

JAN 29 2015

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# A BILL FOR AN ACT

RELATING TO EDUCATION.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. All persons in Hawaii deal with money issues  
2 throughout the course of their lives. However, few students in  
3 Hawaii's public schools are taught basic concepts of financial  
4 literacy. Hawaii's public schools devote a great deal of time  
5 to preparing students for future employment, which provides them  
6 with a paycheck, but relatively little time on how to manage the  
7 earnings in that paycheck. This lack of knowledge leaves young  
8 people unprepared for the financial reality that they will need  
9 to navigate.

10       Within a lifetime, a person may likely need to manage  
11 student and credit card debt, save for a wedding, save for a  
12 down payment on a home purchase, and save for retirement. Due  
13 to the power of compounding interest, these large expenditures  
14 are best managed as early as possible. Therefore, it is even  
15 more important for students to receive education in financial  
16 literacy from a young age.



1       Studies have shown that two of the leading causes of stress  
2 and unhappiness in life are work- and money-related. Both are  
3 subsets of an individual's ability to control his or her  
4 financial livelihood. Such stress affects marriages; families;  
5 friendships; health; job satisfaction; and, most importantly, a  
6 person's self-worth and self-esteem.

7       In addition, financial literacy is one of the most  
8 important skills needed to help individuals leave poverty.  
9 Often, persons from the poorest households and neighborhoods  
10 receive the least amount of exposure to financial literacy  
11 education. Educating all students, particularly those in lower  
12 socioeconomic groups, can be one of the most effective public  
13 policy tools for alleviating short- and long-term poverty.

14       Financial literacy can teach young people how to think  
15 critically. It forces them to be more disciplined and more  
16 organized and allows them to quantify their future goals in a  
17 practical way. Furthermore, financial literacy helps explain to  
18 students the importance of trade-offs, which can help them reach  
19 more thoughtful and informed decisions.

20       Personal finance concepts taught to a young person can help  
21 spark an interest in fields such as business and



1 entrepreneurship. A more financially-savvy entrepreneur is  
2 likelier to create successful businesses. In the long run,  
3 these successful businesses can contribute to a more prosperous  
4 and robust local economy for future generations.

5 Although many agree about the importance of financial  
6 literacy education for all students, there are detailed  
7 challenges that need to be addressed before the implementation  
8 of such a program. Some of these issues include legal and  
9 cultural concerns, identification of curriculum, the amount of  
10 time devoted to teaching, acquiring the financial resources for  
11 such a program, and a lack of trained and qualified financial  
12 literacy teachers. A group of key stakeholders is needed to  
13 collaborate and develop effective solutions. Therefore, the  
14 purpose of this Act is to establish a Hawaii public schools  
15 financial literacy task force.

16 SECTION 2. (a) The department of education shall convene  
17 a Hawaii public schools financial literacy task force.

18 (b) The task force shall:

19 (1) Consider the importance and challenges of implementing  
20 financial literacy education for all public school  
21 students through the department of education



curriculum via input from industry experts, such as education regulators, administrators, teachers, and advocates; and

(2) Develop recommendations and a process for what actions need to be taken to have every public school student participate in a financial literacy course prior to graduating from high school. These actions include:

(A) Identifying and addressing legal and cultural concerns about teaching financial literacy education;

(B) Determining how much financial literacy education students should receive;

(C) Identifying existing programs within department of education schools and what curriculum currently exists;

(D) Determining the amount of time required for each student's participation in financial literacy education;

(E) Identifying the best and most relevant curriculum for students to understand, apply, and retain the concepts of financial literacy;



(F) Developing a plan to obtain the required financial and political support, such as trained teachers to teach the selected curriculum;

(G) Developing data metrics to determine the effectiveness of the financial literacy curriculum among students over time;

(H) Developing a process for making adjustments based upon the data metrics; and

(I) Identifying any other issues that need to be addressed, as determined by the task force.

(c) The task force shall elect a chair from among its members and adopt rules and procedures as needed. The task force shall consist of the following members:

(1) A representative from the department of education;

(2) A representative from the board of education;

(3) A representative from the department of commerce and consumer affairs;

(4) A representative from the Hawaii State Teachers Association;

(5) A representative from the Hawaii Association of Independent Schools;



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- 1           (6) A representative from the Hawaii Public Charter
- 2           Schools Network;
- 3           (7) A representative from the Hawaii Council on Economic
- 4           Education;
- 5           (8) A representative from Junior Achievement;
- 6           (9) A representative from the Hawaii Bankers Association;
- 7           (10) A representative from the University of Hawaii Shidler
- 8           college of business;
- 9           (11) A representative from the University of Hawaii
- 10          economic research organization;
- 11          (12) A representative from the Hawaii Association of
- 12          Insurance Professionals;
- 13          (13) A representative from the Hawaii Independent Insurance
- 14          Agents Association;
- 15          (14) A representative from the Hawaii Association of
- 16          Realtors;
- 17          (15) A member of the house of representatives, to be
- 18          appointed by the speaker of the house of
- 19          representatives;
- 20          (16) A member of the senate, to be appointed by the
- 21          president of the senate;



1 (17) A principal of a public school; and

2 (18) A teacher at a public school.

3 (d) No member of the task force shall be made subject to  
4 chapter 84, Hawaii Revised Statutes, solely because of that  
5 member's participation as a member of the task force.

6 (e) The task force shall submit a report of its findings  
7 and recommendations, including any proposed legislation, to the  
8 legislature no later than twenty days prior to the convening of  
9 the regular session of 2016. The report shall be prepared by  
10 the department of education. Copies of the report shall be  
11 distributed to the board of education, governor, speaker of the  
12 house of representatives, and president of the senate. In  
13 addition, the report shall be posted on the website of the  
14 department of education for viewing by interested stakeholders  
15 and the general public.

16 (f) The task force shall cease to exist on June 30, 2016.

17 SECTION 3. There is appropriated out of the general  
18 revenues of the State of Hawaii the sum of \$ or so much  
19 thereof as may be necessary for fiscal year 2015-2016 for the  
20 Hawaii public schools financial literacy task force to develop  
21 the criteria established in section 2(b) of this Act.



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1       The sum appropriated shall be expended by the department of  
2 education for the purposes of this Act.

3       SECTION 4. This Act shall take effect on July 1, 2015.

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**Report Title:**

Financial Literacy; Public Schools; Task Force; Appropriation

**Description:**

Establishes the Hawaii Public Schools Financial Literacy Task Force. Appropriates funds.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

