

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Education

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**BILL:** CS/SB 212  
**INTRODUCER:** Education and Senator Hukill and others  
**SUBJECT:** High School Graduation Requirements  
**DATE:** March 27, 2014      **REVISED:** \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	deMarsh-Mathues	Klebacha	ED	<b>Fav/CS</b>
2.	_____	_____	AED	_____
3.	_____	_____	AP	_____

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**Please see Section IX. for Additional Information:**

COMMITTEE SUBSTITUTE - Substantial Changes

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**I. Summary:**

CS/SB 212 removes the requirement for financial literacy to be included in the instruction of Economics. Beginning with students entering grade 9 in the 2014-2015 school year, the high school graduation requirements must include a one-half credit in personal financial literacy and money management instruction. Additionally, the bill reduces the number of required elective credits from eight to seven and one-half credits.

The bill provides an effective date of July 1, 2014.

**II. Present Situation:**

Currently, Florida public high school students have four options for obtaining a standard high school diploma -- a traditional 4-year, 24-credit option;<sup>1</sup> an 18-credit graduation option;<sup>2</sup> or completion of an International Baccalaureate (IB) or Advanced International Certificate of Education (AICE) curriculum.<sup>3</sup> In addition, current law requires each school district to adopt an

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<sup>1</sup> Section 1003.428, F.S., established high school graduation requirements beginning with students entering grade 9 in the 2007-2008 school year. Section 1003.4282, F.S., established high school graduation requirements for students entering grade 9 in the 2013-2014 school year and thereafter.

<sup>2</sup> Section 1002.3105(5), F.S. Effective July 1, 2013, students may earn a standard high school diploma in 18 credits by achieving a 2.0 GPA; earning credit in the same 15 English Language Arts, mathematics, science, social studies, and fine and performing arts courses required under the traditional 24-credit option; and earning 3 elective credits, instead of the 6 electives required by the 24-credit option.

<sup>3</sup> Sections 1003.428 and 1003.4282, F.S.

early graduation policy allowing a high school student who completes 24 credits in less than eight semesters and meets the GPA and assessment requirements to graduate early.<sup>4</sup>

Three of the 24 credits required to graduate from high school must be in social studies.<sup>5</sup> Of these, one credit each must be U.S. History and World History and one-half credit each must be in Economics, including financial literacy, and U.S. Government.<sup>6</sup>

The law requires Florida's social studies standards to establish specific curricular content for economics, including financial literacy.<sup>7</sup> Financial literacy includes the knowledge, understanding, skills, behaviors, attitudes, and values that enable a student to make responsible and effective financial decisions on a daily basis. Financial literacy instruction must be an integral part of instruction throughout the entire economics course and include information regarding earning income; buying goods and services; saving and financial investing; taxes; the use of credit and credit cards; budgeting and debt management, including student loans and secured loans; banking and financial services; planning for one's financial future, including higher education and career planning; credit reports and scores; and fraud and identity theft prevention.<sup>8</sup>

Legislation enacted in 2013 required the Commissioner of Education to prepare an analysis of the costs associated with implementing a separate, one-half credit course in financial literacy, including estimated costs for instructional personnel, training, and the development or purchase of instructional materials.<sup>9</sup> The Commissioner was to provide the cost analysis to the presiding officers of the Senate and the House of Representatives by October 1, 2013.<sup>10</sup>

### III. Effect of Proposed Changes:

CS/SB 212 removes the requirement for financial literacy to be included in the instruction of Economics. Beginning with students entering grade 9 in the 2014-2015 school year, the high school graduation requirements must include a one-half credit in personal financial literacy and money management instruction.<sup>11</sup> Additionally, the bill reduces the number of required elective

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<sup>4</sup> Section 1003.4281, F.S.

<sup>5</sup> Sections 1003.428(2)(a)4. and 1003.4282(3)(d), F.S.

<sup>6</sup> This requirement was created by ss. 15 and 17, chapter 2013-27, L.O.F., codified in s. 1003.428(2)(a)4., F.S., and s. 1003.4282(3)(d), F.S., respectively.

<sup>7</sup> Section 1003.41(2)(d), F.S.

<sup>8</sup> *Id.*

<sup>9</sup> Section 11, chapter 2013-27, L.O.F.

<sup>10</sup> *Financial Literacy Report*, correspondence from Commissioner Pam Stewart to the Speaker of the Florida House of Representatives, October 1, 2013. See [KMBT C454-20131001173005](http://www.kmbt.com/news/2013/10/01/173005) (last visited March 19, 2014). The report describes the underlying assumptions for the estimates to implement a separate one-half credit course in financial literacy. The report cites the results of a survey of states requiring a stand-alone course to be offered in personal financial literacy. *Survey of the States: Economic and Personal Finance Education in Our Nation's Schools*, Council for Economic Education (CEE), 2014. See <http://www.councilforeconed.org/news-information/survey-of-the-states/> and <http://www.councilforeconed.org/about/> (last visited March 20, 2014).

<sup>11</sup> The components of the instruction include: types of bank accounts offered, opening an account, and assessing the quality of a depository institution's services; balancing a checkbook; basic principles of money management, such as spending, credit, credit scores, and managing debt, including retail and credit card debt; completing a loan application; receiving an inheritance and related implications; basic principles of personal insurance policies; computing federal income taxes; local tax

credits from eight to seven and one-half credits. The bill also makes conforming changes to s. 1003.41, F.S., which specifies Florida’s academic standards.

The bill provides an effective date of July 1, 2014.

**IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

**V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The Department of Education provided the following estimate for implementing a financial literacy course:<sup>12</sup>

Cost Analysis	Year 1	Year 2 to 5	Total
<b>Scenario 1: Assuming One set of Books Per Classroom</b>			
Teacher Wages and Benefits for Training Outside			
Normal Business Hours (4-hr training)	138,944	-	138,944
Instructional Materials Cost (assumes \$80 per book)	2,778,880	1,710,080	4,488,960
Total Estimated Cost	\$2,917,824	1,710,080	\$4,627,904
<b>Scenario 2: Assuming A Book for Each Students</b>			
Teacher Wages and Benefits for Training Outside			
Normal Business Hours (4-hr training)	138,944		138,944
Instructional Materials Cost (assumes \$80 per book)	8,004,400	4,802,640	12,807,040
Total Estimated Cost	\$8,143,344	\$4,802,640	\$12,945,984
<b>Scenario 3: Assuming A Free Online Course</b>			
Teacher Wages and Benefits for Training Outside			
Normal Business Hours (4-hr training) Includes salaries and benefits for “training the trainers”	145,912	-	145,912
Travel Costs (assumes 1 teacher from each district)	15,669	-	15,699
Total Estimated Cost	\$116,581	-	\$161,581
<b>Scenario 4: Assuming Free Curriculum</b>			
Teacher Wages and Benefits for Training Outside			
Normal Business Hours (4-hr training)	138,944	-	138,944
Total Estimated Cost	\$138,944	-	\$138,944

assessments; computing interest rates by various mechanisms; simple contracts; contesting an incorrect billing statement; types of savings and investments; and state and federal laws concerning finance.

<sup>12</sup> DOE legislative bill analysis for SB 212, January 31, 2014. On file with the Senate Education Committee.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends the following sections of the Florida Statutes: 1003.41, 1003.428 and 1003.4282.

**IX. Additional Information:**

- A. **Committee Substitute – Statement of Substantial Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

**CS by Education on March 25, 2014:**

The committee substitute:

- Adds conforming changes to Florida’s academic standards.

- B. **Amendments:**

None.