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SENATE BILL 6212

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State of Washington

58th Legislature

2004 Regular Session

By Senators Keiser, Winsley, Kohl-Welles, Benton and McAuliffe

Read first time 01/14/2004. Referred to Committee on Financial Services, Insurance & Housing.

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 November 30, 2004, complete a survey of school districts to  
17 ascertain the types of courses and instruction in financial literacy  
18 currently provided at all levels to the districts' students;

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

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

28 (5) By July 15, 2006, and July 15, 2007, subject to funding, select  
29 school districts in which to pilot the financial literacy learning  
30 guidelines, instructional materials, and professional development;

31 (6) Collect and analyze available information on the costs and  
32 benefits to individual students and society of ensuring that students  
33 are financially literate by the time they graduate from high school;

34 (7) Recommend outcome measures or other demonstrations that schools  
35 and communities may use to determine whether students are financially  
36 literate;

1 (8) Recommend a system that could be used to follow the educational  
2 opportunities a district's student has to become financially literate  
3 as the student progresses from elementary school, to middle school, and  
4 to high school; and

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

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

13 (1) The superintendent of public instruction shall make available  
14 to school districts the learning guidelines, instructional materials,  
15 and other relevant information provided by the legislative ad hoc  
16 committee on financial literacy under sections 2 and 3 of this act and  
17 those provided by the public-private partnership created under section  
18 3 of this act.

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

22 NEW SECTION. **Sec. 5.** The legislative ad hoc committee on  
23 financial literacy shall establish a series of pilots to assist  
24 interested school districts in the implementation of financial literacy  
25 instructional programs. The purpose of the pilots is to determine the  
26 best methods of equipping students with the knowledge and skills they  
27 need, before they become self-supporting, to make critical decisions  
28 regarding their personal finances. The components of personal  
29 financial literacy covered in the pilot program shall include, at a  
30 minimum, consumer financial education, personal finance, and personal  
31 credit. The pilots shall include an evaluation that describes and  
32 monitors the measurable outcomes expected from participating students,  
33 in accordance with the definitions and outcomes developed under section  
34 3 of this act.

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

3        The Washington financial literacy education partnership account is  
4    hereby created in the custody of the state treasurer.    The purpose of  
5    the account is to provide financial literacy educational opportunities  
6    for students and financial literacy professional development  
7    opportunities for the teachers providing those educational  
8    opportunities.    Revenues to the account may include gifts from the  
9    private sector, federal funds, and any appropriations made by the  
10   legislature or other sources.    Grants and their administration shall be  
11   paid from the account.    Only the superintendent of public instruction  
12   or the superintendent's designee may authorize expenditures from the  
13   account.    The account is subject to allotment procedures under chapter  
14   43.88 RCW, but an appropriation is not required for expenditures.

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

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