

# Legislative Analysis



## PERSONAL FINANCE COURSE IN MICHIGAN MERIT CURRICULUM

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<http://www.house.mi.gov/hfa>

**House Bill 5190 as enacted**

**Public Act 105 of 2022**

**Sponsor: Rep. Diana Farrington**

**House Committee: Education**

**Senate Committee: Education and Career Readiness**

**Complete to 2-9-23**

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

### SUMMARY:

House Bill 5190 amends the Revised School Code to add a 1/2-credit personal finance course in the Michigan Merit Curriculum (MMC). The Michigan Department of Education (MDE) must develop subject area content expectations for the course. These requirements apply beginning with students entering 8th grade in 2023.

Previously, the 1/2-credit economics requirement in the curriculum had to be satisfied with at least a 1/2-credit course in personal economics, and 1 credit of the 4-credit mathematics requirement could be satisfied with a course in financial literacy.<sup>1</sup> Under the bill, those provisions apply only for students entering 8th grade *prior to* 2023.

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) cannot award a high school diploma to a student unless the student has successfully completed a 1/2-credit course in personal finance that aligns with subject area content expectations developed by MDE and approved by the State Board of Education under section 1278b. This requirement is in addition to the 1/2-credit economics requirement.

The 1/2-credit course in personal finance must fulfill one of the following required under the code, as determined by the board of the school district or board of directors of the PSA in which the student is enrolled:

- 1/2 credit of mathematics.
- 1/2 credit of visual arts, performing arts, or applied arts.
- 1/2 credit of a language other than English.

The 1/2-credit course in personal finance may be fulfilled through an MDE-approved formal career and technical education program or curriculum that aligns with the subject area content expectations developed by MDE and approved by the State Board of Education for the credit under section 1278b.

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

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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>

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>2</sup>

Finally, the bill removes language that would have instituted certain requirements if a section 1290 of the code were enacted. House Bill 4079 of the 2005-06 legislative session<sup>3</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 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.

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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.

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<sup>2</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>3</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>