Assembly Bill No. 274–Assemblymen Nguyen, Gallant, Considine, Summers-Armstrong; Bilbray-Axelrod, Cohen, D'Silva, González, Gorelow, Gray, Gurr, Hibbetts, Kasama, Koenig, Brittney Miller, C.H. Miller, Mosca, Newby, Peters, Taylor and Thomas

Joint Sponsors: Senators Dondero Loop, Pazina, D. Harris, Buck; Hammond, Krasner and Lange

CHAPTER..........

AN ACT relating to education; changing the membership of the State Financial Literacy Advisory Council; requiring certain pupils enrolled in a public high school to enroll in a certain number of credits in social studies, which includes a certain number of credits in financial literacy; requiring instruction in financial literacy to include certain skills necessary to develop a personal financial plan; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law creates the State Financial Literacy Advisory Council, composed of members appointed by the Governor, certain Legislators and the Chancellor of the Nevada System of Higher Education. Existing law requires the Council to: (1) develop a strategic plan for the development of educational resources in financial literacy; (2) identify learning activities targeted toward standards and criteria of a curriculum in financial literacy; (3) develop and facilitate certain events related to financial literacy; (4) develop the criteria required for a pupil to earn the State Seal of Financial Literacy; (5) apply for grants, gifts and donations to carry out its objectives; and (6) prepare a written report to provide to certain entities. (NRS 388.5966, 388.5968) **Section 1** of this bill changes the composition of the Council by eliminating certain members appointed by the Governor, certain Legislators and the Chancellor of the System and adding a pupil enrolled in high school as a member of the Council. **Section 1** also places the Council within the Department of Education and provides that the Superintendent of Public Instruction must appoint the members of the Council.

Existing law: (1) designates certain academic subjects, including social studies, which encompasses financial literacy, as core academic subjects that must be taught in all public schools; and (2) requires a pupil enrolled in a public high school to enroll in a minimum of one-half unit of credit in the subject of economics. (NRS 389.018) **Section 1.5** of this bill revises the contents of the one-half unit of credit in economics in which a pupil must enroll to also include financial literacy.

Existing law: (1) requires that pupils who are enrolled in public schools are provided with instruction in financial literacy; and (2) sets forth the required contents for such instruction, including the skills necessary to manage finances, which includes developing a personal financial plan. (NRS 389.074) **Section 2** of this bill provides that the skills necessary to manage finances relating to developing a personal financial plan include understanding and budgeting for the costs of housing, transportation and health care.

EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~[omitted material]~~ is material to be omitted.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 388.5966 is hereby amended to read as follows:

388.5966 1. The State Financial Literacy Advisory Council is hereby created ~~[.]~~ ***in the Department.*** The Council consists of ~~[:~~

~~(a) The following ex officio members:~~

~~(1) The Superintendent of Public Instruction or his or her designee; and~~

~~(2) The Chancellor of the Nevada System of Higher Education or his or her designee;~~

~~(b) Three members appointed by the Governor;~~

~~(c) Two members appointed by the Majority Leader of the Senate;~~

~~(d) Two members appointed by the Speaker of the Assembly;~~

~~(e) One member appointed by the Minority Leader of the Senate;~~

~~(f) One member appointed by the Minority Leader of the Assembly; and~~

~~(g) One member appointed by the Chancellor of the Nevada System of Higher Education who has a background in economics or financial literacy.~~

~~2. The Governor, the Majority Leader and the Minority Leader of the Senate, the Speaker and Minority Leader of the Assembly and the Chancellor of the Nevada System of Higher Education shall coordinate their respective appointments of members to the Council to ensure that, to the extent practicable, the members appointed to the Council reflect the gender, ethnic and geographic diversity of this State and that:]~~ ***the following members appointed by the Superintendent of Public Instruction:***

(a) Three members ~~[of the Council]~~ ***who*** are members of the business community with a background in economics;

(b) One member ~~[of the Council]~~ ***who*** is a member of the business community who is employed in the banking industry;

(c) One member ~~[of the Council]~~ ***who*** is a member of the business community who is employed by a credit union;

(d) Three members ~~[of the Council]~~ ***who*** are teachers who hold a license to teach elementary, middle or junior high school or secondary education, respectively, and who:

(1) Teach in an elementary, middle or junior high or high school, respectively;

(2) Have received training in financial literacy; and

(3) Are responsible for teaching courses relating to financial literacy;

(e) One member ~~[of the Council]~~ ***who*** is an administrator of a public school; ~~[and]~~

(f) One member ~~[of the Council]~~ ***who*** is an administrator of a school district ~~[.]~~ ***; and***

(g) One member who is a pupil enrolled in high school.

