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FISCAL IMPACT REPORT

SPONSOR Correa Hemphill ORIGINAL DATE 02/05/21
LAST UPDATED _____ HB _____
SHORT TITLE Financial Literacy School Credit SB 170
ANALYST Becerra

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	NFI	NFI	NFI	NFI	NFI

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB83, HB163

SOURCES OF INFORMATION

LFC Files

No Response Received

Higher Education Department (HED)

Public Education Department (PED)

SUMMARY

Synopsis of Bill

Senate Bill 170 amends the graduation requirements to require one-half credit of financial literacy prior to graduation, increasing the number of required mathematics units from four units to four and one-half units, for students who enter the ninth grade in the 2022-2023 school year.

The number of elective units required for graduation would decrease from seven and one-half to seven.

FISCAL IMPLICATIONS

SB170 does not contain an appropriation and is unlikely to require additional school resources.

SIGNIFICANT ISSUES

The Council for Economic Education, on the release of its survey of the states that provides a

detailed state-by-state look at the economics and personal finance standards and requirements in kindergarten-through-12th-grade state education systems, reports that 21 states now require high school students to take a course that integrates personal finance content – a net increase of four states since the last survey, conducted in 2018. Of those states, 15 require it be integrated with another course, while six require a standalone course.

Research from Montana State University indicates that state-mandated financial education high school graduation requirements create more responsible student loan borrowers and increase applications for financial aid and the likelihood of obtaining higher education grants and scholarships. Additionally, more students finance their educations through low-interest federal Stafford loans, and fewer students rely on high-interest credit card debt.

Currently, financial literacy is offered as an elective, though students can also earn mathematics credit if they meet all other mathematics requirements.

ADMINISTRATIVE IMPLICATIONS

If enacted, all public high schools would need to review their curricula to evaluate the availability of financial literacy courses to students.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to HB163 and HB83 that also amend the graduation requirements.

MB/sb