

**FINANCIAL LITERACY AMENDMENTS**

2018 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Raymond P. Ward**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill amends provisions related to financial literacy in schools.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ amends provisions related to an end-of-course assessment for a general financial

literacy course, including provisions related to:

- the State Board of Education providing certain online resources a student may access to prepare for the end-of-course assessment; and

- local education agency administration of the end-of-course assessment;

- ▶ enacts provisions related to an alternative assessment that evaluates a student's knowledge of financial literacy, including provisions related to:

- a local education agency's option to adopt an alternative assessment; and

- the standards and objectives of an alternative assessment; and

- ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**



28 AMENDS:

29 **53E-3-505**, as renumbered and amended by Laws of Utah 2018, Chapter 1

30 **53E-4-204**, as renumbered and amended by Laws of Utah 2018, Chapter 1

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

33 Section 1. Section **53E-3-505** is amended to read:

34 **53E-3-505. Financial and economic literacy education.**

35 (1) As used in this section:

36 (a) "Alternative assessment" means an assessment that evaluates a student's knowledge  
37 of financial literacy that is adopted by an LEA under Subsection (4)(c).

38 (b) "End-of-course assessment" means the online, end-of-course assessment described  
39 in Subsection (3).

40 ~~[(a)]~~ (c) "Financial and economic activities" include activities related to the topics  
41 listed in Subsection (1)~~[(b)]~~(d).

42 ~~[(b)]~~ (d) "Financial and economic literacy concepts" include concepts related to the  
43 following topics:

- 44 (i) basic budgeting;
- 45 (ii) saving and financial investments;
- 46 (iii) banking and financial services, including balancing a checkbook or a bank account  
47 and online banking services;
- 48 (iv) career management, including earning an income;
- 49 (v) rights and responsibilities of renting or buying a home;
- 50 (vi) retirement planning;
- 51 (vii) loans and borrowing money, including interest, credit card debt, predatory  
52 lending, and payday loans;
- 53 (viii) insurance;
- 54 (ix) federal, state, and local taxes;
- 55 (x) charitable giving;
- 56 (xi) online commerce;
- 57 (xii) identity fraud and theft;
- 58 (xiii) negative financial consequences of gambling;

- 59 (xiv) bankruptcy;
- 60 (xv) free markets and prices;
- 61 (xvi) supply and demand;
- 62 (xvii) monetary and fiscal policy;
- 63 (xviii) effective business plan creation, including using economic analysis in creating a
- 64 business plan;
- 65 (xix) scarcity and choices;
- 66 (xx) opportunity cost and tradeoffs;
- 67 (xxi) productivity;
- 68 (xxii) entrepreneurship; and
- 69 (xxiii) economic reasoning.

70 ~~[(e)]~~ (e) "Financial and economic literacy passport" means a document that tracks  
71 mastery of financial and economic literacy concepts and completion of financial and economic  
72 activities in kindergarten through grade 12.

73 ~~[(d)]~~ (f) "General financial literacy course" means the course of instruction ~~[described~~  
74 ~~in Section 53E-4-204]~~ administered by the State Board of Education under Subsection (3).

75 (g) "Local education agency" or "LEA" means a school district, a charter school, or the  
76 Utah Schools for the Deaf and the Blind.

77 (2) The State Board of Education shall:

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

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

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

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

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

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

88 (C) any incentives offered by community partners;

89 (b) more fully integrate existing and new financial and economic literacy education

90 into instruction in kindergarten through grade 12 by:

91 (i) coordinating financial and economic literacy instruction with existing instruction in  
92 other areas of the core standards for Utah public schools, such as mathematics and social  
93 studies;

94 (ii) using curriculum mapping;

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

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

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

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

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

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

106 (ii) coordinate school use of existing financial and economic literacy education  
107 resources;

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

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

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

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

119 [~~(e) (i) contract with a provider, through a request for proposals process, to develop an  
120 online, end-of-course assessment for the general financial literacy course;~~]

121 ~~[(ii) require a school district or charter school to administer an online, end-of-course~~  
 122 ~~assessment to a student who takes the general financial literacy course; and]~~

123 ~~[(iii) develop a plan, through the state superintendent of public instruction, to analyze~~  
 124 ~~the results of an online, end-of-course assessment in general financial literacy that includes:]~~

125 ~~[(A) an analysis of assessment results by standard; and]~~

126 ~~[(B) average scores statewide and by school district and school;]~~

127 ~~[(f)] (e) in cooperation with school districts, charter schools, and interested private and~~  
 128 ~~nonprofit entities, provide opportunities for professional development in financial and~~  
 129 ~~economic literacy to teachers, including:~~

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

131 (ii) summer workshops; and

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

133 and

134 ~~[(g)] (f) implement a teacher endorsement in general financial literacy that includes~~  
 135 ~~course work in financial planning, credit and investing, consumer economics, personal~~  
 136 ~~budgeting, and family economics.~~

137 (3) The State Board of Education shall:

138 (a) administer a general financial literacy course in the same manner that other core  
 139 standards for Utah public school courses for grades 9 through 12 are administered;

140 (b) adopt standards and objectives for the general financial literacy course that address:

141 (i) the costs of going to college, student loans, scholarships, and the Free Application  
 142 for Federal Student Aid; and

143 (ii) technology that relates to banking, savings, and financial products;

144 (c) contract with a provider, in accordance with Title 63G, Chapter 6a, Utah  
 145 Procurement Code, to develop and maintain an online, end-of-course assessment for the  
 146 general financial literacy course;

147 (d) ensure that the end-of-course assessment:

148 (i) is aligned with the standards and objectives described in Subsection (3)(b); and

149 (ii) establishes the minimum standards that demonstrate proficiency on the  
 150 end-of-course assessment;

151 (e) develop, in coordination with the state superintendent of public instruction, a plan

152 to analyze the results of the end-of-course assessment that includes:

153 (i) an analysis of the end-of-course assessment results by standard; and

154 (ii) average scores statewide and by LEA and school; and

155 (f) provide the following online resources a student may access to prepare to take the  
156 end-of-course assessment:

157 (i) the standards and objectives for the end-of-course assessment;

158 (ii) information on resources from which the student can learn about financial literacy  
159 concepts; and

160 (iii) a practice test for the end-of-course assessment.

