

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 647

PRINTER NO. 690

AMOUNT

See Fiscal Impact

FUND

General Fund

DATE INTRODUCED

April 21, 2023

PRIME SPONSOR

Senator Gebhard

DESCRIPTION

Senate Bill 647 amends Section 1551 (Economic Education and Personal Financial Literacy Education Programs) and Section 2302-A (Regulation of On-Campus Credit Card Marketing) of the Public School Code to require each school entity and nonpublic school beginning in the 2026-2027 school year to provide a mandatory course in personal financial literacy with a value of at least one-half credit or one-half of a full credit, which students are required to complete during grade nine, ten, eleven or twelve.

The legislation requires the Department of Education (department) to review and update existing resources and model curriculum for economics, economic education and personal finance no later than the beginning of the 2025-2026 school year and one year after any revision of the state standards for Economics, Family and Consumer Science and Career Education and Work (standards) and requires the department to revise the standards as necessary to implement the provisions of the legislation.

The legislation requires the department to develop or identify a model curriculum and list of materials which a school entity or nonpublic school may use to provide the required course in personal financial literacy. It also requires the department to consult with multiple organizations specializing in financial literacy education when developing the model curriculum and materials.

The legislation requires the department to clarify which teacher certifications are necessary to qualify an educator to teach a personal financial literacy course and update its certification and staffing guidelines. The legislation prohibits an educator assigned to provide instruction in a personal financial literacy course from losing a planning period as a result of the assignment except in accordance with a collective bargaining agreement or bearing any costs related to earning additional certifications needed to provide the instruction. It also provides that nothing in the legislation will supersede or preempt any provision of a collective bargaining agreement in effect before, on or after the effective date of the legislation.

The legislation also requires institutions of higher education to incorporate presentations on credit card debt education and money management skills into

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orientation programming beginning with students entering college during the 2024-2025 school year.

The legislation defines a “school entity” as a school district, charter school, regional charter school or cyber charter school and is scheduled to take effect on July 1, 2023, or immediately, whichever is later.

FISCAL IMPACT:

The enactment of Senate Bill 647 will require all students attending school entities and nonpublic schools in the Commonwealth to complete a course in personal finance. To ensure students are able to complete a course in personal finance prior to graduation, schools will need to teach approximately 6,201 personal financial literacy 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 (62) needed for students to meet the graduation requirement, new salary and benefit costs will amount to approximately \$4,835,460 annually.

School Type	Est. # Teachers Needed	Est. Starting Salary	Salary Costs	Benefit Rate	Benefit Costs	Total
School Entities	55	\$ 49,000	\$ 2,695,000	66.0%	\$ 1,778,700	\$ 4,473,700
Nonpublic Schools	7	\$ 38,000	\$ 266,000	36.0%	\$ 95,760	\$ 361,760
Total	62		\$ 2,961,000		\$ 1,874,460	\$ 4,835,460

To the extent that educators are assigned to teach personal financial literacy courses that are not appropriately certified, school entities will incur costs related to those teachers earning the necessary add-on certifications. The cost of the application for an Instructional Add-On certification is \$200, and the cost to take a required subject matter test is approximately \$130.

The Commonwealth will also incur costs to reimburse school entities for the state’s share of school employees’ retirement and school employees’ social security costs for the new school entity hires, which would amount to approximately \$654,000 annually.

The Department of Education has indicated the costs to implement and administer the legislation will be minimal and can be accomplished within its existing operating budget.

Further, provisions requiring institutions of higher education to incorporate presentations on credit card debt and money management skills into orientation programs should pose no fiscal impact, as the colleges and universities typically provide such information to incoming freshmen.