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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

S.B. 17  
135<sup>th</sup> General Assembly

## Final Analysis

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**Primary Sponsor:** Sen. Wilson

**Effective date:** June 12, 2024

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### SUMMARY

- Requires that academic concepts of free market capitalism be incorporated into the state standards and model curriculum for financial literacy and entrepreneurship for grades 9 through 12.
- Permits students to fulfill the financial literacy instruction requirement for high school graduation by successfully completing AP Microeconomics or AP Macroeconomics.
- Permits math teachers to teach financial literacy without a financial literacy license validation.

### DETAILED ANALYSIS

#### Free market capitalism standards and curriculum

The act requires the State Board of Education to incorporate academic concepts of free market capitalism into the standards and model curriculum for financial literacy and entrepreneurship for grades 9 through 12. Note that S.B. 17 was introduced before the enactment in 2023 of H.B. 33 of the 135<sup>th</sup> General Assembly, which transferred the power to adopt academic standards and model curricula from the State Board to the Department of Education and Workforce.

The act also specifies the free market capitalism concepts that the newly developed academic content must include. Those concepts include all of the following:<sup>1</sup>

1. Raw materials, labor, and capital are privately owned.
2. Individuals control their own ability to work and earn wages.

<sup>1</sup> R.C. 3301.079(A)(2)(b).

3. Private ownership of capital may take many forms, including via a family business, a publicly traded corporation, or a bank, among others.
4. Market prices are the only method to inform consumers and producers about the constantly changing information about the supply and demand of goods and services.
5. Both sellers and buyers seek to profit in a free market transaction, and profit earned can be consumed, saved, reinvested, or dispersed to shareholders.
6. Wealth creation involves asset value appreciation and depreciation, voluntary exchange of equity ownership, and open and closed markets.
7. The free market positively correlates with entrepreneurship and innovation.
8. The free market may involve externalities and market failures in which the cost of certain economic activities is borne by third parties.
9. The free market often accords with policies like legally protected property rights, legally enforceable contracts, patent protections, and the mitigation of externalities.
10. Free-market societies often embrace political and personal freedoms.

## **Financial literacy instruction requirement**

The act permits students to fulfill the financial literacy instruction requirement for high school graduation by successfully completing AP Microeconomics or AP Macroeconomics. Under continuing law, students must complete one-half unit of financial literacy instruction as part of the high school curriculum and may do so either (1) in lieu of one-half unit of mathematics instruction or (2) as an elective.<sup>2</sup>

## **Financial literacy educator license validation**

The act permits math teachers to provide high school financial literacy instruction without a financial literacy license validation. Under continuing law, teachers who provide financial literacy instruction generally must have a financial literacy license validation. However, continuing law also permits social studies, family and consumer sciences, and business education teachers to provide financial literacy instruction without a financial literacy license validation.<sup>3</sup>

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## **HISTORY**

Action	Date
Introduced	01-11-23
Reported, S. Education	03-01-23
Passed Senate (31-1)	03-08-23

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<sup>2</sup> R.C. 3313.603(C)(3) and (C)(9)(a).

<sup>3</sup> R.C. 3319.238(A) and (F).

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Action	Date
Reported, H. Primary & Secondary Education	11-29-23
Passed House (66-26)	02-07-24
Senate concurred in House amendments (32-0)	02-28-24

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