

**ALASKA STATE LEGISLATURE
HOUSE EDUCATION STANDING COMMITTEE**

January 24, 2024

8:00 a.m.

MEMBERS PRESENT

Representative Justin Ruffridge, Co-Chair

Representative Mike Prax

Representative CJ McCormick

Representative Tom McKay

Representative Rebecca Himschoot

Representative Andi Story

MEMBERS ABSENT

Representative Jamie Allard, Co-Chair

COMMITTEE CALENDAR

CS FOR SENATE BILL NO. 99(EDC)

"An Act establishing a financial literacy education program for public schools; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 99

SHORT TITLE: FINANCIAL LITERACY PROGRAM IN SCHOOLS

SPONSOR(S): SENATOR(S) WIELECHOWSKI

03/10/23	(S)	READ THE FIRST TIME - REFERRALS
03/10/23	(S)	EDC
03/29/23	(S)	EDC AT 3:30 PM BELTZ 105 (TSBldg)
03/29/23	(S)	Heard & Held
03/29/23	(S)	MINUTE(EDC)
04/05/23	(S)	EDC AT 3:30 PM BELTZ 105 (TSBldg)
04/05/23	(S)	Heard & Held
04/05/23	(S)	MINUTE(EDC)
04/14/23	(S)	EDC AT 3:30 PM BELTZ 105 (TSBldg)
04/14/23	(S)	-- MEETING CANCELED --
04/17/23	(S)	EDC AT 3:30 PM BELTZ 105 (TSBldg)
04/17/23	(S)	Moved CSSB 99(EDC) Out of Committee
04/17/23	(S)	MINUTE(EDC)

04/19/23	(S)	EDC RPT CS 3DP 1AM	NEW TITLE
04/19/23	(S)	DP: TOBIN, GRAY-JACKSON, KIEHL	
04/19/23	(S)	AM: BJORKMAN	
04/19/23	(S)	FIN REFERRAL ADDED AFTER EDC	
04/24/23	(S)	FIN AT 9:00 AM SENATE FINANCE 532	
04/24/23	(S)	Heard & Held	
04/24/23	(S)	MINUTE(FIN)	
05/10/23	(S)	FIN RPT CS(EDC) 3DP 3NR	NEW TITLE
05/10/23	(S)	DP: HOFFMAN, KIEHL, BISHOP	
05/10/23	(S)	NR: OLSON, WILSON, MERRICK	
05/10/23	(S)	FIN AT 9:00 AM SENATE FINANCE 532	
05/10/23	(S)	Moved CSSB 99(EDC) Out of Committee	
05/10/23	(S)	MINUTE(FIN)	
05/13/23	(S)	TRANSMITTED TO (H)	
05/13/23	(S)	VERSION: CSSB 99(EDC)	
05/15/23	(H)	READ THE FIRST TIME - REFERRALS	
05/15/23	(H)	EDC, FIN	
01/24/24	(H)	EDC AT 8:00 AM DAVIS 106	

WITNESS REGISTER

SENATOR BILL WIELECHOWSKI
 Alaska State Legislature
 Juneau, Alaska

POSITION STATEMENT: As prime sponsor, presented SB 99.

HUNTER LOTTSFELDT, Staff
 Senator Bill Wielechowski
 Alaska State Legislature
 Juneau, Alaska

POSITION STATEMENT: Presented a PowerPoint, titled "Financial Literacy SB 99," on behalf of Senator Wielechowski, prime sponsor of CSSB 99 (EDC).

LEOLA RUTHERFORD, Teacher
 Girdwood PreK-8 School
 Girdwood, Alaska

POSITION STATEMENT: Gave invited testimony in support of CSSB 99 (EDC).

FLORA TEO, President
 Junior Achievement of Alaska
 Anchorage, Alaska

POSITION STATEMENT: Gave invited testimony in support of CSSB 99 (EDC).

DEB RIDDLE, Division Operations Manager

Division of Innovation and Education Excellence
Department of Education and Early Development
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on CSSB 99 (EDC).

ACTION NARRATIVE

[8:00:39 AM](#)

CO-CHAIR JUSTIN RUFFRIDGE called the House Education Standing Committee meeting to order at 8:00 a.m. Representatives McCormick, McKay, Himschoot, Story, and Ruffridge were present at the call to order. Representative Prax arrived as the meeting was in progress.

SB 99-FINANCIAL LITERACY PROGRAM IN SCHOOLS

[8:01:21 AM](#)

CO-CHAIR RUFFRIDGE announced that the only order of business would be CS FOR SENATE BILL NO. 99(EDC), "An Act establishing a financial literacy education program for public schools; and providing for an effective date."

