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April 12, 2017

COMMITTEE SUBSTITUTE
ENGROSSED HOUSE
BILL NO. 1694

By: Martin of the House

and

Stanislawski of the Senate

COMMITTEE SUBSTITUTE

[financial literacy - Passport to Financial Literacy
Act - Personal Financial Literacy Education Revolving
Fund - codification - ~~effective date~~ -
emergency]

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 70 O.S. 2011, Section 11-103.6h,
as amended by Section 1, Chapter 239, O.S.L. 2015 (70 O.S. Supp.
2016, Section 11-103.6h), is amended to read as follows:

Section 11-103.6h. A. Personal financial literacy education shall be taught in the public schools of this state. Personal financial literacy education shall include, but is not limited to, the following areas of instruction:

1. Understanding interest, credit card debt, and online commerce;

2. Rights and responsibilities of renting or buying a home;

3. Savings and investing;

1 4. Planning for retirement;

2 5. Bankruptcy;

3 6. Banking and financial services;

4 7. ~~Balancing a checkbook~~ Managing a bank account;

5 8. Understanding the Free Application for Federal Student Aid
6 (FAFSA), loans and borrowing money, including predatory lending and
7 payday loans;

8 9. Understanding insurance;

9 10. Identity fraud and theft;

10 11. Charitable giving;

11 12. Understanding the financial impact and consequences of
12 gambling;

13 13. Earning an income; and

14 14. Understanding state and federal taxes.

15 B. In order to graduate from a public high school accredited by
16 the State Board of Education with a standard diploma, students shall
17 fulfill the requirements for a personal financial literacy passport.
18 The requirements for a personal financial literacy passport shall be
19 satisfactory completion in all areas of instruction in personal
20 financial literacy as listed in subsection A of this section ~~during~~
21 ~~grades seven through twelve~~ or demonstration of satisfactory
22 knowledge as provided for in subsection E of this section. Through
23 the end of the 2019-2020 school year, the requirements for a
24 personal financial literacy passport as provided for in this

1 subsection shall be completed during grades seven through twelve.
2 Beginning with the 2020-2021 school year, the requirements for a
3 personal financial literacy passport as provided for in this
4 subsection shall be completed during grades nine through twelve.

5 C. ~~School~~ Through the end of the 2019-2020 school year, school
6 districts shall provide instruction in personal financial literacy
7 to students during grades seven through twelve. School districts
8 shall have the option of determining when each area of instruction
9 listed in subsection A of this section shall be presented to
10 students. Beginning with the 2020-2021 school year school,
11 districts shall provide instruction in personal financial literacy
12 to students during grades nine through twelve.

13 D. Personal financial literacy instruction shall be integrated
14 into one or more existing courses of study or provided in a separate
15 personal financial literacy course. School districts shall have the
16 option of determining into which course or courses each area of
17 instruction listed in subsection A of this section shall be
18 integrated.

19 E. Students with the most significant cognitive disabilities
20 (MSCD) who have an Individualized Education Program (IEP) that
21 directs that the student is to be assessed with alternate
22 achievements standards through the Oklahoma Alternative Assessment
23 Program may demonstrate satisfactory knowledge in each area of
24 instruction listed in subsection A of this section upon a

determination, supported by documentation, by the school district that the student has met the following criteria:

1. Receives substantive and substantial instruction in life-skills curriculum; and

2. Demonstrates the acquired knowledge of the student with MSCD by alternate measures as required by the IEP.

F. The State Board of Education shall identify and adopt curriculum standards for personal financial literacy instruction that reflect the areas of instruction listed in subsection A of this section. The standards shall be incorporated into the state academic content standards adopted by the Board pursuant to Section 11-103.6 of this title ~~and known as the Priority Academic Student Skills Curriculum.~~

G. The State Department of Education shall:

1. Develop guidelines and material designed to enable schools to infuse personal financial literacy within any course of study currently offered by the school district or offer personal financial literacy as a separate course. The guidelines shall outline the areas of instruction to be taught based on the curriculum standards adopted by the Board;

