

Financial and Economic Literacy Taskforce Report

S.B. 43 (2013)



Prepared by the

Utah State Office of Education
Career, Technical and Adult Education

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Executive Summary

In May, 2013 a General Financial Literacy (GFL) task force was convened to study the program and make recommendations to the State Board of Education and the Education Interim committee. The task force report includes findings and recommendations. The following is a summary of the recommendations:

1. **Course Standards and Objectives:** The standards for the course need to be updated for the 2013-14 school year. Gaps were identified and concepts recommended to be added to the standards. The standards should be reviewed and updated every three years.
2. **Teacher Endorsement:** The task force recommends the establishment of an endorsement to teach this class.
3. **Assessment:** An end-of-course exam should be implemented to provide data and accountability.
4. **Professional Development:** A robust program of professional development should be established and required of teachers with initial one-time funds and ongoing funds. Professional development should be required of teachers every three years at a minimum because of the ongoing changes in the financial and consumer industry. Online, regional, and state-wide professional development activities need to be expanded.
5. **Online Courses:** This course is available online for students; it is recommended that this continue to be an option for students but should not be implemented for all students.
6. **Demonstrated Competency:** A program is in place for students to take a competency exam, which provides the student with credit for the course if successfully passed.
7. **Course Integration:** Integration of financial literacy concepts and the Passport grades K-12 needs to be improved, and it is recommended that the GFL program be managed by the Teaching and Learning section and better align with Core Curriculum management and leadership.
8. **Community Partnerships:** Community partnerships have been established, and should continue and be expanded.
9. **Additional Content Recommended by the State Board Graduation Committee:** The task force identified some concepts to be added, but feels the courses should maintain the integrity of financial literacy content and not add additional, unrelated concepts.
10. **Funding:** The task force recommends a total appropriation of \$500,000 for the development and implementation of an online assessment and professional development. Of that amount, \$200,000 is requested in one-time funding and \$300,000 in ongoing funding.

Background

The beginning of required financial education in Utah dates back to 2003. The rise in bankruptcies and foreclosures in Utah resonated particularly with legislators, who were seeing these problems crop up in their own districts. Senate Bill 154, signed into law in 2003, requires a range of financial literacy instruction in the curriculum. In 2004, the Utah Board of Education mandated a .5 credit semester-long financial literacy course to be required for graduating students, beginning with the class of 2008.

The course has four standards that cover financial planning, income and career preparation, money management, saving, investing, and retirement. The standards were developed by educators and business community representatives. The full version of the course standards and objectives is available at <http://financeintheclassroom.org/downloads/GFLStandardsObjectives.pdf>. Course completion in grade 11 or 12 is recommended. Professional development has been ongoing for both newly-assigned and veteran financial literacy teachers.

In support of a systemic approach for financial education, legislation sponsored by Senator Pat Jones in 2008 required that financial and economic education be taught in grades K-12 through the core areas of math, social studies, and language arts. Included in this legislation was the Financial and Economic Education Passport, which gives students an opportunity to be recognized for learning new financial and economic concepts and completing age-appropriate activities and lessons.

In June 2012, the Utah State Board established a committee to review current graduation requirements and make recommendations to Board. In December 2012, recommendations were presented to the State Board that included adding components of college and career readiness, social media, and technology. In order to study these recommendations more fully, the Board formed three task force groups, one of which included a general financial literacy task force. The task force was to meet and bring recommendations to the State Board.

A few months later, during the 2013 legislative session, Senator Pat Jones and Representative Patrice Arent sponsored S.B. 43, "Financial and Economic Literacy Education Amendments." This bill required the State Board of Education to establish a task force to study and make recommendations to the Board on how to improve financial and economic literacy education in the public school system. The bill requires that a report be made to the Education Interim Committee, no later than the committee's November 2013 meeting, summarizing the findings and recommendations of the task force and actions taken by the State Board in response to the task force's findings and recommendations.