[8:01:55 AM](#)

SENATOR BILL WIELECHOWSKI, Alaska State Legislature, as prime sponsor, presented CSSB 99 (EDC). He proclaimed that Alaska has the worst financial aid in the U.S. and does not do well in financial literacy. He paraphrased the sponsor statement [included in the committee packet] as follows [original punctuation provided]:

Senate Bill 99 will give Alaskan students important life skills they will use throughout the rest of their lives by requiring school districts to offer financial literacy curriculum for high school students.

Teaching financial literacy will equip students with the knowledge they need to avoid common financial pitfalls and manage their money successfully. This course will teach the ability to understand and manage personal finances, including topics such as budgeting, investing, managing debt, and avoiding scams and fraud. It will also help students access post-secondary education opportunities in the most cost-

effective way by teaching about the Alaska Performance Scholarship and how to apply for financial aid.

Giving students a well-rounded financial literacy education will help Alaskans save, avoid debt, and improve the Alaskan economy. It will also help reduce reliance on social programs funded and administered by the state. Increasing consumer debt can significantly harm our overall economy and is associated with lower GDP growth, higher unemployment, and greater likelihood of a future banking crisis.

It is easy for young adults to fall into the trap of predatory lending or to agree to interest rates or loan terms they do not understand. Alaska leads the nation in credit card debt at \$8,026 per person. The average US household owes \$17,000 in credit card debt and \$56,000 in student loans. Fifty-five percent of Americans have less than \$1,000 in a savings account and the median retirement savings is only \$60,000 for all families in America. This bill will arm young Alaskans with the knowledge they need to use credit and other financial tools responsibly before they sign up for a loan or open a new credit card.

SB 99 gives school districts the flexibility to choose how to incorporate the financial literacy course into their elective curriculum requirements. Twenty-two states already have a similar financial literacy requirement, and many more school districts offer similar curriculum. This bill will take effect July 1, 2025.

Passing SB 99 will help students become financially responsible adults, leading to greater stability and security in their lives, and improving our state.

SENATOR WIELECHOWSKI added that the intention is to make working with the school districts as easy as possible, and that he is sensitive to the mandate issue.

[8:05:52 AM](#)

HUNTER LOTTSFELDT, Staff, Senator Bill Wielechowski, Alaska State Legislature, presented a PowerPoint, titled "Financial Literacy SB 99," on behalf of Senator Wielechowski, prime sponsor of CSSB 99 (EDC). He moved to slide 3, titled "Why do

we need Financial Literacy?," which read as follows [original punctuation provided]:

- Only $\frac{1}{3}$ of Americans can comfortably cover a \$400 emergency
- Average credit card debt in Alaska: \$8,026
- Average student loan debt in Alaska: \$34,024
- Alaska received an "F" grade in teaching financial literacy

MR. LOTTSELDT moved to slide 4, titled "Senate Bill 99," which read as follows [original punctuation provided]:

- Adds a 0.5 credit in financial literacy
- Course should cover topics including:
 - Making a budget
 - Avoiding fraud and financial deception
 - Basic principles of retirement accounts
 - Postsecondary financial aid and scholarships

MR. LOTTSELDT continued to slide 5, titled "Committee Substitute," which read as follows [original punctuation provided]:

After meeting with more stakeholders we amended SB99 to allow schools more flexibility in how they implement these topics and expanded the scope of the bill to include a greater breath of financial institutions/scenarios.

MR. LOTTSELDT added that the CS is designed to make academic subjects more applicable to the real world, and ideally, a school district could implement it over math or other elective courses.

[8:08:36 AM](#)

MR. LOTTSELDT advanced to slide 6, titled "Support for Senate Bill 99," which featured broad support for the bill from districts to parents. He concluded on slide 7, titled "Questions," and invited comments and questions from the committee.

[8:08:58 AM](#)

REPRESENTATIVE STORY brought up funding and that it would take extra administration time of 60 to 90 hours. Someone must coordinate and verify this with the districts, she said, and she asked about specific funds.

SENATOR WIELECHOWSKI explained what the fiscal note for \$71,000 covered.

REPRESENTATIVE STORY asked whether there should be money for the districts for having to "keep coordinating this" until they know the framework of how it would be delivered.

SENATOR WIELECHOWSKI said the way it is envisioned is that schools would incorporate financial literacy in classes that are already being taught.

REPRESENTATIVE STORY brought up graduation requirements and whether there should be an amendment to address transfer students.

