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FISCAL IMPACT REPORT

SPONSOR Maestas ORIGINAL DATE 02/16/11
LAST UPDATED _____ HB 364
SHORT TITLE Financial Literacy Offered 6-8 Grades SB _____
ANALYST Haug

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		See Narrative	See Narrative			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

Higher Education Department (HED)

SUMMARY

Synopsis of Bill

House Bill 364 would require offering an elective financial literacy course for students in grades 6 through 8 starting in the 2013-2014 school year.

FISCAL IMPLICATIONS

House Bill 364 contains no appropriation. The PED states the cost would be minimal, without specifying an amount, for PED which would need to add this course to the STARS course offerings and give guidance to the districts as they develop their financial literacy courses for students in grades 6-8.

The PED reports each district would have to develop a middle school financial literacy course. IDEAL NM reports that it pays course developers \$6,000 for a year-long course.

SIGNIFICANT ISSUES

The PED notes that adding a financial literacy course as an elective for students of grades 6 to 8 may be beneficial for these students. However, the bill does not clarify to which academic content and performance standards this course must align. Therefore, it is unclear if this financial literacy course is to be a social studies course or a mathematics course. It is also unclear if teachers of these courses would need special or specific licenses.

The HED comments:

The New Mexico Higher Education Department (NMHED) has noted in the past that the availability of quality financial math and literacy textbooks may be an issue. NMHED supports a broader examination of textbook availability for financial literacy textbooks appropriate to grades 6 to 8.

Furthermore, NMHED notes that teacher professional development also may be an issue as many teachers currently teaching grades 6 to 8 may not have a strong foundation in financial literacy. The necessary course alignment and teacher development work will have to be analyzed by both NMPED and NMHED before the implementation of HB364 in AY13 if this bill were to pass.

GH/svb