The task force, comprised of teachers, administrators, counselors, parents, and business representatives, began its work in May 2013 and met over the summer and fall. The members were as follows:

Name	Title	Organization
Mary Shumway	Task Force Chair	USOE
Pat Jones	Senator	Utah State Senate
Rich Cunningham	State Representative	Utah State House of Representatives
Janae Forsey	Accountant/Teacher	Stowell & Crayk/Alpine School District
Theresa Theurer	Board Member	Board of Regents
Robin Williams	Curriculum Director	Logan School District
Mary Alice Rudelich	Curriculum Director	Granite School District
Preston Cochrane	Credit Counselor	Jump Start, AAA Fair Credit

Susan Speirs	CPA	Jump Start, Speirs and Associates
Pam Perlich	Economist	Jump Start, University of Utah
Keith Woodwell	Director	Utah Division of Securities
Lori Jones	Guidance Specialist	Canyons School District
Muriel Mann	CTE Director	Davis School District
Debbie Tabor	Education Representative	PTA
Sarah Meier	Local Board Member	Granite School Board
Steve Carlsen	Superintendent	Carbon School District
Robert Willardson	GFL Teacher	Copper Hills High School

Utah State Office of Education Staff

Robert Austin	Social Studies	USOE
Julie Felshaw	General Financial Literacy	USOE
Wendi Morton	CTE Coordinator	USOE
Laura deShazo	Business Education Specialist	USOE
Pearl Hart	Family Consumer Science	USOE

Findings were gathered through:

- Review of:
 - Current trends and research in financial education.
 - Course standards.
 - Teacher endorsements.
- Task force members exploring the way the financial literacy course is conducted and supported in their various districts.
- Input from business community task force members.

The task force focused on:

1. Course standards and objectives.
2. Teacher endorsement.
3. Assessment.
4. Professional development.
5. Online courses.
6. Demonstrated competency.
7. Course integration.
8. Community partnerships.
9. Additional content recommended by the State Board Graduation Committee.
10. Funding needs.

Findings and Recommendations

Below is a summary of the task force’s findings and recommendations:

Course Standards and Objectives	
<p>Findings:</p> <ol style="list-style-type: none"> Standards and objectives for GFL have not been updated since 2008. Additional concepts need to be added, including gaming, credit scores, and financial planning for post-secondary education and training. Financial planning should include examples of student loans, Pell grants, mortgages, UESP, renters’ insurance, alternative lending (payday, title, check cashers, rent-to-own, mortgages, reverse mortgages, etc.), Affordable Health Care Act, electronic banking, etc. A statement of purpose and the rationale for the course needs to be included with standards. 	<p>Recommendations:</p> <ol style="list-style-type: none"> Course standards and objectives should be reviewed and revised every three years at a minimum. A process should be outlined that includes determining gaps in existing standards, adding or deleting objectives, involving teachers and community partners, and implementing the revised standards and objectives. Standards and objectives should be updated and implemented for the 2014-15 school year. Professional development for teachers needs to include mortgage changes, student loans, Pell grants, UESP, and alternative lending, because these change regularly.
Teacher License Endorsement	
<p>Findings:</p> <ol style="list-style-type: none"> There are ten different teacher endorsements from different content areas. They are: <ol style="list-style-type: none"> Business Education Composite Business Education Core Endorsement Banking and Finance Endorsement Math Level 2, 3 and 4 Family Consumer Sciences Composite Marketing Education Composite Agricultural Education Composite Social Studies Composite Economics History Psychology Pre-service preparation for teaching financial literacy varies greatly among the different endorsement areas. Because of the numerous teacher endorsement areas, the course does not have a “home.” District-level oversight for this course varies greatly. Some schools use the course as “filler” for teachers who don’t have a full schedule. Some schools assign teachers who are not endorsed to teach the course. 	<p>Recommendations:</p> <ol style="list-style-type: none"> A new GFL endorsement should be created and required for teachers. Teachers with composite endorsement in business and family consumer sciences and other areas may already have the necessary coursework to receive the new GFL endorsement without additional college courses. The endorsement should require 15 credit hours of coursework, including economics, finance, accounting, and consumer economics. Nine credits would be college credit, and up to six remaining hours could be professional development approved by the Utah State Office of Education, such as annual GFL training. The endorsement would include a review of transcripts and courses would be provided through the USOE for credit. A three-year window would be allowed for teachers to get their endorsements. Teachers should be required to obtain a renewal endorsement every three years, obtained by completing professional development. This requirement would be similar to the human sexuality one-day course required every three years.
Assessment	
<p>Findings:</p> <ol style="list-style-type: none"> The delivery of the curriculum is not standardized because of lack of accountability. There is no statewide student assessment in place to better align instruction to the standards, provide data, inform curriculum, improve professional development, or provide a student certificate. 	<p>Recommendations:</p> <ol style="list-style-type: none"> At the end of the course, the online required Passport assessment should be implemented. The assessment should provide information about student progress by standard, and provide data to districts regarding state, district, and school average scores.