SENATOR WIELECHOWSKI stated he would look into the transfer issue.

[8:13:53 AM](#)

REPRESENTATIVE PRAX reflected on Alaska having the worst loan application rate and asked whether that was a misunderstanding.

SENATOR WIELECHOWSKI clarified that he said the state had the lowest percentage of students applying for financial aid.

REPRESENTATIVE PRAX expressed surprise that these topics are not currently being taught.

SENATOR WIELECHOWSKI acknowledged that some schools may have been teaching the "specific things laid out here," but recently many districts have made it a requirement.

REPRESENTATIVE PRAX offered his belief that it is a matter of motivation, and that he was unsure if another mandate would be successful.

[8:16:57 AM](#)

CO-CHAIR RUFFRIDGE welcomed invited testimony.

[8:17:40 AM](#)

LEOLA RUTHERFORD, Teacher, Girdwood PreK-8 School, gave invited testimony in support of CSSB 99 (EDC). She added to Representative Prax' thoughts on motivation and stressed that teachers show passion to teach. She stated that Alaska currently has an F rating on America's score card and the state can do better in getting everyone an essential education that ensures they are career and life ready. She said there is a large percentage of parents and students that want a valuable curriculum like financial literacy to be taught, and although financial literacy should be common sense, things are always changing. She urged the committee to pass SB 99 and help teachers and students. She added that transfer students could still graduate with the requirement.

[8:22:24 AM](#)

REPRESENTATIVE HIMSCHOOT asked Ms. Rutherford to speak about online curricula and how it tied into the 14 requirements in CSSB 99 (EDC).

MS. RUTHERFORD stated that Next Gen Personal Finance (NGPF) is one of the four curriculum she uses to create a program. She added that more modules could be shared with other teachers across the state for free access to the curriculum. She brought up an example of financial algebra, which she integrates into her math classes.

[8:25:39 AM](#)

REPRESENTATIVE STORY expressed that one of her concerns was of the district putting requirements on teachers and causing time constraints. She stated another concern about the quality of delivery being provided at no cost.

MS. RUTHERFORD explained that when teachers take the training, it helps both them and their students. The curriculum provides real life applications integrated into many subjects.

[8:29:24 AM](#)

FLORA TEO, President, Junior Achievement of Alaska, gave invited testimony in support of CSSB 99 (EDC). She said that Alaska has not addressed financial literacy and the state needs to be graduating students that understand the mechanics of personal

finance and how to apply the concepts. She opined that leadership from Juneau on this issue is needed.

[8:31:03 AM](#)

REPRESENTATIVE STORY expressed her appreciation to everyone in Junior Achievement (JA) and said Juneau was fortunate to have them visit and deliver lessons to the children.

[8:31:27 AM](#)

REPRESENTATIVE HIMSCHOOT expressed her gratitude and gave a personal example of her involvement with JA. She asked whether Ms. Teo's organization tracks where junior JA is offered, such as rural districts, and whether there are online options with JA.

MS. TEO replied yes, in 2010 the Rural Alaska Initiative was created, and she related its teachings of financial literacy. She further explained the teachings are not "one size fits all" and the more it can be aligned to the environment students learn in, the more effective it can be. In response to a follow-up question, she confirmed that JA is available in Google Classroom and Canvas as well as an online program titled JA Connect.

[8:35:14 AM](#)

REPRESENTATIVE HIMSCHOOT asked Ms. Teo to elaborate on the recommended 60 to 90 hours and whether it is a cumulative thing where multiple grades are covered.

MS. TEO explained that because it is not a requirement currently, it is cumulative and also tracked that way. She added it is done both in one day but also could be a 60- to 90-hour, semester-long elective.

[8:38:16 AM](#)

REPRESENTATIVE STORY requested to hear from Ms. Riddle. Focusing on the fiscal note and how the bill would affect the Department of Education and Early Development (DEED), she asked why DEED does not give a fiscal note when it thinks something will cost the district money.

[8:38:35 AM](#)

DEB RIDDLE, Division Operations Manager, Division of Innovation and Education Excellence, Department of Education and Early Development, explained she could get more information as to why the department does not make estimates for the districts, but typically, she added, DEED looks at how the fiscal note would affect the budget of the department.

[8:41:06 AM](#)

REPRESENTATIVE MCCORMICK acknowledged that the bill was important, but he shared concerns regarding unfunded mandates that seem to be a perpetual problem. He asked what the limits to the flexibility in the CSSB 99 (EDC) would be.

