An act to amend Sections 51220 and 51225.3, 33540 and 51833 of, and to add Section 51226.9 to, the Education Code, relating to pupil instruction.

LEGISLATIVE COUNSEL’S DIGEST


(1) Existing law requires the adoption of a course of study for grades 7 to 12, inclusive, including social studies instruction providing a foundation for understanding the development of the American economic system, including the role of the entrepreneur and labor. Existing law also specifies coursework to be completed by pupils in grades 9 to 12, inclusive, in order to receive a high school diploma of graduation, including a one-semester course in economics.

This bill would enact the Common Cents Curriculum Act of 2013 and would require, commencing with the 2014–15 school year, that the adopted course of study for social sciences for grades 7 to 12, inclusive, offer instruction providing a foundation for understanding personal finance, including, but not limited to, budgeting,
savings, credit and loans, identity theft, and paying for postsecondary education. The bill would require the one-semester course in economics that is required for high school graduation to include personal finance, including, but not limited to, those subjects commission to identify resources and curriculum to assist educators in delivering this instruction. To the extent that these requirements would impose new duties on local educational agencies, the bill would impose a state-mandated local program.

The bill would require, no later than July 1, 2015, the Superintendent of Public Instruction with the approval of the State Department of Education to plan and develop and adopt a personal financial literacy curriculum, for use beginning with the 2014–15 school year, a one-semester instructional program entitled consumer economics that includes, but is not limited to among other things, budgeting, savings and checking, credit and uses and costs of loans, including student loans, identity theft and security, and planning and paying for postsecondary education.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.


The people of the State of California do enact as follows:

SECTION 1. This act shall be known, and may be cited, as the “Common Cents Curriculum Act of 2013.”

SEC. 2. The Legislature finds and declares all of the following:

(a) California does not have an official statewide policy or educational plan for the teaching of financial literacy and the growing negative economic effects of financial illiteracy have spurred the need for financial literacy education for all elementary and secondary pupils.

(b) Americans 25 to 34, inclusive, years of age have the second highest rate of bankruptcy, and the highest rate is Americans who are 35 to 44, inclusive, years of age, indicating that young adults
today are more likely to file bankruptcy than were “baby boomers” at the same age.

(c) Improving financial literacy in secondary school will empower students, and their families, to act as well-informed consumers.

(d) Financial illiteracy and the consequences for uninformed financial decisions are a growing problem in the state, and in the long run, educating Californians would result in benefits to the economy by helping to prevent bankruptcy, foreclosure, and job loss.

(e) Providing access to financial literacy tools plays an important role in preventing uninformed financial decisions.

(f) Recent research shows that students from states where a financial education course is required are more likely to save, less likely to max out their credit cards, less likely to make late credit card payments, and more likely to take average financial risks.

(g) A college education is more important than ever in determining future earnings, as the annual income of an employee with a bachelor’s degree is about 80 percent higher than that of a person with a high school diploma, which translates into more than one million additional dollars over a lifetime. College graduates are also more involved in community and philanthropic affairs, are healthier, and require fewer state services than those without a degree.

(h) The number of undergraduate students with both credit card debt and student loan debt is increasing. In 2009, the average student credit card balance had risen to $3,000. Additionally, in 2011, undergraduate students had amassed an average of about $27,000 of student loan debt.

(i) Increasing the financial literacy of all economic and ethnic groups is documented to improve attitudes, lead to improved decisionmaking, and provide for a more secure future for individuals and their families who have been educated with regard to these issues.

(j) Many groups are dedicated to increasing the financial literacy of Americans, and a broad range of quality personal finance instructional materials and curricula have been created for this purpose, but California’s pupils are not getting this vital information.
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(k) At this crucial economic time, it is imperative that California continue to be a leader by setting a high standard of financial literacy instruction for our pupils.

SEC. 3. Section 33540 of the Education Code is amended to read:

33540. (a) The State Board of Education and the department shall request that the commission review and revise, as necessary, the course requirements in the history-social science framework developed by the History-Social Science Curriculum Framework and Criteria Committee of the state board to ensure that minimum standards for courses in American government and civics include sufficient attention to teaching pupils how to interact, in a practical manner, with state and local governmental agencies and representatives to solve problems and to petition for changes in laws and procedures.

(b) When the history-social science framework is revised as required by law, the commission shall ensure that the following historical documents are incorporated into the framework, as appropriate and based on the subject matter of the course, do both of the following:

(1) Ensure that the following historical documents are incorporated in the framework:

(A) The Declaration of Independence.

(B) The United States Constitution, including the Bill of Rights.

