

**BILL SUMMARY**  
1<sup>st</sup> Session of the 56<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 1694</b>
<b>Version:</b>	<b>INT</b>
<b>Request Number:</b>	<b>6084</b>
<b>Author:</b>	<b>Rep. Martin</b>
<b>Date:</b>	<b>3/6/2017</b>
<b>Impact:</b>	<b>Charge increase on deferred deposit loans</b> <b>Total increase of \$798,000 annually</b>

**Research Analysis**

The introduced measure modifies the areas of instruction pertaining to financial literacy to include the managing of a bank account and understanding the Free Application for Federal Student Aid (FASFA). It specifies that through the 2019-20 school year the requirements for a personal financial literacy passport must be completed during grades seven through twelve. Beginning with the 2020-21 school year, the passport requirements must be completed during grades nine through twelve. Beginning with the 2020-21 school year, all teachers who are assigned to teach personal financial literacy must complete ongoing professional development training in the areas of personal financial literacy instruction.

Lastly, the measure requires payday lenders to deposit One Dollar for each deferred deposit into the Consumer Credit Counseling Revolving Fund and the Personal Financial Literacy Education Revolving Fund created in this measure. Twenty-five cents of each one-dollar payment will be deposited into the consumer credit fund and seventy-five cents will be deposited into the financial literacy fund. Funds deposited into the financial literacy fund are to be used by the State Department of Education to carry out the provisions of the Passport to Financial Literacy Act, including professional development for teachers.

Prepared By: Scott Tohlen

**Fiscal Analysis**

HB 1694, as introduced relates to financial literacy. Areas of instruction for personal financial literacy education are modified. Required completion for a personal financial literacy passport is changed. Beginning with the 2020-21 school year, all teachers who teach financial literacy will complete ongoing professional development training in the areas of personal financial literacy.

Related to lender payments to the Consumer Credit Counseling Revolving Fund, each lender payment of five cents for each deferred deposit loan is increased to \$1.00. and will be deposited to the Consumer Credit Counseling Revolving Fund and the Personal Financial Literacy Education Revolving Fund. Twenty-five cents of each \$1.00 payment will be deposited into the Consumer Credit Counseling Revolving Fund, and seventy-five cents of each \$1.00 payment will be deposited into the Personal Financial Literacy Education Revolving Fund.

The current five cent deposit brings in approximately \$42,000 annually. The estimated total of \$1.00 payment annually is \$840,000. Therefore, with the increased funds and distributions, approximately \$210,000 would go to the Consumer Credit Counseling Revolving Fund, and \$630,000 would go to the Personal Financial Literacy Education Revolving Fund.

Prepared By: Andrea Kearney

**Other Considerations**

The appropriation as allocated by the Board of Education in this area for the original FY-16 appropriation was \$149,817, and \$0 for FY-17.

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