WASB
WISCONSIN ASSOCIATION OF SCHOOL BOARDS

122 W. Washington Avenue, Madison, WI 53703
Phone: 608-257-2622·Fax: 608-257-8386

John H. Ashley, Executive Director

TO: **Members, Assembly Committee on Education**
FROM: **Dan Rossmiller, Government Relations Director**
RE: **Assembly Bill 248, relating to incorporating financial literacy in a public school's curriculum and statewide standardized examinations**
DATE: **July 16, 2015**

Good morning Chairman Thiesfeldt and members of the committee. Thank you for the opportunity to testify in opposition to Assembly Bill 248.

Among other things, this bill directs each school board to incorporate the state's model academic standards for financial literacy into the curriculum in grades kindergarten through 12. I believe many of my members would see this as an unfunded mandate that interferes with their ability to set the curriculum for their districts based on the academic standards they adopt.

It is ironic that the committee is taking up this bill just five days after the Governor proclaimed in his veto message that the state budget he signed into law "increased local control by affirming the authority of school districts to choose their own academic standards."

It is worth pointing out that any Wisconsin school board that wants to do what the bill mandates (i.e., incorporate the state's model academic standards for financial literacy into its curriculum in grades kindergarten to 12) can already do so voluntarily if it chooses.

The bill also requires the statewide standardized examinations to assess a pupil's financial literacy to the same extent that they assess a pupil's knowledge of mathematics, science, reading and writing, geography and history.

It is further ironic that the committee is taking up this bill on the very same day it is voting on a bill to allow parents to request that their children be excused from taking statewide standardized examinations amid expressed concerns that there is too much standardized testing being required of students.

We did not come to a position of opposing this bill lightly. Like you, school board members are sensitive to the concern that many Americans aren't fluent in the language of money and could benefit from instruction in personal finance. By that, we're not just talking about learning to balance a checkbook. We're talking about the need to understand concepts like simple vs. compound interest, the time value of money, opportunity cost, risk and reward, and the importance of savings.

But school board members also know that school budgets are tight and, in many districts facing frozen budgets, classes are more likely to be cut than added. My members and my association oppose the imposition of unfunded mandates on school districts and many will view this as such.

You may ask: what costs would a school district incur? For one, because the model academic standards were written as grade-span standards and set specific standards only for grades 4, 8 and 12, they don't tell schools what the standards are for the other grades or how to sequence instruction to get from grade 4 to grade 8 or from grade 8 to grade 12. Although there are some core performance standards (big ideas) that are similar for grades 4, 8 and 12, school districts will have to spend time and effort to pull out what the standards are for other grades.

To highlight this problem, the bill would apply to statewide standardized examinations administered in grades 4, 8, 9, 10 and 11 but there are no specific model standards for grades 9, 10 or 11. Schools will want to know what concepts will specifically be tested at each grade level in order to assure their students are proficient.

Even for the many districts that have already made a commitment to personal financial literacy, there will be costs associated with this. The smaller the commitment a district has made, the greater the cost.

Second, this bill appears to require personal financial literacy to be incorporated into the curriculum in all grades from kindergarten through 12th grade. In order to do this, they will have to determine what type of instruction is age appropriate and developmentally appropriate for each grade level. These standards were published in 2006 and much as changed since then. However, the background materials and sample curriculum materials posted on the DPI website do not appear to have been updated.

Again, even for the many districts that have already made a commitment to personal financial literacy, there will be costs associated with this. The smaller the commitment, the greater the cost.

My association's concerns about this bill and how it may impact school districts stem in part from the fact that we lack complete information about whether and to what extent districts are already incorporating financial literacy instruction into their curricula as well as what types of financial literacy programs and activities school districts currently provide their students, as well as the degree to which school districts have already specifically incorporated the state's Model Academic Standards for Financial Literacy into their curriculum. We note that the fiscal estimate for the bill prepared by the DPI indicates the cost of the bill to schools is indeterminate.

We can, however, glean information from a variety of sources, including a survey conducted by the Department of Financial Institutions and St. Norbert in 2013. That survey, which included responses from 415 or Wisconsin's 424 public school districts, found that at least 44 percent of all Wisconsin public school districts require a course in personal financial literacy in order to graduate from high school, while 74 of districts include personal financial literacy content integrated within courses other than a discrete personal financial literacy.

The study also found 60 percent of school districts reported offering personal financial literacy content at grade levels other than high school. Interestingly, of districts with a required course, the study found 89 percent have aligned their personal financial literacy course to Wisconsin's Model Academic Standards for Personal Financial Literacy. This suggests 11 percent may be using standards other than the state's model academic standards. An unintended consequence of this bill, as drafted, might be to

force these districts to redesign their required courses, perhaps from scratch. At any rate, it is unclear what the cost to these districts would be if they had to align their courses to the state's standards.

More recently, the DPI has estimated that 64 percent of districts have personal financial literacy as a graduation requirement or embedded within a course required for graduation, based on the DFI survey and Financial Literacy Grant applications the Department has received. We think these grants have worked well to encourage more instruction in personal financial literacy and we generally prefer the approach of providing "carrots" over "sticks."

Clearly, many districts take personal financial literacy very seriously. What we don't know is what the rest of districts are doing and how much implementing this bill would cost them.

With regard to costs, it is our understanding that should this bill be enacted Wisconsin would be in a unique position as the only state requiring a statewide standardized examination that incorporates a personal financial literacy component. This component would be aligned to the Wisconsin Model Academic Standards for Personal Financial Literacy which include content, performance and proficiency standards but only for grades 4, 8 and 12.

As the result of the budget language that requires Wisconsin to adopt its third standardized assessment in three years, Wisconsin currently has a Request for Proposals for a new statewide examination outstanding. The fiscal estate for this bill prepared by the DPI suggests it is unclear how much it would cost to customize a test to align with Wisconsin's model academic standards or whether this would delay the timely implementation of new tests designed to replace the old tests.

Finally we note that this bill, as draft, **would not** require private schools that participate in the parental choice (voucher) program to incorporate the state's model academic standards for financial literacy into their curricula. However, since students who receive vouchers are, by definition low-income, one would assume that they would benefit as much as any student from personal financial literacy education.

Because all students who receive vouchers are required to take the state assessments, this bill would require voucher students to be assessed on their personal financial literacy to the same extent that they are assessed on their knowledge of mathematics, science, reading and writing, geography, and history. In effect, this bill will bring an implied, if not actual, mandate on private voucher schools because if those schools want their students to perform well on the state assessments they will have to provide instruction to that end.

Ironically, in this regard, it is possible some may accuse the Legislature of stepping in and dictating local curriculum, not only for public schools but for private schools as well, something many Wisconsinites, including some members of this committee, have accused the federal government of doing by supporting the Common Core standards.

I would be happy to answer any questions you might have.