~~[3.]~~ ***2.*** Any vacancy occurring in the membership of the Council must be filled in the same manner as the original appointment not later than 30 days after the vacancy occurs.

~~[4.]~~ ***3.*** The Council shall elect a Chair and Vice Chair from among its members at the first meeting of the Council and at the first meeting of the calendar year each year thereafter. The Chair and Vice Chair serve a term of 1 year.

~~[5.]~~ ***4.*** Each member of the Council serves a term of 2 years and may be reappointed.

~~[6.]~~ ***5.*** The Council shall meet at least four times a year at the call of the Chair. One meeting of the Council must be held in person and any other meeting may be held by videoconference.

~~[7.]~~ ***6.*** A majority of the members of the Council constitutes a quorum for the transaction of business, and a majority of those members present at any meeting is sufficient for any official action taken by the Council.

~~[8.]~~ ***7.*** The Chair may appoint such subcommittees of the Council as the Chair determines necessary to carry out the duties of the Council.

~~[9.]~~ ***8.*** The members of the Council serve without compensation, except that each member is entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally while engaged in the official business of the Council.

~~[10.]~~ ***9.*** Each member of the Council who is an officer or employee of the State or a local government must be relieved from his or her duties without loss of his or her regular compensation so that the member may prepare for and attend meetings of the Council and perform any work necessary to carry out the duties of the Council in the most timely manner practicable. A state agency or local government shall not require an officer or employee who is a member of the Council to make up the time the member is absent from work to carry out his or her duties as a member, and shall not require the member to take annual vacation or compensatory time for the absence.

~~[11.]~~ ***10.*** Any costs associated with employing a substitute teacher while a member of the Council who is a teacher attends a meeting of the Council must be paid by the school district that employs the member.

~~[12. To the extent that money is available, the Department shall provide administrative support to the Council.]~~

Sec. 1.5. NRS 389.018 is hereby amended to read as follows:

389.018 1. The following subjects are designated as the core academic subjects that must be taught, as applicable for grade levels, in all public schools, the Caliente Youth Center, the Nevada Youth Training Center and any other state facility for the detention of children that is operated pursuant to title 5 of NRS:

(a) English language arts;

(b) Mathematics;

(c) Science; and

(d) Social studies, which includes only the subjects of history, geography, economics, civics, financial literacy and multicultural education.

2. Except as otherwise provided in this subsection, a pupil enrolled in a public high school must enroll in a minimum of:

(a) Four units of credit in English language arts;

(b) Four units of credit in mathematics, including, without limitation, Algebra I and geometry, or an equivalent course of study that integrates Algebra I and geometry;

(c) Three units of credit in science, including two laboratory courses; and

(d) Three units of credit in social studies, including, without limitation:

(1) One-half unit of credit in American government;

(2) Two units of credit in American history, world history or geography; and

(3) One-half unit of credit in economics ~~[.]~~ ***and financial literacy.***

➥ A pupil is not required to enroll in the courses of study and credits required by this subsection if the pupil, the parent or legal guardian of the pupil and an administrator or a counselor at the school in which the pupil is enrolled mutually agree to a modified course of study for the pupil and that modified course of study satisfies at least the requirements for a standard high school diploma, an adjusted diploma or an alternative diploma, as applicable. A school district may authorize one or more public high schools in the school district to offer a combined course in American government and economics ***and financial literacy*** for one unit of credit which satisfies the requirements of subparagraphs (1) and (3) if the curriculum of an advanced placement course is used for American government in the combined course.

3. Except as otherwise provided in this subsection, in addition to the core academic subjects, the following subjects must be taught as applicable for grade levels and to the extent practicable in all public schools, the Caliente Youth Center, the Nevada Youth Training Center and any other state facility for the detention of children that is operated pursuant to title 5 of NRS:

(a) The arts;

(b) Computer education and technology;

(c) Health; and

(d) Physical education.

➥ If the State Board requires the completion of course work in a subject area set forth in this subsection for graduation from high school or promotion to the next grade, a public school shall offer the required course work. Except as otherwise provided for a course of study in health prescribed by subsection 1 of NRS 389.021 and the instruction prescribed by subsection 1 of NRS 389.064, unless a subject is required for graduation from high school or promotion to the next grade, a charter school is not required to comply with this subsection.