2. Develop professional development programs that are designed to help teachers provide instruction in personal financial literacy and incorporate the curriculum into an existing course or courses or

1 develop curriculum for a separate personal financial literacy
2 course;

3 3. Provide and identify resources, including ~~on-line modules~~
4 online curricula, for integrating the teaching of personal financial
5 literacy into an existing course or courses of study or for
6 developing a separate personal financial literacy course. ~~The on-~~
7 ~~line modules~~ Any online curricula provided or identified by the
8 Department shall include an assessment component for each area of
9 instruction listed in subsection A of this section; ~~and~~

10 4. Provide and identify resources, including ~~on-line modules~~
11 online curricula, and materials designed to enable students
12 identified as English language learners to understand and use the
13 personal financial literacy information presented; and

14 5. Utilize funds deposited into the Personal Financial Literacy
15 Education Revolving Fund created in Section 5 of this act for the
16 purpose of and to fund the Passport to Financial Literacy Act. Such
17 funds may be used for developing and providing guidelines, materials
18 and resources for personal financial literacy for students and
19 teachers including, but not limited to, online curricula, training
20 and professional development for teachers in the area of personal
21 financial literacy as required in subsection G of Section 11-103.6h
22 of Title 70 of the Oklahoma Statutes. The Department may use such
23 funds to contract or work in conjunction with a third-party,
24 Oklahoma-based not-for-profit organization that has proven expertise

1 in the development of standards and curricula. The Department may
2 further use a third-party organization to deliver professional
3 development for teachers in the area of personal financial literacy.

4 H. The Department may work with one or more not-for-profit
5 organizations that have proven expertise in the development of
6 standards and curriculum and delivery of teacher professional
7 development in personal financial literacy for the purpose of
8 developing and providing guidelines, materials, resources, including
9 ~~on-line modules~~ online curricula, and professional development.

10 I. 1. For students who transfer into an Oklahoma school
11 district prior to the 2020-2021 school year from out of state after
12 the seventh grade and who transfer into an Oklahoma school beginning
13 with the 2020-2021 school year from out-of-state after the ninth
14 grade, school districts shall assess the knowledge of the student in
15 each of the areas of instruction listed in subsection A of this
16 section. If the school district determines that the transferred
17 student has successfully completed instruction in any or all of the
18 areas of personal financial literacy instruction at a previous
19 school in which the student was enrolled or if the student
20 demonstrates satisfactory knowledge of any or all of the areas of
21 personal financial literacy instruction through an assessment, the
22 school district may exempt the student from completing instruction
23 in that area of personal financial literacy instruction. School
24 districts may use the assessment contained in the ~~on-line modules~~

1 online curricula provided or identified by the State Department of
2 Education pursuant to subsection G of this section to determine the
3 personal financial literacy knowledge level of the student. School
4 districts may also use the ~~on-line modules~~ online curricula to
5 present an area of instruction to transferred students who have not
6 completed or who did not demonstrate satisfactory knowledge in one
7 or more of the areas of personal financial literacy instruction.

8 2. For students who transfer into an Oklahoma school district
9 from out of state after the junior year of high school, school
10 districts may make an exception to the requirements for a personal
11 financial literacy passport pursuant to the provisions of Section
12 11-103.6 of this title.

13 J. The State Textbook Committee created in Section 16-101 of
14 this title may, when selecting textbooks for mathematics, economics,
15 or similar courses, select those textbooks which contain substantive
16 provisions on personal finance.

17 K. In order to deliver high-quality consistent personal
18 financial literacy instruction, school districts ~~are encouraged~~
19 shall to the extent possible assign the responsibility for teaching
20 personal financial literacy to the same teacher or teachers on a
21 continuing basis.

22 L. Beginning with the 2020-2021 school year, all teachers who
23 are assigned the responsibility for teaching personal financial
24 literacy shall complete ongoing professional development training in

1 the areas of personal financial literacy instruction in accordance
2 with guidelines established by the State Department of Education.

