

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.)