

1           **HIGHER EDUCATION FINANCIAL LITERACY AMENDMENTS**

2                                   2017 GENERAL SESSION

3                                   STATE OF UTAH

4                           **Chief Sponsor: Robert M. Spendlove**

5                                   Senate Sponsor: Ann Millner

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7   **LONG TITLE**

8   **General Description:**

9           This bill amends provisions related to education loan information.

10 **Highlighted Provisions:**

11           This bill:

- 12           ▶ defines terms;
- 13           ▶ adds a representative of the State Board of Regents to a task force that makes
- 14 recommendations related to financial literacy education;
- 15           ▶ requires an eligible postsecondary institution to provide information regarding a
- 16 borrower's education loans to the borrower;
- 17           ▶ provides that an eligible postsecondary institution does not incur liability for
- 18 information provided to a borrower regarding the borrower's education loans; and
- 19           ▶ requires the State Board of Regents to report to the Education Interim Committee on
- 20 the feasibility of providing certain information about an education loan to a
- 21 borrower.

22 **Money Appropriated in this Bill:**

23           None

24 **Other Special Clauses:**

25           None

26 **Utah Code Sections Affected:**

27 AMENDS:

28           **53A-13-110**, as last amended by Laws of Utah 2015, Chapter 415

29 ENACTS:

30 **53B-1-112**, Utah Code Annotated 1953

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32 *Be it enacted by the Legislature of the state of Utah:*

33 Section 1. Section **53A-13-110** is amended to read:

34 **53A-13-110. Financial and economic literacy education.**

35 (1) As used in this section:

36 (a) "Financial and economic activities" include activities related to the topics listed in

37 Subsection (1)(b).

38 (b) "Financial and economic literacy concepts" include concepts related to the

39 following topics:

40 (i) basic budgeting;

41 (ii) saving and financial investments;

42 (iii) banking and financial services, including balancing a checkbook or a bank account

43 and online banking services;

44 (iv) career management, including earning an income;

45 (v) rights and responsibilities of renting or buying a home;

46 (vi) retirement planning;

47 (vii) loans and borrowing money, including interest, credit card debt, predatory

48 lending, and payday loans;

49 (viii) insurance;

50 (ix) federal, state, and local taxes;

51 (x) charitable giving;

52 (xi) online commerce;

53 (xii) identity fraud and theft;

54 (xiii) negative financial consequences of gambling;

55 (xiv) bankruptcy;

56 (xv) free markets and prices;

57 (xvi) supply and demand;

- 58 (xvii) monetary and fiscal policy;
- 59 (xviii) effective business plan creation, including using economic analysis in creating a
- 60 plan;
- 61 (xix) scarcity and choices;
- 62 (xx) opportunity cost and tradeoffs;
- 63 (xxi) productivity;
- 64 (xxii) entrepreneurship; and
- 65 (xxiii) economic reasoning.

66 (c) "Financial and economic literacy passport" means a document that tracks mastery  
67 of financial and economic literacy concepts and completion of financial and economic  
68 activities in kindergarten through grade 12.

69 (d) "General financial literacy course" means the course of instruction described in  
70 Section [53A-13-108](#).

71 (2) The State Board of Education shall:

72 (a) in cooperation with interested private and nonprofit entities:

73 (i) develop a financial and economic literacy passport that students may elect to  
74 complete;

75 (ii) develop methods of encouraging parent and educator involvement in completion of  
76 the financial and economic literacy passport; and

77 (iii) develop and implement appropriate recognition and incentives for students who  
78 complete the financial and economic literacy passport, including:

79 (A) a financial and economic literacy endorsement on the student's diploma of  
80 graduation;

81 (B) a specific designation on the student's official transcript; and

82 (C) any incentives offered by community partners;

83 (b) more fully integrate existing and new financial and economic literacy education  
84 into instruction in kindergarten through grade 12 by:

85 (i) coordinating financial and economic literacy instruction with existing instruction in

86 other areas of the core standards for Utah public schools, such as mathematics and social  
87 studies;

88 (ii) using curriculum mapping;

89 (iii) creating training materials and staff development programs that:

90 (A) highlight areas of potential coordination between financial and economic literacy  
91 education and other core standards for Utah public schools concepts; and

92 (B) demonstrate specific examples of financial and economic literacy concepts as a  
93 way of teaching other core standards for Utah public schools concepts; and

94 (iv) using appropriate financial and economic literacy assessments to improve financial  
95 and economic literacy education and, if necessary, developing assessments;

96 (c) work with interested public, private, and nonprofit entities to:

97 (i) identify, and make available to teachers, online resources for financial and  
98 economic literacy education, including modules with interactive activities and turnkey  
99 instructor resources;

100 (ii) coordinate school use of existing financial and economic literacy education  
101 resources;

102 (iii) develop simple, clear, and consistent messaging to reinforce and link existing  
103 financial literacy resources;

104 (iv) coordinate the efforts of school, work, private, nonprofit, and other financial  
105 education providers in implementing methods of appropriately communicating to teachers,  
106 students, and parents key financial and economic literacy messages; and

107 (v) encourage parents and students to establish higher education savings, including a  
108 Utah Educational Savings Plan account;

109 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
110 make rules to develop guidelines and methods for school districts and charter schools to more  
111 fully integrate financial and economic literacy education into other core standards for Utah  
112 public schools courses;

