February 15, 2013

SENATE BILL No. 418

DIGEST OF SB 418 (Updated February 13, 2013 5:44 pm - DI 71)

Citations Affected: IC 20-24; IC 20-30; 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.

Effective: July 1, 2013.

Waltz, Delph, Kruse, Buck

January 10, 2013, read first time and referred to Committee on Education and Career Development.
February 14, 2013, amended, Do Pass; reassigned to Committee on Appropriations.
February 14, 2013, pursuant to Senate Rule 68(b), reassigned to Committee on Rules and Legislative Procedures.
February 14, 2013, reported out without recommendation.

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February 15, 2013

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.

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

SECTION 1. IC 20-24-8-5, AS AMENDED BY P.L.160-2012, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. The following statutes and rules and guidelines adopted under the following statutes apply to a charter school:

(1) IC 5-11-1-9 (required audits by the state board of accounts).
(2) IC 20-39-1-1 (unified accounting system).
(3) IC 20-35 (special education).
(4) IC 20-26-5-10 (criminal history).
(5) IC 20-26-5-6 (subject to laws requiring regulation by state agencies).
(6) IC 20-28-10-12 (nondiscrimination for teacher marital status).
(7) IC 20-28-10-14 (teacher freedom of association).
(8) IC 20-28-10-17 (school counselor immunity).
(9) For conversion charter schools only, IC 20-28-6, IC 20-28-7.5, IC 20-28-8, IC 20-28-9, and IC 20-28-10.
(10) IC 20-33-2 (compulsory school attendance).
(11) IC 20-33-3 (limitations on employment of children).

(12) IC 20-33-8-19, IC 20-33-8-21, and IC 20-33-8-22 (student due process and judicial review).
(13) IC 20-33-8-16 (firearms and deadly weapons).
(14) IC 20-34-3 (health and safety measures).
(15) IC 20-33-9 (reporting of student violations of law).
(16) IC 20-30-3-2 and IC 20-30-3-4 (patriotic commemorative observances).
(17) IC 20-31-3, IC 20-32-4, IC 20-32-5, IC 20-32-8, and IC 20-32-8.5, as provided in IC 20-32-8.5-2(b) (academic standards, accreditation, assessment, and remediation).
(18) IC 20-33-7 (parental access to education records).
(19) IC 20-31 (accountability for school performance and improvement).
~~(20) IC 20-30-5-19 (personal financial responsibility instruction).~~

SECTION 2. IC 20-30-5-19, AS ADDED BY P.L.154-2009, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 19. (a) Each school corporation ~~charter school, and accredited nonpublic school~~ shall include in its curriculum for all students in ~~grades~~ **grade** 6 through **grade** 12 instruction concerning personal financial responsibility **under this section and financial literacy under IC 20-37.5.**

(b) A school corporation, a charter school, and an accredited nonpublic school may meet the requirements of subsection (a) by:
(1) integrating, within its **overall** curriculum, instruction; or
(2) conducting a seminar;
that is designed to foster overall ~~personal financial responsibility~~ **financial literacy.**

(c) **Upon recommendations from the financial literacy task force created under IC 20-37.5-5,** the state board shall adopt ~~a curriculum that ensures~~ **model curricula and guidelines to ensure financial literacy, including** personal financial responsibility is taught:
(1) in a manner appropriate for each grade level; and
(2) as a separate subject or as units incorporated into appropriate subjects, **including mathematics, social studies, business, family and consumer sciences, and economics.**
~~as determined by the state board.~~

SECTION 3. IC 20-37.5 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]:

ARTICLE 37.5. FINANCIAL LITERACY INSTRUCTION, RESOURCES, AND GRANT PROGRAM

Chapter 1. Definitions

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Sec. 1. The definitions in this chapter apply throughout this article.

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

(1) Developing personal financial responsibility.

(2) Managing personal finances.

(3) Using credit and incurring debt.

(4) Saving and investing.

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

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

Chapter 2. Financial Literacy Instruction

Sec. 1. This chapter applies to a school corporation.

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

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

(b) The state board shall adopt the guidelines and model curricula.

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

(1) Developing financial responsibility:

(A) Making reasonable financial decisions by analyzing alternatives to and consequences of the financial decisions.

(B) Locating and evaluating financial information from various sources.

(C) Developing communication strategies to discuss financial issues.

(D) Controlling personal information.

(E) Reviewing and summarizing federal and state consumer protection laws.

(2) Managing personal finances:

(A) Developing a plan for spending and saving.

(B) Developing a system for keeping and using financial records.

(C) Developing a personal financial plan.