161 (4) (a) Except as provided in Subsection (4)(c), an LEA shall administer the  
162 end-of-course assessment to a student who:

163 (i) takes the general financial literacy course; or

164 (ii) elects to demonstrate proficiency on the end-of-course assessment without taking  
165 the general financial literacy course.

166 (b) An LEA shall award a student described in Subsection (4)(a)(ii) credit for  
167 demonstrating proficiency on the end-of-course assessment.

168 (c) An LEA may:

169 (i) adopt an alternative assessment that evaluates a student's knowledge of financial  
170 literacy; and

171 (ii) administer the alternative assessment instead of the end-of-course assessment.

172 (d) An LEA that adopts an alternative assessment shall:

173 (i) ensure that the alternative assessment:

174 (A) is aligned with the standards and objectives described in Subsection (3)(b);

175 (B) evaluates the student's knowledge of the same concepts included in the  
176 end-of-course assessment; and

177 (C) is equally as rigorous as the end-of-course assessment;

178 (ii) establish policies that govern the use of the alternative assessment; and

179 (iii) award a student credit for demonstrating proficiency on the alternative assessment.

180 ~~[(3)]~~ (5) (a) The State Board of Education shall establish a task force to study and make  
181 recommendations to the ~~[board]~~ State Board of Education on how to improve financial and  
182 economic literacy education in the public school system.

- 183 (b) The task force membership shall include representatives of:
- 184 (i) the State Board of Education;
- 185 (ii) school districts and charter schools;
- 186 (iii) the State Board of Regents; and
- 187 (iv) private or public entities that teach financial education and share a commitment to
- 188 empower individuals and families to achieve economic stability, opportunity, and upward
- 189 mobility.
- 190 (c) In 2013, the task force shall:
- 191 (i) review and recommend modifications to the [course] standards and objectives of the
- 192 general financial literacy course [~~described in Section 53E-4-204~~] to ensure the [course]
- 193 standards and objectives reflect current and relevant content consistent with the financial and
- 194 economic literacy concepts listed in Subsection (1)[~~(b)~~](d);
- 195 (ii) study the development of an online assessment of students' competency in financial
- 196 and economic literacy that may be used to:
- 197 (A) measure student learning growth and proficiency in financial and economic
- 198 literacy; and
- 199 (B) assess the effectiveness of instruction in financial and economic literacy;
- 200 (iii) consider the development of a rigorous, online only, course to fulfill the general
- 201 financial literacy curriculum and graduation requirements [~~specified in~~] described in this
- 202 section and Section 53E-4-204;
- 203 (iv) identify opportunities for teaching financial and economic literacy through an
- 204 integrated school curriculum and in the regular course of school work;
- 205 (v) study and make recommendations for educator license endorsements for teachers of
- 206 financial and economic literacy;
- 207 (vi) identify efficient and cost-effective methods of delivering professional
- 208 development in financial and economic literacy content and instructional methods; and
- 209 (vii) study how financial and economic literacy education may be enhanced through
- 210 community partnerships.
- 211 (d) The task force shall reconvene every three years to review and recommend
- 212 adjustments to the standards and objectives of the general financial literacy course.
- 213 [~~(e) The State Board of Education shall make a report to the Education Interim~~]

214 Committee no later than the committee's November 2013 meeting summarizing the findings  
215 and recommendations of the task force and actions taken by the board in response to the task  
216 force's findings and recommendations.]

217 Section 2. Section **53E-4-204** is amended to read:

218 **53E-4-204. Standards and graduation requirements.**

219 (1) The State Board of Education shall establish rigorous core standards for Utah  
220 public schools and graduation requirements under Section **53E-3-501** for grades 9 through 12  
221 that:

222 (a) are consistent with state law and federal regulations; [~~and~~]

223 [~~(b) beginning no later than with the graduating class of 2008:~~]

224 [(i)] (b) use competency-based standards and assessments;

225 [(ii)] (c) include instruction that stresses general financial literacy from basic budgeting  
226 to financial investments, including bankruptcy education and [~~a~~] general financial literacy  
227 [~~test-out option~~] assessment options described in Section **53E-3-505**; and

228 [(iii) increase] (d) include graduation requirements in language arts, mathematics, and  
229 science [~~to exceed the existing~~] that exceed credit requirements of 3.0 units in language arts,  
230 2.0 units in mathematics, and 2.0 units in science.

231 (2) The State Board of Education shall [~~also~~] establish competency-based standards  
232 and assessments for elective courses.

233 [~~(3) On or before July 1, 2014, the State Board of Education shall adopt revised course~~  
234 ~~standards and objectives for the course of instruction in general financial literacy described in~~  
235 ~~Subsection (1)(b) that address:~~]

236 [(a) the costs of going to college, student loans, scholarships, and the Free Application  
237 for Federal Student Aid (FAFSA); and]

238 [(b) technology that relates to banking, savings, and financial products.]

239 [(4) The State Board of Education shall administer the course of instruction in general  
240 financial literacy described in Subsection (1)(b) in the same manner as other core standards for  
241 Utah public schools courses for grades 9 through 12 are administered.]