(C) The Federalist Papers.

(D) The Emancipation Proclamation.

(E) The Gettysburg Address.

(F) George Washington’s Farewell Address.

(2) Ensure that the framework encourages instruction related to the understanding of personal finances, including, but not limited to, budgeting, savings, credit and loans, identity theft, and paying for postsecondary education and identify resources and curriculum to assist educators in delivering this instruction.
SEC. 3. Section 51220 of the Education Code is amended to read:

51220. The adopted course of study for grades 7 to 12, inclusive, shall offer courses in the following areas of study:

(a) English, including knowledge of and appreciation for literature, language, and composition, and the skills of reading, listening, and speaking;

(b) Social sciences, drawing upon the disciplines of anthropology, economics, geography, history, political science, psychology, and sociology, designed to fit the maturity of the pupils. Instruction shall provide a foundation for understanding the history, resources, development, and government of California and the United States of America; our American legal system, the operation of the juvenile and adult criminal justice systems, and the rights and duties of citizens under the criminal and civil law and the State and Federal Constitutions; the development of the American economic system, including the role of the entrepreneur and labor; commencing with the 2014–15 school year, personal finance, including, but not limited to, budgeting, savings, credit and loans, identity theft, and paying for postsecondary education; the relations of persons to their human and natural environment; eastern and western cultures and civilizations; human rights issues; with particular attention to the study of the inhumanity of genocide, slavery, and the Holocaust; and contemporary issues.

(c) Foreign language or languages, beginning not later than grade 7, designed to develop a facility for understanding, speaking, reading, and writing the particular language.

(d) Physical education, with emphasis given to physical activities that are conducive to health and to vigor of body and mind, as required by Section 51222.

(e) Science, including the physical and biological aspects, with emphasis on basic concepts, theories, and processes of scientific investigation and on the place of humans in ecological systems; and with appropriate applications of the interrelation and interdependence of the sciences.

(f) Mathematics, including instruction designed to develop mathematical understandings, operational skills, and insight into problem-solving procedures.

(g) Visual and performing arts, including dance, music, theater, and visual arts, with emphasis upon development of aesthetic appreciation and the skills of creative expression.
(h) Applied arts, including instruction in the areas of consumer and homemaking education, industrial arts, general business education, or general agriculture.

(i) Career technical education designed and conducted for the purpose of preparing youth for gainful employment in the occupations and in the numbers that are appropriate to the personnel needs of the state and the community served and relevant to the career desires and needs of the pupils.

(j) Automobile driver education, designed to develop a knowledge of the provisions of the Vehicle Code and other laws of this state relating to the operation of motor vehicles, a proper acceptance of personal responsibility in traffic, a true appreciation of the causes, seriousness and consequences of traffic accidents, and to develop the knowledge and attitudes necessary for the safe operation of motor vehicles. A course in automobile driver education shall include education in the safe operation of motorcycles.

(k) Other studies as may be prescribed by the governing board.

SEC. 4. Section 51225.3 of the Education Code, as amended by Section 3 of Chapter 621 of the Statutes of 2011, is amended to read:

51225.3. (a) A pupil shall complete all of the following while in grades 9 to 12, inclusive, in order to receive a diploma of graduation from high school:

(1) At least the following numbers of courses in the subjects specified, each course having a duration of one year, unless otherwise specified:

(A) Three courses in English.

(B) Two courses in mathematics.

(C) Two courses in science, including biological and physical sciences.

(D) Three courses in social studies, including United States history and geography; world history, culture, and geography; a one-semester course in American government and civics; and a one-semester course in economics, including, commencing with the 2014–15 school year, personal finance, as specified in Section 51226.9.

(E) One course in visual or performing arts, foreign language, or, commencing with the 2012–13 school year, career technical education.
(i) For purposes of satisfying the requirement specified in this subparagraph, a course in American Sign Language shall be deemed a course in foreign language.

(ii) For purposes of this subparagraph, "a course in career technical education" means a course in a district-operated career technical education program that is aligned to the career technical model curriculum standards and framework adopted by the state board, including courses through a regional occupational center or program operated by a county superintendent of schools or pursuant to a joint powers agreement.

(iii) This subparagraph does not require a school or school district that currently does not offer career technical education courses to start new career technical education programs for purposes of this section.

(iv) If a school district or county office of education elects to allow a career technical education course to satisfy the requirement imposed by this subparagraph, the governing board of the school district or county office of education, prior to offering that alternative to pupils, shall notify parents, teachers, pupils, and the public at a regularly scheduled meeting of the governing board of all of the following:

(I) The intent to offer career technical education courses to fulfill the graduation requirement specified in this subparagraph.

