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FIRST REPRINT

S.B. 220

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

MARCH 5, 2015

JOINT SPONSORS: ASSEMBLYMEN STEWART,  
SWANK, DIAZ AND CARLTON

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.

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; creating the Account for Instruction on Financial Literacy in the State General Fund; 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) **Section 2** of this bill additionally requires instruction on  
4 financial literacy for pupils enrolled in middle school and junior high school in each  
5 school district and in each charter school that operates as a middle school or junior  
6 high school. **Section 2** requires the Council to Establish Academic Standards to  
7 include the standards of content and performance for a course of instruction in  
8 financial literacy in the standards of content and performance established by the  
9 Council for each middle school, junior high school and high school. **Section 2** also  
10 requires that instruction in financial literacy include certain topics and be provided  
11 within a course of study for which the Council has established the relevant  
12 standards of content and performance. **Section 1** of this bill creates the Account for  
13 Instruction on Financial Literacy in the State General Fund and provides that



\* S B 2 2 0 R 1 \*

14 money in the Account may be used only for providing the instruction on financial  
15 literacy required by **section 2**.

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

1 **Section 1.** Chapter 388 of NRS is hereby amended by adding  
2 thereto a new section to read as follows:

3 *1. The Account for Instruction on Financial Literacy is*  
4 *hereby created in the State General Fund, to be administered by*  
5 *the Superintendent of Public Instruction. The Superintendent of*  
6 *Public Instruction may accept gifts and grants of money from any*  
7 *source for deposit in the Account. Any money from gifts and*  
8 *grants may be expended in accordance with the terms and*  
9 *conditions of the gift or grant, or in accordance with subsection 2.*  
10 *The interest and income earned on the sum of the money in the*  
11 *Account and any unexpended appropriations made to the Account*  
12 *from the State General Fund must be credited to the Account. Any*  
13 *money remaining in the Account at the end of the fiscal year does*  
14 *not revert to the State General Fund, and the balance in the*  
15 *Account must be carried forward to the next fiscal year.*

16 *2. Except as otherwise provided in subsection 1, the money in*  
17 *the Account may be used only for providing the instruction on*  
18 *financial literacy required by NRS 389.074. The State Board shall*  
19 *adopt regulations governing the distribution of money in the*  
20 *Account for this purpose.*

21 **Sec. 2.** NRS 389.074 is hereby amended to read as follows:

22 389.074 1. The board of trustees of each school district and  
23 the governing body of each charter school that operates as a *middle*  
24 *school, junior high school or* high school shall ensure that  
25 instruction on financial literacy is provided to pupils enrolled in  
26 each public *middle school, junior high school and* high school  
27 within the school district or in the charter school, as applicable. The  
28 instruction must include, without limitation:

29 (a) The skills necessary to develop financial responsibility,  
30 including, without limitation:

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

33 (2) Locating and evaluating financial information from  
34 various sources;

35 (3) *Judging the quality of services offered by a financial*  
36 *institution;*

37 (4) Developing communication strategies to discuss financial  
38 issues;



- 1 ~~(4)~~ (5) Controlling personal information; and  
2 ~~(5)~~ (6) Reviewing and summarizing federal and state  
3 consumer protection laws.
- 4 (b) The skills necessary to manage finances, including, without  
5 limitation:
- 6 (1) Developing a plan for spending and saving;  
7 (2) Developing a system for keeping and using financial  
8 records; and  
9 (3) Developing a personal financial plan.
- 10 (c) The skills necessary to understand the use of credit and the  
11 incurrence of debt, including, without limitation:
- 12 (1) Identifying the costs and benefits of various types of  
13 credit;  
14 (2) *Understanding methods to manage debt and the*  
15 *consequences of acquiring debt;*  
16 (3) *Understanding how interest rates, compounding*  
17 *frequency and the terms of a loan affect the cost of credit;*  
18 (4) *Completing an application for a loan;*  
19 (5) *Understanding different types of loans that are*  
20 *available, including, without limitation, payday loans, automobile*  
21 *loans, student loans and mortgages;*  
22 (6) Explaining the purpose of a credit report, including,  
23 without limitation, the manner in which a credit report is used by  
24 lenders;
- 25 ~~(3)~~ (7) Describing the rights of a borrower regarding his or  
26 her credit report;
- 27 ~~(4)~~ (8) Identifying methods to avoid and resolve debt  
28 problems; and  
29 ~~(5)~~ (9) Reviewing and summarizing federal and state  
30 consumer credit protection laws.
- 31 (d) The skills necessary to understand the basic principles of  
32 saving and investing, including, without limitation:
- 33 (1) Understanding how saving and investing contribute to  
34 financial well-being;  
35 (2) Understanding the methods of investing and alternatives  
36 to investing;  
37 (3) Understanding how to buy and sell investments; ~~and~~  
38 (4) *Understanding compound interest, including, without*  
39 *limitation, in the context of investments;*  
40 (5) *Understanding various types of securities that may be*  
41 *purchased, including, without limitation, stocks and bonds; and*  
42 (6) Understanding how the regulation of financial institutions  
43 protects investors.
- 44 (e) *The skills necessary to prevent and limit the consequences*  
45 *of identity theft and fraud.*



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

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

7 (1) *Understanding the function of various insurance*  
8 *policies; and*

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

10 2. *The standards of content and performance for a course of*  
11 *instruction in financial literacy required by subsection 1 ~~may~~*  
12 *must be included in the standards of content and performance*  
13 *established by the Council to Establish Academic Standards*  
14 *pursuant to NRS 389.520 for such a course in each public middle*  
15 *school, junior high school and high school, including, without*  
16 *limitation, each charter school that operates as a middle school,*  
17 *junior high school or high school. The instruction required by*  
18 *subsection 1 must be included within a course ~~for program of~~*  
19 *instruction that pupils enrolled in high school are otherwise required*  
20 *to complete for graduation. *of study for which the Council has*  
21 *established the relevant standards of content and performance.**

22 3. *The board of trustees of each school district and the*  
23 *governing body of each charter school that operates as a middle*  
24 *school, junior high school or high school shall encourage persons*  
25 *to:*

26 (a) *Donate money to the Account for Instruction on Financial*  
27 *Literacy created by section 1 of this act; and*

28 (b) *Volunteer time, expertise and resources to assist a school*  
29 *district, governing body of a charter school, public school or*  
30 *teacher in the provision of instruction in financial literacy.*

31 **Sec. 3.** This act becomes effective on July 1, 2015.

