

# Financial Literacy Improvement Act of 2013

## Senator Patty Murray

### **Financial Literacy Education Grants (addition to Title V of ESEA)**

**Purpose:** To improve financial literacy education in K-12 education and enhance student knowledge of consumer, economic, and personal finance concepts.

#### **Formula grants to state education agency or an eligible partnership for financial literacy**

- Eligible state partnership must include:
  - A state education agency
  - A non-profit organization with experience and a proven quality track record in financial literacy or personal finance education programs
  
- Required State Activities (25% of formula funds go to the State):
  - Development of financial literacy standards in at least 3 grade levels: at least one grade level in elementary school, at least one in middle school, and at least one in high school
  - Appropriate assessments in these grade levels that are valid, reliable, and comparable across the state and district, and
  - Teacher professional development programs to embed financial literacy or personal finance education into core academic subjects
  - Evaluation of the impact on financial literacy or personal finance education on students' understanding of financial literacy concepts

#### **Competitive subgrants to local education agencies or local eligible partnerships based on such criteria as the state may require.**

- Required non-federal match (cash or in kind) of 25% of federal funds
  
- Eligible local partnership must include a local education agency, and at least one of the following:
  - A non-profit organization with experience and a proven track record in quality financial literacy or personal finance education programs
  - An Education service agency
  - A recipient of the Excellence in Economic Education grants in ESEA Title V
  - An institution of higher education (public, or private non-profit)
  - A community organization
  - A representative of local business
  
- Required Local Activities (75% of formula funds distributed competitively the local level):
  - Implement teacher training programs to embed financial literacy and personal finance education into core academic subjects

- Administer financial literacy assessments on at least an annual basis in, at a minimum, the grade levels selected by the State education agency
  - Implement financial literacy activities and sequences of study within core academic subjects.
- Allowable local uses:
- The implementation of school-based activities, which may include afterschool activities, to enhance student understanding and experiential learning with consumer, economic, and personal finance concepts
- Reporting/Accountability: Local education agency will include results of financial literacy assessments established above in their Annual Report Card to the Secretary.

**Total Authorization level: \$125 million for FY 14, and for each of the succeeding 5 years.**

### **Grants to Promote Postsecondary Financial Literacy (addition to Title III of HEA)**

**Purpose:** To provide and enhance consumer, economic, and personal financial literacy education for college-age students, adults, and seniors through colleges, universities, and community colleges.

- Competitive grants to institutions of higher education or eligible partnerships to assist postsecondary institutions in providing financial literacy courses or course components to postsecondary students.
- Eligible partnerships must include an institution of higher education plus a non-profit organization with experience and a proven track record in quality financial literacy or personal finance education programs
- Required uses:
  - To develop and implement financial literacy education, activities, student organizations, or counseling that increase student knowledge in consumer, economic, and personal financial concepts.

**Authorization level: \$125 million for FY 14, minimum grant amount: \$500,000**