CHAPTER 372

EDUCATION - PUBLIC SCHOOLS

HOUSE BILL 04-1360


AN ACT

CONCERNING FINANCIAL LITERACY EDUCATION WITHIN PUBLIC SCHOOLS, AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.

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

SECTION 1. Part 1 of article 2 of title 22, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

22-2-127. Financial literacy - resource bank - technical assistance. (1) AS USED IN THIS SECTION, "FINANCIAL LITERACY" MEANS KNOWLEDGE OF PERSONAL FINANCES THAT IS SUFFICIENT TO ENABLE A PERSON TO MANAGE SAVINGS, INVESTMENT, AND CHECKING ACCOUNTS, TO DESIGN AND MAINTAIN A HOUSEHOLD BUDGET, TO MANAGE PERSONAL DEBT, TO UNDERSTAND CONSUMER CREDIT AND FINANCE, TO MANAGE PERSONAL CREDIT OPTIONS, AND TO UNDERSTAND AND SELECT AMONG SHORT-TERM AND LONG-TERM INVESTMENT OPTIONS.

(2) THE STATE BOARD SHALL CREATE AND MAINTAIN A RESOURCE BANK OF MATERIALS PERTAINING TO FINANCIAL LITERACY. AT A MINIMUM, THE RESOURCE BANK SHALL INCLUDE NATIONAL MODEL STANDARDS FOR FINANCIAL LITERACY, MODEL PROGRAMS OF INSTRUCTION FOR FINANCIAL LITERACY, MODEL FINANCIAL LITERACY CURRICULA, AND MODEL MATERIALS FOR PROFESSIONAL EDUCATOR DEVELOPMENT IN TEACHING FINANCIAL LITERACY. THE RESOURCE BANK SHALL ALSO INCLUDE A LIST OF THE AVAILABLE MATHEMATICS AND ECONOMICS TEXTBOOKS THAT CONTAIN SUBSTANTIVE PROVISIONS ON PERSONAL FINANCE, INCLUDING PERSONAL BUDGETING, CREDIT, DEBT MANAGEMENT, AND SIMILAR PERSONAL FINANCE TOPICS. THE STATE BOARD SHALL ENSURE THAT THE MATERIALS INCLUDED IN THE RESOURCE BANK REPRESENT THE BEST PRACTICES IN THE TEACHING OF FINANCIAL LITERACY.
The materials in the resource bank shall be available to school districts not later than March 15, 2005.

(3) Upon the request of a school district or a charter school, the department shall provide technical assistance to the school district or charter school in designing a curriculum of financial literacy.

(4) The department shall implement the provisions of this section to the fullest degree possible within existing resources. The department shall contract with one or more entities for the implementation of this section.

(5) The general assembly hereby finds and declares that, for purposes of section 17 of article IX of the state constitution, creation of a resource bank of materials pertaining to financial literacy is an important element of an accountable program to meet state academic standards and may therefore receive funding from the state education fund created in section 17 (4) of article IX of the state constitution.

(6) The department is authorized to accept and expend any gifts, grants, or donations that may be available from any private or public sources for the implementation of this section. All private and public funds received through gifts, grants, or donations pursuant to this subsection (6) shall be transmitted to the state treasurer, who shall credit the same to the financial literacy cash fund, which fund is hereby created and referred to in this subsection (6) as the "fund". The moneys in the fund shall be subject to annual appropriation by the general assembly for the direct and indirect costs associated with the implementation of this section. Any moneys in the fund not expended for the purposes of this section may be invested by the state treasurer as provided by law. All interest and income derived from the investment and deposit of moneys in the fund shall be credited to the fund. Any unexpended and unencumbered moneys remaining in the fund at the end of a fiscal year shall remain in the fund and shall not be credited or transferred to the general fund or another fund.

SECTION 2. Article 32 of title 22, Colorado Revised Statutes, is amended by the addition of a new section to read:

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

(a) Life skills such as the ability to formulate a household budget, balance a checking account, read and understand the terms and conditions of a credit card, and otherwise manage personal finances are critical to a person's success in today's economy.

(b) In February and March of 2000, in a survey of high school seniors designed to test their knowledge of personal finance basics, the students answered only fifty-one and nine tenths percent of the questions correctly, receiving a failing grade.
(c) Many students graduate from high school without having learned crucial personal financial management skills, although many have already obtained their first credit cards.

(d) Recent studies of consumer finances by the Federal Reserve Board show that, at the end of the third quarter of 1999, household debt in the United States totaled over six trillion three hundred billion dollars. Almost one trillion four hundred billion dollars of this debt was consumer credit debt, while four trillion four hundred billion dollars consisted of mortgage debt.

(e) With the recent growth in consumer debt and the apparently low level of education and understanding with regard to personal finances, it is imperative that the public schools of the state provide students with a thorough, high-quality curriculum of financial literacy to enable students to understand and master personal finance skills, including, at a minimum, managing bank accounts, household budgeting, understanding and managing personal debt, and managing personal savings and investment.

(2) As used in this section, "financial literacy" means knowledge of personal finances that is sufficient to enable a person to manage savings, investment, and checking accounts, to design and maintain a household budget, to manage personal debt, to understand consumer credit and finance, to manage personal credit options, and to understand and select among short-term and long-term investment options.

(3) Each school district board of education is strongly encouraged to adopt as part of its district curriculum courses pertaining to financial literacy to be taught in grade-appropriate courses at the elementary, middle, junior high, and high school grade levels. When selecting mathematics and economics textbooks, each school district is strongly encouraged to select those texts that include substantive provisions on personal finance, including personal budgeting, credit, debt management, and similar personal finance topics.

(4) Each school district board of education is further encouraged to adopt successful completion of a course in financial literacy as a graduation requirement.

SECTION 3. Appropriation. (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the financial literacy cash fund created in section 22-2-127 (6), Colorado Revised Statutes, not otherwise appropriated, to the department of education, for the fiscal year beginning July 1, 2004, the sum of thirty-nine thousand one hundred fourteen dollars ($39,114), or so much thereof as may be necessary, for the implementation of this act.

(2) If insufficient moneys are credited to the financial literacy cash fund created in section 22-2-127 (6), Colorado Revised Statutes, to fund the appropriation made pursuant to subsection (1) of this section, in addition to any other appropriation, there is hereby appropriated, out of any moneys in the state education fund created in
section 17 (4) of article IX of the state constitution not otherwise appropriated, to the department of education, for the fiscal year beginning July 1, 2004, the sum of thirty-nine thousand one hundred fourteen dollars ($39,114), or so much thereof as may be necessary to appropriate to the department of education a total amount of thirty-nine thousand one hundred fourteen dollars ($39,114) for the implementation of this act.

SECTION 4. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: June 4, 2004