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## **Education Committee**

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### **HB 2009**

**Brief Description:** Requiring public school instruction in financial literacy.

**Sponsors:** Representatives Santos, McDermott, Moeller, Quall and Hudgins.

#### **Brief Summary of Bill**

- Makes certain legislative findings regarding the rise in financial illiteracy.
- Requires the State Board of Education (SBE) to develop or adopt a financial literacy education model program.
- Requires the SBE to establish a pilot program to assist districts in implementing programs on teaching financial literacy.
- Requires schools to provide instruction in financial literacy.

**Hearing Date:** 3/4/03

**Staff:** Sydney Forrester (786-7120).

#### **Background:**

A recently introduced congressional resolution designating April 2003 as Financial Literacy for Youth Month indicates that only 26 percent of students 13 to 21 years of age reported their parents actively taught them how to manage money. Although various private banking interests make financial management educational programs available to schools, financial literacy currently is not a required subject of instruction in the state's public schools.

#### **Summary of Bill:**

The State Board of Education (SBE) is required to develop or adopt one or more model programs for youth financial education. Models must be designed for integration into the K-12 curriculum, be based on achieving financial literacy through teaching personal financial management skills, and be structured around the principles involved with earning, spending,

saving, and investing. Districts are encouraged to adopt and implement a model program or one similar to a model program.

By 2005, the SBE also is required to establish a pilot program to assist up to five districts in implementing programs on teaching financial literacy. Personal financial literacy programs shall include, but not be limited to, consumer financial education, personal finance, and personal credit.

Financial literacy is added to the list of subjects in which instruction is required beginning in 2005. The Office of Superintendent of Public Instruction (OSPI) must use any federal funds available for grants to school districts and for encouraging the implementation of financial education programs.

**Appropriation:** None.

**Fiscal Note:** Requested on 2/26/03.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed, except for section 2, relating to the SBE's development or adaption of a model program, which takes effect January 1, 2004; section 3, relating to required instruction in financial literacy in K-12 schools, which takes effect January 1, 2005; and section 4, relating to the SBE's establishment of a pilot program, which takes effect January 1, 2005.