

SENATE BILL No. 418

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-30-5-19; IC 20-37.5.

Synopsis: Financial literacy instruction. Requires financial literacy instruction in grade 6 through grade 12 in public schools, including charter schools, and accredited nonpublic schools. Establishes a task force to develop guidelines and model curricula for financial literacy instruction. Establishes a state resource program for financial literacy. Establishes the financial literacy grant fund to assist public schools, including charter schools, in implementing financial literacy instruction. Annually appropriates money in the fund for purposes of making grants.

Effective: July 1, 2013.

Waltz

January 10, 2013, read first time and referred to Committee on Education and Career Development.

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First Regular Session 118th General Assembly (2013)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2012 Regular Session of the General Assembly.

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SENATE BILL No. 418



A BILL FOR AN ACT to amend the Indiana Code concerning education and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 20-30-5-19, AS ADDED BY P.L.154-2009,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2013]: Sec. 19. (a) Each school corporation, charter school,
4 and accredited nonpublic school shall include in its curriculum for all
5 students in ~~grades~~ **grade 6** through **grade 12** instruction concerning
6 personal financial responsibility **under this section and financial**
7 **literacy under IC 20-37.5.**
8 (b) A school corporation, a charter school, and an accredited
9 nonpublic school may meet the requirements of subsection (a) by:
10 (1) integrating, within its **overall** curriculum, instruction; or
11 (2) conducting a seminar;
12 that is designed to foster overall ~~personal financial responsibility~~
13 **financial literacy.**
14 (c) **Upon recommendations from the financial literacy task force**
15 **created under IC 20-37.5-5,** the state board shall adopt ~~a curriculum~~
16 **that ensures model curricula and guidelines to ensure financial**
17 **literacy, including** personal financial responsibility is taught:



1 (1) in a manner appropriate for each grade level; and
 2 (2) as a separate subject or as units incorporated into appropriate
 3 subjects, **including mathematics, social studies, business,**
 4 **family and consumer sciences, and economics.**
 5 as determined by the state board:

6 SECTION 2. IC 20-37.5 IS ADDED TO THE INDIANA CODE AS
 7 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,
 8 2013]:

9 **ARTICLE 37.5. FINANCIAL LITERACY INSTRUCTION,**
 10 **RESOURCES, AND GRANT PROGRAM**

11 **Chapter 1. Definitions**

12 **Sec. 1. The definitions in this chapter apply throughout this**
 13 **article.**

14 **Sec. 2. "Financial literacy" refers to specific acquired skills**
 15 **related to the following:**

- 16 (1) **Developing personal financial responsibility.**
- 17 (2) **Managing personal finances.**
- 18 (3) **Using credit and incurring debt.**
- 19 (4) **Saving and investing.**

20 **Sec. 3. "Fund" refers to the financial literacy grant fund**
 21 **established by IC 20-37.5-4-2.**

22 **Sec. 4. "Task force" refers to the financial literacy task force**
 23 **established by IC 20-37.5-5-1.**

24 **Chapter 2. Financial Literacy Instruction**

25 **Sec. 1. This chapter applies to public schools, including charter**
 26 **schools, and to accredited nonpublic schools.**

27 **Sec. 2. The department shall ensure that financial literacy**
 28 **instruction is offered to students in grade 6 through grade 12.**

29 **Sec. 3. (a) The task force shall develop guidelines and model**
 30 **curricula to carry out this chapter, and present the guidelines and**
 31 **model curricula to the state board.**

32 **(b) The state board may adopt the guidelines and model**
 33 **curricula.**

34 **Sec. 4. Instruction provided under this chapter must be**
 35 **appropriate to the grade level in which the information is taught,**
 36 **and include, between grade 6 and grade 12, skills in the following**
 37 **areas:**

- 38 (1) **Developing financial responsibility:**
 - 39 (A) **Making reasonable financial decisions by analyzing**
 - 40 **alternatives to and consequences of the financial decisions.**
 - 41 (B) **Locating and evaluating financial information from**
 - 42 **various sources.**

