HOUSE FILE 28
BY PETTENGILL, HIGHFILL,
MAXWELL, FISHER, BACON,
KOESTER, RIZER, R. TAYLOR,
WILLS, BAUDLER, PAUSTIAN,
HEARTSILL, COWNIE, WATTS,
KLEIN, HINSON, ZUMBACH, and
LANDON

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, and including
4 effective date provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
Section 1. Section 256.11, subsection 5, Code 2017, is amended by adding the following new paragraph:

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

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

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

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

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

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

(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 or other 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. STATE MANDATE FUNDING SPECIFIED. In accordance
21 with section 25B.2, subsection 3, the state cost of requiring
22 compliance with any state mandate included in this Act shall
23 be paid by a school district from state school foundation aid
24 received by the school district under section 257.16. This
25 specification of the payment of the state cost shall be deemed
26 to meet all of the state funding-related requirements of
27 section 25B.2, subsection 3, and no additional state funding
28 shall be necessary for the full implementation of this Act
29 by and enforcement of this Act against all affected school
30 districts.
31 Sec. 3. EFFECTIVE DATE. This Act takes effect July 1, 2018.
32 EXPLANATION
33 The inclusion of this explanation does not constitute agreement with
34 the explanation's substance by the members of the general assembly.
35 This bill adds a one-half unit course in personal finance
literacy to the educational program each school district and accredited nonpublic school is required to offer in grades 9-12, and requires all students to take the course as a condition of graduation. The curriculum must meet the national standards in K-12 personal finance education created and maintained by a national nonprofit coalition for personal financial literacy, and at a minimum must address areas described in the bill relating to savings, understanding investments, wealth building and college planning, credit and debt, consumer awareness of the power of marketing on buying decisions, financial responsibility and money management, insurance and risk management, income and career decisions, different types of insurance coverage, and real estate and mortgages. The bill may include a state mandate as defined in Code section 25B.3. The bill requires that the state cost of any state mandate included in the bill be paid by a school district from state school foundation aid received by the school district under Code section 257.16. The specification is deemed to constitute state compliance with any state mandate funding-related requirements of Code section 25B.2. The inclusion of this specification is intended to reinstate the requirement of political subdivisions to comply with any state mandates included in the bill. The bill takes effect July 1, 2018.