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## FISCAL IMPACT REPORT

ORIGINAL DATE 3/5/09

SPONSOR Lundstrom LAST UPDATED 3/15/09 HM 70/aHEC

SHORT TITLE Financial Literacy School Curricula SB \_\_\_\_\_

ANALYST Wilson

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		Unknown See Below			Non- recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

#### Synopsis of HEC Amendment

The House Education Committee amendment to HM 70 requests the Public Education Department to “review” instead of “develop” financial literacy content standards and benchmarks and model curricula.

In addition, the amendment asks that the Indian Education Division of The Public Education Department be requested to review financial literacy standards and benchmarks and model curricula to ensure that materials in financial literacy are appropriate for Native American students.

#### Synopsis of Original Bill

House Memorial 70 requests the Indian Education Division of the Public Education Department (PED) to develop financial literacy standards and benchmarks and model curricula.

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PED is asked to consult with school districts, financial institutions and other experts in the development of financial literacy standards and benchmarks and model curricula.

PED must report to the Legislative Education Study Committee by October 31, 2009.

### **FISCAL IMPLICATIONS**

This is a memorial and there is no appropriation. PED will need to find the resources in their existing budget to carry out the study.

### **SIGNIFICANT ISSUES**

PED has content standards and benchmarks for the economics strand of social studies and they are suitably thorough for a high school graduate to understand the basics of economics, probably even more than the general population.

The economics strand requires students to understand basic economic principles and use economic reasoning skills to analyze the impact of economic systems, including the market economy, on individuals, families, businesses, communities and governments.

Students also need to know basic consumer mathematics and information such as how to balance a checkbook, how to compute interest rates on loans, how to fill out a tax return and how to budget.

Basic consumer skills are particularly important in areas where payday loans and other high-interest consumer borrowing services are common, such as in the areas near the Navajo Nation.

The Indian Education Division has expertise in community outreach that can benefit enrollment.

Students need to learn how to save money and how to develop a healthy relationship with money so as not to be swept away by debt.

Financial institutions will be very happy to help develop financial literacy standards, benchmarks and curricula and to volunteer in classrooms.

### **ADMINISTRATIVE IMPLICATIONS**

PED will have to conduct the provisions required by this memorial as part of its ongoing responsibilities.

DW/mt