

**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: SB 114

INTRODUCER: Senator Hutson and others

SUBJECT: High School Graduation Requirements/Dorothy L. Hukill Financial Literacy Act

DATE: February 4, 2019

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Graf	Sikes	ED	<b>Favorable</b>
2.			RC	

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**I. Summary:**

SB 114 specifies financial literacy standards and instruction for students entering grade 9 in the 2019-2020 school year and thereafter. Specifically, the bill revises:

- The Next Generation Sunshine State Standards to establish requirements for financial literacy distinct from the existing financial literacy requirements specified under the economics curricular content within the standards for social studies; and
- The requirements for a student to earn a standard high school diploma to:
  - Establish a separate one-half credit requirement in personal financial literacy and specify related instruction.
  - Reduce the number of required elective credits from eight to seven and one-half.

The bill designates the act as the “Dorothy L. Hukill Financial Literacy Act.”

The bill has no additional impact on state funds. School districts are provided funding for instructional materials through the instructional materials allocation within the Florida Education Finance Program (FEFP).

The bill takes effect July 1, 2019.

**II. Present Situation:**

Florida law requires the adoption of standards for core curricula content taught in public schools and specifies the requirements that students must meet to earn a standard high school diploma.<sup>1</sup>

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<sup>1</sup> Sections 1003.41 and 1003.4282(3), F.S.

## Next Generation Sunshine State Standards

The Next Generation Sunshine State Standards (NGSSS) establish the core curricula content to be taught in Florida and specify the core content knowledge and skills that K-12 public school students are expected to acquire.<sup>2</sup> The standards must be rigorous and relevant to incrementally increase a student's core content knowledge and skills over time.<sup>3</sup> The curricular content for all subjects must integrate critical-thinking, problem-solving, and workforce-literacy skills; communication, reading, and writing skills; mathematics skills; collaboration skills; contextual and applied-learning skills; technology-literacy skills; information and media-literacy skills; and civic-engagement skills.<sup>4</sup> The standards applicable to students in grades 9 through 12 may be organized by grade clusters that include more than one grade level, except as otherwise provided for visual performing arts, physical education, health, and foreign language standards.<sup>5</sup>

The State Board of Education (SBE) is responsible for adopting the NGSSS and subsequent revisions to such standards in rule.<sup>6</sup> Currently, the NGSSS must meet the following requirements:<sup>7</sup>

- English Language Arts must establish specific curricular content for, at a minimum, reading, writing, speaking and listening, and language.
- Science standards must establish specific curricular content for, at a minimum, the nature of science, earth and space science, physical science, and life science.
- Mathematics standards must establish curricular content for, at a minimum, algebra, geometry, statistics and probability, number and quantity, functions, and modeling.
- Social Studies standards must establish curricula content for, at a minimum, geography, U.S. and world history, government, civics, humanities, and economics, including financial literacy.
- Visual and performance arts, physical education, health, and foreign language standards must establish specific curricular content and include distinct grade level expectations for the core content knowledge and skills that a student is expected to have acquired by each individual grade level from kindergarten through grade 5. The standards for grades 6 through 12 may be organized by grade clusters of more than one grade level.

## Financial Literacy

Curricular content for financial literacy includes the knowledge, understanding, skills, behaviors, attitudes, and values to enable a student to make responsible and effective financial decisions on a daily basis.<sup>8</sup> Financial literacy instruction must be an integral part of instruction throughout the entire economics course and include information regarding:<sup>9</sup>

- Earning income;
- Buying goods and services;

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<sup>2</sup> Section 1003.41(1), F.S.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> Section 1003.41(3)-(4), F.S.

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

<sup>8</sup> Section 1003.41(2)(d), F.S.

<sup>9</sup> *Id.*

- 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.

