

AMENDED IN SENATE JUNE 5, 2013
AMENDED IN ASSEMBLY APRIL 1, 2013
AMENDED IN ASSEMBLY MARCH 11, 2013
CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 166

Introduced by Assembly Member Roger Hernández
(Principal coauthor: Senator Lieu)
(Coauthors: Assembly Members Ian Calderon, Fox, Mullin, and Ting, and Wilk)

January 23, 2013

An act to amend ~~Sections 51282 and 51824~~ *Section 51284* of, and to amend the heading of Article 6 (commencing with Section 51280) of Chapter 2 of Part 28 of Division 4 of Title 2 of, the Education Code, relating to pupil instruction.

LEGISLATIVE COUNSEL'S DIGEST

AB 166, as amended, Roger Hernández. Pupil instruction: financial literacy.

Existing law requires a school district, as part of its adopted course of study for grades 7 to 12, inclusive, to offer courses in specified areas of study, including, among others, social sciences, drawing upon the disciplines of anthropology, economics, geography, history, political science, psychology, and sociology. ~~Existing law requires the Superintendent of Public Instruction to make available to teachers a curriculum, as specified, on, among other things, financial preparedness. Existing law also requires the State Board of Education to integrate, among other things, financial preparedness with specified academic areas, as specified.~~

Existing law requires the State Board of Education, after January 1, 2003, and concurrently with, but not prior to, the next revision of textbooks or curriculum frameworks in the social sciences, health, and mathematics curricula, to ensure that these academic areas integrate components of human growth, human development, and human contribution to society, across the life course, and also financial preparedness.

~~This bill would revise the curriculum that is required to be made available, to instead require the Superintendent to make available a curriculum that includes instruction on~~ *require the state board to integrate financial literacy, including, but not limited to, budgeting and managing credit, student loans, and debt. The bill would also require the state board to integrate financial literacy, as specified, consumer debt, and identity theft security with those specified academic areas. The bill would also make conforming and nonsubstantive changes.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) California does not have an official statewide policy or
- 4 educational plan for the teaching of financial literacy.
- 5 (b) According to the 2011 Consumer Financial Literacy Survey
- 6 Final Report of the National Foundation for Credit Counseling,
- 7 one in three adults in the United States reported that they had no
- 8 savings.
- 9 (c) Two in five adults give themselves a grade of C, D, or F on
- 10 their knowledge of personal finance.
- 11 (d) Ninety-three percent of Americans indicated in a 2010 Visa
- 12 survey that they believe all high school students should be required
- 13 to take a class in financial literacy.
- 14 (e) A biennial survey by Jump\$tart Coalition for Personal
- 15 Financial Literacy, conducted from 1997 to 2008, inclusive,
- 16 showed that financial literacy of high school seniors had fallen
- 17 from 57 percent in 1997 to a record low of 48 percent in 2008.
- 18 (f) A 2011 Junior Achievement and Allstate Foundation survey
- 19 revealed nearly 50 percent of American teenagers are unsure how

1 to use a credit card effectively, yet 24 percent believe high school
2 or younger is when they should get their first credit card.

3 (g) According to a 2011 Capitol One survey of the students
4 planning to take out student loans, 44 percent of the students said
5 that they have either not discussed with their parents how student
6 loans work, or they have had a brief conversation with little detail.

7 (h) Financial literacy education is an essential component of
8 preparing individuals to manage money, credit, and debt, and of
9 becoming responsible workers, heads of households, investors,
10 entrepreneurs, business leaders, and citizens.

11 (i) The teaching of financial literacy skills empowers young
12 Californians with the tools they need to enter a globally competitive
13 workforce.

14 (j) In recognition of the importance of teaching financial literacy,
15 46 states report having personal finance standards in various forms,
16 while 13 of those states include personal finance instruction as
17 part of their graduation requirement.

18 (k) At this crucial economic time, it is imperative that California
19 encourage the provision of financial literacy instruction for all
20 students.

21 SEC. 2. The heading of Article 6 (commencing with Section
22 51280) of Chapter 2 of Part 28 of Division 4 of Title 2 of the
23 Education Code is amended to read:

24
25 Article 6. Primary Education Model Curriculum for Lifelong
26 Health, Aging, and Financial Literacy
27

28 ~~SEC. 3. Section 51282 of the Education Code is amended to~~
29 ~~read:~~

30 ~~51282. (a) It is the intent of the Legislature to enact legislation~~
31 ~~to establish educational requirements in order to instill in~~
32 ~~California's youth a sense of importance about lifelong financial~~
33 ~~planning and preparation, including, among other things, the costs~~
34 ~~of health care, in a much-extended later life.~~

35 ~~(b) Educational institutions have developed a model curriculum~~
36 ~~in lifelong healthy aging and financial literacy, with materials, free~~
37 ~~of charge, for the Superintendent to disseminate to school teachers~~
38 ~~at the local level.~~

39 ~~(c) The Superintendent shall make this existing curriculum~~
40 ~~available to teachers, using materials that are currently available~~

1 at no cost, with information and links provided through the Internet,
2 in order to provide to pupils in grades 7 to 12, inclusive, instruction
3 on human growth, human development, and financial literacy,
4 including, but not limited to, budgeting and managing credit,
5 student loans, and debt.

6 ~~SEC. 4.~~

7 SEC. 3. Section 51284 of the Education Code is amended to
8 read:

9 51284. Concurrently with, but not prior to, the next revision
10 of ~~text books~~ *textbooks* or curriculum frameworks in the social
11 sciences, health, and mathematics curricula, the state board shall
12 ensure that these academic areas integrate components of human
13 growth, human development, and human contribution to society,
14 across the life course, and also financial literacy, including, but
15 not limited to, budgeting and managing credit, student loans, ~~and~~
16 *consumer debt, and identity theft security.*