

HOUSE BILL REPORT

SSB 5202

As Reported by House Committee On:
Education

Title: An act relating to the financial education public-private partnership.

Brief Description: Regarding the financial education public-private partnership.

Sponsors: Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators Mullet, Fain, Litzow, Billig, Frockt, Keiser and Habib).

Brief History:

Committee Activity:

Education: 3/12/15, 3/26/15 [DPA].

**Brief Summary of Substitute Bill
(As Amended by Committee)**

- Adds the State Treasurer as a member of the Financial Education Public-Private Partnership (Partnership) and provides that teachers who are members of the Partnership be reimbursed for travel expenses and allowed to attend official meetings.
- Provides that the Partnership and the Office of the Superintendent of Public Instruction (OSPI) shall work together to integrate financial education skills and content knowledge into the state learning standards.
- Requires the OSPI to make available to districts a list of financial education materials that align with the integrated standards.
- Requires districts to provide the opportunity to all high school students to access the standards, through any of a variety of means such as a class, during lunch, before or after school, or via online opportunities.
- Adopts, as the state financial education learning standards, the standards in K-12 personal finance education developed by a national coalition for personal financial literacy that includes partners from business, finance, government, academia, education, and state affiliates.

HOUSE COMMITTEE ON EDUCATION

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Majority Report: Do pass as amended. Signed by 18 members: Representatives Santos, Chair; Ortiz-Self, Vice Chair; Reykdal, Vice Chair; Magendanz, Ranking Minority Member; Muri, Assistant Ranking Minority Member; Stambaugh, Assistant Ranking Minority Member; Bergquist, Caldier, Fagan, Gregory, Griffey, Hargrove, Hayes, S. Hunt, Kilduff, Orwall, Pollet and Springer.

Minority Report: Do not pass. Signed by 2 members: Representatives Klippert and McCaslin.

Staff: Cece Clynch (786-7195).

Background:

The Financial Education Public-Private Partnership (Partnership) consists of four legislators, four representatives from the financial services sector, four educators, one designee from the Department of Financial Institutions, and two representatives from the Office of the Superintendent of Public Instruction (OSPI).

The duties of the Partnership include:

- communicating financial education standards and strategies for improving financial education to school districts;
- reviewing and developing a procedure for endorsing financial education curriculum;
- identifying assessments and outcome measures that schools can use to determine whether students meet financial education standards; and
- monitoring and providing guidance for professional development.

There are four learning goals for the education system explicitly articulated in statute. The fourth relates to finance, among other things, and reads as follows:

- Understanding the importance of work and finance and how performance, effort, and decisions directly affect future career and educational opportunities.

The OSPI is required to develop and revise, as needed, state learning standards based on the four learning goals. The first two goals are identified as the primary goals. The OSPI is to integrate the fourth goal, and the knowledge and skill areas in other goals, to the maximum extent possible.

Standards are in place in the following content areas: Arts; English Language Arts (ELA); Mathematics, Science, Social Studies; Educational Technology; Health and Fitness; Integrated Environment and Sustainability; and World Languages. The standards in place for ELA and Mathematics are the Common Core State Standards (CCSS). There are no separate standards for financial education, although in 2008 financial literacy was included in Washington's grade-level expectations for social studies and economics.

According to the Partnership's *2014 Update: Financial Education Public-Private Partnership*, subsequent to Washington's adoption of the CCSS for English Language Arts (ELA) and mathematics, the Partnership contracted with 10 teachers across the state to

develop six financial education tasks aligned to the new standards. These have been released to the public free of charge.

Summary of Amended Bill:

The State Treasurer or the State Treasurer's designee is added as a member of the Partnership.

Teachers who are members of the Partnership are to be paid their travel expenses from funds available in the Partnership account. Funds from the Partnership account may also pay for a substitute teacher when member teachers attend official meetings of the Partnership. If the Partnership pays for these expenses, the school district must release a teacher to attend official Partnership meetings.

Online instructional materials and resources are added to the financial education curriculum the Partnership reviews on an ongoing basis. The Partnership is tasked with working with the OSPI for purposes of integrating financial education skills and content knowledge into the state learning standards. Standards in K-12 personal finance education developed by a national coalition for personal financial literacy that includes partners from business, finance, government, academia, education, and state affiliates are adopted as the state financial education learning standards.

The Partnership is no longer required to identify assessments and outcome measures for schools to determine whether students meet the financial education standards, or to create professional development that could lead to a certificate endorsement or other certification of competency.

The OSPI is required to make a list of materials that align with the integrated standards available to all school districts. Districts must provide all high school students the opportunity to access the financial education standards, which may be through a variety of means such as a class, before or after school, at lunch, online, or other opportunities. Districts are also encouraged to grant credit toward high school graduation to students who successfully complete financial education courses.

The Partnership may seek federal and private funds to support districts in providing access to the materials and professional development.

Amended Bill Compared to Substitute Bill:

The amended bill retains the underlying substitute bill with the following changes:

- The amended bill refers to the "state learning standards" rather than the "state essential academic learning requirements."
- The amended bill adopts the standards in K-12 personal finance that have been developed by a national coalition as the state financial education learning standards.
- Rather than require the OSPI to seek federal and private funds to support school districts in providing access to materials and professional development, the amended bill allows the Partnership to do so.

- The OSPI is required to make available to districts a list of "materials", rather than a list of "courses", that align with the standards.
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Appropriation: None.

Fiscal Note: Available. New fiscal note requested on March 26, 2015.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) There was quite a bit of feedback received after the public hearing in the Senate. Originally, Jumpstart standards were in the bill. Flexibility is built in. There have to be opportunities provided, but not necessarily a class. Districts are provided a great deal of flexibility. The standards will be integrated into the essential academic learning standards. A series of small changes made people more comfortable with the bill. There is amenability to talking about changes with language, and a desire that people feel comfortable with the bill. From the viewpoint of an original partnership member, this bill is the next logical step. Credit card companies target youth. Without education, these youth will go into debt. In the recent past, many people did go into debt, including student debt, and today many of these people are unable to repay this debt. Had they received financial education, and been able to understand the importance of the ability to repay, they might have avoided the situation. There is a caveat to that, however, in that knowledge isn't everything and behavior also has an influence. All people need to be prepared for the future, and children don't necessarily obtain this information from their parents. Surveys have shown that many parents would prefer to talk to their children about drugs, sex, and bullying rather than finances. The Director of the Department of Financial Institutions supports this bill. Financial education is part of that agency's mission

(Opposed) None.

Persons Testifying: Senator Mullet, prime sponsor; Mark Minickielio, Northwest Credit Union Association; Kristi Shafer, Washington State PTA; and Linda Jekel, Department of Financial Institutions.

Persons Signed In To Testify But Not Testifying: None.