

1 HB414
2 205940-1
3 By Representative Chestnut
4 RFD: Education Policy
5 First Read: 10-MAR-20

SYNOPSIS: This bill would allow local boards of education to offer instruction in the life skills of personal finance literacy, personal rights, and good citizenship in grades six to 12 as an elective course or as a component in the health education and physical education state courses of study.

A BILL
TO BE ENTITLED
AN ACT

Relating to public education; to add Section 16-40-11, to the Code of Alabama 1975, to allow local boards of education to offer instruction in the life skills of personal finance literacy, personal rights, and good citizenship in grades six to 12 as an elective course or as a component in the health education and physical education state courses of study; and to require the State Board of Education to adopt necessary rules and policies for implementation.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1 Section 1. Section 16-40-11 is added to the Code of
2 Alabama 1975, to read as follows:

3 §16-40-11.

4 (a) Commencing with the 2021-2022 school year, a
5 local board of education may offer as an elective course, or
6 as a component in the health education and physical education
7 state courses of study, instruction in life skills. For the
8 purposes of this section, a life skills curriculum shall
9 include, but not be limited to, the following topics:

10 (1) Personal finance literacy including, but not
11 limited to, all of the following:

12 a. Savings, including emergency fund, purchases, and
13 wealth building.

14 b. Understanding investments, including compound and
15 simple interest, liquidity, diversification, risk return
16 ratio, certificates of deposit, money market accounts, single
17 stocks, bonds, mutual funds, rental real estate, annuities,
18 commodities, and futures.

19 c. Wealth building and college planning, including
20 long-term and short-term investing using tax-favored plans,
21 individual retirement accounts and payments from such
22 accounts, employer-sponsored retirement plans and investments,
23 public and private educational savings accounts, and uniform
24 gifts and transfers to minors.

25 d. Credit and debt, including credit cards, payday
26 lending, rent-to-own transactions, debt consolidation,

1 automobile leasing, cosigning a loan, debt avoidance, and the
2 marketing of debt, especially to young people.

3 e. Consumer awareness of the power of marketing on
4 buying decisions including zero percent interest offers;
5 marketing methods, including product positioning, advertising,
6 brand recognition, and personal selling; how to read a credit
7 report and correct inaccuracies; how to build a credit score;
8 how to develop a plan to deal with creditors and avoid
9 bankruptcy; and the federal Fair Debt Collection Practices
10 Act.

11 f. Financial responsibility and money management,
12 including creating and living on a written budget and
13 balancing a checkbook; basic rules of successful negotiating
14 and techniques; and personality or other traits regarding
15 money.

16 g. Insurance, risk management, income, and career
17 decisions, including career choices that fit personality
18 styles and occupational goals, job search strategies, cover
19 letters, resumes, interview techniques, payroll taxes and
20 other income withholdings, and revenue sources for federal,
21 state, and local governments.

22 h. Different types of insurance coverage including
23 renters, homeowners, automobile, health, disability, long-term
24 care, identity theft, and life insurance; term life, cash
25 value and whole life insurance; and insurance terms such as
26 deductible, stop loss, elimination period, replacement
27 coverage, liability, and out-of-pocket.

1 i. Buying, selling, and renting advantages and
2 disadvantages relating to real estate, including adjustable
3 rate, balloon, conventional, government-backed, reverse, and
4 seller-financed mortgages.

5 (2) Personal rights including state election laws
6 and procedures, voter registration requirements, the election
7 process, acquiring and casting an absentee ballot, party
8 structures, and the responsibilities of citizen participation
9 on government and elections; and a study of the United States
10 Constitution and the Bill of Rights.

11 (3) Good citizenship instruction that includes
12 honesty, respecting authority and the property of others, and
13 taking personal responsibility for obligations to family and
14 community; direction on interaction with law enforcement and
15 court officials including, but not limited to, the legal
16 process and court system, law enforcement procedures,
17 appropriate actions to be taken by drivers, passengers, and
18 law enforcement during a traffic stop or other incident where
19 law enforcement is involved; and the discussion of deterrence
20 and prevention of gang and youth violence.

21 (b) The State Board of Education shall adopt rules
22 and policies necessary for implementing the requirements of
23 this section, including a requirement that curriculum
24 standards submitted by a local board of education for approval
25 of an elective life skills course shall meet the academic
26 rigor and curriculum standards of other elective courses
27 approved by the board.

1 Section 2. This act shall become effective on the
2 first day of the third month following its passage and
3 approval by the Governor, or its otherwise becoming law.