

SENATE BILL NO. 459—COMMITTEE ON
HUMAN RESOURCES AND EDUCATION

MARCH 29, 2005

Referred to Committee on Human Resources and Education

SUMMARY—Requires instruction in financial responsibility in public high schools. (BDR 34-1093)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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

AN ACT relating to education; requiring a pupil to satisfactorily complete instruction in financial responsibility as a condition to receipt of a high school diploma; and providing other matters properly relating thereto.

- 1 WHEREAS, Personal financial responsibility and a basic
2 understanding of the management of personal debt is a key element
3 for the success of a person; and
4 WHEREAS, Teenagers represent a significant segment of the
5 consuming public and the average credit card debt of teenagers
6 increased by 300 percent during the 1990-2000 decade; and
7 WHEREAS, Nationally less than 40 percent of high school
8 students receive any type of formal financial education; and
9 WHEREAS, The average score nationwide of 12th graders on a
10 personal financial basic skills test was 52 percent; and
11 WHEREAS, The Legislature recognizes that April is National
12 Financial Literacy for Youth Month, which includes both
13 nationwide and statewide events and activities that highlight the
14 importance of financial literacy programs in education; and
15 WHEREAS, The Legislature recognizes that on April 26, 2005,
16 Nevada will participate in the National Teach Children to Save Day;
17 and
18 WHEREAS, The American Bankers Association and the
19 American Financial Services Association and other financial



1 institutions have developed educational programs concerning
2 financial responsibility for use in the public schools; and

3 WHEREAS, The Legislature recognizes and encourages the
4 personal financial education programs offered for use in the public
5 schools, which are available through the efforts of organizations
6 such as the Nevada Bankers Association and the Nevada Consumer
7 Finance Association; and

8 WHEREAS, It would be beneficial to the residents of the State of
9 Nevada to become aware of and support the services and benefits
10 offered by personal financial education programs; now, therefore,

11
12 THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
13 SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:
14

15 **Section 1.** Chapter 389 of NRS is hereby amended by adding
16 thereto a new section to read as follows:

17 *1. The board of trustees of each school district and the*
18 *governing body of each charter school that operates as a high*
19 *school shall ensure that instruction in financial responsibility is*
20 *provided to pupils in each public high school within the school*
21 *district or in the charter school, as applicable. The instruction*
22 *must include, without limitation:*

23 *(a) The basic skills for managing personal finances, including,*
24 *without limitation, creating a budget and managing debt;*

25 *(b) A review of the advantages and disadvantages of making*
26 *purchases through the use of credit, including, without limitation,*
27 *indications of over using credit;*

28 *(c) A description of the basic components of a credit report,*
29 *including, without limitation, the manner in which a credit report*
30 *is used by lenders;*

31 *(d) A review of the alternatives and resources available when a*
32 *person experiences financial difficulty, including, without*
33 *limitation, when a person incurs excessive debt as the result of*
34 *credit; and*

35 *(e) The basic principles of financial investment.*

36 *2. The instruction required by subsection 1 may be included*
37 *within a course that pupils enrolled in high school are otherwise*
38 *required to complete for graduation.*

39 *3. In addition to the other requirements for graduation from*
40 *high school, a pupil must satisfactorily complete the instruction in*
41 *financial responsibility required by subsection 1 before he may*
42 *receive a diploma.*

43 **Sec. 2.** This act becomes effective on July 1, 2005.

