

HIGHER EDUCATION FINANCIAL LITERACY**AMENDMENTS**

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Robert M. Spendlove

Senate Sponsor: _____

LONG TITLE**General Description:**

This bill requires an institution of higher education to provide certain information regarding a borrower's education loans to the borrower.

Highlighted Provisions:

This bill:

- defines terms;
- adds a representative of the State Board of Regents to a task force that makes recommendations related to financial literacy education;
- requires an institution of higher education to provide information regarding a borrower's education loans to the borrower; and
- provides that an institution of higher education does not incur liability for information provided to a borrower regarding the borrower's education loans.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

53A-13-110, as last amended by Laws of Utah 2015, Chapter 415



ENACTS:

53B-1-112, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **53A-13-110** is amended to read:

53A-13-110. Financial and economic literacy education.

(1) As used in this section:

(a) "Financial and economic activities" include activities related to the topics listed in Subsection (1)(b).

(b) "Financial and economic literacy concepts" include concepts related to the following topics:

- (i) basic budgeting;
- (ii) saving and financial investments;
- (iii) banking and financial services, including balancing a checkbook or a bank account and online banking services;
- (iv) career management, including earning an income;
- (v) rights and responsibilities of renting or buying a home;
- (vi) retirement planning;
- (vii) loans and borrowing money, including interest, credit card debt, predatory lending, and payday loans;
- (viii) insurance;
- (ix) federal, state, and local taxes;
- (x) charitable giving;
- (xi) online commerce;
- (xii) identity fraud and theft;
- (xiii) negative financial consequences of gambling;
- (xiv) bankruptcy;
- (xv) free markets and prices;
- (xvi) supply and demand;
- (xvii) monetary and fiscal policy;
- (xviii) effective business plan creation, including using economic analysis in creating a

59 plan;

60 (xix) scarcity and choices;

61 (xx) opportunity cost and tradeoffs;

62 (xxi) productivity;

63 (xxii) entrepreneurship; and

64 (xxiii) economic reasoning.

65 (c) "Financial and economic literacy passport" means a document that tracks mastery
66 of financial and economic literacy concepts and completion of financial and economic
67 activities in kindergarten through grade 12.

68 (d) "General financial literacy course" means the course of instruction described in
69 Section [53A-13-108](#).

70 (2) The State Board of Education shall:

71 (a) in cooperation with interested private and nonprofit entities:

72 (i) develop a financial and economic literacy passport that students may elect to
73 complete;

74 (ii) develop methods of encouraging parent and educator involvement in completion of
75 the financial and economic literacy passport; and

76 (iii) develop and implement appropriate recognition and incentives for students who
77 complete the financial and economic literacy passport, including:

78 (A) a financial and economic literacy endorsement on the student's diploma of
79 graduation;

80 (B) a specific designation on the student's official transcript; and

81 (C) any incentives offered by community partners;

82 (b) more fully integrate existing and new financial and economic literacy education
83 into instruction in kindergarten through grade 12 by:

84 (i) coordinating financial and economic literacy instruction with existing instruction in
85 other areas of the core standards for Utah public schools, such as mathematics and social
86 studies;

87 (ii) using curriculum mapping;

88 (iii) creating training materials and staff development programs that:

89 (A) highlight areas of potential coordination between financial and economic literacy

education and other core standards for Utah public schools concepts; and

(B) demonstrate specific examples of financial and economic literacy concepts as a way of teaching other core standards for Utah public schools concepts; and

(iv) using appropriate financial and economic literacy assessments to improve financial and economic literacy education and, if necessary, developing assessments;

(c) work with interested public, private, and nonprofit entities to:

(i) identify, and make available to teachers, online resources for financial and economic literacy education, including modules with interactive activities and turnkey instructor resources;

(ii) coordinate school use of existing financial and economic literacy education resources;

(iii) develop simple, clear, and consistent messaging to reinforce and link existing financial literacy resources;

(iv) coordinate the efforts of school, work, private, nonprofit, and other financial education providers in implementing methods of appropriately communicating to teachers, students, and parents key financial and economic literacy messages; and

(v) encourage parents and students to establish higher education savings, including a Utah Educational Savings Plan account;

(d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, make rules to develop guidelines and methods for school districts and charter schools to more fully integrate financial and economic literacy education into other core standards for Utah public schools courses;

(e) (i) contract with a provider, through a request for proposals process, to develop an online, end-of-course assessment for the general financial literacy course;

(ii) require a school district or charter school to administer an online, end-of-course assessment to a student who takes the general financial literacy course; and

(iii) develop a plan, through the state superintendent of public instruction, to analyze the results of an online, end-of-course assessment in general financial literacy that includes:

(A) an analysis of assessment results by standard; and

(B) average scores statewide and by school district and school;

(f) in cooperation with school districts, charter schools, and interested private and

nonprofit entities, provide opportunities for professional development in financial and economic literacy to teachers, including:

- (i) a statewide learning community for financial and economic literacy;
- (ii) summer workshops; and
- (iii) online videos of experts in the field of financial and economic literacy education;

and

(g) implement a teacher endorsement in general financial literacy that includes course work in financial planning, credit and investing, consumer economics, personal budgeting, and family economics.

