A BILL FOR AN ACT

CONCERNING ACADEMIC STANDARDS FOR FINANCIAL LITERACY IN PUBLIC SCHOOLS, AND, IN CONNECTION THEREWITH, INCLUDING KNOWLEDGE AND SKILLS RELATING TO STUDENT LOAN DEBT AND RETIREMENT PLANNING IN THE STATE'S ACADEMIC STANDARDS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://www.leg.state.co.us/billsummaries.)

The bill adds information on student loan debt and retirement planning to the materials and other instructional resources that may be...
available to public schools as part of a resource bank created by the state board of education. Further, the bill adds student loan debt and retirement planning to the definition of financial literacy curriculum.

Finally, the bill specifies that the state academic standards for public schools relating to financial literacy must include knowledge and skills relating to financing higher education, or other career-related postsecondary education, and retirement planning. The bill includes a non-exclusive list of the knowledge and skills required in each area.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 22-2-127, amend (1) as follows:

22-2-127. Financial literacy - resource bank - technical assistance. (1) As used in this section, "financial literacy" means knowledge of personal finances that is sufficient to enable a person to manage savings, investment, and checking accounts; to design and maintain a household budget; to manage personal debt, INCLUDING STUDENT LOAN DEBT; to understand consumer credit and finance; to manage personal credit options; and to understand and select among short-term and long-term investment options; AND TO UNDERSTAND RETIREMENT PLANNING.

SECTION 2. In Colorado Revised Statutes, 22-32-135, amend (1) (a), (1) (d), (1) (e), (2), and (3) as follows:

22-32-135. Financial literacy curriculum. (1) The general assembly hereby finds that:

(a) Life skills such as the ability to formulate a household budget, balance a checking account, read and understand the terms and conditions of a credit card OR STUDENT LOAN APPLICATION, and otherwise manage personal finances are critical to a person's success in today's economy;

(d) Recent studies of consumer finances by the federal reserve
board show that, at the end of the third quarter of 1999, household debt
in the United States totaled over six trillion three hundred billion dollars.
Almost one trillion four hundred billion dollars of this debt was consumer
credit debt, while four trillion four hundred billion dollars consisted of
mortgage debt. A MORE RECENT 2013 STUDY PUBLISHED BY THE FEDERAL
RESERVE BANK OF NEW YORK SHOWS THAT STUDENT LOAN DEBT ALMOST
TRIPLED BETWEEN 2004 AND 2012 AND IN 2015 EXCEEDS ONE TRILLION
DOLLARS.

(e) With the recent growth in consumer debt and the apparently
low level of education and understanding with regard to personal
finances, it is imperative that the public schools of the state provide
students with a thorough, high-quality curriculum of financial literacy to
enable students to understand and master personal finance skills,
including, at a minimum, managing bank accounts; household budgeting;
understanding and managing personal debt, and INCLUDING STUDENT
LOAN DEBT; managing personal savings and investment; AND PLANNING
FOR RETIREMENT.

(2) As used in this section, "financial literacy" means knowledge
of personal finances that is sufficient to enable a person to manage
savings, RETIREMENT, investment, and checking accounts; to design and
maintain a household budget; to manage personal debt, INCLUDING
STUDENT LOAN DEBT; to understand consumer credit and finance; to
manage personal credit options; and to understand and select among
short-term and long-term investment options.

(3) Each school district board of education is strongly encouraged
to adopt as part of its district curriculum courses pertaining to financial
literacy to be taught in grade-appropriate courses at the elementary,
middle, junior high, and high school grade levels. When selecting mathematics and economics textbooks, each school district is strongly encouraged to select those texts that include substantive provisions on personal finance, including personal budgeting, credit, AND debt management, INCLUDING STUDENT LOANS, RETIREMENT PLANNING, and similar personal finance topics.

SECTION 3. In Colorado Revised Statutes, 22-7-1005, add (2) (d) as follows:

22-7-1005. Preschool through elementary and secondary education - aligned standards - adoption - revisions. (2) (d) IN DEVELOPING STANDARDS FOR FINANCIAL LITERACY, THE STATE BOARD SHALL INCLUDE KNOWLEDGE AND SKILLS RELATING TO FINANCING HIGHER EDUCATION, OR OTHER CAREER-RELATED POSTSECONDARY EDUCATION, AND PLANNING FOR RETIREMENT. THE STANDARDS MUST INCLUDE AN UNDERSTANDING OF:

(I) STUDENT LOAN PROGRAMS AND TYPES OF STUDENT LOANS, INCLUDING PUBLIC AND PRIVATE STUDENT LOANS; INTEREST AND DEBT LIMITS; REPAYMENT OF STUDENT LOANS AND THE CONSEQUENCES OF DEFAULTING ON STUDENT LOANS; POTENTIAL CAREER EARNINGS, INCLUDING STARTING SALARY BY SUBJECT AND LEVEL OF DEGREE OR CREDENTIAL; AND THE REQUIREMENT TO REPAY STUDENT LOANS EVEN IF THE STUDENT DOES NOT COMPLETE THE Degree OR CREDENTIAL; AND

(II) COMMON METHODS FOR SAVING FOR RETIREMENT, LONG-TERM INVESTMENTS, TAX-DEFERRED ACCOUNTS, PENSIONS, AND GOVERNMENT RETIREMENT BENEFITS.

SECTION 4. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the
ninety-day period after final adjournment of the general assembly (August 10, 2016, if adjournment sine die is on May 11, 2016); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2016 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.