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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/16/11  
 LAST UPDATED 03/10/11    HB 366/aHCPAC

SPONSOR Maestas

SHORT TITLE Financial Literacy As Graduation Requirement    SB \_\_\_\_\_

ANALYST Haug

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

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		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 HCPAC Amendment

The House Consumer and Public Affairs Committee Amendment would permit a financial literacy course that meets state mathematics academic content and performance standards to qualify as one of the four units of mathematics required for graduation. Should the student complete a financial literacy course meeting these requirements, the student would not be required to take an additional financial literacy course to meet the requirements of the diploma of excellence but would need to take seven and one half elective courses rather than six and one half elective courses.

#### Synopsis of Original Bill

House Bill 366 would change the high school graduation requirements as follows:

- Eliminate financial literacy as qualifying as one of the four required mathematics units;
- Add a financial literacy course as a one unit high school graduation requirement; and
- Decrease the elective units from seven and one-half to six and one-half units.

### FISCAL IMPLICATIONS

House Bill 366 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 observes that HB 366 bill would eliminate: “and provided that a financial literacy course that meets state mathematics academic content and performance standards shall qualify as one of the four required mathematics units;”. Since students need four units of mathematics to graduate, the financial literacy course that would be eliminated under HB 366 could have qualified as the fourth mathematics course.

The PED notes further that adding a financial literacy course as a high school graduation requirement may be beneficial for students. However, the bill does not clarify to which academic content and performance standards this course must align. It is also unclear which specific licenses teachers of these courses would need. As this bill does not specify to which content and performance standards that this financial literacy course is to align, confusion may be produced.

The HED points out there are significant proposals to modify K-12 requirements in the 2011 legislative session, and this will most likely lead to changes in alignment with teacher education and licensure programs. Coordination of these changes will need to be addressed by NMHED, NMPED, and the institutions of higher education teacher education programs.

In the past, NMHED has noted that the availability of quality financial math and literacy textbooks may be an issue to implementing financial literacy requirements. An examination of textbook availability and quality may be warranted.

GH/mew:bym