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- 1 (C) Developing communication strategies to discuss
 2 financial issues.
 3 (D) Controlling personal information.
 4 (E) Reviewing and summarizing federal and state
 5 consumer protection laws.
 6 (2) Managing personal finances:
 7 (A) Developing a plan for spending and saving.
 8 (B) Developing a system for keeping and using financial
 9 records.
 10 (C) Developing a personal financial plan.
 11 (3) Using credit and incurring debt:
 12 (A) Identifying the costs and benefits of various types of
 13 credit.
 14 (B) Explaining the purpose of a credit report, including the
 15 manner in which a credit report is used by lenders.
 16 (C) Describing the rights of a borrower regarding a credit
 17 report.
 18 (D) Identifying methods of avoiding and resolving debt
 19 problems.
 20 (E) Reviewing and summarizing federal and state
 21 consumer protection laws.
 22 (4) Understanding saving and investing:
 23 (A) Understanding how saving and investing contribute to
 24 personal financial well-being.
 25 (B) Understanding the methods of investing and
 26 alternatives to investing.
 27 (C) Understanding how to buy and sell investments.
 28 (D) Understanding the regulation of financial institutions
 29 to protect investors.
 30 **Chapter 3. State Financial Literacy Resource Program**
 31 **Sec. 1. This chapter applies to public schools, including charter**
 32 **schools, and to accredited nonpublic schools.**
 33 **Sec. 2. With assistance from the task force, the department shall**
 34 **establish a state financial literacy resource program using**
 35 **designated and identifiable state resources to:**
 36 (1) support schools in the development of local programs that
 37 teach financial literacy; and
 38 (2) provide integrated services to schools, including the
 39 following:
 40 (A) Information and materials resource centers.
 41 (B) Professional development plans and programs.
 42 (C) Research and development services.

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1 (D) Technical assistance, including:

2 (i) student assessment;

3 (ii) program assessment; and

4 (iii) program development and implementation.

5 Chapter 4. Financial Literacy Grant Fund

6 Sec. 1. This chapter applies only to public schools, including
7 charter schools.

8 Sec. 2. (a) The financial literacy grant fund is established to
9 provide grants to schools for the implementation of financial
10 literacy instruction under this article. The department shall
11 administer the fund.

12 (b) The expenses of administering the fund shall be paid from
13 money in the fund.

14 (c) The fund consists of:

15 (1) appropriations from the general assembly;

16 (2) gifts, donations, and bequests; and

17 (3) grants, including grants from private entities.

18 (d) The treasurer of state shall invest the money in the fund not
19 currently needed to meet the obligations of the fund in the same
20 manner as other public funds may be invested. Interest that
21 accrues from these investments shall be deposited in the fund.

22 (e) Money in the fund from sources other than state
23 appropriations at the end of a state fiscal year does not revert to
24 the state general fund.

25 (f) There is annually appropriated to the department an amount
26 sufficient from the fund to make grants under this chapter.

27 Sec. 3. A school may apply to the department to receive a grant
28 from the fund in the manner specified by the department.

29 Sec. 4. A school that receives a grant under this chapter shall
30 submit an annual report to the department that includes the
31 following information:

32 (1) The programs or initiatives for which the grant is used.

33 (2) The results of the programs for which the grant is used,
34 including aggregated student assessment results, program
35 effectiveness, and student achievement.

36 Chapter 5. Financial Literacy Task Force

37 Sec. 1. The financial literacy task force is established to:

38 (1) develop guidelines and model curricula in financial
39 literacy instruction; and

40 (2) oversee the implementation of financial literacy
41 instruction.

42 Sec. 2. (a) The task force consists of twelve (12) members,

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appointed by the state superintendent as follows:

(1) Seven (7) members who hold active teaching licenses under IC 20-28 and who currently teach in grade 6 through grade 12 in content areas related to financial literacy, including mathematics, social studies, business, family and consumer sciences, and economics, recommended by the school employee organization (as defined in IC 20-29-2-14) with the greatest number of members in Indiana.

(2) Five (5) members who represent the banking industry in Indiana, recommended by an Indiana banking industry trade organization.

(b) The organizations set forth in subsection (a) must provide to the state superintendent an initial list of recommendations for appointment not later than July 1, 2013.

Sec. 3. (a) The term of a member is two (2) years.

(b) Notwithstanding subsection (a), the initial terms of:

(1) four (4) members appointed under section 2(a)(1) of this chapter; and

(2) two (2) members appointed under section 2(a)(2) of this chapter;

as designated by the state superintendent, is one (1) year.

(c) A member may be reappointed.

Sec. 4. The task force shall meet upon the call of the state superintendent.

Sec. 5. (a) A member of the task force is not entitled to a salary per diem.

(b) A member of the task force is entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

Sec. 6. (a) The task force shall make initial recommendations to the department and state board concerning guidelines and model curricula for financial literacy instruction not later than April 1, 2014.

(b) The task force shall make an annual report to the department and state board not later than April 1 of each year.

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