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111TH CONGRESS
1ST SESSION

S. 638

To provide grants to promote financial and economic literacy.

IN THE SENATE OF THE UNITED STATES

MARCH 19, 2009

Mrs. MURRAY (for herself, Mr. COCHRAN, and Mr. KAUFMAN) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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A BILL

To provide grants to promote financial and economic literacy.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Financial and Economic Literacy Improvement Act of 2009''.

SEC. 2. FINANCIAL AND ECONOMIC LITERACY EDUCATION GRANTS.

(a) IN GENERAL.—Part D of title V of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7241 et seq.) is amended by inserting after section 5537 the following:

"Subpart 13A—Financial and Economic Literacy Education

"SEC. 5538. FINANCIAL AND ECONOMIC LITERACY EDUCATION GRANTS.

''(a) AUTHORIZATION.—The Secretary shall award grants to eligible entities to enable such entities—

''(1) to award subgrants to local entities to provide financial and economic literacy education; and

''(2) to carry out activities designed to promote financial and economic literacy education.

''(b) ELIGIBLE ENTITIES.—In this section, the term 'eligible entity' means—

''(1) a State educational agency; or

''(2) a State partnership consisting of—

''(A) a State educational agency;

''(B) a nonprofit organization with experience and a proven quality track record in financial and economic literacy or personal finance education programs; and

''(C) a nonprofit organization with experience and a proven track record in quality professional development for teachers leading to higher student achievement in skills and subjects integral to financial and economic literacy or personal finance education.

"(c) APPLICATION.—An eligible entity that desires to receive a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require.

"(d) FORMULA.—From the total amount appropriated under subsection (g) for a fiscal year, the Secretary shall allot to each State for such fiscal year an amount that bears the same relation to such total amount as the amount such State received under part A of title I for such fiscal year bears to the total amount received by all States under part A of title I for such fiscal year.

"(e) USE OF FUNDS.—

"(1) SUBGRANTS TO ELIGIBLE LOCAL ENTITIES.—

"(A) ELIGIBLE LOCAL ENTITY.—In this section, the term 'eligible local entity' means—

"(i) a local educational agency; or

"(ii) a local partnership consisting of—

"(I) a local educational agency; and

"(II) not less than 1 of the following:

"(aa) A nonprofit organization with experience and a proven track record in quality financial and economic literacy or personal finance education programs.

"(bb) A nonprofit organization with experience and a proven track record in quality professional development for teachers leading to higher student achievement in skills and subjects integral to financial and economic literacy or personal finance education.

"(cc) An educational service agency.

"(dd) A recipient of an Excellence in Economic Education grant under subpart 13.

"(ee) An institution of higher education.

"(ff) A community organization.

"(gg) A representative of local business.

"(B) AUTHORIZATION OF SUBGRANTS.—An eligible entity that receives a grant under this section shall use 75 percent of such grant funds to award subgrants to eligible local entities.

"(C) APPLICATIONS.—

"(i) IN GENERAL.—An eligible local entity that desires to receive a subgrant under this paragraph shall submit an application to the eligible entity at such time, in such manner, and accompanied by such information as the eligible entity may require.

"(ii) REVIEW OF APPLICATIONS.—The eligible entity shall review applications submitted under clause (i) in the same manner as applications are reviewed under section 5534(b).

"(D) USE OF FUNDS.—An eligible local entity that receives a subgrant under this paragraph—

"(i) shall use the subgrant funds to—

"(I) implement teacher training programs to embed financial and economic literacy and personal finance

education into core academic subjects or to effectively coordinate the teaching of core academic subjects with teaching of financial and economic literacy and personal finance education;

"(II) administer financial and economic literacy assessments on not less than an annual basis in, at a minimum, the grade levels selected by the State pursuant to paragraph (2)(A); and

"(III) implement financial and economic literacy activities and sequences of study within, or coordinated with, core academic subjects; and

"(ii) may use the subgrant funds to implement school-based activities, including after school activities, to enhance student understanding and experiential learning with consumer, economic, and personal finance concepts.

"(E) REPORT.—An eligible local entity that receives a subgrant under this paragraph shall include in the annual report card under

section 1111(h)(2) the same information on student achievement on the financial and economic literacy assessments, administered pursuant to subparagraph (D), as required, pursuant to section 1111(h)(2), of the other State academic assessments described in section 1111(b)(3).

