

HOUSE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Christine P. Barber, (BY REQUEST)

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to financial literacy in Massachusetts.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Tim Wallis</i>	<i>28 Cameron Ave, Somerville, MA 02144</i>	<i>3/13/2020</i>

HOUSE No.

By Ms. Barber of Somerville (by request), a petition (subject to Joint Rule 12) of Tim Wallis relative to financial literacy in public schools. Education.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-First General Court
(2019-2020)**

An Act relative to financial literacy in Massachusetts.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1 - Chapter 69 of the General Law is hereby amended by inserting the
2 following after section 1Q the following section::

3 Section 1R. Financial Literacy Education in Massachusetts

4 SECTION 1 - FINANCIAL LITERACY EDUCATION IN MASSACHUSETTS

5 This document specifies minimum requirements for the implementation of a financial
6 literacy education program in the public schools of the Commonwealth of Massachusetts.

7 SECTION 2 - DEFINITIONS

8 Public School - A school that is located in the Commonwealth of Massachusetts and
9 maintained at public expense, including state, local, and federal funding, for the education of the
10 children of a community or district and that constitutes a part of a system of free public
11 education commonly including primary and secondary schools.

12 Private School - A school that is located in the Commonwealth of Massachusetts and
13 privately funded through parent paid tuition charges or sponsored by organizations of specific
14 religious, cultural, ethnic, or other non-inclusive class demographics. Characterized by no
15 allocation of public funds, no requirement to accept enrollment from the public, conflicting
16 interest in separation of church and state matters.

17 Curriculum - The aggregate of courses of study given in public schools.

18 Financial Literacy - Knowledge of the complex and real world systems involved in
19 managing money on a daily basis, credit and credit worthiness, savings, budgeting, investments.

20 Standardized Testing - Testing designated through the course of K through 12 education
21 that assesses the objective knowledge of financial literacy. Include a pre test, prior to
22 introduction of curriculum, and a post test at a point after curriculum is delivered with analysis
23 respect to improved accuracy.

24 Commissioned Study - Designation for fund allocation and set up, as determined by the
25 State Board of Education, for the scientific collection and analysis of financial literacy efficacy
26 through data collection past the point of graduation.

27 Designated Agent - Qualified academic institution or directly related private sector
28 industry that is a subject matter expert in the financial literacy areas specified.

29 Special Education - Student group or academics relating to the development of pupils
30 with disabilities as defined by the Americans with Disabilities Act (ADA).

31 SECTION 3 - STATEMENT OF PURPOSE

32 There is extensive debate regarding the efficacy of financial literacy education and the
33 correlation between applied knowledge of personal finance best known methods and overall
34 good financial health/satisfaction. There has been very little data collection with enough
35 participants over a long enough time to make effective causal correlation between financial
36 literacy education and long term financial behavior (Robb).

37 This legislation introduces general requirements in the Massachusetts K - 12 Public
38 Education and Charter School curriculum for financial literacy educational inclusion. It provides
39 data collection and standardized testing outlines for evaluation of financial literacy education
40 effectiveness.

41 This legislation commissions the creation of an opt-in voluntary study in which students
42 graduating the Massachusetts Public or Charter School System allow the ongoing, long-term
43 collection of income, credit worthiness, and other financial health and satisfaction metrics as
44 defined by the study authors.

45 This legislation is designed to provide both financial literacy education and the means to
46 populate good data for evaluating the efficacy of financial literacy education over long-term
47 periods, into adult life. The goal is to find enough data to evaluate the causality between financial
48 literacy education and good financial habits with respect to a wide set of demographic data in
49 real world scenarios.

50 SECTION 4 - PROVISIONS

51 This legislation applies to all Massachusetts Public and Charter Schools that receive
52 public federal funding in the Commonwealth of Massachusetts.

53 This legislation complies with the recommendation set forth by the National Association
54 of State Boards of Education (NASBE) issued in Who Will Own Our Children? The Report of
55 the NASBE Commission on Financial and Investor Literacy (McCormick).

56 State boards of education must be fully informed about the status of financial literacy in
57 their states.

58 States should consider financial literacy and investor education as a basic feature of K–12
59 education.

60 States should ensure that teachers and/or staff members teaching financial literacy
61 concepts are adequately trained. States should fully utilize public/private partnerships. States
62 should improve their capacity to evaluate financial literacy programs. States should include
63 financial and investor education in their academic standards and ensure that assessments are
64 aligned with the standards. State boards of education should cooperate with other state boards to
65 develop a common assessment tool for financial and investor education. States should encourage
66 the development of a National Assessment of Educational Progress (NAEP) framework for
67 financial literacy.

