

# SENATE BILL REPORT

## SSB 5202

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As Amended by House, April 8, 2015

**Title:** An act relating to the financial education public-private partnership.

**Brief Description:** Regarding the financial education public-private partnership.

**Sponsors:** Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators Mullet, Fain, Litzow, Billig, Frock, Keiser and Habib).

**Brief History:**

**Committee Activity:** Early Learning & K-12 Education: 1/20/15, 2/05/15 [DPS, DNP].

Passed Senate: 3/02/15, 44-4.

Passed House: 4/08/15, 91-6.

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### SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

**Majority Report:** That Substitute Senate Bill No. 5202 be substituted therefor, and the substitute bill do pass.

Signed by Senators Litzow, Chair; McAuliffe, Ranking Member; Billig, Fain, Mullet, Rivers and Rolfes.

**Minority Report:** Do not pass.

Signed by Senator Dammeier, Vice Chair.

**Staff:** Matthew Lemon (786-7405)

**Background:** The Financial Education Public-Private Partnership (Partnership) consists of four legislators, four representatives from the financial services sector, four educators, one designee from the Department of Financial Institutions, and two representatives from the Office of Superintendent of Public Instruction (OSPI).

The duties of the Partnership include the following:

- communicating financial education standards and strategies for improving financial education to school districts;
- reviewing and developing a procedure for endorsing financial education curriculum;
- identifying assessments and outcome measures that schools can use to determine whether students meet financial education standards; and
- monitoring and providing guidance for professional development.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Legislation enacted in 2007 established understanding the importance of work and finance as one of the goals of basic education. In 2008 financial literacy was included in Washington's seventh grade level expectations for social studies and economics. There are no separate Essential Academic Learning Requirements (EALRs) for financial education.

The JumpStart Coalition for Personal Financial Literacy (Coalition) is a nonprofit organization that promotes financial literacy among students from prekindergarten through college. The Coalition partners with corporate, nonprofit, academic, and government entities, including Washington. The Washington branch of the Coalition adopted financial literacy concepts that link with EALRs, which school districts are encouraged to adopt.

**Summary of Substitute Bill:** The State Treasurer or the State Treasurer's designee is added as a member to the Partnership. Teachers who are members of the Partnership may be paid their travel expenses according to current law from funds available in the Partnership account. Funds from the Partnership account may also pay for a substitute teacher when member teachers attend official meetings of the Partnership. If the Partnership pays for these expenses, the school district must release a teacher to attend official Partnership meetings.

Online instructional materials and resources are added to the financial education curriculum that the Partnership reviews on an ongoing basis. The Partnership must work with OSPI to integrate financial education skills and content knowledge into the state learning standards and standards in K-12 personal finance education developed by a national coalition for personal financial literacy that includes partners from business, finance, government, academia, education, and state affiliates are adopted as the state financial education learning standards.

The Partnership is no longer required to identify assessments and outcome measures for schools to determine whether students meet the financial education standards, or to create professional development that could lead to a certificate endorsement or other certification of competency.

After consulting with the partnership, OSPI must make available to all districts a list of materials that align with the financial standards integrated into the state learning standards. The Partnership may seek federal and private funds to support school districts in providing access to the materials and related professional development for certificated teachers. School districts must provide high school students the opportunity to access the financial education standards and publicize the availability of these opportunities to students and their families.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Original Bill:** PRO: Many young people today lack basic financial literacy. This bill will encourage young people to make better personal financial decisions that will save the state money in the long run. This bill ensures all students will receive a basic financial education that will serve them throughout their lives. More financial literacy education will protect people from fraud and help students make smart fiscal decisions. The Partnership currently provides 12 professional development trainings on their proposed standards and have already trained over 400 teachers on integrating financial literacy into standards and curriculum. The Partnership has trained educators from all but nine school districts in the state.

OTHER: The bill presents challenges in implementing new financial literacy standards within the Common Core state standards. There is no assessment or professional development to support the standards. This bill may create an unfunded mandate to implement the new standards without adequate support. More financial education for students is needed, but new graduation and EALRs would be difficult to integrate now because these requirements have changed so much in the last few years. If financial education is going to be incorporated within the Common Core State Standards, it will take careful planning and time to properly identify where these standards should be incorporated. Designating the Jumpstart Coalition's financial literacy standards as the EALRs may be premature and unnecessary if financial literacy standards are integrated throughout the Common Core State Standards.

**Persons Testifying:** PRO: Senator Mullet, prime sponsor; Mark Minickiello, NW Credit Union Assn.; Linda Jekel, Dept. of Financial Institutions; Dan McGrady, PEMCO Insurance; Denny Eliason, WA Bankers Assn.

OTHER: Jerry Bender, Assn. of WA School Principals; Lucinda Young, WA Education Assn.; Julia Suliman, State Board of Education.

**House Amendment(s):** The amendment retains the provisions of the underlying bill with the following changes:

- Refers to the "state learning standards" rather than the "state EALRs."
- Adopts standards in K–12 personal finance that have been developed by a national coalition as the state financial education learning standards.
- Strikes the requirement that OSPI seek federal and private funds to support school districts in providing access to materials and professional development, and instead allows the Partnership to do so.
- Requires OSPI to make available to districts a list of "materials" that align with the standards, rather than a list of "courses" that align with the standards.