

SENATE BILL NO. 249—SENATORS WOODHOUSE, RATTI,
CANNIZZARO, CANCELA, PARKS; ATKINSON, DENIS,
FARLEY, FORD, MANENDO, SEGERBLOM AND SPEARMAN

MARCH 8, 2017

JOINT SPONSORS: ASSEMBLYMEN MONROE-MORENO,
COHEN, DIAZ, NEAL, FLORES; FUMO AND JOINER

Referred to Committee on Education

SUMMARY—Requires instruction in financial literacy and
economics in public schools. (BDR 34-62)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to education; requiring instruction in financial literacy for certain pupils enrolled in public schools; requiring a pupil enrolled in a public high school to receive instruction in economics; creating the Account for Instruction in Financial Literacy in the State General Fund; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires a pupil enrolled in a public high school to enroll in a certain number of credits in certain subject areas. (NRS 389.018) **Section 2** of this bill requires a pupil enrolled in a public high school to enroll in one-half unit of credit in economics. **Section 2** requires the Department of Education to: (1) contract with a provider to develop an online, end-of-course assessment for the economics course; and (2) develop a plan to analyze the results of such assessments. **Section 2** also requires the board of trustees of each school district and the governing body of a charter school which is a high school to administer this assessment and report the results of the assessment to the Department.

Existing law requires instruction in financial literacy for pupils enrolled in high school in each school district and in each charter school that operates as a high school. (NRS 389.074) **Section 3** of this bill additionally requires instruction in financial literacy for pupils enrolled in grades 3 to 12, inclusive. **Section 3** requires the Council to Establish Academic Standards for Public Schools to include the



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standards of content and performance for instruction in financial literacy in the standards of content and performance established by the Council. **Section 3** also requires that instruction in financial literacy: (1) be age-appropriate; (2) include certain topics; and (3) be provided within a course of study for which the Council has established the relevant standards of content and performance. **Section 1** of this bill creates the Account for Instruction in Financial Literacy in the State General Fund and provides that money in the Account generally may be used only for providing the instruction in financial literacy required by **section 3**.

Existing law requires the board of trustees of each school district and the governing body of each charter school to ensure that teachers employed by the school district or charter school have access to certain professional development training. (NRS 391A.370) **Section 4** of this bill requires each school district and the governing body of a charter school in which pupils are enrolled in any grade of grades 3 to 12, inclusive, to provide professional development training regarding financial literacy to teachers who teach in a subject area in which instruction in financial literacy is provided.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 388 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Account for Instruction in Financial Literacy is hereby created in the State General Fund, to be administered by the Superintendent of Public Instruction. The Superintendent of Public Instruction may accept gifts and grants of money from any source for deposit in the Account. Any money from gifts and grants may be expended in accordance with the terms and conditions of the gift or grant, or in accordance with subsection 2. The interest and income earned on the sum of the money in the Account and any unexpended appropriations made to the Account from the State General Fund must be credited to the Account. Any money remaining in the Account at the end of the fiscal year does not revert to the State General Fund, and the balance in the Account must be carried forward to the next fiscal year.

2. Except as otherwise provided in subsection 1, the money in the Account may be used only for providing the instruction in financial literacy required by NRS 389.074. The State Board shall adopt regulations governing the distribution of money in the Account for this purpose.

Sec. 2. NRS 389.018 is hereby amended to read as follows:

389.018 1. The following subjects are designated as the core academic subjects that must be taught, as applicable for grade levels, in all public schools, the Caliente Youth Center, the Nevada Youth Training Center and any other state facility for the detention of children that is operated pursuant to title 5 of NRS:

(a) English language arts;



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- 1 (b) Mathematics;
- 2 (c) Science; and
- 3 (d) Social studies, which includes only the subjects of history,
- 4 geography, economics and government.

