

SENATE BILL NO. 220—SENATORS WOODHOUSE, DENIS,  
FORD, KIHUEN, PARKS; ATKINSON, HARRIS, MANENDO,  
ROBERSON AND SPEARMAN

MARCH 5, 2015

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JOINT SPONSORS: ASSEMBLYMEN STEWART,  
SWANK, DIAZ AND CARLTON

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Referred to Committee on Education

**SUMMARY**—Requires instruction on financial literacy in public middle schools and junior high schools. (BDR 34-654)

**FISCAL NOTE:** Effect on Local Government: May have Fiscal Impact.  
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

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**AN ACT** relating to education; requiring instruction on financial literacy for pupils enrolled in middle school and junior high school in each school district and in each charter school that operates as a middle school or junior high school; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law requires instruction on financial literacy for pupils enrolled in high  
2 school in each school district and in each charter school that operates as a high  
3 school. (NRS 389.074) This bill additionally requires instruction on financial  
4 literacy for pupils enrolled in middle school and junior high school in each school  
5 district and in each charter school that operates as a middle school or junior high  
6 school. This bill also requires that such instruction include certain topics and be  
7 provided within a course of study in mathematics.

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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1       **Section 1.** NRS 389.074 is hereby amended to read as follows:

2       389.074 1. The board of trustees of each school district and  
3 the governing body of each charter school that operates as a *middle*  
4 *school, junior high school or* high school shall ensure that  
5 instruction on financial literacy is provided to pupils enrolled in  
6 each public *middle school, junior high school and* high school  
7 within the school district or in the charter school, as applicable. The  
8 instruction must include, without limitation:

9       (a) The skills necessary to develop financial responsibility,  
10 including, without limitation:

11       (1) Making reasonable financial decisions by analyzing the  
12 alternatives and consequences of those financial decisions;

13       (2) Locating and evaluating financial information from  
14 various sources;

15       (3) *Judging the quality of services offered by a financial*  
16 *institution;*

17       (4) Developing communication strategies to discuss financial  
18 issues;

19       ~~(4)~~ (5) Controlling personal information; and

20       ~~(5)~~ (6) Reviewing and summarizing federal and state  
21 consumer protection laws.

22       (b) The skills necessary to manage finances, including, without  
23 limitation:

24       (1) Developing a plan for spending and saving;

25       (2) Developing a system for keeping and using financial  
26 records; and

27       (3) Developing a personal financial plan.

28       (c) The skills necessary to understand the use of credit and the  
29 incurrence of debt, including, without limitation:

30       (1) Identifying the costs and benefits of various types of  
31 credit;

32       (2) *Understanding methods to manage debt and the*  
33 *consequences of acquiring debt;*

34       (3) *Understanding how interest rates, compounding*  
35 *frequency and the terms of a loan affect the cost of credit;*

36       (4) *Completing an application for a loan;*

37       (5) *Understanding different types of loans that are*  
38 *available, including, without limitation, payday loans, automobile*  
39 *loans, student loans and mortgages;*

40       (6) Explaining the purpose of a credit report, including,  
41 without limitation, the manner in which a credit report is used by  
42 lenders;



1 ~~[(3)]~~ (7) Describing the rights of a borrower regarding his or  
2 her credit report;

3 ~~[(4)]~~ (8) Identifying methods to avoid and resolve debt  
4 problems; and

5 ~~[(5)]~~ (9) Reviewing and summarizing federal and state  
6 consumer credit protection laws.

7 (d) The skills necessary to understand the basic principles of  
8 saving and investing, including, without limitation:

9 (1) Understanding how saving and investing contribute to  
10 financial well-being;

11 (2) Understanding the methods of investing and alternatives  
12 to investing;

13 (3) Understanding how to buy and sell investments; ~~[and]~~

14 (4) *Understanding compound interest, including, without*  
15 *limitation, in the context of investments;*

16 (5) *Understanding various types of securities that may be*  
17 *purchased, including, without limitation, stocks and bonds; and*

18 (6) Understanding how the regulation of financial institutions  
19 protects investors.

20 (e) *The skills necessary to prevent and limit the consequences*  
21 *of identity theft and fraud.*

22 (f) *The skills necessary to understand the basic assessment of*  
23 *taxes, including, without limitation, understanding the manner in*  
24 *which taxes are computed by local, state and federal governmental*  
25 *entities.*

26 (g) *The skills necessary to understand the basic principles of*  
27 *insurance, including, without limitation:*

28 (1) *Understanding the function of various insurance*  
29 *policies; and*

30 (2) *Determining the quality of an insurance provider.*

31 2. The instruction required by subsection 1 ~~[may]~~ *must* be  
32 included within a course ~~[or program of instruction that pupils~~  
33 ~~enrolled in high school are otherwise required to complete for~~  
34 ~~graduation.]~~ *of study in mathematics.*

35 **Sec. 2.** This act becomes effective on July 1, 2015.

