



SENATE BILL 134: Economics & Financial Literacy Act.

2019-2020 General Assembly

Committee:	Senate Education/Higher Education. If favorable, re-refer to Appropriations/Base Budget. If favorable, re-refer to Rules and Operations of the Senate	Date:	April 3, 2019
Introduced by:	Sens. Tillman, Ballard, Chaudhuri	Prepared by:	Kara McCraw Committee Counsel
Analysis of:	Second Edition		

OVERVIEW: SB 134 would require a new course in economics and personal finance (EPF) as a graduation requirement for students, as well as require professional development for teachers of that course. \$1,063,800 would be appropriated to the North Carolina Council on Economic Education to provide for professional development for teachers for the course. SB 134 would also clarify the requirements for the existing high school civics course, and require the State Board of Education to revise the standards for the social studies standard course of study.

CURRENT LAW: G.S. 115C-81.65 requires instruction in personal financial literacy for all students, including integration in the high school standard course of study that should include, at a minimum, the following:

- (1) The true cost of credit.
- (2) Choosing and managing a credit card.
- (3) Borrowing money for an automobile or other large purchase.
- (4) Home mortgages.
- (5) Credit scoring and credit reports.
- (6) Other relevant financial literacy issues.

Under the current NC Standard Course of Study, economics and financial literacy is taught as part of the American History: Founding Principles, Civics and Economics course.

In 2017, the General Assembly required the establishment of a three-year Financial Literacy Elective Course Pilot Program for the 2017-2018, 2018-2019, and 2019-2020 school years. The elective course is available to all public schools.

G.S. 115C-81.45 currently requires the State Board of Education (SBE) to include instruction in civic and citizenship education in the standard course of study for high school social studies, and requires the teaching of a semester course that students must pass to graduate high school on the Founding Principles of the United States of America and the State of North Carolina.

BILL ANALYSIS: SB 134 would require the SBE to require a full credit course focused solely on economics and personal finance (EPF), which students must pass in order to graduate from high school. The requirement would apply to students entering 9th grade in the 2020-2021 school year. The course content would, as a minimum, include the standards in the second edition of the Voluntary National Content Standards in Economics and the 2013 National Standards for Financial Literacy developed by the Council for Economic Education. The course would also be required to include, at a minimum, instruction on planning and paying for postsecondary education in addition to the requirements for personal financial literacy in existing law. The

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requirements for personal financial literacy would also apply to charter schools, regional schools, the innovative school district, laboratory schools, and the renewal school district.

Beginning July 1, 2019, the SBE would require EPF teachers receive professional development to ensure the provision is carried out, and to the extent funds are available, require public schools to make available the EPF professional development course provided by the North Carolina Council on Economic Education (NCCEE) at the approved location most conveniently located to the school.

Effective July 1, 2019, a one-time appropriation of \$1,063,800 would be provided in 2019-2020 to NCCEE to provide professional development to teachers of the EPF course. The funds would be used for the following:

- The professional development course, including administration of the Test of Economic Literacy and the Working in Support of Education personal finance test.
- A \$500 stipend. The stipend would be paid to either the teacher if the course is completed outside the school year, or the teacher's employer if the course is completed on school days.

NCCEE would be required to report on those activities and use of State funds by September 1 of the year following the use of State funds to the Joint Legislative Education Oversight Committee and Fiscal Research Division.

Current requirements for civics education in high school would be merged with the existing Founding Principles course, and that course, entitled the Founding Principles of the United States of America and North Carolina: Civic Literacy, would be required to be a full credit course. The new course would apply to all students entering the ninth grade in the 2021-2022 school year.

The SBE would be required to begin the process for revision of the K-12 social studies standard course of study, in accordance with the requirements of SB 134. The SBE would be required to determine the appropriate grade levels for the EPF and Founding Principles courses, and could not require more than four full course credits in social studies for high school graduation.

EFFECTIVE DATE: Except as otherwise provided, SB 134 would become effective when it becomes law.