

- SUBJECT:** Expansion of the financial literacy pilot program in public schools
- COMMITTEE:** Public Education — favorable, without amendment
- VOTE:** 6 ayes — Eissler, Allen, Dutton, Farias, Olivo, Shelton
0 nays
5 absent — Hochberg, Aycock, Jackson, Patrick, Weber
- SENATE VOTE:** On final passage, April 2 — 30-1 (Patrick)
- WITNESSES:** For — (*Registered, but did not testify:* Portia Bosse, Texas State Teachers Association; Monty Exter, Association of Texas Professional Educators; Bob Owen, Texas Society of Public Accountants; Jodie Smith, Texans Care for Children)
Against — None
- BACKGROUND:** In 2007, the 79th Legislature enacted SB 851 by Shapleigh, which created a financial literacy pilot program for up to 25 school districts to provide students with the knowledge and skills to be able to make decisions about matters of personal finance. The Texas Education Agency (TEA) developed the curriculum, which includes information about:
- avoiding credit card debt;
 - the responsibilities and money management skills involved with renting or buying a home;
 - starting a small business;
 - investment skills;
 - starting a savings program and learning about bank accounts;
 - avoiding bankruptcy; and
 - borrowing money.
- DIGEST:** SB 197 would expand the financial literacy pilot program to allow up to 100 school districts to participate in the program.

By January 1, 2011, TEA would report to the Legislature relating to the implementation and effectiveness of the program.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2009.

**SUPPORTERS
SAY:**

SB 197 would expand the successful financial literacy program, which would help more young people learn about the importance of making sound money choices before facing credit card offers and student loan decisions. Financially aware students are crucial to the economic future of Texas and the United States. Educated consumers are less vulnerable to disreputable lending companies and practices and thus less likely to make poor financial decisions that could haunt them for years.

**OPPONENTS
SAY:**

Because this bill would not fund the pilot program, schools might be unable to administer properly this additional program. There is no guarantee that TEA could find the necessary funding to make this program a success. In addition, it might be difficult for pilot schools to squeeze instruction on financial literacy into an already-crowded school day.