

SENATE BILL REPORT

SB 5080

As of January 28, 2025

Title: An act relating to making financial education instruction a graduation requirement.

Brief Description: Making financial education instruction a graduation requirement.

Sponsors: Senators Valdez, Cortes, Harris, Krishnadasan, Lias, Nobles, Orwall, Riccelli, Saldaña, Shewmake, Trudeau and Wilson, C.; by request of State Treasurer.

Brief History:

Committee Activity: Early Learning & K-12 Education: 1/28/25.

Brief Summary of Bill

- Requires that Washington students meet the state learning standards related to financial education to graduate from high school, beginning no later than 2033.
- Directs the Washington State Board of Education (SBE) to work with stakeholders to recommend adjustments to graduation requirements and educational offerings, and report to the Legislature and Governor.
- Directs the Financial Education Public-Private Partnership to create a statewide financial education graduation requirement implementation plan, informed by data from school districts.
- Directs the SBE to monitor financial education offerings to ensure district compliance, and report to the Legislature and Governor.

SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

Staff: Elena Becker (786-7493)

Background: Learning Standards. The Office of the Superintendent of Public Instruction

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

(OSPI) is required to develop state learning standards based on the statutory goals of basic education. The fourth goal addresses the importance of work and finance and how performance, effort, and decisions directly affect future career and educational opportunities.

At the Legislature's direction, OSPI adopted financial education learning standards in 2016. The financial education learning standards are spending and saving, credit and debt, employment and income, investing, risk management and insurance, and financial decision-making.

Graduation Requirements. To graduate from high school, Washington students must complete 24 credits in various subject areas, meet the requirements of at least one graduation pathway, complete a High School and Beyond Plan, and satisfy any local requirements.

Financial Education Public-Private Partnership. The Legislature established the Financial Education Public-Private Partnership (FEPPP) with the stated goal of seeking out and determining the best methods of equipping students with the knowledge and skills they need to make critical decisions regarding their personal finances. The FEPPP is comprised of members of the Legislature, representatives from the private for-profit and nonprofit financial services sector, the Washington State Department of Financial Institutions, OSPI, the Washington State Treasurer, and teachers.

Summary of Bill: Beginning in or before the 2029-30 school year, school districts must provide all high school students with financial education instruction consistent with the state financial education learning standards. Starting with the graduating class of 2033, or earlier if recommended by the Washington State Board of Education (SBE), all students must meet high school learning standards related to financial education to graduate from high school. Principals may waive this requirement for students in grade 12 who have been unable to meet this requirement because of previous residence outside of Washington.

School districts must begin publicizing financial education instruction offerings and associated graduation requirement no later than the 2027-28 school year.

The SBE is directed to recommend adjustments to graduation requirements and other educational offerings to ensure students have adequate opportunity to meet the financial education graduation requirement. When forming these recommendations, the SBE must:

- consult with the FEPPP, students, parents and guardians, educators, K-12 education partners, postsecondary partners, employers, and community members;
- consider how students may meet financial education learning standards and develop other skills and knowledge in the state's profile of a graduate; and
- consider how to incorporate the financial education graduation requirement into the existing framework of graduation requirements, including credit and competency-based options.

The SBE must report these recommendations to the Governor and Legislature by December 31, 2026.

By December 15, 2025, school districts must submit to the SBE and the FEPPP a list of financial education courses and learning opportunities available in their district and the number of students served by those offerings. Districts must also describe the additional resources they need to ensure students are able to meet the financial education graduation requirement. The FEPPP must use this information to create a statewide financial education graduation requirement implementation plan. This plan must be submitted to the Legislature, SBE, and OSPI by December 31, 2026.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Today's financial systems are more complex than ever before. Many students face challenges in understanding budgeting, saving, investing, credit management, long-term financial planning, and navigating loans. 61 percent of Americans live paycheck to paycheck.

A majority of states in our country require financial education but Washington is not one of them. We must prioritize equipping students with the skills to navigate those systems and avoid taking on undue burdens. Although some of these topics are taught in personal finance classes, such courses are often elective. Financial education is not an elective skill; children are eager to learn about money and parents are relieved that schools are bridging a gap parents may not be able to address on their own.

This bill reduces financial inequality in our state and addresses the overlooked need for financial literacy in our school system. The lack of financial literacy has created systemic inequities for marginalized communities, such as wage gaps, redlining, and predatory lending. When you prepare children with this knowledge you prepare them for the future.

The timeline of this bill aligns with the State Board of Education's review of graduation requirements. Financial education is a top priority for the SBE.

CON: Only 39.7 percent of Washington students meet math standards. Given that, it is ridiculous to ask students to fulfill another graduation requirement that requires base math knowledge. Many of the supporters will benefit financially from the bill's passage.

Persons Testifying: PRO: Senator Javier Valdez, Prime Sponsor; Tracy Godat; Mike Pellicciotti, State Treasurer; Megan Managan, Washington Bankers Association; Lori Hairston; Dakota Manley, Washington State Young Republicans; Charlotte Nemece, Canopy Credit Union; Yazmin Carretero, State Board of Education; Paula Sardinias, WBBA (WA Build Back Black Alliance); Conrad Krol, Westbank Financials; Andrew Cun, Westbank financials .

CON: Jeannie Magdua, Conservative Ladies of Washington.

Persons Signed In To Testify But Not Testifying: No one.