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FISCAL NOTE

Drafting Number: LLS 20-1045 Date: March 2, 2020
Prime Sponsors: Sen. Bridges; Lundeen Bill Status: Senate Education
Rep. Kipp; Buck Fiscal Analyst: Anna Gerstle | 303-866-4375
Anna.Gerstle@state.co.us

Bill Topic: ADD TO PUBLIC SCHOOL FINANCIAL LITERACY STANDARDS

- Summary of Fiscal Impact: State Revenue, TABOR Refund, State Expenditure, School District, State Transfer, Statutory Public Entity

The bill requires that certain information be included in state financial literacy standards and school district financial literacy curricula. The bill increases state and school district workload beginning in FY 2020-21.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Summary of Legislation

The bill requires that the State Board of Education, as part of the first scheduled review of standards that occurs after July 2, 2021, ensure that the ninth through twelfth grade financial literacy standards include common methods for saving for retirement, managing credit card debt, and costs associated with obtaining a postsecondary degree or credential.

The bill specifies that standards related to paying for postsecondary education must include understanding and assessing the costs to attend in Colorado and out-of-state, certain information on student loans and other ways to pay for higher education, potential career earnings, and available programs to manage student loan debt. Financial literacy curricula adopted by school districts must reflect the content identified in the standards.

In addition, the Colorado Department of Education (CDE) must include material related to assessing the affordability of higher education, credit cards, student loan debt, retirement plans, tax-deferred accounts, pensions, and government retirement plans in the existing financial literacy resource bank.

Background

Financial literacy standards were reviewed, revised, and adopted by the State Board of Education prior to July 1, 2018, and districts are implementing the changes in th 2020-21 school year. The next review and revision will occur prior to July 1, 2024 and be implemented by school districts in subsequent years.

## **State Expenditures**

The State Board of Education must include the required content in the financial literacy standards during the next standards review and revision process that occurs after July 1, 2021. The next standards review for financial literacy must occur prior to July 1, 2024. The workload associated with adding the additional content will be incorporated into that process; the required content changes are not expected to change the cost of standards and review process. As for recently completed reviews, CDE will request funding for the process through the annual budget process. As a result, the bill does not require a change in appropriations.

The bill will also increase workload for CDE to include additional materials in the financial literacy resource bank. The workload can be accomplished within current appropriations.

## **School District**

School districts incorporate changes to state academic standards into their curricula after each regularly scheduled review; as a result, modifying curricula to include the changes specified in the bill will occur as part of the routine process after new standards are adopted.

## **Effective Date**

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

## **State and Local Government Contacts**

Education                      School Districts