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| <p>3. Thirteen schools participated in the Working in Support of Education (WISE) financial literacy assessment in 2013.</p> | <p>3. Data from the online assessment should be analyzed and used to design professional development.</p> <p>4. Legislative appropriations of \$100,000 in one-time funds are needed to establish the online assessment, and an additional \$100,000 annually to deliver the online assessment and make necessary revisions to the exam.</p> <p>5. The assessment may provide needed data on student effectiveness.</p> <p>6. Online and on-site courses should administer the same online assessment.</p> <p>7. For the demonstrated competency/test-out option, the exam needs to be more difficult than the end-of-course exam. A student who takes the course will have more competency in the subject than can be reasonably tested. A student who is opting out of a class should show a strong knowledge of GFL.</p> <p>8. A study should be conducted with a sample of students, providing them with pre- and post-tests to show learning growth.</p> |
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Online Financial Literacy Course

Findings:

1. Taking the course online is an option for students through the Electronic High School or other online options provided by districts.
2. The Electronic High School course was first offered in 2004.
3. The courses most often accessed through the Electronic High School for online learning are General Financial Literacy, Computer Technology, and Fitness for Life. One reason students choose to take courses online is that these students are focused on accelerated college pathways and desire room in their schedules.

Recommendations:

1. Online instruction options through the Electronic High School and other district online programs are currently available and should continue.
2. The General Financial Literacy course should not be moved to online only status. Not all students have technology access, reading abilities, or learning styles that adequately match online coursework.
3. The online course should follow the same course standards and objectives and end-of-course assessment as the traditional course.

Demonstrated Competency

Findings:

1. Students can test-out of the course through the USOE's Demonstrated Competency Program, administered by Granite School District.
2. Students, parents, schools and districts are dependent on school counselors to provide information about this option.
3. The first demonstrated competency GFL test was administered in 2009. Since 2009, 21 students have registered for the program, and 18 have passed.

Recommendations:

1. Students need to be made aware of the Demonstrated Competency Program.
2. Superintendents, school counselors, parents and students will be provided with information regarding the Demonstrated Competency Program annually. The information is available on the Utah State Office of Education website and will be pushed out to schools on an annual basis.
3. Presentations on the Demonstrated Competency Program will be provided in professional development activities for guidance counselors.
4. The task force recommends eliminating the demonstrated competency option. If it is required to be offered, the rigor needs to be improved to better demonstrate student learning.

