

**SB2387**



**95TH GENERAL ASSEMBLY**

**State of Illinois**

**2007 and 2008**

**SB2387**

Introduced 2/14/2008, by Sen. Jacqueline Y. Collins

**SYNOPSIS AS INTRODUCED:**

105 ILCS 5/27-12.1

from Ch. 122, par. 27-12.1

Amends the School Code. Adds homeownership, including the basic process of obtaining a mortgage and the concepts of fixed and adjustable rate mortgages, subprime loans, and predatory lending, as part of the financial literacy component of consumer education.

LRB095 19213 NHT 45464 b

FISCAL NOTE ACT  
MAY APPLY

**A BILL FOR**

1 AN ACT concerning education.

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

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

6 (105 ILCS 5/27-12.1) (from Ch. 122, par. 27-12.1)

7 Sec. 27-12.1. Consumer education.

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

1 agriculture, business, labor unions and government in  
2 formulating and achieving the goals of the mixed free  
3 enterprise system. The State Board of Education shall devise or  
4 approve the consumer education curriculum for grades 9 through  
5 12 and specify the minimum amount of instruction to be devoted  
6 thereto.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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