

BILL ANALYSIS

C.S.H.B. 34
By: Branch
Higher Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Current law requires a public high school student to earn credit in economics before graduating and requires instruction in personal financial literacy to be incorporated into the economics curriculum. Personal financial literacy curriculum may include instruction in understanding interest, avoiding or eliminating credit card debt, starting a small business, beginning a savings program, and planning for retirement.

The cost of higher education continues to increase, and it is the opinion of interested parties that high school curricula should include instruction about paying for higher education. C.S.H.B. 34 seeks to fill this need by requiring instruction in paying for postsecondary education and training, including guidance on completing an application for federal student aid, and directing the State Board of Education to approve materials that provide for such instruction.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 34 amends the Education Code to include instruction in methods of paying for college and other postsecondary education and training in the personal financial literacy instruction required by the Texas essential knowledge and skills and provisions of law relating to the public high school curriculum. The bill requires each school district and each open-enrollment charter school that offers a high school program to provide to a student such instruction in personal financial literacy in any course meeting the requirements for an economics credit, using materials approved by the State Board of Education (SBOE). The bill requires the instruction in personal financial literacy to include instruction on completing the application for federal student aid provided by the United States Department of Education and authorizes a school district or charter school, in fulfilling the requirement to provide financial literacy instruction, to use an existing state, federal, private, or nonprofit program that provides students with the instruction described without charge.

C.S.H.B. 34 adds a temporary provision, set to expire September 1, 2014, to require the SBOE, not later than January 31, 2012, to identify the essential knowledge and skills of personal financial literacy instruction to include instruction in methods of paying for college and other postsecondary education and training and, not later than August 31, 2012, approve required materials that provide for such instruction. The bill requires each school district and each open-enrollment charter school that offers a high school program, beginning with the 2013-2014 school year, to include instruction in methods of paying for college and other postsecondary education and training in required instruction in personal financial literacy, using materials approved for that purpose. The bill makes this temporary provision applicable to a student entering grade nine on or after the bill's effective date.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 34 differs from the original by requiring each school district and charter school that offers a high school program to provide to a student instruction in personal financial literacy in an economics course that meets certain conditions, whereas the original requires each such entity to include instruction in personal financial literacy in any such an economics course. The substitute contains provisions not included in the original requiring the instruction in personal financial literacy to include instruction on completing the application for federal student aid provided by the United States Department of Education and authorizing a school district or charter school, in fulfilling the requirement to provide financial literacy instruction, to use an existing state, federal, private, or nonprofit program that provides students with the instruction without charge.

C.S.H.B. 34 contains a provision not included in the original making the temporary provision that requires the State Board of Education and each school district and charter school to take certain actions by certain deadlines applicable to a student entering grade nine on or after the substitute's effective date.