
SUBSTITUTE SENATE BILL 6212

State of Washington

58th Legislature

2004 Regular Session

By Senate Committee on Financial Services, Insurance & Housing
(originally sponsored by Senators Keiser, Winsley, Kohl-Welles,
Benton and McAuliffe)

READ FIRST TIME 01/28/04.

1 AN ACT Relating to financial literacy; adding a new section to
2 chapter 28A.230 RCW; adding a new section to chapter 28A.300 RCW; and
3 creating new sections.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature recognizes that financial
6 illiteracy is at an unacceptable level, and that the average high
7 school student lacks even a basic knowledge of personal finance. In
8 addition, the legislature recognizes the damaging effects of not
9 properly preparing youth for the financial realities of modern life,
10 including bankruptcy, poor retirement planning, mounting debt, and a
11 lower standard of living for Washington families.

12 The legislature finds that the purpose of the state's system of
13 public education is to help students acquire the skills and knowledge
14 they will need to be productive and responsible 21st century citizens.
15 The legislature further finds that responsible citizenship includes an
16 ability to make wise financial decisions. To help students acquire the
17 essential skills and knowledge needed for 21st century citizenship, the
18 state has adopted four learning goals and defined the basic gateway
19 skills students need in reading, writing, mathematics, and science. It

1 is in the process of defining the essential academic learning
2 requirements and grade level expectations for social studies, the arts,
3 and health and fitness. The legislature further finds that financial
4 literacy could easily be included in coursework and projects that
5 assist students in achieving the four learning goals, including
6 learning goal four - understanding the importance of work and how
7 performance, effort, and decisions directly affect future
8 opportunities.

9 The legislature intends to assist school districts in their efforts
10 to ensure that students are financially literate through creating a set
11 of financial literacy learning guidelines, providing information on
12 instructional materials that help students meet the learning
13 guidelines, data collection, and creating a public-private partnership
14 to help provide instructional tools and professional development to
15 school districts that wish to increase the financial literacy of their
16 students.

17 NEW SECTION. **Sec. 2.** (1) The legislative ad hoc committee on
18 financial literacy is established composed of members representing the
19 legislature, the governor, the superintendent of public instruction,
20 the department of financial institutions, the financial institutions
21 and credit industries, school directors, school principals and
22 administrators, educators, including career and technical educators,
23 and higher education. Four members of the senate, two from each major
24 caucus of the committees on education and financial services, insurance
25 and housing, shall be appointed by the president of the senate. Four
26 members of the house of representatives, two from each major caucus of
27 the committees on education and financial institutions and insurance,
28 shall be selected by the speaker of the house of representatives. The
29 other committee members shall be selected by their applicable agencies
30 or associations, or, in the case of the financial institutions and
31 credit industries, by appointment of two members by the governor.

32 (2) Staff support for the committee shall be provided by senate
33 committee services, the office of program research, and the
34 public-private partnership. Technical and logistical support may be
35 provided by the office of the superintendent of public instruction and
36 the organizations selecting committee members.

1 (3) The members of the committee shall be appointed by July 1,
2 2004.

3 (4) Legislative members of the ad hoc committee shall receive per
4 diem and travel under RCW 44.04.120.

5 (5) Travel and other expenses of nonlegislative members of the ad
6 hoc committee shall be provided by the agency, association, or
7 organization that appointed the member.

8 NEW SECTION. **Sec. 3.** The legislative ad hoc committee on
9 financial literacy shall:

10 (1) By September 30, 2004, adopt a definition of financial literacy
11 that is aligned with the essential academic learning requirements;

12 (2) By September 30, 2005, develop a set of recommended financial
13 literacy learning guidelines that may be used in elementary, middle,
14 and high schools by interested school districts. The guidelines shall
15 include measurable student outcomes;

16 (3) By November 30, 2005, recommend a structure and set of
17 operating principles for a public-private partnership to work with
18 interested school districts to assist the districts in selecting or
19 developing financial literacy instructional materials and providing
20 professional development on the learning guidelines;

21 (4) By July 15, 2006, subject to funding, select school districts
22 in which to pilot the financial literacy learning guidelines,
23 instructional materials, and professional development;

24 (5) Collect and analyze available information on the costs and
25 benefits to individual students and society of ensuring that students
26 are financially literate by the time they graduate from high school;

27 (6) Recommend outcome measures or other demonstrations that schools
28 and communities may use to determine whether students are financially
29 literate;

30 (7) Recommend a system that could be used to follow the educational
31 opportunities a district's student has to become financially literate
32 as the student progresses from elementary school, to middle school, and
33 to high school; and

34 (8) Provide annual reports to the education committees of the house
35 of representatives and senate, and, by November 15, 2008, provide a
36 report to the governor, the legislature, the superintendent of public

1 instruction, the state board of education, and education stakeholder
2 groups, on the results of work of the ad hoc committee and of the
3 pilots.

4 NEW SECTION. **Sec. 4.** A new section is added to chapter 28A.230
5 RCW to read as follows:

6 (1) Subject to available funding, the superintendent of public
7 instruction shall make available to school districts the learning
8 guidelines, instructional materials, and other relevant information
9 provided by the legislative ad hoc committee on financial literacy
10 under sections 2 and 3 of this act and those provided by the public-
11 private partnership created under section 3 of this act.

12 (2) Each school district is encouraged to provide its students with
13 an opportunity to master the financial literacy learning guidelines
14 developed under section 3 of this act.

15 NEW SECTION. **Sec. 5.** The legislative ad hoc committee on
16 financial literacy shall establish a series of pilots to assist
17 interested school districts in the implementation of financial literacy
18 instructional programs. The purpose of the pilots is to determine the
19 best methods of equipping students with the knowledge and skills they
20 need, before they become self-supporting, to make critical decisions
21 regarding their personal finances. The components of personal
22 financial literacy covered in the pilot program shall include, at a
23 minimum, consumer financial education, personal finance, and personal
24 credit. The pilots shall include an evaluation that describes and
25 monitors the measurable outcomes expected from participating students,
26 in accordance with the definitions and outcomes developed under section
27 3 of this act.

28 NEW SECTION. **Sec. 6.** A new section is added to chapter 28A.300
29 RCW to read as follows:

30 The Washington financial literacy education partnership account is
31 hereby created in the custody of the state treasurer. The purpose of
32 the account is to provide financial literacy educational opportunities
33 for students and financial literacy professional development
34 opportunities for the teachers providing those educational
35 opportunities. Revenues to the account may include gifts from the

1 private sector, federal funds, and any appropriations made by the
2 legislature or other sources. Grants and their administration shall be
3 paid from the account. Only the superintendent of public instruction
4 or the superintendent's designee may authorize expenditures from the
5 account. The account is subject to allotment procedures under chapter
6 43.88 RCW, but an appropriation is not required for expenditures.

7 NEW SECTION. **Sec. 7.** The legislative ad hoc committee on
8 financial literacy expires on June 30, 2009.

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