



# House of Representatives

General Assembly

**File No. 705**

February Session, 2014

Substitute House Bill No. 5490

*House of Representatives, April 29, 2014*

The Committee on Appropriations reported through REP. WALKER of the 93rd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## ***AN ACT CONCERNING FINANCIAL LITERACY.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2014*) (a) The Department of  
2 Education, the Board of Regents for Higher Education, and the Board  
3 of Trustees for The University of Connecticut, in consultation with the  
4 Department of Banking, shall develop a plan to ensure that each  
5 student of a public high school or a constituent unit, as defined in  
6 section 10a-1 of the general statutes, receives instruction in financial  
7 literacy, including, but not limited to, the impact of using credit cards  
8 and debit cards. Such instruction shall occur during a student's final  
9 year of high school and, for a student of a constituent unit, not later  
10 than such student's completion of his or her second semester at such  
11 constituent unit.

12 (b) The Department of Education, the Board of Regents for Higher  
13 Education and the Board of Trustees for The University of Connecticut,  
14 shall work with the Department of Banking to leverage any available  
15 federal, state or private funds to implement the plan developed

16 pursuant to subsection (a) of this section.

17 (c) Not later than January 1, 2015, the Commissioner of Education,  
18 the president of the Board of Regents for Higher Education, the  
19 chairperson of the Board of Trustees for The University of Connecticut  
20 and the Banking Commissioner shall report to the joint standing  
21 committee of the General Assembly having cognizance of matters  
22 relating to banks on the plan developed pursuant to subsection (a) of  
23 this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2014	New section

**APP**      *Joint Favorable Subst.*

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The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:*** None

***Explanation***

The bill results in no fiscal impact as the effected agencies have sufficient expertise to develop a financial literacy education plan.

***The Out Years***

***State Impact:*** None

***Municipal Impact:*** None

**OLR Bill Analysis****sHB 5490*****AN ACT CONCERNING FINANCIAL LITERACY.*****SUMMARY:**

This bill requires the Department of Education (SDE), Board of Regents for Higher Education (BOR), and UConn Board of Trustees (BOT), in consultation with the Department of Banking (DOB), to develop a plan to ensure that students in public high schools and state higher education institutions receive financial literacy instruction, including the impact of using credit and debit cards. The financial literacy instruction must occur (1) during a public high school student's final year and (2) by the end of the second semester for students at state higher education institutions.

It also requires (1) SDE, BOR, and UConn BOT, to work with the DOB to secure federal, state, or private funding to implement the plan and (2) the commissioner of education, the BOR president, the UConn BOT chairman, and the DOB commissioner to report to the Banks Committee, by January 1, 2015, on the plan development.

EFFECTIVE DATE: July 1, 2014

**BACKGROUND*****Legislative History***

The House referred the bill (File 410) to the Appropriations Committee, which reported a substitute that eliminates requirements for (1) debit or credit card issuers that advertise on a Connecticut higher education institution campus to explain the fees associated with its credit or debit card to each student applying for one and (2) BOR, UConn BOT, and the Connecticut Conference of Independent Colleges (CCIC) to ensure that each student who applies for a credit or debit

card receives one-on-one financial literacy counseling or a one-page financial literacy sheet.

**Existing Law**

By law, the State Board of Education must provide curriculum guides and materials to help school districts provide courses in personal financial management (CGS § 10-16b(d)(6)). In addition, starting with the class graduating from high school in 2020, students must take at least two credits in career and life skill electives, which can include personal finance courses (CGS § 10-221a).

**COMMITTEE ACTION**

Banks Committee

Joint Favorable Substitute  
Yea 17 Nay 0 (03/18/2014)

Appropriations Committee

Joint Favorable Substitute  
Yea 35 Nay 15 (04/22/2014)