5 2. Except as otherwise provided in this subsection, a pupil
6 enrolled in a public high school must enroll in a minimum of:

- 7 (a) Four units of credit in English language arts;
- 8 (b) Four units of credit in mathematics, including, without
- 9 limitation, Algebra I and geometry, or an equivalent course of study
- 10 that integrates Algebra I and geometry;

11 (c) Three units of credit in science, including two laboratory
12 courses; and

13 (d) Three units of credit in social studies, including, without
14 limitation:

15 (1) *One-half unit of credit in* American government;

16 (2) *Two units of credit in* American history ~~†; and~~

17 ~~— (3) *World†*, world history or geography ~~††~~; and~~

18 (3) *One-half unit of credit in economics.*

19 ➔ A pupil is not required to enroll in the courses of study and
20 credits required by this subsection if the pupil, the parent or legal
21 guardian of the pupil and an administrator or a counselor at the
22 school in which the pupil is enrolled mutually agree to a modified
23 course of study for the pupil and that modified course of study
24 satisfies at least the requirements for a standard high school diploma
25 or an adjusted diploma, as applicable.

26 3. Except as otherwise provided in this subsection, in addition
27 to the core academic subjects, the following subjects must be taught
28 as applicable for grade levels and to the extent practicable in all
29 public schools, the Caliente Youth Center, the Nevada Youth
30 Training Center and any other state facility for the detention of
31 children that is operated pursuant to title 5 of NRS:

- 32 (a) The arts;
- 33 (b) Computer education and technology;
- 34 (c) Health; and
- 35 (d) Physical education.

36 ➔ If the State Board requires the completion of course work in a
37 subject area set forth in this subsection for graduation from high
38 school or promotion to the next grade, a public school shall offer the
39 required course work. Except as otherwise provided for a course of
40 study in health prescribed by subsection 1 of NRS 389.021 and the
41 instruction prescribed by subsection 1 of NRS 389.064, unless a
42 subject is required for graduation from high school or promotion to
43 the next grade, a charter school is not required to comply with this
44 subsection.



1 4. *The Department shall contract with a provider to develop*
2 *an online, end-of-course assessment for the economics course*
3 *required by paragraph (d) of subsection 2.*

4 5. *The board of trustees of each school district and the*
5 *governing body of a charter school which is a high school shall:*

6 (a) *Administer the assessment developed pursuant to*
7 *subsection 4 to each pupil upon completion of the economics*
8 *course required by paragraph (d) of subsection 2; and*

9 (b) *Report the results of such assessments to the Department.*

10 6. *The Department shall develop a plan to analyze the results*
11 *submitted pursuant to subsection 5 that includes a determination*
12 *of the average scores statewide and the scores disaggregated by*
13 *school district and school.*

14 **Sec. 3.** NRS 389.074 is hereby amended to read as follows:

15 389.074 1. The board of trustees of each school district and
16 the governing body of each charter school ~~{that operates as a high~~
17 ~~school}~~ shall ensure that instruction ~~{on}~~ *in* financial literacy is
18 provided to pupils enrolled in *grades 3 to 12, inclusive, in* each
19 public ~~{high}~~ school within the school district or in the charter
20 school, as applicable. The instruction must include, without
21 limitation:

22 (a) The skills necessary to develop financial responsibility,
23 including, without limitation:

24 (1) Making reasonable financial decisions by analyzing the
25 alternatives and consequences of those financial decisions;

26 (2) Locating and evaluating financial information from
27 various sources;

28 (3) *Judging the quality of services offered by a financial*
29 *institution;*

30 (4) Developing communication strategies to discuss financial
31 issues;

32 ~~{(4)}~~ (5) Controlling personal information; and

33 ~~{(5)}~~ (6) Reviewing and summarizing federal and state
34 consumer protection laws.

35 (b) The skills necessary to manage finances, including, without
36 limitation:

37 (1) Developing a plan for spending and saving;

38 (2) Developing a system for keeping and using financial
39 records; and

40 (3) Developing a personal financial plan.

