

HOUSE No. 00147

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 passage of the accompanying bill:

An Act establishing a financial literacy curriculum..

PETITION OF:

NAME:

Sean Curran

DISTRICT/ADDRESS:

9th Hampden

HOUSE No. 00147

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:

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

10 The program shall be a course that is designed for students to be taken at the high school
11 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 ongoing
25 program evaluations that document of the effectiveness of the program in helping students to
26 achieve financial literacy. The program shall assist students with the fundamentals of managing
27 basic expenses and educational loans. In awarding the grant, priority will be given to programs
28 that have been empirically validated and have received recognition for the results [and have
29 demonstrated effectiveness with the material used in the classroom].

30 The department shall establish guidelines governing the financial literacy course. The guidelines
31 shall include, but not limited to, a requirement that upon completion of the course, students shall
32 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 to
58 supplement the material included in class regarding financial literacy courses. There should be an
59 exam implemented at the end of the course measuring a student's level of knowledge in personal
60 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-term
78 financial goals, demonstrate an understanding of personal financial planning and sound money
79 management skills, actively participate in and understand management of personal savings and
80 investments, and understand personal and societal consequences of financial decisions.

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

90 (c) The commissioner shall evaluate annually the effectiveness of the program established under
91 this section including the potential for replicating this program throughout the Commonwealth.

92 The annual intervention should also examine whether students in the financial literacy program

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

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