

**House File 148 - Introduced**

HOUSE FILE 148

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**A BILL FOR**

1 An Act adding one-half unit of personal finance literacy to  
2 the educational program standards established for school  
3 districts and accredited nonpublic schools, making an  
4 appropriation, and including effective date provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 256.11, subsection 5, Code 2013, is  
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. *k.* One-half unit of personal finance  
4 literacy. All students shall complete at least one-half unit  
5 of personal finance literacy as a condition of graduation. The  
6 curriculum shall meet the national standards in kindergarten  
7 through grade twelve personal finance education created and  
8 maintained by a national nonprofit coalition for personal  
9 financial literacy, and at a minimum shall address the  
10 following:

11 (1) Savings, including emergency fund, purchases, and  
12 wealth building.

13 (2) Understanding investments, including compound and  
14 simple interest, liquidity, diversification, risk return  
15 ratio, certificates of deposit, money market accounts, single  
16 stocks, bonds, mutual funds, rental real estate, annuities,  
17 commodities, and futures.

18 (3) Wealth building and college planning, including  
19 long-term and short-term investing using tax-favored plans,  
20 individual retirement accounts and payments from such accounts,  
21 employer-sponsored retirement plans and investments, public and  
22 private educational savings accounts, and uniform gifts and  
23 transfers to minors.

24 (4) Credit and debt, including credit cards, payday  
25 lending, rent-to-own transactions, debt consolidation,  
26 automobile leasing, cosigning a loan, debt avoidance, and the  
27 marketing of debt, especially to young people.

28 (5) Consumer awareness of the power of marketing on buying  
29 decisions including zero percent interest offers; marketing  
30 methods, including product positioning, advertising, brand  
31 recognition, and personal selling; how to read a credit report  
32 and correct inaccuracies; how to build a credit score; how to  
33 develop a plan to deal with creditors and avoid bankruptcy; and  
34 the federal Fair Debt Collection Practices Act.

35 (6) Financial responsibility and money management,

1 including creating and living on a written budget and balancing  
2 a checkbook; basic rules of successful negotiating and  
3 techniques; and personality and gender traits regarding money.

4 (7) Insurance, risk management, income, and career  
5 decisions, including career choices that fit personality styles  
6 and occupational goals, job search strategies, cover letters,  
7 resumes, interview techniques, payroll taxes and other income  
8 withholdings, and revenue sources for federal, state, and local  
9 governments.

10 (8) Different types of insurance coverage including  
11 renters, homeowners, automobile, health, disability, long-term  
12 care, identity theft, and life insurance; term life, cash  
13 value and whole life insurance; and insurance terms such  
14 as deductible, stop loss, elimination period, replacement  
15 coverage, liability, and out-of-pocket.

16 (9) Buying, selling, and renting advantages and  
17 disadvantages relating to real estate, including adjustable  
18 rate, balloon, conventional, government-backed, reverse, and  
19 seller-financed mortgages.

20 Sec. 2. DEPARTMENT OF EDUCATION — PERSONAL FINANCE

21 LITERACY COURSE BY IOWA LEARNING ONLINE INITIATIVE. There  
22 is appropriated from the general fund of the state to the  
23 department of education for the fiscal year beginning July  
24 1, 2013, and ending June 30, 2014, the following amount, or  
25 so much thereof as is necessary, to be used for the purposes  
26 designated:

27 For purposes of implementing statewide online personal  
28 finance literacy coursework to assist schools in meeting the  
29 requirements of section 256.11, subsection 5, paragraph "k",  
30 if enacted, including but not limited to course curriculum,  
31 assessments, materials, salaries, support, maintenance, and for  
32 miscellaneous purposes:

33 ..... \$ 1,400,000

34 Notwithstanding section 8.33, moneys appropriated in this  
35 section that remain unencumbered or unobligated at the close of

1 the fiscal year shall not revert but shall remain available for  
2 expenditure for the purposes designated until the close of the  
3 succeeding fiscal year.

4 Sec. 3. EFFECTIVE DATE. The following provision or  
5 provisions of this Act take effect July 1, 2014:

6 1. The section of this Act amending section 256.11.

7 EXPLANATION

8 This bill adds a one-half unit course in personal finance  
9 literacy to the educational program each school district and  
10 accredited nonpublic school is required to offer in grades  
11 9-12, and requires all students to take the course as a  
12 condition of graduation.

13 The bill appropriates \$1.4 million from the general fund  
14 of the state for FY 2013-2014 to the department of education  
15 for implementing statewide online personal finance literacy  
16 coursework under the department's Iowa learning online  
17 initiative to assist schools in meeting the requirement to add  
18 one-half unit of personal finance literacy to the educational  
19 program standards.

20 The curriculum must meet the national standards in K-12  
21 personal finance education created and maintained by a national  
22 nonprofit coalition for personal financial literacy, and at a  
23 minimum must address areas described in the bill relating to  
24 savings, understanding investments, wealth building and college  
25 planning, credit and debt, consumer awareness of the power of  
26 marketing on buying decisions, financial responsibility and  
27 money management, insurance and risk management, income and  
28 career decisions, different types of insurance coverage, and  
29 real estate and mortgages.

30 The moneys appropriated do not revert at the end of the  
31 fiscal year, but remain available for the purposes designated  
32 until the end of FY 2014-2015.

33 The provision adding the one-half unit course in personal  
34 finance literacy to the educational standards and requiring  
35 students to take the course as a condition of graduation takes

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1 effect July 1, 2014.