41 (c) The skills necessary to understand the use of credit and the
42 incurrence of debt, including, without limitation:

43 (1) Identifying the costs and benefits of various types of
44 credit;



(2) *Understanding the methods to manage debt and the consequences of acquiring debt;*

(3) *Understanding how interest rates, compounding frequency and the terms of a loan can affect the cost of credit;*

(4) *Completing an application for a loan;*

(5) *Understanding different types of loans, including, without limitation, payday loans, automobile loans, student loans and mortgages;*

(6) Explaining the purpose of a credit report, including, without limitation, the manner in which a credit report is used by lenders;

~~+(3)+~~ (7) Describing the rights of a borrower regarding his or her credit report;

~~+(4)+~~ (8) Identifying methods to avoid and resolve debt problems; and

~~+(5)+~~ (9) Reviewing and summarizing federal and state consumer credit protection laws.

(d) The skills necessary to understand the basic principles of saving and investing, including, without limitation:

(1) Understanding how saving and investing contribute to financial well-being;

(2) Understanding the methods of investing and alternatives to investing;

(3) Understanding how to buy and sell investments; ~~land~~

(4) *Understanding compound interest, including, without limitation, in the context of investments;*

(5) *Understanding various types of securities, including, without limitation, stocks and bonds; and*

(6) Understanding how the regulation of financial institutions protects investors.

(e) *The skills necessary to prevent and limit the consequences of identity theft and fraud.*

(f) *The skills necessary to understand the basic assessment of taxes, including, without limitation, understanding the matter in which taxes are computed by local, state and federal governmental entities.*

(g) *The skills necessary to understand the basic principles of insurance, including, without limitation:*

(1) *Understanding the function of various insurance policies; and*

(2) *Determining the quality of an insurance provider.*

(h) *The skills necessary to plan for higher education and career choices, including, without limitation:*

(1) *Information concerning institutions of higher education and college preparedness;*



- (2) Information concerning career options;
- (3) Writing a resume;
- (4) Information concerning opportunities for financial aid, including the Free Application for Federal Student Aid;
- (5) Information concerning scholarship opportunities, including, without limitation, the Governor Guinn Millennium Scholarship Program and Silver State Opportunity Grant Program; and
- (6) Information concerning prepaid tuition and college savings programs and plans established pursuant to chapter 353B of NRS and section 529 of the Internal Revenue Code, 26 U.S.C. § 529.

2. The standards of content and performance for the instruction in financial literacy required by subsection 1 ~~may~~ must be included in the standards of content and performance established by the Council to Establish Academic Standards for Public Schools pursuant to NRS 389.520. The instruction required by subsection 1 must be:

- (a) Age-appropriate; and
- (b) Included within a course ~~for program of instruction that pupils enrolled in high school are otherwise required to complete for graduation.~~ of study for which the Council has established the relevant standards of content and performance, including, without limitation, a course of study in economics, mathematics or social studies.

3. The board of trustees of each school district and the governing body of each charter school in which pupils are enrolled in any grade of grades 3 to 12, inclusive, shall encourage:

- (a) Persons to donate money to the Account for Instruction in Financial Literacy created by section 1 of this act;
- (b) Persons to volunteer time, expertise and resources to assist a school district, governing body of a charter school, public school or teacher in the provision of instruction in financial literacy; and
- (c) Partnerships between a school district or charter school and relevant persons, businesses or entities in which those persons, businesses or entities provide the resources necessary to provide instruction in financial literacy.

Sec. 4. Chapter 391A of NRS is hereby amended by adding thereto a new section to read as follows:

Each school district and the governing body of a charter school in which pupils are enrolled in any grade of grades 3 to 12, inclusive, shall provide professional development training regarding financial literacy to teachers who teach in a subject area in which instruction in financial literacy is provided.



1 **Sec. 5.** The Council to Establish Academic Standards for
2 Public Schools shall establish the standards of content and
3 performance for instruction in financial literacy on or before
4 August 1, 2017. The State Board of Education shall adopt standards
5 of content and performance for instruction in financial literacy on or
6 before October 1, 2017.

7 **Sec. 6.** The provisions of NRS 354.599 do not apply to any
8 additional expenses of a local government that are related to the
9 provisions of this act.

10 **Sec. 7.** 1. This section and sections 1 and 3 to 6, inclusive, of
11 this act become effective upon passage and approval.

12 2. Section 2 of this act becomes effective on July 1, 2022.