(II) The impact that offering career technical education courses, pursuant to this subparagraph, will have on the availability of courses that meet the eligibility requirements for admission to the California State University and the University of California, and whether the career technical education courses to be offered pursuant to this subparagraph are approved to satisfy those eligibility requirements. If a school district elects to allow a career technical education course to satisfy the requirement imposed by this subparagraph, the school district shall comply with subdivision (m) of Section 48980.

(III) The distinction, if any, between the high school graduation requirements of the school district or county office of education, and the eligibility requirements for admission to the California State University and the University of California.

(F) Two courses in physical education, unless the pupil has been exempted pursuant to the provisions of this code.
(2) Other coursework requirements adopted by the governing board of the school district.

(b) The governing board, with the active involvement of parents, administrators, teachers, and pupils, shall adopt alternative means for pupils to complete the prescribed course of study that may include—practical demonstration of—skills and competencies; supervised work experience or other outside school experience; career technical education classes offered in high schools, courses offered by regional occupational centers or programs; interdisciplinary study, independent study, and credit earned at a postsecondary institution. Requirements for graduation and specified alternative modes for completing the prescribed course of study shall be made available to pupils, parents, and the public.

(c) Notwithstanding any other law, a school district shall exempt a pupil in foster care from all coursework and other requirements adopted by the governing board of the district that are in addition to the statewide coursework requirements specified in this section if the pupil, while he or she is in grade 11 or 12, transfers into the district from another school district or between high schools within the district, unless the district makes a finding that the pupil is reasonably able to complete the additional requirements in time to graduate from high school while he or she remains eligible for foster care benefits pursuant to state law. A school district shall notify a pupil in foster care who is granted an exemption pursuant to this subdivision, and, as appropriate, the person holding the right to make educational decisions for the pupil, if any of the requirements that are waived will affect the pupil’s ability to gain admission to a postsecondary educational institution and shall provide information about transfer opportunities available through the California Community Colleges.

(d) On or before July 1, 2017, the department shall submit a comprehensive report to the appropriate policy committees of the Legislature on the addition of career technical education courses to satisfy the requirement specified in subparagraph (E) of paragraph (1) of subdivision (a), including, but not limited to, the following information:

(1) A comparison of the pupil enrollment in career technical education courses, foreign language courses, and visual and performing arts courses for the 2005–06 to 2011–12 school years, inclusive, to the pupil enrollment in career technical education courses.
courses, foreign language courses, and visual and performing arts
courses for the 2012–13 to 2016–17 school years, inclusive.

(2) The reasons, reported by school districts, that pupils give
for choosing to enroll in a career technical education course to
satisfy the requirement specified in subparagraph (E) of paragraph
(1) of subdivision (a):

(3) The type and number of career technical education courses
that were conducted for the 2005–06 to 2011–12 school years,
inclusive, compared to the type and number of career technical
education courses that were conducted for the 2012–13 to 2016–17
school years, inclusive.

(4) The number of career technical education courses that
satisfied the subject matter requirements for admission to the
University of California or the California State University.

(5) The extent to which the career technical education courses
chosen by pupils are aligned with the California Career Technical
Education Standards, and prepare pupils for employment, advanced
training, and postsecondary education.

(6) The number of career technical education courses that also
satisfy the visual and performing arts requirement, and the number
of career technical education courses that also satisfy the foreign
language requirement.

(7) Annual pupil dropout and graduation rates for the 2011–12
to 2014–15 school years, inclusive.

(e) For purposes of completing the report described in
subdivision (d), the Superintendent may use existing state resources
and federal funds. If state or federal funds are not available or
sufficient, the Superintendent may apply for and accept grants,
and receive donations and other financial support from public or
private sources for purposes of this section.

(f) For purposes of completing the report described in
subdivision (d), the Superintendent may accept support, including,
but not limited to, financial and technical support, from high school
reform advocates, teachers, chamber organizations, industry
representatives, research centers, parents, and pupils.

(g) This section shall become inoperative on the earlier of the
following two dates:

(1) On July 1, immediately following the first fiscal year after
the enactment of the act that adds this paragraph in which the
number of career technical education courses that, as determined
by the department, satisfy the foreign language requirement for
admission to the California State University and the University of
California is at least twice the number of career technical education
courses that meet these admission requirements as of January 1,
2012. This section shall be repealed on the following January 1,
unless a later enacted statute, that becomes operative on or before
that date, deletes or extends the dates on which it becomes
inoperative and is repealed. It is the intent of the Legislature that
new career technical education courses that satisfy the foreign
language requirement for admission to the California State
University and the University of California focus on world
languages aligned with career preparation, emphasizing real-world
application and technical content in related career and technical
education courses.