113 (e) (i) contract with a provider, through a request for proposals process, to develop an

114 online, end-of-course assessment for the general financial literacy course;

115       (ii) require a school district or charter school to administer an online, end-of-course

116 assessment to a student who takes the general financial literacy course; and

117       (iii) develop a plan, through the state superintendent of public instruction, to analyze

118 the results of an online, end-of-course assessment in general financial literacy that includes:

119       (A) an analysis of assessment results by standard; and

120       (B) average scores statewide and by school district and school;

121       (f) in cooperation with school districts, charter schools, and interested private and

122 nonprofit entities, provide opportunities for professional development in financial and

123 economic literacy to teachers, including:

124       (i) a statewide learning community for financial and economic literacy;

125       (ii) summer workshops; and

126       (iii) online videos of experts in the field of financial and economic literacy education;

127 and

128       (g) implement a teacher endorsement in general financial literacy that includes course

129 work in financial planning, credit and investing, consumer economics, personal budgeting, and

130 family economics.

131       (3) A public school shall provide the following to the parents or guardian of a

132 kindergarten student during kindergarten enrollment:

133       (a) a financial and economic literacy passport; and

134       (b) information about higher education savings options, including information about

135 opening a Utah Educational Savings Plan account.

136       (4) (a) The State Board of Education shall establish a task force to study and make

137 recommendations to the board on how to improve financial and economic literacy education in

138 the public school system.

139       (b) The task force membership shall include representatives of:

140       (i) the State Board of Education;

141       (ii) school districts and charter schools; [~~and~~]

142 (iii) the State Board of Regents; and  
143 ~~[(iii)]~~ (iv) private or public entities that teach financial education and share a  
144 commitment to empower individuals and families to achieve economic stability, opportunity,  
145 and upward mobility.

146 (c) In 2013, the task force shall:

147 (i) review and recommend modifications to the course standards and objectives of the  
148 general financial literacy course described in Section 53A-13-108 to ensure the course  
149 standards and objectives reflect current and relevant content consistent with the financial and  
150 economic literacy concepts listed in Subsection (1)(b);

151 (ii) study the development of an online assessment of students' competency in financial  
152 and economic literacy that may be used to:

153 (A) measure student learning growth and proficiency in financial and economic  
154 literacy; and

155 (B) assess the effectiveness of instruction in financial and economic literacy;

156 (iii) consider the development of a rigorous, online only, course to fulfill the general  
157 financial literacy curriculum and graduation requirements specified in Section 53A-13-108;

158 (iv) identify opportunities for teaching financial and economic literacy through an  
159 integrated school curriculum and in the regular course of school work;

160 (v) study and make recommendations for educator license endorsements for teachers of  
161 financial and economic literacy;

162 (vi) identify efficient and cost-effective methods of delivering professional  
163 development in financial and economic literacy content and instructional methods; and

164 (vii) study how financial and economic literacy education may be enhanced through  
165 community partnerships.

166 (d) The task force shall reconvene every three years to review and recommend  
167 adjustments to the standards and objectives of the general financial literacy course.

168 (e) The State Board of Education shall make a report to the Education Interim  
169 Committee no later than the committee's November 2013 meeting summarizing the findings

170 and recommendations of the task force and actions taken by the board in response to the task  
171 force's findings and recommendations.

172 Section 2. Section **53B-1-112** is enacted to read:

173 **53B-1-112. Education loan notifications.**

174 (1) As used in this section:

175 (a) "Borrower" means:

176 (i) an individual enrolled in an eligible postsecondary institution who receives an  
177 education loan; or

178 (ii) an individual, including a parent or legal guardian, who receives an education loan  
179 to fund education expenses of an individual enrolled in an eligible postsecondary institution.

180 (b) "Education loan" means a loan made to a borrower that is:

181 (i) made directly by a federal or state program; or

182 (ii) insured or guaranteed under a federal or state program.

183 (c) "Eligible postsecondary institution" means a public or private postsecondary  
184 institution that:

185 (i) is located in Utah; and

186 (ii) participates in federal student assistance programs under the Higher Education Act  
187 of 1965, Title IV, 20 U.S.C. Sec. 1070 et seq.

188 (2) Annually, on or before July 1, an eligible postsecondary institution that receives  
189 information about a borrower's education loan shall:

190 (a) notify the borrower that the borrower has an education loan;

191 (b) direct the borrower to the National Student Loan Data System described in 20  
192 U.S.C. Sec. 1092b to receive information about the borrower's education loan; and

193 (c) provide the borrower information on how the borrower can access an online  
194 repayment calculator.

195 (3) An eligible postsecondary institution does not incur liability for information  
196 provided to a borrower in accordance with this section.

197 (4) On or before the October 2017 interim meeting, the State Board of Regents shall

198 report to the Education Interim Committee on:

199 (a) the number of notifications issued under Subsection (2); and

200 (b) the feasibility of an eligible postsecondary institution providing annually to each

201 borrower:

202 (i) an estimate of the total dollar amount of education loans taken out by the borrower;

203 and

204 (ii) for the estimated dollar amount of education loans that the borrower has taken out,

205 an estimate of:

206 (A) the potential total payoff amount, including principal and interest;

207 (B) the monthly repayment amounts, including principal and interest, that the borrower

208 may incur;

209 (C) the number of years used in determining the potential payoff amount; and

210 (D) the percentage of the aggregate borrowing limit the borrower has reached.