AN ACT

Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An act relating to the public school system, including certain provisions applicable as well to private and parochial schools; amending, revising, consolidating and changing the laws relating thereto," in terms and courses of study, further providing for subjects of instruction and flag code and for economic education and personal financial literacy programs; providing for personal finance instruction and for capstone course in personal finance as graduation requirement; establishing the Personal Finance Education Fund; and making an appropriation.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Section 1511 of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, amended July 31, 1968 (P.L.1020, No.301), is amended to read:

Section 1511. Subjects of Instruction; Flag Code.--In every elementary public and private school, established and maintained in this Commonwealth, the following subjects shall be taught, in the English language and from English texts: English, including spelling, reading and writing, arithmetic, geography, the
history of the United States and of Pennsylvania, civics, including loyalty to the State and National Government, personal finance, safety education, and the humane treatment of birds and animals, health, including physical education, and physiology, music and art. Other subjects shall be taught in the public elementary schools and also in the public high schools as may be prescribed by the standards of the State Board of Education. All such subjects, except foreign languages, shall be taught in the English language and from English texts: Provided, however, that, at the discretion of the Superintendent of Public Instruction, the teaching of subjects in a language other than English may be permitted as part of a sequence in foreign language study or as part of a bilingual education program if the teaching personnel are properly certified in the subject fields. Each school district shall provide and distribute to each pupil, enrolled in the eighth grade of the public schools, one illustrated copy of the National Flag Code, and shall, from time to time, make available such copies as are necessary for replacements from year to year. It shall be the duty of each teacher in the public schools to make such use of the code as may, from time to time, seem proper.

Section 2. Section 1551 of the act, added November 17, 2010 (P.L.996, No.104), is amended to read:

Section 1551. [Economic Education and Personal Financial Literacy] Personal Finance Education Programs.--(a) The department shall have the power and its duty shall be to:

[(1) Provide resource information on economics, economic education and personal financial literacy to educators and public and private schools and organizations.]

(1.1) Ensure that all recipients of a high school diploma in 20160HB1961PN3113
this Commonwealth are proficient in personal finance.

(1.2) Develop stand-alone kindergarten through grade twelve academic standards for personal finance that align with this section, sections 1551.1 and 1551.2 and 22 Pa. Code Ch. 4 (relating to academic standards and assessment).

(1.3) Provide resource information on personal finance to educators and public and private schools and organizations.

(1.4) Within one year after the effective date of this paragraph, submit a report to the Education Committee of the Senate and the Education Committee of the House of Representatives with data on Statewide assessment results for questions relating to financial literacy.

(2) Provide for the distribution, including through the department's Internet website, to school entities or private, nonpublic, elementary or secondary schools in this Commonwealth, teacher curriculum materials and other available resources, including [economic] personal finance education [partnership] programs[, on economic education and personal financial literacy, including the basic principle involved with earning, spending, saving and investing money. The materials shall align with and complement existing State standards for Economics, Family and Consumer Science, and Career Education and Work as set forth in 22 Pa. Code Ch. 4 (relating to academic standards and assessment)]. The materials shall align with State standards for personal finance education in 22 Pa. Code Ch. 4 that the department develops in accordance with this act.

[(3) Identify and recognize Commonwealth schools that implement exemplary economic and economic education and personal financial literacy curricula at each benchmark as set forth in existing State standards for Economics, Family and Consumer Science, and Career Education and Work as set forth in 22 Pa. Code Ch. 4 (relating to academic standards and assessment)].
Code Ch. 4.]

(4) Maintain an inventory of [economic education and
personal financial literacy] personal finance materials,
programs and resources available in Commonwealth agencies.

(b) In distributing materials and resources for use in
schools, the department shall consider those currently available
through international, national, Statewide and local economic,
banking trade and personal finance education organizations.

[(c) (1) The department shall convene a task force on
economic education and personal financial literacy education
within ninety (90) days of the effective date of this section.
(2) The task force shall consist of nine (9) members
appointed by the secretary, in consultation with the Secretary
of Banking, representing school administrators, finance or
economics teachers, school boards, students, business leaders,
faculty from this Commonwealth's institutions of higher
education having a background in or knowledge of personal
financial literacy and other groups with expertise in financial
literacy education. The task force shall elect one (1) of its
members to serve as chairperson.
(3) The task force shall:
(i) Assess the trends and needs in economic education and
personal financial literacy.
(ii) Consider the manner in which any funds are used to
support economic education and personal financial literacy
activities.
(iii) Make recommendations to the Governor and the General
Assembly regarding legislative or regulatory changes to improve
economic education and personal financial literacy, pursuant to
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the preparation and submittal of the report required by subsection (d).]

(c.1) (1) The Office of Personal Finance Education is established in the department to oversee personal finance education programs.

(2) The Office of Personal Finance Education shall:
   (i) Assess the trends and needs in personal finance education.
   (ii) After completing the assessment under subparagraph (i), assist in developing personal finance curricula in consultation with the State Treasurer, school administrators, finance or economics teachers, school boards, students, business leaders, faculty from this Commonwealth's institutions of higher education having a background in or knowledge of personal financial literacy and other groups with expertise in financial literacy education.
   (iii) Create professional development programs for faculty to teach personal finance.
   (iv) Make recommendations to the Governor and the General Assembly regarding legislative or regulatory changes to improve personal finance education and personal financial literacy, pursuant to the preparation and submittal of the report required by subsection (d).

