



Senate Fiscal Agency  
P.O. Box 30036  
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383  
Fax: (517) 373-1986

House Bill 5190 (Substitute H-1 as passed by the House)  
Sponsor: Representative Diana Farrington  
House Committee: Education  
Senate Committee: Education and Career Readiness

Date Completed: 5-10-22

## **CONTENT**

### **The bill would amend the Revised School Code to:**

- **Modify certain mathematics and foreign language requirements a pupil must meet to be awarded a high school diploma.**
- **Prohibit a school district or public school academy (PSA) from awarding a high school diploma to a pupil, beginning with pupils entering grade 8 in 2023, unless the pupil successfully completed a half-credit course in personal finance that included a financial literacy component.**
- **Require the Department of Education (MDE) to develop subject area content expectations that applied to the half-credit course in personal finance required under the bill.**
- **Delete provisions allowing districts to apply for a contract that waives certain State or Federal requirements.**

### Financial Literacy

Except as otherwise provided, Section 1278a of the Code prohibits the board of a school district or board of directors of a PSA from awarding a high school diploma to a pupil unless the pupil meets certain requirements. Among other requirements, a pupil must complete successfully at least four credits in mathematics that are aligned with subject area content expectations developed by the MDE and approved by the State Board of Education, including all the following:

- Completion of at least algebra I, geometry, and algebra II, or an integrated sequence of this course content that consists of three credits.
- An additional mathematics credit, such as trigonometry, statistics, precalculus, calculus, applied math, accounting, business math, a retake of algebra II, or a course in financial literacy as described in Section 1165 of the Code.

(Section 1165 of the Code specifies that a financial literacy program must be designed to incorporate financial education throughout the curriculum for grades K to 12 and must be based on the concept of achieving financial literacy through the teaching of personal financial management skills and the basic principles involved with earning, spending, saving, borrowing, and investing.)

Under the bill, the option to use a financial literacy course as described above to fulfill a pupil's additional mathematics credit would apply lastly to pupils entering grade eight in 2022.

The Code also requires a pupil to complete at least three credits in social science that are aligned with subject area content expectations developed by the MDE and approved by the State Board, including completion of at least one credit in United States history and geography, one credit in world history and geography, a half-credit in economics, and a one-semester civics course. The Code specifies that the half-credit economics requirement may be satisfied by completion of at least a half-credit course in personal economics that includes a financial literacy component as described in Section 1165, if that course covers the subject area content expectations developed for economics.

Under the bill, the option to satisfy the half-credit economics requirement by completing at least a half-credit course in personal economics as described above would apply lastly to pupils entering grade 8 in 2022.

In addition to the requirements for graduation, and beginning with pupils entering grade 8 in 2023, the board of a school district or the board of directors of a PSA could not award a high school diploma to a pupil unless the pupil had successfully completed a half-credit course in personal finance that included a financial literacy component as described in Section 1165 and that covered the subject area content expectations developed by the MDE under Section 1278b for the course.

For the purposes of Section 1278a, the Code requires the MDE to develop, among other things, subject area content expectations that apply to the credit requirements of the Michigan merit standard that are required under the Code. The bill also would require the MDE to develop subject area content expectations that applied to the half-credit course in personal finance required under the bill.

#### Foreign Language Requirement

Generally, under the Code, the board of a school district or board of directors of a public school academy may not award a high school diploma to a pupil unless the pupil has successfully completed during grades K to 12 at least two credits that are grade-appropriate in a language other than English or course work other learning experiences that are substantially equivalent to two credits of a language other than English based on guidelines developed by the MDE. Under the bill this requirement would apply lastly to pupils entering grade 8 in 2022.

Under the bill, in addition to the requirements under the Code, beginning with pupils entering grade 8 in 2023, the board of a school district or the board of directors of a PSA could not award a high school diploma to a pupil unless the pupil had successfully completed during grades K to 12 at least one and one-half credits that were grade-appropriate in a language other than English or course work or other learning experiences that were substantially equivalent to one and one-half credits in a language other than English based on guidelines developed by the MDE.

#### Specialty Schools

Under the Act, a high school that is designated by the superintendent of a public institution as a specialty school is exempt from curriculum requirements only if it meets certain requirements. Among other requirements, for the most recent year for which the data are available the mean scores on both the mathematics and science portions of the ACT examination for the pupils of the high school exceed by at least 10% the mean scores on the mathematics and science portions for the ACT examination for the pupils of the school district in which the greatest number of pupils of the high school reside. The bill would refer to the *applicable State assessment* instead of the ACT examination.

## Required Credits

Currently, if a school district or PSA is unable to implement all of the curricular requirements in certain circumstances the school district or PSA may apply to the MDE for permission to phase in one or more of the requirements. The school district or PSA must submit for approval a phase in plan to the MDE. If the MDE disapproves of a proposed phase-in plan, the MDE must work with the school district or PSA to develop a satisfactory plan.

However, if legislation is enacted to allow school districts and PSAs to apply for a contract that waives certain State or Federal requirements, then the above provisions do not apply but the school district or PSA may take action described as follows. If a school district or PSA does not offer all of the required credits or provide options to have access to the required credits and if legislation is enacted to allow school districts or PSAs to apply for a contract that waives certain State or Federal requirements, then the school district or PSA is encouraged to apply for a contract under Section 1290. The purpose of a contract is to improve pupil performance. The bill would delete these provisions.

MCL 380.1278a & 380.1278b

Legislative Analyst: Eleni Lionas

## **FISCAL IMPACT**

The bill would have a negative fiscal impact on the State and local units of government. The MDE would experience administrative costs to update the content expectations to include a half-credit course in personal finance for graduation. The one-time costs could be greater than current appropriations in order to complete the content expectations for school year 2022-23 for incoming grade 8 pupils.

Local school districts and PSAs would experience additional costs to adjust their course offerings to include the half-credit course in personal finance for all students. Since this a new requirement for all students for a new subject area instead of adding requirements or options to existing subject areas, the costs likely would be greater and could require the hiring and training of additional staff and necessary materials. The final costs would be indeterminate and would depend on existing scheduling, resources, and staffing for each school and the amount necessary to meet the new graduation requirement.

Fiscal Analyst: Cory Savino, PhD

SAS\S2122\s5190sa

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.