

**STATE and LOCAL
REVISED CONDITIONAL FISCAL IMPACT**

(replaces fiscal note dated April 8, 2008)

Drafting Number: LLS 08-0264
Prime Sponsor(s): Rep. Marshall
 Sen. Romer

Date: April 23, 2008
Bill Status: Senate Education
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TITLE: CONCERNING FINANCIAL LITERACY IN KINDERGARTEN-THROUGH-TWELFTH-
 GRADE EDUCATION.

Fiscal Impact Summary	FY 2008-2009	FY 2009-2010
State Revenue		
State Expenditures General Fund	Costs and timing of costs depend on factors discussed in State Expenditures section.	
FTE Position Change	0.0 FTE	0.0 FTE
Effective Date: The bill becomes effective upon signature of the Governor or upon becoming law without his signature.		
Appropriation Summary for FY 2008-2009: None.		
School District Impact: Costs of developing and implementing new financial literacy standards.		

Summary of Legislation

This **reengrossed bill** requires financial literacy to be included in both the model content standards for mathematics and the mathematics state assessments included in the Colorado State Assessment Program (CSAP). The State Board of Education shall adopt changes to the standards and assessments at the next review occurring after the effective date of this bill.

School districts must also revise the district content standards to meet or exceed financial literacy standards adopted by the board.

State Expenditures

While it is assumed integrating financial literacy into the mathematics standards and assessments will require time and resources, this cost is conditional based upon these factors: (1) the scope and nature of the financial literacy standards adopted, (2) the timing of the next review of standards and assessments, and (3) the incremental cost of adding financial literacy items to the whole of the mathematics standards and assessments changes. This fiscal note assumes that most costs will be subsumed by the cost of the full review process. For reference, an estimate of costs and work involved in creating a financial literacy standard outside of a full review of the standards and assessments is discussed below.

Model Content Standards. In developing standards, the Colorado Department of Education (CDE) will seek recommendations from parents and financial institutions. Review of all content standards may require research and development assistance to better define the appropriate curriculum for each grade level and help to define the financial literacy standards with the CSAP requirements in mind. Taken separately, developing a model content standard could cost up to \$200,000. As this bill makes financial literacy part of a larger investigation of model content standards, any incremental cost would be difficult to separate and are assumed to be fairly minimal. As such, this fiscal note assumes that adding financial literacy to mathematics will not require an additional appropriation.

CSAP redesign. The CDE will need to work with the testing vendor to redesign the mathematics CSAP and CSAPA (the alternate test for students with disabilities). New test questions will need to be developed for some, if not all, of the 8 grades that take the mathematics CSAP. Among other things, developing financial literacy questions for the mathematics test will require writing the questions, validating the content of the test, confirming that the test aligns with content standards, and checking for test bias. Administration and scoring procedures would also need to be developed to determine how to use the financial literacy information. Taken separately, adding a new standard to the CSAP and CSAPA is estimated to cost between \$650,000 and \$800,000. As integrating the financial literacy standard into the CSAP is expected to occur when the mathematics CSAP is written to the new model standards, it is assumed that some or all of these costs will also be absorbed within the budget for new CSAP development.

Technical Assistance. Once new model content standards have been developed, the CDE may provide the following technical support to the districts:

- distribution and training on the new standards;
- development of district standards;
- implementation of new CSAP standards;
- professional development for curriculum and assessments; and
- assistance with acquisition of materials.

As was true with model content standards expertise, technical assistance may be provided as part of the general mathematical standards support provided when the new model content standards are adopted. If necessary, the CDE may use existing or contract staff for technical assistance tasks.

School District Impact

All school districts will need to determine how to implement the newly created financial literacy model content standards. The bill requires school districts to adopt new content standards and curriculum that matches those standards. The magnitude and scope of the changes made by the districts will be related to CDE's standards.

Districts will likely need to engage in the following activities: creating professional development standards, providing professional development, rewriting curricular materials, purchasing course materials, providing additional courses or course time, and accommodating changes to the CSAP and other data collection. No funding has been identified for school districts.

Departments Contacted

Education

Governor