(d) The secretary and the [Secretary of Banking] State Treasurer shall jointly prepare and submit[, in conjunction with the task force,] a biennial report to the Governor and the General Assembly on the status of [economic education and] personal financial literacy programs in this Commonwealth. In addition to the recommendations made in accordance with subsection [(c)(3)(iii)] (c.1)(2)(iv), the report shall outline
[economic education and personal financial literacy] personal finance education programs and personal financial literacy achievements, highlight new initiatives and recommend future program needs.

[(e) The department may apply for any Federal, State or other funding that may be available to carry out the provisions of this section and may also use such unencumbered funds for grants to school entities and other measures to encourage the implementation of economic education and personal financial literacy education programs.]

(e.1) The department may implement this section by distributing grants to school entities for personal finance education programs and professional development with funding from any of the following sources:

(1) A State appropriation.

(2) Any Federal, State or other source that may be available to carry out the provisions of this section.

(f) The following words and phrases when used in this section shall have the meanings given to them in this subsection:

"Department." The Department of Education of the Commonwealth.

"Personal financial literacy." The integration of various factors relating to personal financial management, including understanding financial institutions, using money, learning to manage personal assets and liabilities, creating budgets and any other factors that may assist an individual in this Commonwealth to be financially responsible.]

"Personal finance." The principles and methods that individuals use to acquire and manage income and assets.
"Personal financial literacy." The ability to use knowledge and skills to manage one's financial resources for lifetime financial security.

"School entity." A public school district, charter school, cyber charter school, intermediate unit or area vocational-technical school.

"Secretary." The Secretary of Education of the Commonwealth.

Section 3. The act is amended by adding sections to read:

Section 1551.1. Personal Finance Instruction.--(a)

Beginning with school year 2016-2017 and each school year thereafter, each public school student shall receive instruction in personal finance from kindergarten through grade twelve. The instruction shall be aligned to the kindergarten through grade twelve academic standards for personal finance and may be integrated within mathematics, economics, social studies, language arts, business education or family and consumer science courses of study required in accordance with the State Board of Education regulations. Instruction may also be integrated into other appropriate courses of study.

(b) The instruction:

(1) Shall be age appropriate.

(2) Shall be sequential in method of study.

(3) Shall communicate the connection between personal finance concepts, broader economic concepts and age-appropriate situations a student may experience.

(4) Shall communicate personal finance concepts, including, but not limited to, the following:

(i) Money management.

(ii) Earning income.

(iii) Borrowing money.
(iv) Financial services.
(v) Risk management.
(vi) Saving and investing.
(vii) Other personal finance concepts specified by the State Board of Education in 22 Pa. Code Ch. 4 (relating to academic standards and assessment).

(5) Shall prepare a student for life after graduation.

Section 1551.2. Capstone Course in Personal Finance as Graduation Requirement.--(a) The State Board of Education shall require every candidate for a full high school diploma after September 2016 to receive at least one (1) semester of instruction in a stand-alone capstone course relating to personal finance at some time during grade eleven or twelve of the candidate's educational career.

(b) In order to fulfill this graduation requirement, school districts may choose from several delivery options for offering the course, including classroom instruction, which shall be the equivalent of one (1) semester or one-half (0.5) credit, or as a standards-aligned, self-paced online or blended course which includes a district-approved, end-of-course assessment.

(c) Each school entity may utilize educational materials as provided for in section 1551 for the purpose of fulfilling this graduation requirement.

(d) The Department of Education shall make available and conduct professional development to school districts that request assistance in implementing the provisions of this section.

(e) As used in this section, "capstone course" means a course of study that:

(1) occurs during grade eleven or twelve of a student's high
school career;

(2) is designed to bring reflection and focus to the whole
of the student's learning throughout the student's years of
education on a particular subject;

(3) is a comprehensive review of the subject matter being
considered; and

(4) effectively culminates in each student demonstrating a
comprehensive understanding of the subject matter.

Section 1551.3. Personal Finance Education Fund.--(a) The
Personal Finance Education Fund is established in the State
Treasury. The money of the fund shall be used for grants under
section 1551(e.1).

(b) The fund shall consist of all money collected by the
Commonwealth under subsection (c) and money solicited by the
State Treasurer under subsection (d).

(c) (1) The Department of Revenue shall provide a space on
the Pennsylvania individual income tax return form whereby an
individual may voluntarily designate a contribution of any
amount desired to the Personal Finance Education Fund.

(2) The amount designated under paragraph (1) by an
individual on the income tax return form shall be deducted from
the tax refund to which that individual is entitled and shall
not constitute a charge against the income tax revenues due to
the Commonwealth.

(3) The Department of Revenue shall determine annually the
total amount designated pursuant to this subsection, less
reasonable administrative costs, and shall report the amount to
the State Treasurer, who shall transfer the amount from the
General Fund to the Personal Finance Education Fund.

(d) The State Treasurer shall solicit money for the Personal
Finance Education Fund and may designate employees of the Treasury Department to carry out this duty.

Section 4. The sum of $3,000,000 is hereby appropriated to the Department of Education for the purpose of administering this act.

Section 5. This act shall take effect in 60 days.