The Course Code Directory (CCD)<sup>10</sup> lists at least 4 one-half credit economics courses with personal financial literacy<sup>11</sup> and 2 separate one-half credit courses in personal financial literacy.<sup>12</sup>

### **Credits Required to Earn a Standard High School Diploma**

To graduate from high school with a standard high school diploma, a student must successfully complete 24 credits, an International Baccalaureate curriculum, or an Advanced International Certificate of Education curriculum.<sup>13</sup>

A student must successfully complete 24 credits in the following subject areas:<sup>14</sup>

- Four credits in English Language Arts (ELA) I, II, III, and IV.
- Four credits in mathematics, including one each in Algebra I and Geometry. Industry certifications earned by students may substitute for up to two mathematics credits, except for Algebra I and Geometry.
- Three credits in science, including one credit in Biology I and two credits in equally rigorous courses.<sup>15</sup> Industry certifications earned by students may substitute for one science credit, except for Biology I.
- Three credits in social studies, including one credit each in U.S. history and World History; one-half credit in economics, which must include financial literacy; and one-half credit in U.S. Government.
- One credit in fine or performing arts, speech and debate, or practical arts that incorporates artistic content and techniques of creativity, interpretation, and imagination.
- One credit in physical education that must include the integration of health.

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<sup>10</sup> The Course Code Directory (CCD) lists all public preK-12 and postsecondary career and technical education courses that are available for use by school districts. Programs and courses that are funded through the Florida Education Finance Program and courses or programs for which students may earn credit toward high school graduation must be listed in the CCD. The CCD maintains course listings for administration and service assignments, K-12 education, exceptional student education, career and technical education, and adult education, with details regarding appropriate teacher certification levels. The CCD provides course information to schools, districts, and the state. Rule 6A-1.09441, F.A.C.

<sup>11</sup> Courses 2102335, 2102340, 2102345, and 2102800. Florida Department of Education, *2018-2019 Course Directory Section 3 – Grades 9 to 12 and Adult Education Courses* (Nov. 27, 2018), available at <http://www.fldoe.org/core/fileparse.php/7746/urlt/1819CCD-Basic9-12.pdf>, at 44.

<sup>12</sup> Courses 2102372 and 2102374. Florida Department of Education, *2018-2019 Course Directory Section 3 – Grades 9 to 12 and Adult Education Courses* (Nov. 27, 2018), available at <http://www.fldoe.org/core/fileparse.php/7746/urlt/1819CCD-Basic9-12.pdf>, at 44.

<sup>13</sup> Section 1003.4282(1)(a), F.S.

<sup>14</sup> Section 1003.4282(3), F.S.

<sup>15</sup> Two of the three science credits must have a laboratory component. Section 1003.4282(3)(c), F.S.

- Eight credits in electives. School districts are required to develop and offer coordinated electives to enable a student to develop knowledge and skills in his or her area of interest and such electives must include opportunities for students to earn college credit.

### III. Effect of Proposed Changes:

SB 114 specifies financial literacy standards and instruction for students entering grade 9 in the 2019-2020 school year and thereafter. Specifically, the bill revises:

- The Next Generation Sunshine State Standards to establish requirements for financial literacy distinct from the existing financial literacy requirements specified under the economics curricular content within the standards for social studies; and
- The requirements for a student to earn a standard high school diploma to:
  - Establish a separate one-half credit requirement in personal financial literacy and specify related instruction.
  - Reduce the number of required elective credits from eight to seven and one-half.

The bill designates the act as the “Dorothy L. Hukill Financial Literacy Act.”

#### Next Generation Sunshine State Standards

The bill revises the Next Generation Sunshine State Standards (NGSSS) to establish requirements for financial literacy distinct from the existing financial literacy requirements specified under the economics curricular content within the standards for social studies, beginning with students entering grade 9 in the 2019-2020 school year. Additionally, the bill clarifies that the current requirements for financial literacy, embedded within the social studies standards, do not apply to students entering grade 9 in the 2019-2020 school year and thereafter.

