

1 HB439  
2 205940-1  
3 By Representative Chestnut  
4 RFD: Education Policy  
5 First Read: 23-FEB-21

SYNOPSIS: This bill would allow local boards of education to offer instruction in the life skills of personal finance literacy, personal rights, and good citizenship in grades six to 12 as an elective course or as a component in the health education and physical education state courses of study.

A BILL  
TO BE ENTITLED  
AN ACT

Relating to public education; to add Section 16-40-11, to the Code of Alabama 1975, to allow local boards of education to offer instruction in the life skills of personal finance literacy, personal rights, and good citizenship in grades six to 12 as an elective course or as a component in the health education and physical education state courses of study; and to require the State Board of Education to adopt necessary rules and policies for implementation.  
BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1           Section 1. Section 16-40-11 is added to the Code of  
2 Alabama 1975, to read as follows:

3           §16-40-11.

4           (a) Commencing with the 2021-2022 school year, a  
5 local board of education may offer as an elective course, or  
6 as a component in the health education and physical education  
7 state courses of study, instruction in life skills. For the  
8 purposes of this section, a life skills curriculum shall  
9 include, but not be limited to, the following topics:

10           (1) Personal finance literacy including, but not  
11 limited to, all of the following:

12           a. Savings, including emergency fund, purchases, and  
13 wealth building.

14           b. Understanding investments, including compound and  
15 simple interest, liquidity, diversification, risk return  
16 ratio, certificates of deposit, money market accounts, single  
17 stocks, bonds, mutual funds, rental real estate, annuities,  
18 commodities, and futures.

19           c. Wealth building and college planning, including  
20 long-term and short-term investing using tax-favored plans,  
21 individual retirement accounts and payments from such  
22 accounts, employer-sponsored retirement plans and investments,  
23 public and private educational savings accounts, and uniform  
24 gifts and transfers to minors.

25           d. Credit and debt, including credit cards, payday  
26 lending, rent-to-own transactions, debt consolidation,

1 automobile leasing, cosigning a loan, debt avoidance, and the  
2 marketing of debt, especially to young people.

3 e. Consumer awareness of the power of marketing on  
4 buying decisions including zero percent interest offers;  
5 marketing methods, including product positioning, advertising,  
6 brand recognition, and personal selling; how to read a credit  
7 report and correct inaccuracies; how to build a credit score;  
8 how to develop a plan to deal with creditors and avoid  
9 bankruptcy; and the federal Fair Debt Collection Practices  
10 Act.

11 f. Financial responsibility and money management,  
12 including creating and living on a written budget and  
13 balancing a checkbook; basic rules of successful negotiating  
14 and techniques; and personality or other traits regarding  
15 money.

16 g. Insurance, risk management, income, and career  
17 decisions, including career choices that fit personality  
18 styles and occupational goals, job search strategies, cover  
19 letters, resumes, interview techniques, payroll taxes and  
20 other income withholdings, and revenue sources for federal,  
21 state, and local governments.

22 h. Different types of insurance coverage including  
23 renters, homeowners, automobile, health, disability, long-term  
24 care, identity theft, and life insurance; term life, cash  
25 value and whole life insurance; and insurance terms such as  
26 deductible, stop loss, elimination period, replacement  
27 coverage, liability, and out-of-pocket.

1           i. Buying, selling, and renting advantages and  
2           disadvantages relating to real estate, including adjustable  
3           rate, balloon, conventional, government-backed, reverse, and  
4           seller-financed mortgages.

5           (2) Personal rights including state election laws  
6           and procedures, voter registration requirements, the election  
7           process, acquiring and casting an absentee ballot, party  
8           structures, and the responsibilities of citizen participation  
9           on government and elections; and a study of the United States  
10          Constitution and the Bill of Rights.

11          (3) Good citizenship instruction that includes  
12          honesty, respecting authority and the property of others, and  
13          taking personal responsibility for obligations to family and  
14          community; direction on interaction with law enforcement and  
15          court officials including, but not limited to, the legal  
16          process and court system, law enforcement procedures,  
17          appropriate actions to be taken by drivers, passengers, and  
18          law enforcement during a traffic stop or other incident where  
19          law enforcement is involved; and the discussion of deterrence  
20          and prevention of gang and youth violence.

21          (b) The State Board of Education shall adopt rules  
22          and policies necessary for implementing the requirements of  
23          this section, including a requirement that curriculum  
24          standards submitted by a local board of education for approval  
25          of an elective life skills course shall meet the academic  
26          rigor and curriculum standards of other elective courses  
27          approved by the board.

1                   Section 2. This act shall become effective on the  
2 first day of the third month following its passage and  
3 approval by the Governor, or its otherwise becoming law.