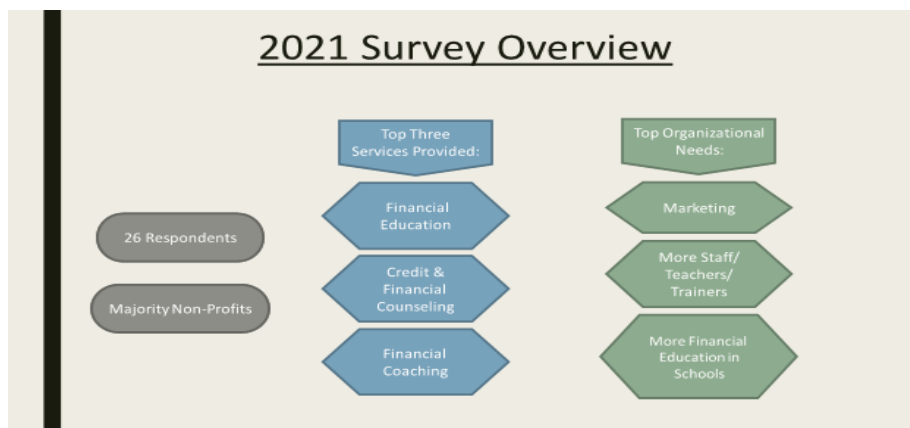
Staff: Sue Rogan, Lonia Muckle, Tonaeya Moore

Welcome & Introductions:

- Senator Klausmeier welcomed the group. Sue Rogan facilitated introductions and a technology overview.

Survey Results:

Every three years, the Financial Education and Capability Commission must complete a comprehensive report on the state of financial education in Maryland. To meet this need, the Commission issued a Financial Capability Survey to learn about the services offered by various organizations throughout the state. The survey provides insight into Maryland’s field of financial education, including its strengths and the presence of any gaps. The survey also helps the Commission identify barriers to providing or expanding financial education services. The full review of the survey results are in the 2021 Commission Report.



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Recommendations:

Over of 2020 Recommendations:

- **Recommendation 1:** Create and fund an Elder Financial Abuse Unit within Maryland’s Office of the Attorney General.
- **Recommendation 2:** Support legislation that curbs abuses within the Save4College program through changes to residency requirements, income calculations, age limits, and a lifetime max on state contributions. The Commission encourages the state to provide regulatory authority to Maryland 529 to make changes within the spirit of the legislative intent of the program to help low- and middle-income families to access post-secondary education.
- **Recommendation 3:** The Financial Education & Capability Commission endorses and supports the SPIN project, which seeks to create a comprehensive approach in providing financial education programs to post-secondary students.
- **Recommendation 4:** Create a taskforce to research the impact of current fines and fees in the criminal justice system.

2021 Recommendations:

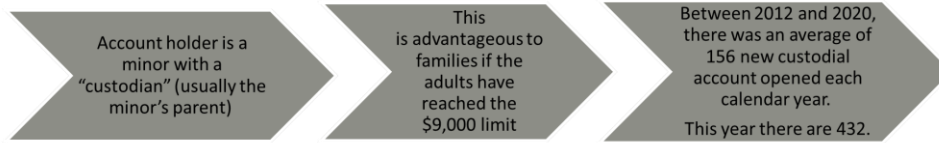
Commission Members discussed and voted on the following recommendations:

1. Direct Language: Research the feasibility of a Baby Bond program in Maryland

What is it?	Money set aside at birth by the government in a pooled trust account until eligible participants claim their share at 18
Goal and Purpose	Provides capital at age 18 to begin wealth building activities
Uses	Baby Bonds can be used to purchase a range of wealth-generating assets, including postsecondary ed, purchasing a home, starting a small business and saving for retirement
Why research?	Each Baby Bond program is specialized. There are many aspects of the program that needs to be explored, and there are more conversations with stakeholders that needs to happen.



2. Direct Language: Support Maryland 529 having the authority to close loopholes



Important to note:

- In most situations, the minor is the account holder and the beneficiary
- The custodian can also use the minor to open accounts for their siblings, cousins, or other family members
- New accounts have priority