

**LEGISLATIVE EDUCATION STUDY COMMITTEE  
BILL ANALYSIS**

**Bill Number:** HB 364

**50th Legislature, 1st Session, 2011**

**Tracking Number:** .184645.1

**Short Title:** Financial Literacy Offered 6-8 Grades

**Sponsor(s):** Representative Antonio “Moe” Maestas

**Analyst:** Ally Hudson

**Date:** March 7, 2011

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**Bill Summary:**

Beginning with school year 2013-2014, HB 364 amends the *Public School Code* to require that financial literacy meeting academic content and performance standards be offered as an elective in sixth through eighth grades.

**Fiscal Impact:**

HB 364 does not contain an appropriation.

**Fiscal Issues:**

According to an analysis by the Public Education Department (PED), HB 364 is likely to involve costs:

- the department would need to add financial literacy to the Student Teacher Accountability Reporting System (STARS) course offerings and give guidance to the districts as they develop their financial literacy courses;
- each district would have to develop a middle school financial literacy course; and
- if the course were offered through Innovative Digital Education and Learning New Mexico (IDEAL-NM) it would require the standard \$6,000 development cost.

**Substantive Issues:**

The analysis by PED raises two issues:

- HB 364 does not clarify to which academic content and performance standards this course must align. Therefore, it is unclear if this financial literacy course is to be a social studies course or a mathematics course; and
- it is also unclear if teachers of financial literacy courses would need special or specific licenses.

According to an analysis by the Higher Education Department (HED), the Financial Literacy Education Commission set forth a national strategy for promoting financial success by establishing a framework and set of goals for financial literacy, including:

- increase awareness of and access to effective financial education;
- determine and integrate core financial competencies;
- improve financial education infrastructure; and
- identify, enhance, and share effective practices.

To this end, HED’s analysis states, “HB 364 supports a broader, more national agenda in the area of student financial literacy education.”

HED’s analysis concludes with two points:

- The availability of quality financial math and literacy textbooks may be an issue. Therefore, the department supports a broader examination of textbook availability for financial literacy textbooks appropriate for grades 6-8.
- Because current teachers of grades 6-8 may not have a strong foundation in financial literacy, additional teacher professional development may be needed before the implementation of HB 364 in school year 2013-2014.

**Background:**

In 2007, high school redesign legislation was enacted to require students entering grade 9 in school year 2009-2010 to take four units in mathematics, one of which shall be the equivalent to – or higher than – the level of Algebra II (unless the parent submits written, signed permission for the student to complete a lesser mathematics unit).

More recently, in 2010, LESC-endorsed legislation was enacted to allow a financial literacy course aligned to state mathematics academic content and performance standards to qualify as one of the four required mathematics units for high school graduation.

**Related Bills:**

HB 366 *Financial Literacy as Graduation Requirement*