(3) A public school shall provide the following to the parents or guardian of a kindergarten student during kindergarten enrollment:

- (a) a financial and economic literacy passport; and
- (b) information about higher education savings options, including information about opening a Utah Educational Savings Plan account.

(4) (a) The State Board of Education shall establish a task force to study and make recommendations to the board on how to improve financial and economic literacy education in the public school system.

(b) The task force membership shall include representatives of:

- (i) the State Board of Education;
- (ii) school districts and charter schools; ~~and~~
- (iii) the State Board of Regents; and

~~[(iii)]~~ (iv) private or public entities that teach financial education and share a commitment to empower individuals and families to achieve economic stability, opportunity, and upward mobility.

(c) In 2013, the task force shall:

- (i) review and recommend modifications to the course standards and objectives of the general financial literacy course described in Section 53A-13-108 to ensure the course standards and objectives reflect current and relevant content consistent with the financial and economic literacy concepts listed in Subsection (1)(b);
- (ii) study the development of an online assessment of students' competency in financial and economic literacy that may be used to:

- 152 (A) measure student learning growth and proficiency in financial and economic
153 literacy; and
- 154 (B) assess the effectiveness of instruction in financial and economic literacy;
- 155 (iii) consider the development of a rigorous, online only, course to fulfill the general
156 financial literacy curriculum and graduation requirements specified in Section [53A-13-108](#);
- 157 (iv) identify opportunities for teaching financial and economic literacy through an
158 integrated school curriculum and in the regular course of school work;
- 159 (v) study and make recommendations for educator license endorsements for teachers of
160 financial and economic literacy;
- 161 (vi) identify efficient and cost-effective methods of delivering professional
162 development in financial and economic literacy content and instructional methods; and
- 163 (vii) study how financial and economic literacy education may be enhanced through
164 community partnerships.
- 165 (d) The task force shall reconvene every three years to review and recommend
166 adjustments to the standards and objectives of the general financial literacy course.
- 167 (e) The State Board of Education shall make a report to the Education Interim
168 Committee no later than the committee's November 2013 meeting summarizing the findings
169 and recommendations of the task force and actions taken by the board in response to the task
170 force's findings and recommendations.

171 Section 2. Section **53B-1-112** is enacted to read:

172 **53B-1-112. Education loan notifications.**

173 (1) As used in this section:

174 (a) "Borrower" means:

- 175 (i) an individual enrolled in an institution of higher education who receives an
176 education loan; or
- 177 (ii) an individual, including a parent or legal guardian, who receives an education loan
178 to fund education expenses of an individual enrolled in an institution of higher education.
- 179 (b) "Education loan" means a loan made to a borrower that is:
- 180 (i) made directly by a federal or state program; or
- 181 (ii) insured or guaranteed under a federal or state program.
- 182 (c) "Institution of higher education" means an institution listed in Section [53B-2-101](#).

183 (2) (a) An institution of higher education that receives information about a borrower's
184 education loan shall annually provide to the borrower, in plain, easily comprehensible
185 language:

186 (i) an estimate of the total dollar amount of education loans taken out by the borrower
187 at the time the information is provided; and

188 (ii) for the dollar amount for education loans that the borrower has taken out at the time
189 the information is provided, an estimate of:

190 (A) the potential total payoff amount, including principal and interest;

191 (B) the monthly repayment amounts, including principal and interest, that the borrower
192 may incur;

193 (C) the number of years used in determining the potential payoff amount;

194 (D) information on how the borrower can access an online repayment calculator; and

195 (E) the percentage of the aggregate borrowing limit the borrower has reached.

196 (b) An institution of higher education may include in the communication of the
197 information described in Subsection (2)(a)(ii) a statement that the estimates are general in
198 nature and are not meant as a guarantee or promise.

199 (3) An institution of higher education does not incur liability for information provided
200 to a borrower in accordance with this section.

Legislative Review Note
Office of Legislative Research and General Counsel