

VIRGINIA ACTS OF ASSEMBLY -- 2005 SESSION

CHAPTER 741

An Act to amend the Code of Virginia by adding sections numbered 22.1-200.03 and 23-9.2:3.5 and to repeal §§ 22.1-200.02 and 22.1-208.2:3 of the Code of Virginia, relating to economics education and financial literacy in the public schools and institutions of higher education.

[S 950]

Approved March 26, 2005

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding sections numbered 22.1-200.03 and 23-9.2:3.5 as follows:

§ 22.1-200.03. Economics education and financial literacy required in middle and high school grades; Board of Education to establish objectives for economic education and financial literacy; banking-at-school programs.

A. By July 1, 2006, instruction in the principles of the American economic system shall be required in the public middle and high schools of the Commonwealth to promote economics education and financial literacy of students and to further the development of knowledge, skills, and attitudes needed for responsible citizenship in a constitutional democracy.

B. The Board of Education shall develop and approve objectives for economics education and financial literacy at the middle and high school levels, that shall be required of all students, and shall provide for the systematic infusion of economic principles in the relevant Standards of Learning, and in career and technical education programs. The objectives shall include, but not be limited to, personal living and finances; personal and business money management skills; opening an account in a financial institution and judging the quality of a financial institution's services; balancing a checkbook; completing a loan application; the implications of an inheritance; the basics of personal insurance policies; consumer rights and responsibilities; dealing with salesmen and merchants; debt management; managing retail and credit card debt; state and federal tax computation; local tax assessments; computation of interest rates by various mechanisms; understanding simple contracts; and learning how to contest an incorrect bill.

C. To facilitate the objectives of economics education and financial literacy through practical experiences, the Department shall confer with the State Corporation Commission's Bureau of Financial Institutions, and financial and relevant professional organizations in the development of guidelines for such literacy objectives. The guidelines shall include, but not be limited to, (i) rules and policies governing the establishment, operation, and dissolution of school banks and school credit unions; (ii) written agreements between partnering public schools and financial institutions, including the disposition of funds donated or other financial contributions provided by the partnering financial institution; and (iii) such other matters as the Department may deem appropriate.

D. The Board shall not be required to evaluate student achievement concerning economics education and financial literacy objectives in the Standards of Learning assessments required by § 22.1-253.13:3.

E. For the purposes of this section, "at-risk and disadvantaged students" means students having socioeconomic or cultural risk factors that research indicates may negatively influence academic achievement or may hinder an individual in reaching his life goals.

For the purposes of this section, "financial institution" means a bank, savings and loan association, savings bank, or credit union authorized to conduct business in the Commonwealth.

For the purposes of this section, "high school" includes grades nine through 12.

For the purposes of this section, "middle school" includes grades six through eight.

§ 23-9.2:3.5. Education programs on economic education and financial literacy.

Virginia public colleges and universities shall make provisions for the promotion of the development of student life skills through the inclusion of the principles of economics education and financial literacy within an existing general education course, the freshman orientation process or other appropriate venue. These principles may include, but need not be limited to, instruction concerning personal finance, such as credit card use, opening and managing an account in a financial institution, completing a loan application, and managing student loans; consumer rights and responsibilities; and debt management.

The State Council of Higher Education for Virginia shall also encourage private colleges and universities to include such principles as part of their student orientation programs.

2. That §§ 22.1-200.02 and 22.1-208.2:3 of the Code of Virginia are repealed.