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## SENATE BILL NO. 950

Senate Amendments in [ ] — February 7, 2005

A BILL to amend the Code of Virginia by adding sections numbered 22.1-200.03 and 23-9.2:3.5, and to repeal §§ 22.1-200.02 and 22.1-208.2:3 of the Code of Virginia, relating to economics education and financial literacy in the public schools and institutions of higher education.

Patron Prior to Engrossment—Senator Potts

Referred to Committee on Education and Health

**Be it enacted by the General Assembly of Virginia:**

**1. That the Code of Virginia is amended by adding sections numbered 22.1-200.03 and 23-9.2:3.5 as follows:**

§ 22.1-200.03. Economics education and financial literacy required in middle and high school grades; Board of Education to establish objectives for economic education and financial literacy; banking-at-school programs.

A. By July 1, 2006, instruction in the principles of the American economic system shall be required in the public middle and high schools of the Commonwealth to promote economics education and financial literacy of students and to further the development of knowledge, skills, and attitudes needed for responsible citizenship in a constitutional democracy.

B. The Board of Education shall develop and approve objectives for [ ~~a course of instruction in~~ ] economics education and financial literacy at the middle and high school levels, that shall be required of all students, and shall provide for the systematic infusion of economic principles in the [ relevant ] Standards of Learning [ ~~for Mathematics and for History~~ ], and in career and technical education programs. The course objectives shall include, but not limited to, personal living and finances; personal and business money management skills; opening a bank account and judging the quality of a bank's services; balancing a checkbook; completing a loan application; the implications of an inheritance; the basics of personal insurance policies; consumer rights and responsibilities; dealing with salesmen and merchants; debt management; managing retail and credit card debt; state and federal tax computation; local tax assessments; computation of interest rates by various mechanisms; understanding simple contracts; and learning how to contest an incorrect bill.

C. To facilitate the objectives of economics education and financial literacy through practical experiences, a school board may establish a Banking-at-School Partnership Program, (Program), which shall consist of school banks or school credit unions on the premises of the public schools that have been developed and are operated jointly by the public school and a financial institution authorized to conduct business in the Commonwealth. The Program shall be designed to reinforce, supplement, and support the Standards of Learning for Mathematics and for History, and career and technical education competencies, and (i) allow students to apply mathematical concepts, communication and computer technology skills, and knowledge of economic principles; (ii) allow students to develop proficiency in basic life skills pertaining to money management, personal finance, banking, commerce and trade, and investments; (iii) facilitate financial literacy and an understanding of the American economic system, Virginia's economy, the global economic system, and the effect of personal finance decisions on the national and state economic systems; and (iv) permit students to explore entrepreneurship and career options in banking and finance.

D. The Department of Education shall develop guidelines for local school boards that establish Banking-at-School Partnership Programs. The Department shall confer with the State Corporation Commission's Bureau of Financial Institutions, the Virginia Bankers Association, and the Virginia Credit Union League in the development of such guidelines. The guidelines shall include, but not be limited to, (i) rules and policies governing the establishment, operation, and dissolution of school banks and school credit unions; (ii) written agreements between partnering public schools and financial institutions, including the disposition of funds donated or other financial contributions provided by the partnering financial institution; and (iii) such other matters as the Department may deem appropriate for the effective implementation and operation of Banking-at-School Partnership Programs.

E. A school board that establishes a Banking-at-School Partnership Program shall (i) require written parental permission for student participation in the school bank or school credit union, including the parent's agreement to be responsible for any financial obligations incurred by the student as a result of his participation in the school bank or school credit union; (ii) develop a plan for integrating and reinforcing the objectives of the Standards of Learning for Mathematics and for History, and career and technical education competencies pertaining to economics education and financial literacy; (iii)

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59 *implement procedures to evaluate the Program's effectiveness; and (iv) encourage schools with high*  
60 *concentrations of at-risk and disadvantaged students to participate in the Banking-at-School Program.*  
61 *Public schools that participate in the Banking-at-School Program shall be encouraged to seek the*  
62 *assistance of [ ~~the Governor's Best Practice Centers,~~ ] the Federal Reserve System's Economic*  
63 *Education Project [ ; ] and such other recognized state, local, and national economic education*  
64 *organizations and school banking and school credit union programs.*

65 *F. The Board shall not be required to evaluate student achievement concerning economics education*  
66 *and financial literacy objectives in the Standards of Learning assessments required by § 22.1-253.13:3.*

67 *G. For the purposes of this section, "at-risk and disadvantaged students" means students having*  
68 *socioeconomic or cultural risk factors that research indicates may negatively influence academic*  
69 *achievement or may hinder an individual in reaching his life goals.*

70 *For the purposes of this section, "financial institution" means a bank, savings and loan association,*  
71 *savings bank, or credit union authorized to conduct business in the Commonwealth.*

72 *For the purposes of this section, "high school" includes grades nine through 12.*

73 *For the purposes of this section, "middle school" includes grades six through eight.*

74 *§ 23-9.2:3.5. Education programs on economic education and financial literacy.*

75 *[ Virginia public colleges and universities, in cooperation with the Virginia Council on Economic*  
76 *Education, shall develop and implement education programs for college students on the principles of*  
77 *economics education and financial literacy, which shall be required to be completed by all students no*  
78 *later than the second year after the student's admission to the institution. The programs shall include, but*  
79 *not be limited to, instruction concerning personal living and finances; personal and business money*  
80 *management skills; opening a bank account and judging the quality of a bank's services; balancing a*  
81 *checkbook; completing a loan application; the implications of an inheritance; the basics of personal*  
82 *insurance policies; consumer rights and responsibilities; dealing with salesmen and merchants; debt*  
83 *management; managing retail and credit card debt; state and federal tax computation; local tax*  
84 *assessments; computation of interest rates by various mechanisms; understanding simple contracts; and*  
85 *learning how to contest an incorrect bill. The programs shall also be designed to (i) facilitate an*  
86 *understanding of the American economic system, Virginia's economy, the global economic system, and*  
87 *the effect of personal finance decisions on the national and state economic systems; (ii) allow students*  
88 *to apply mathematical concepts, communication and computer technology skills, and knowledge of*  
89 *economic principles pertaining to money management, personal finance, banking, commerce and trade,*  
90 *and investments to develop proficiency in these areas; and (iii) provide opportunities for students to*  
91 *explore entrepreneurship and career options in mathematics, commerce, finance, and banking. The State*  
92 *Council of Higher Education shall also encourage private colleges and universities to develop such*  
93 *programs. Virginia public colleges and universities shall make provisions for the promotion of the*  
94 *development of student life skills through the inclusion of the principles of economics education and*  
95 *financial literacy within an existing general education course, the freshman orientation process or other*  
96 *appropriate venue. These principles may include, but need not be limited to, instruction concerning*  
97 *personal finance, such as credit card use, opening and managing a bank account, completing a loan*  
98 *application, and managing student loans; consumer rights and responsibilities; and debt management.*

99 *The State Council of Higher Education for Virginia shall also encourage private colleges and*  
100 *universities to include such principles as part of their student orientation programs. ]*

101 **2. That §§ 22.1-200.02 and 22.1-208.2:3 of the Code of Virginia are repealed.**