
SUBSTITUTE HOUSE BILL 2455

State of Washington 58th Legislature 2004 Regular Session

By House Committee on Education (originally sponsored by Representatives Santos, Anderson and Simpson, G.)

READ FIRST TIME 02/02/04.

1 AN ACT Relating to financial literacy; adding a new section to
2 chapter 28A.230 RCW; adding a new section to chapter 28A.300 RCW; and
3 creating new sections.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature recognizes that financial
6 illiteracy has reached record proportions, and that the average high
7 school student lacks even a basic knowledge of personal finance. In
8 addition, the legislature recognizes the damaging effects of not
9 properly preparing youth for the financial realities of modern life,
10 including bankruptcy, poor retirement planning, mounting debt, and a
11 lower standard of living for Washington families.

12 The legislature finds that the purpose of the state's system of
13 public education is to help students acquire the skills and knowledge
14 they will need to be productive and responsible 21st century citizens.
15 The legislature further finds that responsible citizenship includes an
16 ability to make wise financial decisions. To help students acquire the
17 essential skills and knowledge needed for 21st century citizenship, the
18 state has adopted four learning goals and defined the basic gateway
19 skills students need in reading, writing, mathematics, and science. It

1 is in the process of defining the essential academic learning
2 requirements and grade level expectations for social studies, the arts,
3 and health and fitness. The legislature finds that other 21st century
4 skills needed by students, including financial literacy, should be
5 embedded in the essential academic learning requirements adopted for
6 other content areas, including social studies and mathematics. The
7 legislature further finds that financial literacy could easily be
8 included in projects that demonstrate each student's understanding of
9 learning goal four - understanding the importance of work and how
10 performance, effort, and decisions directly affect future
11 opportunities.

12 The legislature intends to assist school districts in their efforts
13 to ensure that students are financially literate through creating a set
14 of financial literacy learning guidelines, providing information on
15 instructional materials that help students meet the learning
16 guidelines, data collection, and creating a public-private partnership
17 to help provide instructional tools and professional development to
18 school districts that wish to increase the financial literacy of their
19 students.

20 NEW SECTION. **Sec. 2.** (1) The legislative ad hoc committee on
21 financial literacy is established composed of members representing the
22 legislature, the governor, the superintendent of public instruction,
23 the department of financial institutions, the financial institutions
24 and credit industries, school directors, school principals and
25 administrators, educators, including career and technical educators,
26 and higher education. Four members of the senate, two from each major
27 caucus of the committees on education and financial services, insurance
28 and housing, shall be appointed by the president of the senate. Four
29 members of the house of representatives, two from each major caucus of
30 the committees on education and financial institutions and insurance,
31 shall be selected by the speaker of the house of representatives. The
32 other committee members shall be selected by their applicable agencies
33 or associations, or, in the case of the financial institutions and
34 credit industries, by appointment of two members by the governor.

35 (2) Staff support for the committee shall be provided by senate
36 committee services and the office of program research. Technical and

1 logistical support may be provided by the office of the superintendent
2 of public instruction and the organizations selecting committee
3 members.

4 (3) The members of the committee shall be appointed by July 1,
5 2004.

6 (4) Legislative members of the ad hoc committee shall receive per
7 diem and travel under RCW 44.04.120.

8 (5) Travel and other expenses of nonlegislative members of the ad
9 hoc committee shall be provided by the agency, association, or
10 organization that appointed the member.

11 NEW SECTION. **Sec. 3.** The legislative ad hoc committee on
12 financial literacy shall:

13 (1) By September 30, 2004, adopt a definition of financial literacy
14 that is aligned with and may be embedded in the essential academic
15 learning requirements for other content areas;

16 (2) By September 30, 2005, develop a set of recommended financial
17 literacy learning guidelines that may be used in elementary, middle,
18 and high schools by interested school districts. The guidelines shall
19 include measurable student outcomes;

20 (3) By November 30, 2005, recommend a structure and set of
21 operating principles for a public-private partnership to work with
22 interested school districts to assist the districts in selecting or
23 developing financial literacy instructional materials and providing
24 professional development on the learning guidelines;

25 (4) By July 15, 2006, subject to funding, select school districts
26 in which to pilot the financial literacy learning guidelines,
27 instructional materials, and professional development;

28 (5) Collect and analyze available information on the costs and
29 benefits to individual students and society of ensuring that students
30 are financially literate by the time they graduate from high school;

31 (6) Recommend outcome measures or other demonstrations that schools
32 and communities may use to determine whether students are financially
33 literate;

34 (7) Recommend a system that could be used to follow the educational
35 opportunities a district's student has to become financially literate
36 as the student progresses from elementary school, to middle school, and
37 to high school; and

1 (8) Provide annual reports to the education committees of the house
2 of representatives and senate, and, by November 15, 2008, provide a
3 report to the governor, the legislature, the superintendent of public
4 instruction, the state board of education, and education stakeholder
5 groups, on the results of work of the ad hoc committee and of the
6 pilots.

7 NEW SECTION. **Sec. 4.** A new section is added to chapter 28A.230
8 RCW to read as follows:

9 (1) The superintendent of public instruction shall make available
10 to school districts the learning guidelines, instructional materials,
11 and other relevant information provided by the legislative ad hoc
12 committee on financial literacy under sections 2 and 3 of this act and
13 those provided by the public-private partnership created under section
14 3 of this act.

15 (2) Each school district is encouraged to provide its students with
16 an opportunity to master the financial literacy learning guidelines
17 developed under section 3 of this act.

18 NEW SECTION. **Sec. 5.** The legislative ad hoc committee on
19 financial literacy shall establish a series of pilots to assist
20 interested school districts in the implementation of financial literacy
21 instructional programs. The purpose of the pilots is to determine the
22 best methods of equipping students with the knowledge and skills they
23 need, before they become self-supporting, to make critical decisions
24 regarding their personal finances. The components of personal
25 financial literacy covered in the pilot program shall include, at a
26 minimum, consumer financial education, personal finance, and personal
27 credit. The pilots shall include an evaluation that describes and
28 monitors the measurable outcomes expected from participating students,
29 in accordance with the definitions and outcomes developed under section
30 3 of this act.

31 NEW SECTION. **Sec. 6.** A new section is added to chapter 28A.300
32 RCW to read as follows:

33 The Washington financial literacy education partnership account is
34 hereby created in the custody of the state treasurer. The purpose of
35 the account is to provide financial literacy educational opportunities

1 for students and financial literacy professional development
2 opportunities for the teachers providing those educational
3 opportunities. Revenues to the account may include gifts from the
4 private sector, federal funds, and any appropriations made by the
5 legislature or other sources. Grants and their administration shall be
6 paid from the account. Only the superintendent of public instruction
7 or the superintendent's designee may authorize expenditures from the
8 account. The account is subject to allotment procedures under chapter
9 43.88 RCW, but an appropriation is not required for expenditures.

10 NEW SECTION. **Sec. 7.** The legislative ad hoc committee on
11 financial literacy expires on June 30, 2009.

--- END ---