

House File 28 - Introduced

HOUSE FILE 28

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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, and including
4 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 2017, 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 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

1 literacy to the educational program each school district and
2 accredited nonpublic school is required to offer in grades
3 9-12, and requires all students to take the course as a
4 condition of graduation.

5 The curriculum must meet the national standards in K-12
6 personal finance education created and maintained by a national
7 nonprofit coalition for personal financial literacy, and at a
8 minimum must address areas described in the bill relating to
9 savings, understanding investments, wealth building and college
10 planning, credit and debt, consumer awareness of the power of
11 marketing on buying decisions, financial responsibility and
12 money management, insurance and risk management, income and
13 career decisions, different types of insurance coverage, and
14 real estate and mortgages.

15 The bill may include a state mandate as defined in Code
16 section 25B.3. The bill requires that the state cost of
17 any state mandate included in the bill be paid by a school
18 district from state school foundation aid received by the
19 school district under Code section 257.16. The specification
20 is deemed to constitute state compliance with any state mandate
21 funding-related requirements of Code section 25B.2. The
22 inclusion of this specification is intended to reinstate the
23 requirement of political subdivisions to comply with any state
24 mandates included in the bill.

25 The bill takes effect July 1, 2018.