The new financial literacy standards must establish specific curricular content that must include, but is not limited to, personal financial literacy and money management. Accordingly, the NGSSS may need to be revised to include an understanding of how to balance a checkbook and the implications of receiving an inheritance.<sup>16</sup> In addition, CPALMS, the State of Florida’s official source for standards information and course descriptions, may need to be updated to reflect the financial literacy standards that apply to students entering grade 9 in the 2019-2020 school year.<sup>17</sup> Consequently, modifications to the Course Code Directory may be required to report additional personal financial literacy courses.<sup>18</sup>

#### Credits Required to Earn a Standard High School Diploma

The bill requires that, beginning with students entering grade 9 in the 2019-2020 school year, students must earn one-half credit in personal financial literacy, in addition to the required three social studies credits, in order to receive a standard high school diploma.

The bill requires that personal financial literacy instruction include:

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<sup>16</sup> Florida Department of Education, *SB 88 Analysis*, (Aug. 29, 2017) at 3. SB 114 (2019) is substantively the same as SB 88 (2018).

<sup>17</sup> CPALMS is the State of Florida’s official source for information on standards and course descriptions. CPALMS, *Homepage*, <http://www.cpalms.org/Public/> (last visited Jan. 28, 2019).

<sup>18</sup> Florida Department of Education, *SB 88 Analysis* (Aug. 29, 2017), at 7.

- Types of bank accounts offered, opening and managing a bank 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 assessments.
- Computing interest rates by various mechanisms.
- Simple contracts.
- Contesting an incorrect billing statement.
- Types of savings and investment.
- State and federal laws concerning finance.

The required personal financial literacy instruction is similar to the financial literacy instruction currently specified in Florida law for the economics course (e.g., banking and financial services; the use of credit and credit cards; budgeting and debt management; including student loans and secured loans; and taxes) with some additions (i.e., balancing a checkbook, receiving an inheritance and related implications, basic principles of personal insurance policies, simple contracts, and state and federal laws concerning finance).

The bill also reduces the current number of elective credits required to earn a standard high school diploma from eight to seven and one-half. As such, the bill maintains the total number of credits at 24, which students must successfully complete to earn a standard high school diploma.

This bill takes effect July 1, 2019.

#### **IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

## E. Other Constitutional Issues:

None.

## V. Fiscal Impact Statement:

## A. Tax/Fee Issues:

None.

## B. Private Sector Impact:

None.

## C. Government Sector Impact:

As noted below, under SB 114, school districts may incur aggregate costs ranging from over \$131,000 to \$8,830,000 in the first year of implementation of the requirements set forth in this act, depending upon the manner of implementation.<sup>19</sup> These cost projections are based on the Florida Department of Education's (DOE's) analysis of SB 88 (2018) that is substantively the same as SB 114 (2019). However, no new state funds are specifically appropriated for the implementation of these requirements.

According to the DOE, the implementation of a new course in financial literacy may result in expenses associated with instructional materials and the provision, documentation, and monitoring of professional development for teachers.<sup>20</sup> The DOE projected four cost scenarios for implementing a required financial literacy course.

- Scenarios 1 and 2 assume that teachers who are currently employed by the district are trained to teach the financial literacy course.<sup>21</sup>
  - Scenario 1 assumes one set of hardback books per classroom, amounting to an estimated implementation cost of \$2,894,320 for the first year, with a total cost of \$4,594,480 for the first five years.<sup>22</sup>
  - Scenario 2 assumes an individual hardback book used by each student in the course, amounting to an estimated implementation cost of \$8,830,516 for the first year, with a total cost of \$14,049,890 for the first five years.<sup>23</sup>
- Scenario 3 assumes that financial literacy instruction is taken electronically through a free online course, amounting to an estimated implementation cost of \$152,056 for the first year, with no additional costs after the first year for teacher training and travel.<sup>24</sup>

<sup>19</sup> Florida Department of Education, *SB 88 Analysis*, at 4-5.

<sup>20</sup> *Id.*, at 4.

<sup>21</sup> *Id.*

<sup>22</sup> *Id.*

<sup>23</sup> *Id.*

<sup>24</sup> *Id.*, at 5.

- Scenario 4 assumes that financial literacy instruction is obtained through a free curriculum, amounting to an estimated first year implementation cost of \$131,560, with no additional costs after the first year.<sup>25</sup>

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

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

**IX. Additional Information:****A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

**B. Amendments:**

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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<sup>25</sup> *Id.*