

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 16-0894.01 Brita Darling x2241

SENATE BILL 16-045

SENATE SPONSORSHIP

Todd,

HOUSE SPONSORSHIP

Pettersen,

Senate Committees
Education

House Committees

A BILL FOR AN ACT

101 CONCERNING ACADEMIC STANDARDS FOR FINANCIAL LITERACY IN
102 PUBLIC SCHOOLS, AND, IN CONNECTION THEREWITH, INCLUDING
103 KNOWLEDGE AND SKILLS RELATING TO STUDENT LOAN DEBT
104 AND RETIREMENT PLANNING IN THE STATE'S ACADEMIC
105 STANDARDS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill adds information on student loan debt and retirement planning to the materials and other instructional resources that may be

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

available to public schools as part of a resource bank created by the state board of education. Further, the bill adds student loan debt and retirement planning to the definition of financial literacy curriculum.

Finally, the bill specifies that the state academic standards for public schools relating to financial literacy must include knowledge and skills relating to financing higher education, or other career-related postsecondary education, and retirement planning. The bill includes a non-exclusive list of the knowledge and skills required in each area.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 22-2-127, **amend** (1)
3 as follows:

4 **22-2-127. Financial literacy - resource bank - technical**
5 **assistance.** (1) As used in this section, "financial literacy" means
6 knowledge of personal finances that is sufficient to enable a person to
7 manage savings, investment, and checking accounts; to design and
8 maintain a household budget; to manage personal debt, INCLUDING
9 STUDENT LOAN DEBT; to understand consumer credit and finance; to
10 manage personal credit options; ~~and~~ to understand and select among
11 short-term and long-term investment options; AND TO UNDERSTAND
12 RETIREMENT PLANNING.

13 **SECTION 2.** In Colorado Revised Statutes, 22-32-135, **amend**
14 (1) (a), (1) (d), (1) (e), (2), and (3) as follows:

15 **22-32-135. Financial literacy curriculum.** (1) The general
16 assembly hereby finds that:

17 (a) Life skills such as the ability to formulate a household budget,
18 balance a checking account, read and understand the terms and conditions
19 of a credit card OR STUDENT LOAN APPLICATION, and otherwise manage
20 personal finances are critical to a person's success in today's economy;

21 (d) Recent studies of consumer finances by the federal reserve

1 board show that, at the end of the third quarter of 1999, household debt
2 in the United States totaled over six trillion three hundred billion dollars.
3 Almost one trillion four hundred billion dollars of this debt was consumer
4 credit debt, while four trillion four hundred billion dollars consisted of
5 mortgage debt. A MORE RECENT 2013 STUDY PUBLISHED BY THE FEDERAL
6 RESERVE BANK OF NEW YORK SHOWS THAT STUDENT LOAN DEBT ALMOST
7 TRIPLED BETWEEN 2004 AND 2012 AND IN 2015 EXCEEDS ONE TRILLION
8 DOLLARS.

9 (e) With the recent growth in consumer debt and the apparently
10 low level of education and understanding with regard to personal
11 finances, it is imperative that the public schools of the state provide
12 students with a thorough, high-quality curriculum of financial literacy to
13 enable students to understand and master personal finance skills,
14 including, at a minimum, managing bank accounts; household budgeting;
15 understanding and managing personal debt, ~~and~~ INCLUDING STUDENT
16 LOAN DEBT; managing personal savings and investment; AND PLANNING
17 FOR RETIREMENT.

18 (2) As used in this section, "financial literacy" means knowledge
19 of personal finances that is sufficient to enable a person to manage
20 savings, RETIREMENT, investment, and checking accounts; to design and
21 maintain a household budget; to manage personal debt, INCLUDING
22 STUDENT LOAN DEBT; to understand consumer credit and finance; to
23 manage personal credit options; and to understand and select among
24 short-term and long-term investment options.

25 (3) Each school district board of education is strongly encouraged
26 to adopt as part of its district curriculum courses pertaining to financial
27 literacy to be taught in grade-appropriate courses at the elementary,

1 middle, junior high, and high school grade levels. When selecting
2 mathematics and economics textbooks, each school district is strongly
3 encouraged to select those texts that include substantive provisions on
4 personal finance, including personal budgeting, credit, AND debt
5 management, INCLUDING STUDENT LOANS, RETIREMENT PLANNING, and
6 similar personal finance topics.

7 **SECTION 3.** In Colorado Revised Statutes, 22-7-1005, **add** (2)
8 (d) as follows:

9 **22-7-1005. Preschool through elementary and secondary**
10 **education - aligned standards - adoption - revisions.** (2) (d) IN
11 DEVELOPING STANDARDS FOR FINANCIAL LITERACY, THE STATE BOARD
12 SHALL INCLUDE KNOWLEDGE AND SKILLS RELATING TO FINANCING HIGHER
13 EDUCATION, OR OTHER CAREER-RELATED POSTSECONDARY EDUCATION,
14 AND PLANNING FOR RETIREMENT. THE STANDARDS MUST INCLUDE AN
15 UNDERSTANDING OF:

16 (I) STUDENT LOAN PROGRAMS AND TYPES OF STUDENT LOANS,
17 INCLUDING PUBLIC AND PRIVATE STUDENT LOANS; INTEREST AND DEBT
18 LIMITS; REPAYMENT OF STUDENT LOANS AND THE CONSEQUENCES OF
19 DEFAULTING ON STUDENT LOANS; POTENTIAL CAREER EARNINGS,
20 INCLUDING STARTING SALARY BY SUBJECT AND LEVEL OF DEGREE OR
21 CREDENTIAL; AND THE REQUIREMENT TO REPAY STUDENT LOANS EVEN IF
22 THE STUDENT DOES NOT COMPLETE THE DEGREE OR CREDENTIAL; AND

23 (II) COMMON METHODS FOR SAVING FOR RETIREMENT, LONG-TERM
24 INVESTMENTS, TAX-DEFERRED ACCOUNTS, PENSIONS, AND GOVERNMENT
25 RETIREMENT BENEFITS.

26 **SECTION 4. Act subject to petition - effective date.** This act
27 takes effect at 12:01 a.m. on the day following the expiration of the

1 ninety-day period after final adjournment of the general assembly (August
2 10, 2016, if adjournment sine die is on May 11, 2016); except that, if a
3 referendum petition is filed pursuant to section 1 (3) of article V of the
4 state constitution against this act or an item, section, or part of this act
5 within such period, then the act, item, section, or part will not take effect
6 unless approved by the people at the general election to be held in
7 November 2016 and, in such case, will take effect on the date of the
8 official declaration of the vote thereon by the governor.