(3) Using credit and incurring debt:

(A) Identifying the costs and benefits of various types of

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credit.

(B) Explaining the purpose of a credit report, including the manner in which a credit report is used by lenders.

(C) Describing the rights of a borrower regarding a credit report.

(D) Identifying methods of avoiding and resolving debt problems.

(E) Reviewing and summarizing federal and state consumer protection laws.

(4) Understanding saving and investing:

(A) Understanding how saving and investing contribute to personal financial well-being.

(B) Understanding the methods of investing and alternatives to investing.

(C) Understanding how to buy and sell investments.

(D) Understanding the regulation of financial institutions to protect investors.

Chapter 3. State Financial Literacy Resource Program

Sec. 1. This chapter applies to a school corporation.

Sec. 2. With assistance from the task force, the department shall establish a state financial literacy resource program using designated and identifiable state resources to:

(1) support schools in the development of local programs that teach financial literacy; and

(2) provide integrated services to schools, including the following:

(A) Information and materials resource centers.

(B) Professional development plans and programs.

(C) Research and development services.

(D) Technical assistance, including:

(i) student assessment;

(ii) program assessment; and

(iii) program development and implementation.

Chapter 4. Financial Literacy Grant Fund

Sec. 1. This chapter applies to a school corporation.

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

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

(c) The fund consists of:

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(1) appropriations from the general assembly;
(2) gifts, donations, and bequests; and
(3) grants, including grants from private entities.

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

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

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

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

(1) The programs or initiatives for which the grant is used.
(2) The results of the programs for which the grant is used, including aggregated student assessment results, program effectiveness, and student achievement.

Chapter 5. Financial Literacy Task Force

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

(1) develop guidelines and model curricula in financial literacy instruction; and
(2) oversee the implementation of financial literacy instruction.

Sec. 2. (a) The task force consists of twelve (12) members, 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 one (1) or more school employee organizations (as defined in IC 20-29-2-14). The number of members that a school employee organization may recommend for appointment to the task force shall be proportional to the number of members of that school employee organization as a percentage of the members of all school employee organizations.
(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

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the state superintendent an initial list of recommendations for appointment not later than July 1, 2013.

(c) The state superintendent shall develop guidelines for determining the number of members that a school employee organization may recommend under subsection (a)(1).

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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COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred Senate Bill No. 418, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning education.

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 20-24-8-5, AS AMENDED BY P.L.160-2012, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. The following statutes and rules and guidelines adopted under the following statutes apply to a charter school:

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(13) IC 20-33-8-16 (firearms and deadly weapons).
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(18) IC 20-33-7 (parental access to education records).
(19) IC 20-31 (accountability for school performance and improvement).

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~~(20) IC 20-30-5-19 (personal financial responsibility instruction).~~".

Page 1, line 3, after "corporation" delete ",".

Page 1, line 3, strike "charter school,".

Page 1, line 4, strike "and accredited nonpublic school".

Page 2, line 25, delete "public schools, including charter" and insert "**a school corporation.**".

Page 2, delete line 26.

Page 2, line 32, delete "may" and insert "**shall**".

Page 3, line 31, delete "public schools, including charter" and insert "**a school corporation.**".

Page 3, delete line 32.

Page 4, line 6, delete "only to public schools, including" and insert "**to a school corporation.**".

Page 4, delete line 7.

Page 4, delete lines 25 through 26.

Page 5, line 6, delete "the" and insert "**one (1) or more**".

Page 5, line 7, delete "organization" and insert "**organizations**".

Page 5, line 7, delete "with the" and insert "**. The number of members that a school employee organization may recommend for appointment to the task force shall be proportional to the number of members of that school employee organization as a percentage of the members of all school employee organizations.**".

Page 5, delete line 8.

Page 5, between lines 14 and 15, begin a new paragraph and insert:

"**(c) The state superintendent shall develop guidelines for determining the number of members that a school employee organization may recommend under subsection (a)(1).**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass and be reassigned to the Senate Committee on Appropriations.

(Reference is to SB 418 as introduced.)

KRUSE, Chairperson

Committee Vote: Yeas 11, Nays 0.

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Report of the President
Pro Tempore

Madam President: Pursuant to Senate Rule 68(b), I hereby report that Senate Bill 418, currently assigned to the Committee on Appropriations, be reassigned to the Committee on Rules and Legislative Procedure.

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COMMITTEE REPORT

Madam President: The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Bill No. 418, has had the same under consideration and begs leave to report the same back to the Senate without recommendation.

(Reference is to SB 418 as introduced.)

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