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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Office

S.B. 1
134th General Assembly

Fiscal Note & Local Impact Statement

[Click here for S.B. 1's Bill Analysis](#)

Version: As Passed by the Senate

Primary Sponsors: Sens. Wilson and McColley

Local Impact Statement Procedure Required: Yes

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Highlights

- Some school districts and other public schools may incur costs to update their curriculum to meet the bill's requirement that financial literacy instruction consist of at least one-half unit (practically, a semester course) for students that enter ninth grade on or after July 1, 2021 (the classes of 2025 and onward). Any additional costs depend on local implementation decisions and existing course offerings with financial literacy instruction.
- The bill requires up to \$1.5 million of unclaimed funds to be transferred to the newly created High School Financial Literacy Fund, a custodial fund, to reimburse school districts, other public schools, and nonpublic schools for the cost of the additional teaching license validation the bill requires to teach financial literacy beginning in the 2023-2024 school year. Reimbursements per teacher are the lesser of \$500 or the actual cost of training.

Detailed Analysis

Financial literacy course requirement

To receive a high school diploma from a public school or chartered nonpublic school, a student must complete a minimum of 20 units of study in specific subject areas (one unit generally equates to a minimum of 120 hours of instruction). In addition to the general subject areas, current law requires a student to receive instruction in economics and financial literacy integrated into one of the required social studies units or another course that they take.

Under current law, the manner in which financial literacy instruction is integrated into a district or school's curriculum is a local decision. The Ohio Department of Education (ODE) indicates that the financial literacy content may be incorporated into another course, or some districts may require students to take a stand-alone financial literacy course for one-half unit that

can meet either a graduation requirement for social studies or an elective. It is unclear how many districts have opted for the latter.

The bill modifies the state minimum curriculum to require that, for students entering ninth grade for the first time on or after July 1, 2021 (the classes of 2025 and onward), financial literacy instruction consist of at least one-half unit (equating to at least 60 hours of instruction or, practically, a semester course). Some school districts and other public schools may incur costs to update their high school curriculum to meet the bill's requirement, the amount of which will depend on local implementation decisions and existing course offerings with financial literacy instruction. School districts and other public schools may use the financial literacy model curriculum that the State Board of Education adopted in November 2019 to inform any necessary curriculum updates.¹ ODE also provides on its website links to various additional curriculum resources on the subject.² Additionally, there may be arrangements in which businesses or other charitable organizations donate financial literacy curriculum and materials to public schools. In fact, the bill specifically allows schools to utilize public-private partnerships that exist in business and industry while developing curriculum.

Educator license financial literacy validation

According to ODE, teachers with licenses in the fields of social studies, business education, marketing education, and family and consumer sciences are all currently licensed to provide financial literacy instruction. Beginning in the 2023-2024 school year, the bill generally requires each public school and chartered nonpublic school to require an individual to have an educator license validation in financial literacy to provide this instruction. The bill exempts chartered nonpublic schools and nonpublic schools accredited through the Independent Schools Association of the Central States from complying with the licensure validation requirement if the school does not have any students attending it using a state scholarship (students attending these schools are also exempt from the financial literacy requirement, unless they attend the school using a state scholarship).

The bill requires districts and other public schools to cover any costs necessary for an individual to meet the requirements for the license validation. Since the State Board of Education must establish an advisory committee to consult on rules regarding the license validation, the acceptable programs and their associated costs are uncertain. One potential option may be the National Financial Educators Council (NFEC), which offers a certification for financial education instructors. The fee for initial certifications is \$297 with an annual renewal cost of \$97. To obtain the certification, an individual must complete 40 hours of training (although it is possible to test out of some hours) and complete an examination. More extensive training requirements presumably would carry a higher cost.

The bill provides up to \$1.5 million of unclaimed funds to reimburse school districts, public schools, and chartered nonpublic schools for the costs necessary for an individual employed by the entity to meet the license validation requirements. ODE must reimburse the district or school,

¹ Ohio Department of Education, "Ohio's Model Curriculum: Financial Literacy, Adopted November 2019." Available online at this [link](#).

² Ohio Department of Education, "Resources for Financial Literacy." <http://education.ohio.gov/Topics/Learning-in-Ohio/Financial-Literacy/Resources-for-Financial-Literacy>.

per teacher, the lesser of \$500 or the total cost incurred by the teacher to obtain the license validation. If the \$1.5 million is insufficient to cover all reimbursement requests, the Department may limit the number of teachers for which a district or school can request reimbursement or prorate reimbursement amounts.

The bill creates the High School Financial Literacy Fund, a custodial fund outside the state treasury, to receive the unclaimed funds and distribute reimbursements to schools for the cost of teachers obtaining a financial literacy license validation. ODE may use a portion of the fund to administer the reimbursement program. The Treasurer of State and the Director of Commerce must enter into an agreement specifying the terms of repayment, including interest, to fully reimburse the amount of unclaimed funds remitted to the fund. If the Treasurer fails to repay the Department of Commerce according to the agreement, the amount of cash owed under the repayment plus the applicable interest must be transferred from the General Revenue Fund.