SENATOR WIELECHOWSKI referred to page 1, lines 12 and 13 of CSSB 99 (EDC), that "the program must include, to the maximum extent practicable". He said in some communities, it may not be practicable for this information to be taught.

[8:43:17 AM](#)

REPRESENTATIVE STORY asked for understanding of language beginning on page 1, line 11, "A school may not issue a secondary school diploma to a student unless the student has completed a financial literacy program under this section."

SENATOR WIELECHOWSKI said the intent is that districts must have a financial literacy program. He gave an example of if a small district cannot obtain teachers for certain subject matter related to financial literacy, then the district has gone to the maximum extent practicable.

REPRESENTATIVE STORY pointed out lines 6 and 7 in the bill and observed that someone in each school would have to put together a flexible curriculum, and she expressed her concern that that would take some finance resources on the part of the district. She said she appreciated the bill but opined that a fiscal note should be added to CSSB 99 (EDC).

[8:46:15 AM](#)

REPRESENTATIVE HIMSCHOOT asked Senator Wielechowski whether he could "drill down" on the 60 to 90 hours.

SENATOR WIELECHOWSKI replied the requirement is on page 1, line 10, and related he did not know how much a half-credit is, but it is in statute.

REPRESENTATIVE HIMSCHOOT referred to lines 7 and 8, and relayed concern over districts having to create a curriculum and have it approved by the department. She further asked for clarification as to what the rubric would be.

SENATOR WIELECHOWSKI replied, "It says what it says." In response to a follow-up question, he explained if there is a small school district that wanted to alter the plan, then the department would review it and approve or deny it.

REPRESENTATIVE HIMSCHOOT pointed out lines 11 and 12, and asked whether a student would still graduate if they have not completed the course. She further inquired about any rural districts Senator Wielechowski had worked with on the bill.

SENATOR WIELECHOWSKI reiterated, "That is what it says." In response to a follow-up question, he stated that the bill had been through the Senate Standing Education and Finance Committees, and he could not give specific names of school districts. He added he was not aware of any opposition from rural school districts.

[8:49:39 AM](#)

REPRESENTATIVE HIMSCHOOT agreed most of the educators in her district also support the bill, but the word "shall" is causing concern.

SENATOR WIELECHOWSKI restated that he had not received any opposition. He said legislators set policy. He added that from his personal perspective, it is important to set in policy that kids should learn things they can use and need each day of their lives, such as how to make a budget. He reiterated Alaska had the lowest application rate in the U.S. From a policy perspective, he said, it would help kids understand the economic realities they will face once they leave high school.

[8:53:28 AM](#)

CO-CHAIR RUFFRIDGE asked Senator Wielechowski whether there was a history of teaching financial literacy in other places. He also inquired whether there would be ongoing costs.

[8:55:04 AM](#)

SENATOR WIELECHOWSKI replied that he could not provide a history of how it came to this point. He stated there is a tremendous amount of theory involved. He provided a personal example of his daughter's class, and classes in general moving towards real life application. He opined that in the future, kids need to be taught more practical things such as this.

[8:59:01 AM](#)

REPRESENTATIVE PRAX pointed out that there was a difference between a good idea and a good law. He reiterated that [the state] cannot require someone to be motivated. Teaching financial literacy works if there are enthusiastic people, and people are not required to be enthusiastic. He said 50 years ago, these materials were taught, one of them being consumer economics. He gave further examples of past educational practices and the lack of motivation that could come about.

[9:03:34 AM](#)

REPRESENTATIVE MCKAY opined that the bill was a great idea but questioned who in the 54 districts would be the financial literacy officers to decide if the plan is adequate for their regions. He brought up the idea of a potential module that could be created at the state level that would be available to be taught across the board.

[9:06:08 AM](#)

SENATOR WIELECHOWSKI said there is tension within local control versus state mandate, and it is his intention to balance that in SB 99, with flexibility built into the program. He added that DEED will look at what is submitted and say "yes" or "no".

[9:07:42 AM](#)

MS. RIDDLE added that the idea of the rubric was to provide to the districts, and make sure the courses meet requirements.

[9:08:16 AM](#)

REPRESENTATIVE STORY expressed her belief that it was important to fund the districts because they do not have enough funds to move forward adequately. She stressed that the legislature must back it up with the dollars.

[9:09:53 AM](#)

CO-CHAIR RUFFRIDGE invited comments from the committee and set an amendment deadline for CSSB 99 (EDC).

[CSSB 99 (EDC) was held over]

9:11:08 AM

ADJOURNMENT

There being no further business before the committee, the House Education Standing Committee meeting was adjourned at 9:11 a.m.