Course Integration	
<p>Findings:</p> <ol style="list-style-type: none"> 1. A semester of instruction is needed to adequately cover the standards and objectives. 2. The GFL content is most age-appropriate for juniors or seniors. 3. There are existing courses that integrate financial education with another content area. They are: <ul style="list-style-type: none"> • Adult Roles and Financial Literacy (year-long , 1 credit). • Mathematics of Personal Finance (year-long, 1 credit). • Business Math and Personal Finance (year-long, 1 credit). 4. The K-12 Passport is well developed, with integrated lesson plans and activities. However the program is not well known to teachers and administrators. 	<p>Recommendations:</p> <ol style="list-style-type: none"> 1. Schools should encourage General Financial Literacy concepts to be integrated into other subjects where appropriate, while still maintaining the semester course. 2. Map GFL to Core Curricula for both K-10 and the GFL class. 3. Because GFL is a Core Curriculum graduation requirement, the task force recommends that the K-10 portion of the GFL program be administered by the Teaching and Learning section at the Utah State Office of Education and guidance given to local curriculum directors; however, the GFL course could remain under CTE, since a majority of teachers would come from this area. 4. The GFL Specialist should collaborate with Teaching and Learning Core Curriculum Specialists to help enhance awareness of the K-10 lessons in the Passport that are tied to the Core Curriculum. 5. The K-12 Passport needs additional support and emphasis with teachers, parents and administrators. The integrated lessons are available and align with the Utah Core Curriculum.
Professional Development Method and Costs	
<p>Findings:</p> <ol style="list-style-type: none"> 1. The success of the course and the public perceptions of the course relate largely to teacher effectiveness and the quality of instruction. 2. Teachers are not required to attend professional development. 3. The Passport K-10 is already developed, but outreach and professional development has been minimal. 4. The Passport K-10 is not being implemented. 5. An integration model of financial/economic concepts in the core areas math, social studies, and language arts has been developed, but outreach and professional development has been minimal. 6. The integration model is not being implemented. 7. Since September 2012, professional development has been available online through UEN. 8. Community partnerships include the Utah Jumpstart Coalition for Financial Literacy, the Utah Council on Economic Education, and the Utah Council on Economic and Financial Education. 	<p>Recommendations:</p> <ol style="list-style-type: none"> 1. Professional development should be provided each summer. Teacher attendance each summer should be encouraged. 2. Teacher attendance every three years at a minimum should be required. 3. Efforts should be made to develop a statewide learning community for financial literacy. 4. Funding should be provided to support the travel costs of participants, the cost of presenters, and a lunch for the teachers. The amount required each year is \$20,000. Videos should be developed of experts in the field on GFL-related topics. The videos would be available on the web for teachers to use as part of their instruction. 5. The task force wants more emphasis placed on the K-10 Passport Implementation and necessary professional development. This professional development could be modeled after the summer Core Academy model, which takes the training to various parts of the state.
Community Partnerships	
<p>Findings:</p> <ol style="list-style-type: none"> 1. Community partners have made significant contributions to the development of the program, and have provided resources for professional 	<p>Recommendations:</p> <ol style="list-style-type: none"> 1. Community partners can help make the learning and curriculum more relevant and bring in career/college planning as well as financial concepts.

<p>development and connecting community partners to the classroom.</p> <p>2. Current partners include the Utah Jumpstart Coalition for Personal Financial Literacy, the Utah Council on Economic Education, and the Utah Council on Economic and Financial Education, which includes financial institutions, credit assistance, researches, agencies, etc.</p>	<p>2. Community partnership with the Utah Jumpstart Coalition for Personal Financial Literacy, Utah Council on Economic Education, and the Utah Council on Economic and Financial Education should continue. Other groups should be encouraged to support financial education.</p> <p>3. Media to promote financial or in-kind contributions from for-profit/commercial entities could be explored.</p>
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The Addition of Content

