

<b>LFC Requester:</b>	<b>Helms</b>
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**AGENCY BILL ANALYSIS  
2023 REGULAR SESSION**

**SECTION I: GENERAL INFORMATION**

*Check all that apply:*

**Original**     **Amendment**      
**Correction**     **Substitute**   

**Date Prepared:** 02/17/23  
**Bill No:** SB341

**Sponsor:** Maestas  
**Short Title:** PERSONAL FINANCE AS SCHOOL ELECTIVE

**Agency Name and Code**  
**Number:** PED - 924  
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY23	FY24		
None	None	N/A	NFA

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25		
None	None	None	N/A	NFA

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	None	None	None	None	N/A	NFA

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Relates to Appropriation in the General Appropriation Act:  
 Relates/conflicts with HB126.

**SECTION III: NARRATIVE**

**BILL SUMMARY**

**Synopsis:** Senate Bill 341 (SB341) would amend [Section 22-13-1.1 NMSA 1978](#) to require students entering ninth grade in SY24 to have a one-half unit of personal finance satisfy either a mathematics or elective requirement for graduation.

## **FISCAL IMPLICATIONS**

The bill does not contain an appropriation.

## **SIGNIFICANT ISSUES**

In 2022, the Public Education Department (PED) finalized [K-12 Social Studies Standards](#), which included a K-12 standards strand titled Economics/Personal Financial Literacy as the second of six content area strands. As such, students learn economics and personal financial literacy standards beginning in kindergarten and continuing each school year through eighth grade. In high school, standards for personal finance are included in New Mexico History and Economics classes, both of which are currently required by statute. Currently, statute (Section 22-13-1.1 NMSA 1978) also permits a financial literacy course be taken to fulfill requirements for any of four mathematical units, though the interdisciplinary content standards related to personal finance are currently located in the discipline of social studies.

## **PERFORMANCE IMPLICATIONS**

None.

## **ADMINISTRATIVE IMPLICATIONS**

None.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

SB341 conflicts with HB126, School Graduation Requirements, which would reduce the required units for high school graduation from 24 to 22 and permit school districts and charter schools to determine 2 of the required units. A financial literacy course currently satisfies graduation requirements for mathematics, as would the SB341 amendment to Section 22-13-1.1 while updating the course name to Personal Finance, but HB126 would not permit Personal Finance course as mathematics credit.

## **TECHNICAL ISSUES**

None.

## **OTHER SUBSTANTIVE ISSUES**

The Council for Economic Education (CEE) developed [National Standards for Financial Literacy](#) for K-12 students in 2013, many of which are reflected in New Mexico's recently adopted personal financial literacy standards. CEE also issues a biennial [Survey of the States](#) that prioritizes "dedicated courses in personal finance rather than including it in other coursework" and notes that nine states require dedicated courses, up from six in 2020.

Personal finance courses focus on life skills such as how to make a budget, open an account at a bank or credit union, save and invest for their futures, apply for financial aid for higher education, and avoid high-cost debt. According to [Think New Mexico](#), a nonprofit organization which has advocated for similar bills in the past, "a recent poll conducted by the National Endowment for Financial Education found that 88 percent of U.S. adults think their state should require a personal finance course for high school graduation. Furthermore, 80 percent of U.S. adults say they wish they had been required to complete a course focused on personal finance education during high school." Evidence suggests that the intent of SB341 to broadly provide financial literacy education is well supported by public opinion and by current education policy in New Mexico.

The PED considered public opinion when updating the K-12 Social Studies Standards in 2022 and thus added in the new standards strand titled Economics/Personal Financial Literacy which provides opportunities throughout a student's K-12 trajectory to learn personal finance tenets in a developmentally appropriate way throughout their educational experience. With this additional standard strand in social studies classes, students will now have an opportunity to learn some basic personal finance content that a required half elective credit under SB 341 could enhance. HB126, if it passes in the form it was introduced, would still allow local school districts to require a Personal Finance elective as one of the two local level units set by LEAs in that legislation, but districts could also choose to not require financial literacy or even offer it as a choice, under HB 126. This latter scenario is likely the impetus for the introduction of SB 341.

#### **ALTERNATIVES**

None.

#### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

None.

#### **AMENDMENTS**

None.