

# SENATE BILL REPORT

## SB 5819

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As of January 17, 2024

**Title:** An act relating to making financial education instruction a graduation prerequisite and a required component of public education.

**Brief Description:** Making financial education instruction a graduation prerequisite and a required component of public education.

**Sponsors:** Senators Valdez, Boehnke, Gildon, Hasegawa, Keiser, Kuderer, Lovick, Nobles, Saldaña, Torres and Wilson, C.; by request of State Treasurer.

**Brief History:**

**Committee Activity:** Early Learning & K-12 Education: 1/17/24.

### Brief Summary of Bill

- Requires public school students, beginning with the class of 2029, to earn one-half credit of financial education instruction (FEI) as a graduation prerequisite.
- Requires school districts, charter schools, and state-tribal education compact schools to provide students with access to no less than one-half credit of FEI beginning in or before the 2025-26 school year.
- Directs school districts and public schools to submit a plan and timeline to the State Board of Education on meeting requirements.
- Requires school districts to provide FEI to all public school students in elementary and middle school grades, with frequency determined by grade level.

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

**Staff:** Benjamin Omdal (786-7442)

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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 part of the legislation nor does it constitute a statement of legislative intent.*

**Background:** Program of Basic Education, Financial Education State Learning Standards. Washington's program of basic education establishes four goals for school districts pertaining to the opportunity for every student to develop the knowledge and skills essential for practicing certain academic skills and concepts. The fourth goal addresses "the importance of work and finance and how performance, effort, and decisions directly affect future career and educational opportunities."

The Office of the Superintendent of Public Instruction (OSPI) is required to develop state learning standards that identify the knowledge and skills all public school students need to know and be able to do. Learning standards are based on the student learning goals of basic education, as laid out in statute. State law also requires OSPI to periodically revise the state learning standards, as needed.

In 2015 the Legislature directed OSPI to integrate financial education skills and content knowledge into the state learning standards. OSPI adopted these standards in 2016.

High School Graduation Requirements. Washington State students must meet various requirements to graduate high school and receive a diploma. Students must complete 24 credits in specified subject areas as determined by the State Board of Education (SBE). Students must also complete a High School and Beyond Plan, meet the requirements of at least one graduation pathway, and satisfy any local requirements.

Graduating students in the class of 2021 and subsequent classes must earn 17 core academic credits, four elective credits, and three locally determined personalized pathway credits.

Financial Education Public-Private Partnership. In 2015 the Legislature established the Financial Education Public-Private Partnership (FEPPP). The FEPPP is comprised of members of the Legislature, representatives from the private for-profit and nonprofit financial services sector, the Washington State Department of Financial Institutions, OSPI, the State Treasurer, and teachers.

State law provides a variety of responsibilities for the FEPPP, including, among others:

- seeking out and determining the best methods of equipping students with the knowledges and skills they need to make critical decisions regarding their personal finances;
- developing communicating financial education standards to school districts;
- reviewing financial education curriculum;
- monitoring, creating, and providing guidance for professional development for educators;
- administer grant programs; and
- other tasks in support of financial literacy, subject to appropriation.

**Summary of Bill:** Revised Instructional Offering and Graduation Requirements. New instructional offering and graduation requirements related to financial education are

established for school districts and students. Beginning in or before the 2025-26 school year, each school district that operates a high school must provide high school students with access to no less than one-half credit of financial education instruction. The required content and instruction may be provided in stand-alone courses or embedded into other courses and subject areas, and instruction provided in accordance with the requirements must conform with the statewide financial education learning standards.

Beginning with students in the graduating class of 2029, each student must earn at least one-half credit of financial education instruction to qualify for graduation from a public high school.

School districts must publicize the new instructional offering and graduation requirements to students and their parents or legal guardians, beginning no later than the 2025-26 school year.

By December 15, 2024, school districts must submit to the SBE a plan and timeline for providing students with the ability to meet the revised graduation requirement. If a school district, on or before September 1, 2023, requires students to earn at least one-half credit of financial education as a graduation prerequisite, the district, rather than submitting a plan and timeline, must submit notice specifying how they are providing students with the ability to meet the graduation requirement. Materials received by the in accordance with these requirements must be posted on their website.

Instruction to Students in Elementary and Middle Schools. Beginning in or before the 2026-27 school year, school districts must provide financial education instruction to all students in elementary and middle school grades. The instruction must be provided no less than:

- twice to students while they are in any of the grades of kindergarten through 3;
- twice to students while they are in grades 4 or 5; and
- four times to students while they are in any of the grades of 6 through 8, or grades 6 through 9 if grade 9 is not offered at the applicable high school.

Applicability to Charter Schools and State-Tribal Education Compact Schools. The requirements of the bill for school districts apply also to charter schools and state-tribal education compact schools.

**Appropriation:** None.

**Fiscal Note:** Requested on January 8, 2024.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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

**Staff Summary of Public Testimony:** PRO: Financial literacy is not something that is discussed in communities just trying to scrape by. We need to do our best to prepare our kids to know what they will encounter after high school, including the skills and knowledge necessary to be successful. Folks all over the state consistently say how they wish they had more financial literacy and skills as a part of their education. Young people are also calling for greater financial education. A lot of recent work has been done to build the infrastructure for financial education that can be strengthened through this bill. Having financial education reach more Washington students will benefit the state for years to come. The bill requires school districts to create plans but does not specify a timeline for OSPI. Financial education is a critical tool for breaking cycles of generational poverty. Students currently may not be getting the skills necessary to successfully budget and handle financial issues. Financial education needs to be a fundamental right for students, as money is an ever-present factor in their lives. Standalone courses have been more successful than embedded content. New teachers are going to need a lot of time and preparation to be able to cover all necessary topics.

OTHER: The current approach in the bill might create confusion over graduation requirements. The timing of the requirements may create problems for professional development in preparing educators for these requirements. Greater funding could be provided for grants to support professional development.

**Persons Testifying:** PRO: Senator Javier Valdez, Prime Sponsor; Danica Noble, Washington State PTA; Mike Pelliciotti, State Treasurer; Tracy Godat, Financial Education Public-Private Partnership (FEPPP); Paula Sardinas, WBBA/FMSGGS; Lyset Cadena, Go West Credit Union Association; Camden Harris, Hazen Robotics; Ashwin Joshi, Ashwin Teen Financial Academy (ATFA) 501 (c) (3) Organization; Yanelly Espinal, NEXT GEN PERSONAL FINANCE; Mariah Kraus.

OTHER: J. Lee Schultz, Washington State Board of Education; Nasue Nishida, Washington Education Association.

**Persons Signed In To Testify But Not Testifying:** No one.