

AN ACT concerning education.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The School Code is amended by changing Section 27-12.1 as follows:

(105 ILCS 5/27-12.1) (from Ch. 122, par. 27-12.1)

Sec. 27-12.1. Consumer education.

(a) Subject to the provisions of subsection (b) of this Section, pupils in the public schools in grades 9 through 12 shall be taught and be required to study courses which include instruction in the area of consumer education, including but not necessarily limited to (i) understanding the basic concepts of financial literacy, including installment purchasing (including credit scoring, managing credit debt, and completing a loan application), budgeting, savings and investing, banking (including balancing a checkbook, opening a deposit account, and the use of interest rates), understanding simple contracts, State and federal income taxes, personal insurance policies, ~~and~~ the comparison of prices, and homeownership (including the basic process of obtaining a mortgage and the concepts of fixed and adjustable rate mortgages, subprime loans, and predatory lending), and (ii) understanding the roles of consumers interacting with

agriculture, business, labor unions and government in formulating and achieving the goals of the mixed free enterprise system. The State Board of Education shall devise or approve the consumer education curriculum for grades 9 through 12 and specify the minimum amount of instruction to be devoted thereto.

(b) Prior to the commencement of the 1986-1987 school year and prior to the commencement of each school year thereafter, the State Board of Education shall devise, develop and furnish to each school district within the State a uniform Annual Consumer Education Proficiency Test to be administered by each school district to those pupils of the district in grades 9 through 12 who elect to take the same, provided that no pupil shall be permitted to take the test more than once in any school year. Each year the State Board of Education shall by rule prescribe the date or dates during the school year on which school districts shall administer the test devised and developed for that school year, together with the uniform standards which all districts shall apply in scoring that test. The test shall be devised and developed by the State Board of Education each year in a standardized manner to allow any pupil who takes the same and who achieves a score thereon which is not less than the minimum score established by the State Board of Education for the test so taken to thereby demonstrate sufficient proficiency in the area of consumer education as shall excuse such pupil from the necessity of receiving, as a

prerequisite to graduation from high school and receipt of a high school diploma, the minimum amount of instruction in a consumer education curriculum otherwise required by subsection (a) and the rules or regulations promulgated thereunder. For purposes of this subsection, "proficiency" is defined to mean that a pupil is competent in and has a well advanced knowledge of consumer education so that study of the course of instruction required by this Section would not be substantially educationally beneficial as determined by the State Board of Education when developing the uniform standards and minimum score requirements of this Section.

(c) The Financial Literacy Fund is created as a special fund in the State treasury. State funds and private contributions for the promotion of financial literacy shall be deposited into the Financial Literacy Fund. All money in the Financial Literacy Fund shall be used, subject to appropriation, by the State Board of Education to award grants to school districts for the following:

(1) Defraying the costs of financial literacy training for teachers.

(2) Rewarding a school or teacher who wins or achieves results at a certain level of success in a financial literacy competition.

(3) Rewarding a student who wins or achieves results at a certain level of success in a financial literacy competition.

(4) Funding activities, including books, games, field trips, computers, and other activities, related to financial literacy education.

In awarding grants, every effort must be made to ensure that all geographic areas of the State are represented.

(d) A school board may establish a special fund in which to receive public funds and private contributions for the promotion of financial literacy. Money in the fund shall be used for the following:

(1) Defraying the costs of financial literacy training for teachers.

(2) Rewarding a school or teacher who wins or achieves results at a certain level of success in a financial literacy competition.

(3) Rewarding a student who wins or achieves results at a certain level of success in a financial literacy competition.

(4) Funding activities, including books, games, field trips, computers, and other activities, related to financial literacy education.

(e) The State Board of Education, upon the next comprehensive review of the Illinois Learning Standards, is urged to include the basic principles of personal insurance policies and understanding simple contracts.

(Source: P.A. 94-929, eff. 6-26-06.)