"(2) STATE ACTIVITIES.—An eligible entity that receives a grant under this section shall use 25 percent of such grant funds to carry out the following:

"(A) The development of financial and economic literacy standards in not less than 3 grade levels, including not less than 1 grade level in elementary school, not less than 1 grade level in middle school, and not less than 1 grade level in high school.

"(B) The development of appropriate financial and economic literacy assessments in the grade levels determined under subparagraph (A) that are valid, reliable, and comparable across the State.

"(C) Teacher professional development programs to embed financial and economic lit-

eracy or personal finance education into core academic subjects.

"(D) An evaluation of the impact of financial and economic literacy or personal finance education on students' understanding of financial and economic literacy concepts.

"(f) MATCHING FUNDS.—An eligible entity that receives a grant under this section shall provide, from non-Federal sources, an amount equal to 25 percent of the amount of the grant award to carry out activities required under this section.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $125,000,000 for each of fiscal years 2010 through 2015.

"SEC. 5539. FINANCIAL AND ECONOMIC LITERACY AND ECONOMIC EDUCATION CLEARINGHOUSE.

"(a) CLEARINGHOUSE.—The Secretary shall maintain a clearinghouse of best practices, tools, and instructional materials for financial and economic literacy and personal finance instruction, aligned with voluntary nationally recognized curriculum standards in such areas, for students of elementary school, secondary school, and post-secondary school age (to be known as the 'Financial and Economic Literacy and Economic Education Clearinghouse').

"(b) ADMINISTRATION OF CLEARINGHOUSE.—

"(1) IN GENERAL.—The Secretary may contract with an eligible entity to maintain the Financial and Economic Literacy and Economic Education Clearinghouse.

"(2) ELIGIBLE ENTITY.—In this subsection, the term 'eligible entity' means a nonprofit organization with expertise in the curriculum and instruction of personal financial and economic literacy topics for students of elementary school, secondary school, and postsecondary school age.

"(c) ACTIVITIES.—The Financial and Economic Literacy and Economic Education Clearinghouse shall collect and disseminate high-quality materials on financial and economic literacy, including best practices, professional development, and teaching tools that are aligned with voluntary nationally recognized curriculum standards in such areas.

"(d) ACCESSIBILITY.—The information of the Financial and Economic Literacy and Economic Education Clearinghouse shall—

"(1) be housed in a centrally accessible and user-friendly format and location; and

"(2) be easily accessible from the Department of Education website.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 2010 through 2015.".

(b) TABLE OF CONTENTS.—The table of contents in section 2 of the Elementary and Secondary Education Act of 1965 is amended by inserting after the item relating to section 5537 the following:

"Subpart 13A—Financial and Economic Literacy Education

"Sec. 5538. Financial and economic literacy education grants.
"Sec. 5539. Financial and Economic Literacy and Economic Education Clearinghouse.".

SEC. 3. GRANTS TO PROMOTE POSTSECONDARY FINANCIAL AND ECONOMIC LITERACY.

Part A of title III of the Higher Education Act of 1965 (20 U.S.C. 1057 et seq.) is amended by adding at the end the following:

"SEC. 318. GRANTS TO PROMOTE POSTSECONDARY FINANCIAL AND ECONOMIC LITERACY.

"(a) AUTHORIZATION OF GRANT AWARDS.—The Secretary shall award grants, on a competitive basis, to eligible entities to enable such entities to provide financial and economic literacy courses or course components to students.

"(b) DEFINITION OF ELIGIBLE ENTITY.—In this section, the term 'eligible entity' means—

"(1) an institution of higher education; or

"(2) a partnership consisting of—

"(A) an institution of higher education;

"(B) a nonprofit organization with experience and a proven track record in quality financial and economic literacy or personal finance education programs; and

"(C) a nonprofit organization with experience and a proven track record in quality professional development for teachers leading to higher student achievement in skills and subjects integral to financial and economic literacy or personal financial education.

"(c) APPLICATION.—An eligible entity that desires to receive a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require.

"(d) MINIMUM GRANT AMOUNT.—The Secretary shall award grants under this section in amounts of not less than $500,000.

"(e) USE OF FUNDS.—An eligible entity that receives a grant under this section shall use the grant funds to develop and implement financial and economic literacy education, activities, student organizations, or counseling

that increase student knowledge in consumer, economic, and personal financial concepts.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $125,000,000 for each of the fiscal years 2010 through 2015.".

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