68 The Massachusetts State Board of Education or designated agent shall develop K - 6
69 financial literacy curriculum that include the following; to constitute no less than 40 hours of in
70 class instruction per year: Financial goal setting, saving money, banks and savings accounts,
71 parental involvement in opening a savings account, interest returned on savings. The
72 Massachusetts State Board of Education or designated agent shall develop years 7 - 9 financial
73 literacy curriculum that include the following; to constitute no less than 80 hours of in class
74 instruction per year: Financial goal setting, saving money, banks and all account types (including

75 checking), parental involvement in establishing banking as a minor, interest rates and return on
76 investment, budgeting, check writing and debit card usage, deposits, withdrawals, and account
77 reconciliation, overdrafts and resulting consequences, consumer reporting agencies for banking
78 and credit (i.e. chex systems, the major three), bankable versus unbankable as it relates to poor
79 account management and consumer reporting agencies, financial emergencies and the benefits of
80 emergency funds, saving versus spending, need versus want spending. The Massachusetts State
81 Board of Education or designated agent shall develop years 10 - 12 financial literacy curriculum
82 that include the following; to constitute no less than 120 hours of in class instruction per year:
83 All 7 - 9 year listed curriculum points, credit worthiness and the impact of negative credit, the
84 FCRA (Fair Credit Reporting Act), credit report disputes, collection actions and garnishments,
85 bankruptcy law and consequences, costs associated with college, financing options, and impacts,
86 scholarships, online banking (simulated with real world closed system software), loans, credit
87 cards, debt to income ratio, tax and student loan debts, buying a house versus renting,
88 cryptocurrencies, stocks and investing, retirement planning

89 SECTION 5 - SPECIAL EXCEPTIONS

90 Private Schools are exempt from this legislation.

91 Special Education curriculum and instruction are exempt from this legislation.

92 SECTION 6 - OTHER PROVISIONS

93 A position on the Massachusetts State Board of Education shall be created to act as a
94 liaison between the United States Department of Education and other State Boards of Education
95 as it pertains to the education of financial literacy. This includes but is not limited to proliferating

96 standardized assessment and standardized best known method infrastructure for financial literacy
97 instruction.

98 Annual reports shall be made to the Massachusetts State Board of Education from every
99 local district relating to the results of financial literacy standardized testing.

100 Financial literacy shall only be taught by certified teachers.

101 Teachers shall be certified to teach the financial literacy curriculum through attending a
102 two day train the trainer seminar offered by the Consumer Bankruptcy Education Coalition.

103 Districts will be responsible for maintaining financial literacy certification records of
104 applicable faculty for a period of no less than ten years.

105 Individual districts are permitted to develop relationships with private sector
106 organizations and industry relating to matters of financial literacy, which can include
107 consideration for the school or district.

108 Real life scenario and application should be used whenever possible. A budget amount
109 shall be designated yearly for the development of financial literacy laboratory activities (i.e.
110 closed circuit online banking simulation software, stock market simulation, etc).

111 A qualified designated agent shall be commissioned to develop a collection of data
112 consistent with qualitative and quantitative scientific standards for the collection of post year 12
113 data collection to evaluate causality and efficacy of public school education efforts and real life
114 financial health and decision making:

115 This is to be an opt in only program with consent of the graduate and/or parents if under
116 eighteen years of age.

117 Updated consent will be obtained from the participant at the age of eighteen.

118 A monetary or post secondary educational scholarship incentive may be offered to solicit
119 qualified participants (qualified as determined by the assigned agent conducting the data
120 collection and analysis).

121 Data collection may include but is not limited to: credit worthiness, income information,
122 general demographics, public debt, criminal records, credit reporting, other public records.

123 Participant consent shall be valid for a period of five years and should be renewed every
124 five years thereafter.

125 Results of this data collection should be made cooperatively available for the benefit of
126 the United States of America.

127 The administration specifics of this legislation shall be left to the Massachusetts State
128 Board of Education or qualified designated agents pursuant to meeting the minimums laid out in
129 this legislation. Tracking and proof of implementation record keeping is required for the purpose
130 of State and Federal audits and should be retained for a period of ten years.

131 Massachusetts State standardized testing shall be altered to include assessment of
132 financial literacy knowledge through out the K through 12 educational cycle. Results should be
133 made available in an interstate cooperative with other State Boards of Education.

134 A board of members from key organizations and industries should be formed by the State
135 Board of Education to inform upon the matters of curriculum relevancy is it relates to current
136 trends and states of affairs in daily financial management and investing.

137 Re-evaluation of the efficacy of financial literacy curriculum should be commissioned by
138 the Massachusetts State Board of Education no less than once every ten years.