4. Instruction in health and physical education provided pursuant to subsection 3 must include, without limitation, instruction concerning the importance of annual physical examinations by a provider of health care and the appropriate response to unusual aches and pains.

Sec. 2. NRS 389.074 is hereby amended to read as follows:

389.074 1. The board of trustees of each school district and the governing body of each charter school shall ensure that instruction in financial literacy is provided to pupils enrolled in grades 3 to 12, inclusive, in each public school within the school district or in the charter school, as applicable. The instruction must include, without limitation:

(a) The skills necessary to develop financial responsibility, including, without limitation:

(1) Making reasonable financial decisions by analyzing the alternatives and consequences of those financial decisions;

(2) Locating and evaluating financial information from various sources;

(3) Judging the quality of services offered by a financial institution;

(4) Developing communication strategies to discuss financial issues;

(5) Controlling personal information; and

(6) Reviewing and summarizing federal and state consumer protection laws.

(b) The skills necessary to manage finances, including, without limitation:

(1) Developing a plan for spending and saving;

(2) Developing a system for keeping and using financial records; and

(3) Developing a personal financial plan ~~[.]~~ ***that includes, without limitation, understanding and budgeting for the costs of housing, transportation and health care.***

(c) The skills necessary to understand the use of credit and the incurrence of debt, including, without limitation:

(1) Identifying the costs and benefits of various types of credit;

(2) Understanding the methods to manage debt and the consequences of acquiring debt;

(3) Understanding how interest rates, compounding frequency and the terms of a loan can affect the cost of credit;

(4) Completing an application for a loan;

(5) Understanding different types of loans, including, without limitation, payday loans, automobile loans, student loans and mortgages;

(6) Explaining the purpose of a credit report, including, without limitation, the manner in which a credit report is used by lenders;

(7) Describing the rights of a borrower regarding his or her credit report;

(8) Identifying methods to avoid and resolve debt problems; and

(9) Reviewing and summarizing federal and state consumer credit protection laws.

(d) The skills necessary to understand the basic principles of saving and investing, including, without limitation:

(1) Understanding how saving and investing contribute to financial well-being;

(2) Understanding the methods of investing and alternatives to investing;

(3) Understanding how to buy and sell investments;

(4) Understanding compound interest, including, without limitation, in the context of investments;

(5) Understanding various types of securities, including, without limitation, stocks and bonds; and

(6) Understanding how the regulation of financial institutions protects investors.

(e) The skills necessary to prevent and limit the consequences of identity theft and fraud.

(f) The skills necessary to understand the basic assessment of taxes, including, without limitation, understanding the matter in which taxes are computed by local, state and federal governmental entities.

(g) The skills necessary to understand the basic principles of insurance, including, without limitation:

(1) Understanding the function of various insurance policies; and

(2) Determining the quality of an insurance provider.

(h) The skills necessary to plan for higher education and career choices, including, without limitation:

(1) Information concerning institutions of higher education and college preparedness;

(2) Information concerning career options;

(3) Writing a resume;

(4) Information concerning opportunities for financial aid, including the Free Application for Federal Student Aid and the programs of the Western Interstate Commission for Higher Education, and the manner in which to qualify for such opportunities;

(5) Information concerning scholarship opportunities, including, without limitation, the Governor Guinn Millennium Scholarship Program and Silver State Opportunity Grant Program; and

(6) Information concerning prepaid tuition and college savings programs and plans established pursuant to chapter 353B of NRS and section 529 of the Internal Revenue Code, 26 U.S.C. § 529.

2. The standards of content and performance for the instruction in financial literacy required by subsection 1 must be included in the standards of content and performance established by the Council to Establish Academic Standards for Public Schools pursuant to NRS 389.520. The instruction required by subsection 1 must be:

(a) Age-appropriate; and

(b) Included within a course of study for which the Council has established the relevant standards of content and performance, including, without limitation, a course of study in economics, mathematics or social studies.

3. The board of trustees of each school district and the governing body of each charter school in which pupils are enrolled in any grade of grades 3 to 12, inclusive, shall encourage:

(a) Persons to volunteer time, expertise and resources to assist a school district, governing body of a charter school, public school or teacher in the provision of instruction in financial literacy; and

(b) Partnerships between a school district or charter school and relevant persons, businesses or entities in which those persons, businesses or entities provide the resources necessary to provide instruction in financial literacy.

Sec. 3. 1. This section becomes effective upon passage and approval.

2. Sections 1, 1.5 and 2 of this act become effective:

(a) Upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

(b) On July 1, 2028, for all other purposes.

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