<p>Findings:</p> <p>Focus on College and Careers</p> <ol style="list-style-type: none"> 1. Because of the depth and breadth of the GFL course standards and objectives, it is difficult to add concepts of career development that mirror or “bookend” the yearlong course required of all 7th graders. 2. Guidance counselors and other educators should be delivering career development and College and Career Ready concepts with a correlation of career goals, education and income on a continuum from 7th grade through 12th grade as they follow the Comprehensive Counseling and Guidance Programs. 3. Because some students take this course in 11th grade and others in 12th grade it is difficult to provide a comprehensive College and Career Ready curriculum that meets the needs of all students. 4. Additional concepts could be added, integrated and emphasized but the course should not become a career development or College and Career Ready course. 5. Counselors could be invited to teach students about the financial aspects of paying for tuition through scholarships or financial aid. 	<p>Recommendations:</p> <p>Focus on College and Careers</p> <ol style="list-style-type: none"> 1. The GFL course can address the costs of going to college, student loans, scholarship and FAFSA. 2. The correlation of education and income is currently in the standards, but can be emphasized in professional development. 3. Budgeting for tuitions and living costs while at college can be included. 4. Students should be taught and helped to understand the concept that college is possible for them. 5. The course should not include a comprehensive look at careers that bookends the 7th grade career exploration course. 6. Resume writing should be added to the standards.
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<p>The Addition of Content–Technology</p> <ol style="list-style-type: none"> 1. The recommendation to add computer technology concepts to this course (anticipating that the course would move to the 8th grade) is problematic because of computer laboratories and teaching endorsements. This content would need to be delivered by a teacher endorsed in technology and in a computer lab, which reduces flexibility for schools. 2. Because of the depth and breadth of the GFL course standards and objectives, it is difficult to add concepts of the current computer technology course. 	<p>The Addition of Content–Technology</p> <ol style="list-style-type: none"> 1. Additional technology content as it relates to banking, savings and financial products, identity theft, creditworthiness, financial literacy, and employment should be addressed. 2. The task force believes this course should not pick up concepts taught in business computer technology courses.
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<p>Social Media</p> <ol style="list-style-type: none"> 1. Social media should be a concept taught earlier than the 11th and 12th grade. 	<p>Social Media</p> <ol style="list-style-type: none"> 1. Social media should not be an added component of this course.
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2. Because of the depth and breadth of the GFL course standards and objectives, it is difficult to add additional concepts that do not relate to financial education.	2. Social media should only be addressed as it pertains to identity theft, creditworthiness, etc. 3. Career and lifestyle ready information can be added as it relates to social media.
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Additional Recommendations

<p>Findings:</p> <ol style="list-style-type: none"> 1. The recommendations of the task force are based on the belief that financial education should be valued and prioritized. The General Financial Literacy Course should remain singularly focused on the content. Additionally, the State Board should provide local safeguards to prevent this course from becoming a catchall for concepts. 2. Although the GFL program and endorsement have been under the CTE section, the program is more related to the work of the other Core Curriculum specialist. Because the course is in CTE, GFL is viewed by some as elective, and does not receive the same focus as a core subject. The GFL specialist doesn't have daily interaction with teaching and learning specialists for collaboration and integration of K-10 passport requirements. 3. Most charter schools do not have approved CTE programs, or do not need them because of the grade levels served, so it can be more difficult for them to navigate through CTE. 	<p>Recommendations:</p> <ol style="list-style-type: none"> 1. The State Office of Education should review which section is best able to provide leadership and manage the GFL K-10 passport and the high school course. The task force strongly recommends that the program be given a "home" rather than fragmented between departments. At the district level, responsibility for the K-10 and the course should be determined so that leadership and accountability can be improved. 2. The GFL course is not considered a CTE course that receives district CTE add-on funding; therefore, the funding of teachers and other costs of instruction will come from the regular WPU. 3. When the end-of-course exam is operational, the CTE skill certification funding will not be associated with or available for this course. 4. The possibility of adding a .5 credit additional civics requirement, resulting in a year-long class in civics, should be examined through a State Board task force. This course may be a more appropriate place for the State Board to incorporate concepts of college and career readiness, life readiness, social media, responsibility, etc. 5. Decisions regarding who will teach this course at the high school level should not be made to revolve around protecting teachers' jobs or filling teachers' schedules. 6. The task force recommends additional funding for staff to oversee the increased endorsement requirements, professional development, assessment, and other program changes.
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Additional Resources - \$500,000	
Online Assessment (development, test delivery, psychometric analysis services, revision)	\$50,000 one-time \$150,000 annually
Professional Development, Teacher Endorsement, Curriculum Resource Development , Standards Review	\$100,000 one-time \$200,000 annually
	One-time: \$150,000 Ongoing: \$350,000