

# Legislative Analysis



## **MICHIGAN MERIT CURRICULUM; PERSONAL FINANCE COURSE**

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**House Bill 5190 (H-1) as reported from committee**  
**Sponsor: Rep. Diana Farrington**  
**Committee: Education**  
**Complete to 11-30-21**

Analysis available at  
<http://www.legislature.mi.gov>

### **SUMMARY:**

House Bill 5190 would amend the Revised School Code to add a 1/2-credit personal finance requirement and reduce the foreign language requirement from 2 credits to 1-1/2 credits in the Michigan Merit Curriculum (MMC). The Michigan Department of Education (MDE) would have to develop subject area content expectations for the personal finance course. The current requirements would apply for the last time to students entering 8th grade in 2022, and the new requirements would apply to all subsequent students.

Currently, the 1/2-credit economics requirement in the curriculum may be satisfied with at least a 1/2-credit course in personal economics, and 1 credit of the 4-credit mathematics requirement may be satisfied with a course in financial literacy.<sup>1</sup> Under the bill, those provisions would last apply to students entering grade 8 in 2022. Beginning with students entering grade 8 in 2023, the board of a school district or board of directors of a public school academy (PSA, or charter school) could not award a high school diploma to a student unless the student had successfully completed a 1/2-credit course in personal finance that included a financial literacy component. (This requirement would be in addition to the economics requirement.)

Additionally, the 2-credit foreign language requirement for a high school diploma that applies to students entering grade 3 in 2006 and thereafter would apply for the last time to students entering grade 8 in 2022.

The bill would retain the same stipulations for meeting the foreign language requirement and being awarded a high school diploma, but would change it from a 2-credit requirement to 1-1/2 credits. As is the case now, a student could partially or fully fulfill 1 credit of that requirement by completing an MDE-approved career and technical education program or curriculum or by completing visual or performing arts instruction.

The bill would require MDE to develop subject area content expectations that apply to a 1/2-credit course in personal finance, which would be required for students beginning grade 8 in 2023 and subsequent years. 2002 PA 111 added section 1165 to the code, which required MDE to develop a model program for youth financial education by July 1, 2002.<sup>2</sup> The bill states that the MDE-developed course must include a financial literacy component as described

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<sup>1</sup> 2015 PA 186 (HB 4390) introduced the option for students to satisfy the 1/2-credit economics requirement by completing at least a 1/2-credit course in personal economics. <http://www.legislature.mi.gov/documents/2015-2016/billanalysis/House/pdf/2015-HLA-4390-1E2B329F.pdf>

<sup>2</sup> House Fiscal Agency analysis of 2002 PA 111 (HB 5327): <http://www.legislature.mi.gov/documents/2001-2002/billanalysis/House/pdf/2001-HLA-5327-b.pdf>

in section 1165 that also covers the subject area content expectations developed by MDE and approved by the State Board of Education.

Section 1278b describes the interested parties that must be solicited for input and other reporting requirements for MDE when developing subject area content expectations

Additionally, the bill refers to a shift in testing in high school math and science from “the ACT or SAT examinations, as applicable” to using the “applicable state assessment” to assess math and science. This reflects the use of the Michigan Student Test of Educational Progress (M-STEP) to measure student performance relative to the Michigan Academic Standards in science. The move to the M-STEP was planned for spring 2020 but was not implemented due to the cancellation of testing. The M-STEP science test was first operational for spring 2021.<sup>3</sup>

Finally, the bill would remove language that would have instituted certain requirements if a section 1290 of the code were enacted. HB 4079 of the 2005-06 legislative session<sup>4</sup> proposed a section 1290 that would have instituted an “education mandate rollback law” that would have allowed the state superintendent of public instruction to waive certain state and federal education requirements. However, that bill was never enrolled or enacted.

MCL 380.1278a and 380.1278b

#### **FISCAL IMPACT:**

The bill would increase costs for the state and could increase costs for local school districts and PSAs.

MDE would incur an indeterminate cost to develop subject area content expectations for a 1/2-credit course in personal finance.

Districts and PSAs could incur an indeterminate cost to adjust their course offerings, including adjusting staff as necessary, and to ensure students complete the 1/2-credit personal finance course in order to graduate.

#### **POSITIONS:**

Representatives of the following entities testified in support of the bill (10-26-21):

- Michigan Bankers Association
- Michigan Council on Economic Education
- National Association of Economic Educators
- Next Gen Personal Finance
- Ballmer Group of Southeast Michigan

The following entities indicated support for the bill (10-26-21):

- Community Bankers of Michigan
- United Wholesale Mortgage
- Michigan Credit Union League

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<sup>3</sup> [https://www.michigan.gov/documents/mde/Guide\\_to\\_State\\_Assessments\\_622260\\_7.pdf](https://www.michigan.gov/documents/mde/Guide_to_State_Assessments_622260_7.pdf)

<sup>4</sup> House Fiscal Agency analysis of HBs 4079 and 4080 of 2005-06: <http://www.legislature.mi.gov/documents/2005-2006/billanalysis/House/pdf/2005-HLA-4079-3.pdf>

The Michigan Department of Education indicated no position on the bill. (11-2-21)

A representative of the Michigan Association of Secondary School Principals testified in opposition to the bill. (10-26-21)

The following entities indicated opposition to the bill:

- Michigan Education Association (10-26-21)
- Michigan World Language Association (10-26-21)
- Michigan Association of School Boards (11-2-21)
- Michigan Association of Superintendents and Administrators (11-2-21)
- Education Advocates of West Michigan (11-2-21)

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.