

**LEGISLATIVE EDUCATION STUDY COMMITTEE  
BILL ANALYSIS**

**Bill Number:** HB 366a

**50th Legislature, 1st Session, 2011**

**Tracking Number:** .182755.2

**Short Title:** Financial Literacy as Graduation Requirement

**Sponsor(s):** Representative Antonio “Moe” Maestas

**Analyst:** Ally Hudson

**Date:** March 12, 2011

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**AS AMENDED**

**The House Consumer and Public Affairs Committee amendments:**

- **allow for a financial literacy course that meets state mathematics academic content and performance standards to qualify as one of the four required mathematics units;**
- **clarify that, unless a student elects to take financial literacy as one of the four units in mathematics, one unit in financial literacy is required; and**
- **explain that six and one-half elective units, or seven and one-half elective units if a student elects to take financial literacy as one of the four units in mathematics, are required.**

See “Revised Substantive Issues,” below.

**Original Bill Summary:**

HB 366 amends the graduation requirements in the *Public School Code* to require that, for students entering the ninth grade in school year 2011-2012:

- financial literacy be a requirement for graduation from public high school;
- the number of electives be reduced to 6 ½ from 7 ½ units that meet Public Education Department (PED) content and performance standards; and
- it eliminates financial literacy as a course to satisfy one of the mathematics requirements (see “Background,” below).

**Fiscal Impact:**

HB 366 does not contain an appropriation.

**Fiscal Issues:**

According to an analysis by PED, HB 366 is likely to involve costs:

- the department would need to add financial literacy to the Student Teacher Accountability Reporting System (STARS) course offerings and give guidance to the districts as they develop their financial literacy courses;

- each district would have to develop a high school financial literacy course; and
- if the course were offered through Innovative Digital Education and Learning New Mexico (IDEAL-NM) it would require the standard \$6,000 development cost.

**Revised Substantive Issues:**

**The HCPAC amendments require a student to take financial literacy either as:**

- **one of four mathematics requirements; or**
- **a stand-alone course.**

**Either way, the student takes the same course and earns the same number of credits to graduate; therefore, the amendments seem to provide an unnecessary option.**

**The one difference that might occur is that, if a student takes financial literacy not as a mathematics course but as a stand-alone requirement, that student may arguably have earned five units in mathematics.**

**Original Substantive Issues:**

The graduation requirements in current law include four units of mathematics. However, other than Algebra II, which contains an opt-out provision, the law does not specify which mathematics courses are required.

According to an analysis by the Higher Education Department (HED), the Financial Literacy Education Commission set forth a national strategy for promoting financial success by establishing a framework and set of goals for financial literacy, including:

- increase awareness of and access to effective financial education;
- determine and integrate core financial competencies;
- improve financial education infrastructure; and
- identify, enhance, and share effective practices.

To this end, HED’s analysis states, “HB 366 supports a broader, more national agenda in the area of student financial literacy education.”

The analysis by HED concludes with two points:

- The availability of quality financial math and literacy textbooks may be an issue. Therefore, the department supports a broader examination of textbook availability for financial literacy textbooks.
- HED, PED, and the postsecondary teacher education programs will need to convene to ensure the coordination of these changes at all points along the education pipeline.

**Technical Issues:**

According to the PED analysis:

- HB 366 does not clarify to which academic content and performance standards financial literacy courses must align; and
- it is also unclear if teachers of financial literacy courses would need a specific license.

**Background:**

In 2007, high school redesign legislation was enacted to require students entering grade 9 in school year 2009-2010 to take four units in mathematics, one of which shall be the equivalent to - or higher than - the level of Algebra II (unless the parent submits written, signed permission for the student to complete a lesser mathematics unit).

More recently, in 2010, legislation endorsed by the Legislative Education Study Committee was enacted to allow a financial literacy course aligned to state mathematics academic content and performance standards to qualify as one of the four required mathematics units.

**Related Bills:**

HB 364 *Financial Literacy Offered 6-8 Grades*