(2) On July 1, 2017, and, as of January 1, 2018, is repealed;
unless a later enacted statute, that becomes operative on or before
January 1, 2018, deletes or extends the dates on which it becomes
inoperative and is repealed.

SEC. 5. Section 51225.3 of the Education Code, as added by
Section 4 of Chapter 621 of the Statutes of 2011, is amended to
read:

51225.3. (a) A pupil shall complete all of the following while
in grades 9 to 12, inclusive, in order to receive a diploma of
graduation from high school:

(A) Three courses in English.

(B) Two courses in mathematics.

(C) Two courses in science, including biological and physical
sciences.

(D) Three courses in social studies, including United States
history and geography; world history, culture, and geography; a
one-semester course in American government and civics; and a
one-semester course in economics, including, commencing with
the 2014–15 school year, personal finance, as specified in Section
51226.9.

(E) One course in visual or performing arts or foreign language.
For purposes of satisfying the requirement specified in this
paragraph, a course in American Sign Language shall be deemed a course in foreign language.

(F) Two courses in physical education, unless the pupil has been exempted pursuant to the provisions of this code:

(2) Other coursework requirements adopted by the governing board of the school district.

(b) The governing board, with the active involvement of parents, administrators, teachers, and pupils, shall adopt alternative means for pupils to complete the prescribed course of study that may include practical demonstration of skills and competencies; supervised work experience or other outside school experience; career technical education classes offered in high schools, courses offered by regional occupational centers or programs, interdisciplinary study, independent study, and credit earned at a postsecondary institution. Requirements for graduation and specified alternative modes for completing the prescribed course of study shall be made available to pupils, parents, and the public.

(c) Notwithstanding any other law, a school district shall exempt a pupil in foster care from all coursework and other requirements adopted by the governing board of the district that are in addition to the statewide coursework requirements specified in this section if the pupil, while he or she is in grade 11 or 12, transfers into the district from another school district or between high schools within the district, unless the district makes a finding that the pupil is reasonably able to complete the additional requirements in time to graduate from high school while he or she remains eligible for foster care benefits pursuant to state law. A school district shall notify a pupil in foster care who is granted an exemption pursuant to this subdivision, and, as appropriate, the person holding the right to make educational decisions for the pupil, if any of the requirements that are waived will affect the pupil’s ability to gain admission to a postsecondary educational institution and shall provide information about transfer opportunities available through the California Community Colleges.

(d) If a pupil completed a career technical education course that met the requirements of subparagraph (E) of paragraph (1) of subdivision (a) of Section 51225.3, as amended by the act adding this section, prior to the inoperative date of that section, that course shall be deemed to fulfill the requirements of subparagraph (E) of paragraph (1) of subdivision (a) of this section:
(e) This section shall become operative upon the date that Section 51225.3, as amended by the act adding this section, becomes inoperative.

SEC. 6. Section 51226.9 is added to the Education Code, to read:

51226.9. (a) The department shall develop and adopt a personal financial literacy curriculum for purposes of the social studies curriculum framework required by subdivision (b) of Section 51220, for use beginning with the 2014–15 school year, that includes, but is not limited to, budgeting, savings, credit and loans, identity theft, and paying for postsecondary education.

(b) The course in economics required pursuant to subparagraph (D) of paragraph (1) of subdivision (a) of Section 51225.3 shall include instruction related to the understanding of personal finances, as specified in the curriculum adopted pursuant to subdivision (a).

SEC. 4. Section 51833 of the Education Code is amended to read:

51833. (a) The Superintendent of Public Instruction shall, with the approval of the State Board of Education, plan and develop a one-semester instructional program entitled consumer economics for use in schools maintaining any of grades 7 to 12, inclusive. When completed, the program shall be made available to all school districts and schools with grades 7 to 12, inclusive.

(b) The instructional program shall include, but not be limited to, the following elements:

(1) Fundamentals of banking for personal use, including, but not limited to, budgeting, savings, and checking.

(2) Elementary contracts.

(3) Consumer guides to purchasing.

(4) Uses and costs of credit.

(5) Uses and costs of loans, including student loans.

(6) Types and costs of insurance.

(7) Forms of governmental taxation.

(8) Identity theft and security.

(9) Planning and paying for postsecondary education.

(c) The Superintendent of Public Instruction shall make this curriculum available no later than July 1, 2015.
SEC. 5.
If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.