HB439

By Representative Chestnut

RFD: Education Policy

First Read: 23-FEB-21
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:
Section 1. Section 16-40-11 is added to the Code of Alabama 1975, to read as follows:

§16-40-11.

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

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

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

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

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

d. Credit and debt, including credit cards, payday lending, rent-to-own transactions, debt consolidation,
automobile leasing, cosigning a loan, debt avoidance, and the marketing of debt, especially to young people.

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

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

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

h. Different types of insurance coverage including renters, homeowners, automobile, health, disability, long-term care, identity theft, and life insurance; term life, cash value and whole life insurance; and insurance terms such as deductible, stop loss, elimination period, replacement coverage, liability, and out-of-pocket.
i. Buying, selling, and renting advantages and
disadvantages relating to real estate, including adjustable
rate, balloon, conventional, government-backed, reverse, and
seller-financed mortgages.

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

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

(b) The State Board of Education shall adopt rules
and policies necessary for implementing the requirements of
this section, including a requirement that curriculum
standards submitted by a local board of education for approval
of an elective life skills course shall meet the academic
rigor and curriculum standards of other elective courses
approved by the board.
Section 2. This act shall become effective on the first day of the third month following its passage and approval by the Governor, or its otherwise becoming law.