3 SECTION 2. AMENDATORY 59 O.S. 2011, Section 3119, is
4 amended to read as follows:

5 Section 3119. A. Each lender shall pay ~~five cents (\$0.05)~~
6 thirty cents (\$0.30) for each deferred deposit loan entered into to
7 be deposited into the Consumer Credit Counseling Revolving Fund and
8 the Personal Financial Literacy Education Revolving Fund created in
9 Section 5 of this act as follows:

10 1. Eight cents (\$0.08) of each thirty-cent payment shall be
11 deposited into the Consumer Credit Counseling Revolving Fund; and

12 2. Twenty-two cents (\$0.22) of each thirty-cent payment shall
13 be paid to the Office of the State Treasurer for deposit into the
14 Personal Financial Literacy Education Revolving Fund.

15 B. The schedule for payment into the Consumer Credit Counseling
16 Revolving Fund shall be determined by the Administrator of Consumer
17 Credit. The schedule for payments to the Office of the State
18 Treasurer for deposit into the Personal Financial Literacy Education
19 Revolving Fund shall be made by each lender quarterly. Lenders
20 shall be prohibited from including such ~~payment~~ payments in the fees
21 and charges provided for under Section 3108 of this title.

22 C. Ten percent (10%) of each scheduled payment of fees pursuant
23 to this section made into the Consumer Credit Counseling Revolving
24 Fund may be transferred to the Consumer Credit Administrative

1 Expenses Revolving Fund established in Section 6-301 of Title 14A of
2 the Oklahoma Statutes for expenses incurred by the Administrator of
3 Consumer Credit in administering the requirements of subsection D of
4 this section.

5 ~~B.~~ D. Funds collected and deposited in the Consumer Credit
6 Counseling Revolving Fund pursuant to this section shall be paid by
7 the Administrator of Consumer Credit to a third-party, Oklahoma-
8 based consumer credit counseling provider with a verifiable history
9 of work with both industry and consumers in the appropriate field
10 for a program of research and implementation of voluntary consumer
11 counseling and education specifically designed for consumers
12 utilizing deferred deposit loans. The program shall be:

13 1. Selected by a bid process, pursuant to The Oklahoma Central
14 Purchasing Act; and

15 2. Designed in consultation with representatives of both the
16 industry and consumers.

17 E. Funds paid to the Office of the State Treasurer for deposit
18 into the Personal Financial Literacy Education Revolving Fund
19 pursuant to this section shall be used by the State Department of
20 Education for purposes provided in Section 11-103.6h of Title 70 of
21 the Oklahoma Statutes.

22 SECTION 3. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 11-103.6h-1 of Title 70, unless
24 there is created a duplication in numbering, reads as follows:

1 There is hereby created in the State Treasury a revolving fund
2 for the State Department of Education to be designated the "Personal
3 Financial Literacy Education Revolving Fund". The fund shall be a
4 continuing fund, not subject to fiscal year limitations, and shall
5 consist of all monies directed to be deposited in the fund pursuant
6 to Section 3119 of Title 59 of the Oklahoma Statutes and any other
7 monies received by the Department for such purpose from any other
8 public or private source. All monies accruing to the credit of said
9 fund are hereby appropriated and may be budgeted and expended by the
10 Department for the purposes set forth in Section 11-103.6h of Title
11 70 of the Oklahoma Statutes. Expenditures from said fund shall be
12 made upon warrants issued by the State Treasurer against claims
13 filed as prescribed by law with the Director of the Office of
14 Management and Enterprise Services for approval and payment.

15 ~~SECTION 4. This act shall become effective July 1, 2017.~~

16 ~~SECTION 5. It being immediately necessary for the preservation~~
17 ~~of the public peace, health or safety, an emergency is hereby~~
18 ~~declared to exist, by reason whereof this act shall take effect and~~
19 ~~be in full force from and after its passage and approval.~~

20 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
21 April 12, 2017 - DO PASS AS AMENDED
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