

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 1243

PRINTER NO. 1979

AMOUNT

See Fiscal Impact

FUND

General Fund

DATE INTRODUCED

May 23, 2022

PRIME SPONSOR

Senator Gebhard

DESCRIPTION

Senate Bill 1243 establishes a new Section 1529 (Economics and Personal Finance Course Graduation Requirement) and amends Section 1551 (Economic Education and Personal Finance Literacy Education Programs) of the Public School Code to require a student to complete a one-half credit course in economics and personal finance to graduate from high school beginning in the 2024-2025 school year.

The legislation allows the required course in economics and personal finance to satisfy a student’s social studies, family and consumer science, mathematics or business education credit requirements for graduation. It also allows the student’s school entity to determine which requirement is satisfied by completion of the course in economics and personal finance.

The legislation requires the curriculum for the economics and personal finance course to include: (1) the true cost of credit; (2) choosing and managing a credit card, including, but not limited to, the calculation of the annual percentage rate and compound interest; (3) borrowing money for automobile or other large purposes; (4) home mortgages; (5) credit scoring and credit reports; (6) planning and paying for post-secondary education; (7) basic principles of personal insurance policies; and (8) basic principles of how to prepare and file federal, state and local tax returns.

The legislation provides for the Department of Education (department) to require schools to make professional development available for teachers and potential teachers of economics, economic education and personal financial literacy. It also requires the department to provide school entities with materials or other resources necessary to teach the economics and personal finance curriculum included in the legislation.

The legislation defines a “school entity” as a school district, charter school, regional charter school or cyber charter school.

The legislation is scheduled to take effect on July 1, 2024.

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FISCAL IMPACT:

The enactment of Senate Bill 1243 will require all students attending public school entities in the Commonwealth to complete a course in economics and personal finance to graduate. To ensure students are able to complete a course in economic and personal finance prior to graduation, schools will need to teach approximately 5,475 economics and personal finance classes annually. To accommodate teaching the classes, many schools will likely offer fewer elective courses rather than incur additional instructional costs. However, some schools will choose to hire new teachers to teach the classes.

Assuming schools hire 10% of the teachers (55) needed for students to meet the graduation requirement, new salary and benefit costs for public school entities will amount to approximately \$4,474,000 annually. The analysis assumes the average salary for a starting teacher is \$49,000 and a benefit rate of 66%.

The Commonwealth would incur costs to reimburse the public school entities for the state's share of school employees' retirement and school employees' school security costs for the new hires, which would amount to approximately \$654,000 annually. Additionally, the Department of Education estimates that it will cost \$25,000 to provide schools with professional development activities, materials and other resources to teach the course.