HOUSE DOCKET, NO. 652 FILED ON: 1/18/2011

HOUSE . . . . . No. 147

The Commonwealth of Massachusetts

PRESENTED BY:

Sean Curran

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 establishing a financial literacy curriculum..

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Sean Curran	*9th Hampden*

HOUSE DOCKET, NO. 652 FILED ON: 1/18/2011

HOUSE . . . . . No. 147

By Mr. Curran of Springfield, a petition (accompanied by bill, House, No. 147) of Sean Curran for legislation to authorize the Department of Education to establish a financial literacy grant program. Education.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. *374* OF 2009-2010.]

The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

An Act establishing a financial literacy curriculum..

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

SECTION 1. (a) The Department of Education, hereinafter referred to as the department, shall establish a grant program, subject to appropriation, to be known as the financial literacy program, for the sole purpose of educating students on the subject of financial literacy. The course will be implemented in twelve pilot high schools throughout the state. The grant shall support the development of a financial literacy course which would: (1) allow school districts to coordinate efforts and provide services to twelve pilot high schools; and (2) allow school districts to coordinate efforts and establish a inter-district regional educational collaborative. The grant should encourage financial literacy. The grant may be used to establish a high school course which will encourage students to familiarize themselves with the intricacies of personal finance.

The program shall be a course that is designed for students to be taken at the high school level and be a requirement upon graduation. It should be a full course taken through one

12 academic year. The program shall make use of existing resources including those financial
13 literacy courses already in progress at other high schools across the country, such as the course
14 of study now implemented in the Utah public school system, the Commonwealth of
15 Massachusetts' HiFi program, the Boston Bar Association financial literacy program, Wachovia
16 Financial Literacy Women's Institute for Financial Education (WIFE), FDIC's Hispanic
17 Outreach Program, the Certified Financial Planning Board of Standards, Inc (CFP) and other
18 applicable curricula deemed necessary to design a course of study in financial literacy. The
19 course should at minimum allow students to understand banking and personal finance at a basic
20 level. It should also explore investment instruments such as stocks, bonds, mutual funds, as well
21 as retirement accounts. The program shall educate students to the same academic standards and
22 curriculum framework as taught to all students in other mandatory courses at the high school
23 level.

24 A grant awarded pursuant in this subsection, shall require the recipients undertake
25 ongoing program evaluations that document of the effectiveness of the program in helping
26 students to achieve financial literacy. The program shall assist students with the fundamentals of
27 managing basic expenses and educational loans. In awarding the grant, priority will be given to
28 programs that have been empirically validated and have received recognition for the results [and
29 have demonstrated effectiveness with the material used in the classroom].

30 The department shall establish guidelines governing the financial literacy course. The
31 guidelines shall include, but not limited to, a requirement that upon completion of the course,
32 students shall be knowledgeable regarding principles governing personal finance.

33 In fact, the program, at a minimum, shall include:

34 (1) A personal finance plan

35 (2) A plan for frequent evaluation and assessment of the student's personal

36 finance knowledge

37 (3) A requirement that the parents or legal guardians of the student attend

38 specified meetings or conferences with teachers, or utilize other means of

39 communication as determined necessary to facilitate communication, to review

40 and assist in the student's progress

41 (4) A pre-test assessment and a post-test assessment of financial literacy

42 (b) The department shall establish a grant program, subject to appropriation, to assist
43 school districts with the development and establishment of a financial planning curriculum. The
44 grants shall support the development of active community involvement with the financial
45 program including: (1) involvements with local banks, insurance and real estate firms, that would
46 be interested in supplementing the course with information; and (2) provide ongoing training to
47 inform and train teachers, administrators, and other personnel to understand and implement the
48 course material.

49 The program shall allow students to conduct an in-person interview with one of the local
50 providers. The program shall reduce the amount of debt the average student should incur after
51 graduation. Other goals include educating students about investments, stocks, bonds, mutual
52 funds, and how one is able to invest for retirement, finance a car loan, and how one is able to
53 enhance one's credit. The curriculum should also inform students about APR (annual percentage

54 rates), interest rates, CDs, personal loans, and managing credit cards. There should be an
55 improvement in information about repaying college loans, keeping financial records, and tax
56 records.

57 The course shall allow students to have access to internet and technology based resources
58 to supplement the material included in class regarding financial literacy courses. There should be
59 an exam implemented at the end of the course measuring a student's level of knowledge in
60 personal finance. This course shall include, but will not be limited to, the following topics:

61 Budgeting& Checking Activity (including ATM fees)

62 Banking

63 Financial Literacy-Consumer Credit

64 Financial Literacy-Debt and Poor Money Management

65 Financial Literacy-Income and Deductions

66 How credit works

67 Financial Literacy-Financial Planning and Budgeting

68 Mortgages

69 Retirement Plans

70 Saving and Investing

71 Credit Cards

72 Interest Rates (On a savings account)

73 How to buy Stocks

74 Mutual Funds

75 Index Funds

76 Bonds and Bond Funds

77 At the completion of the course, students should be able to achieve long-term and short-
78 term financial goals, demonstrate an understanding of personal financial planning and sound
79 money management skills, actively participate in and understand management of personal
80 savings and investments, and understand personal and societal consequences of financial
81 decisions.

82 The Department of Education shall establish an advisory committee to assist
83 implementation of the grant program and to assist public schools on how the course will be
84 designed. Members of the advisory committee shall include but not limited to three educators.
85 One committee member will serve as the chair, appointed by the commissioner of the
86 Department of Education, two leaders in the field of financial planning, one leader in the field of
87 banking, and one leader from a local college who teaches financial literacy or personal finance.
88 The advisory committee, at its discretion, may select additional members with relevant
89 experiences including, but not limited to, representatives from insurance and investment firms,
90 real estate firms, and bankruptcy attorneys.

91 (c) The commissioner shall evaluate annually the effectiveness of the program
92 established under this section including the potential for replicating this program throughout the
93 Commonwealth. The annual intervention should also examine whether students in the financial

94 literacy program funded under this section are being taught to the same academic standards
95 required of all students across the country, how much time students are spending in the program.
96 The commissioner shall provide technical assistance to school districts seeking to replicate
97 programs funded under this section, and shall provide training for teachers in development of
98 skills, techniques, and innovative strategies to assist the students. In evaluating programs funded
99 under this subsection (b), the commissioner shall consult with the Department of Education of
100 pursuant to said subsection (b).

101 SECTION 2. This act shall take effect upon its passage.