

111<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5165

To amend title V of the Elementary and Secondary Education Act of 1965 to provide grants to State educational agencies in order to provide subgrants to eligible local entities to promote financial education to students in the classroom.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 28, 2010

Mr. CASTLE introduced the following bill; which was referred to the  
Committee on Education and Labor

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## A BILL

To amend title V of the Elementary and Secondary Education Act of 1965 to provide grants to State educational agencies in order to provide subgrants to eligible local entities to promote financial education to students in the classroom.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Financial Education  
5       in the Classroom Act of 2010”.

1 **SEC. 2. FINANCIAL EDUCATION FOR STUDENTS.**

2 (a) IN GENERAL.—Subpart 13 of part D of title V  
3 of the Elementary and Secondary Education Act of 1965  
4 (20 U.S.C. 7267 et seq.) is amended to read as follows:

5 **“Subpart 13—Financial Education for Students**

6 **“SEC. 5531. SHORT TITLE.**

7 “This subpart may be cited as the ‘Financial Edu-  
8 cation in the Classroom Act’.

9 **“SEC. 5532. PURPOSE AND GOALS.**

10 “(a) PURPOSE.—The purpose of this subpart is to  
11 promote and carry out economic and financial literacy  
12 among all students in kindergarten through grade 12 by  
13 awarding competitive grants to State educational agencies  
14 to improve the quality of student understanding of per-  
15 sonal finance and economics.

16 “(b) GOALS.—The goals of this subpart are the fol-  
17 lowing:

18 “(1) To increase students’ knowledge of, and  
19 achievement in, economics and financial literacy to  
20 enable the students to become more productive and  
21 informed citizens.

22 “(2) To strengthen teachers’ understanding of,  
23 and competency in, economics and personal finance  
24 to enable the teachers to increase student mastery of  
25 economic and financial education principles and the  
26 practical application of those principles.

1           “(3) To assist State educational agencies in  
2           measuring the impact of education in economics and  
3           personal finances.

4           “(4) To encourage economic and financial edu-  
5           cation research and development, disseminate effec-  
6           tive instructional materials, and promote replication  
7           of best practices and exemplary programs that foster  
8           economic and financial literacy.

9           “(5) To leverage and expand private and public  
10          support for economic education partnerships at na-  
11          tional, State, and local levels.

12 **“SEC. 5533. GRANTS TO STATE EDUCATIONAL AGENCIES**  
13 **FOR FINANCIAL EDUCATION FOR STUDENTS.**

14          “(a) GRANTS TO STATE EDUCATIONAL AGENCIES.—  
15 From the funds appropriated under section 5536 to carry  
16 out this section for each fiscal year, the Secretary shall  
17 award grants, on a competitive basis, to State educational  
18 agencies to award subgrants to eligible local entities to de-  
19 velop and carry out programs that are designed to provide  
20 financial education to students in the classroom.

21          “(b) STATE EDUCATIONAL AGENCY USES OF  
22 FUNDS.—

23           “(1) IN GENERAL.—A State educational agency  
24          that receives a grant under this section—

25           “(A) shall—

1           “(i) use the grant funds to award sub-  
2 grants, on a competitive basis, to eligible  
3 local entities, to develop and carry out fi-  
4 nancial education programs to assist stu-  
5 dents in kindergarten through grade 12  
6 achieve financial literacy by teaching such  
7 students—

8                   “(I) personal financial manage-  
9 ment skills; and

10                   “(II) the basic principles involved  
11 with earning, spending, saving, invest-  
12 ing, credit, and insurance; and

13           “(ii) reserve not less than 2 percent of  
14 the grant funds to provide State-wide pro-  
15 fessional development activities to prepare  
16 teachers and school administrators in eco-  
17 nomic and financial literacy; and

18           “(B) may reserve not more than 3 percent  
19 of the grant funds for—

20                   “(i) administrative expenses, including  
21 ongoing technical assistance, training,  
22 monitoring, and dissemination of prom-  
23 ising practices for eligible local entities  
24 that receive subgrants under this section;  
25 and

1           “(ii) conducting, in accordance with  
2           subsection (c)(2)(E), an evaluation of the  
3           financial education programs developed  
4           and carried out by such eligible local enti-  
5           ties.

6           “(2) SUBGRANTS TO ELIGIBLE LOCAL ENTI-  
7           TIES.—

8           “(A) APPLICATION.—Each eligible local  
9           entity desiring a subgrant under this section  
10          shall submit an application to the State edu-  
11          cational agency at such time, in such manner,  
12          and including such information as the State  
13          educational agency may reasonably require.

14          “(B) APPLICATION CONTENTS.—Each ap-  
15          plication submitted under subparagraph (A)  
16          shall include—

17                 “(i) a description of how the eligible  
18                 local entity will use funds received under  
19                 this section, including a description of the  
20                 financial education program (in this sub-  
21                 paragraph referred to as the ‘proposed  
22                 program’) the entity plans to develop and  
23                 carry out using the funds;

24                 “(ii) a description of each partner in  
25                 the eligible local entity;

1           “(iii) if the eligible local entity does  
2 not include a partnership with a small or  
3 large business described in subsection  
4 (g)(1)(F), a description of how the entity  
5 will collaborate with the business commu-  
6 nity to promote the connection between fi-  
7 nancial education and economic develop-  
8 ment;

9           “(iv) an identification of Federal,  
10 State, and local programs that the eligible  
11 local entity will coordinate with the pro-  
12 posed program to make the most effective  
13 use of public resources;

14           “(v) an evaluation of the community  
15 needs and available resources, and a de-  
16 scription of how the proposed program will  
17 address those needs;

18           “(vi) if the eligible local entity plans  
19 to use volunteers, a description of how the  
20 entity will encourage and use individuals  
21 with appropriate financial literacy quali-  
22 fications to serve as the volunteers;

23           “(vii) an assurance that the eligible  
24 local entity has experience, or promise of  
25 success, in developing, implementing, and

1 providing high-quality financial education  
2 or personal finance education training or  
3 instruction; and

4 “(viii) such other information and as-  
5 surances as the State educational agency  
6 may reasonably require.

7 “(C) USE OF FUNDS.—An eligible local en-  
8 tity that receives a subgrant under this sec-  
9 tion—

10 “(i) shall use funds made available  
11 under the subgrant to develop and carry  
12 out financial education programs to assist  
13 students in kindergarten through grade 12  
14 achieve financial literacy by teaching such  
15 students—

16 “(I) personal financial manage-  
17 ment skills; and

18 “(II) the basic principles involved  
19 with earning, spending, saving, invest-  
20 ing, credit, and insurance; and

21 “(ii) may use funds made available  
22 under the subgrant to—

23 “(I) develop or acquire financial  
24 educational materials, activities, or  
25 coursework, that have been integrated

1 into the curricula of the schools  
2 served by the local educational agency  
3 of the eligible local entity; or

4 “(II) develop or carry out for  
5 teachers and administrators, profes-  
6 sional development programs that use  
7 effective and innovative approaches to  
8 the teaching of financial education  
9 and personal finance.

10 “(D) APPROVAL OF LOCAL APPLICA-  
11 TION.—The State educational agency shall ap-  
12 prove only those applications from eligible local  
13 entities that have developed plans that the  
14 State educational agency determines to be fea-  
15 sible and appropriate in order to achieve the de-  
16 sired purpose of the subgrants.

17 “(E) CONSIDERATIONS.—In awarding sub-  
18 grants under this section, the State educational  
19 agency shall take into consideration—

20 “(i) whether the eligible local entities  
21 that will be awarded a subgrant under this  
22 section are equitably distributed among the  
23 different geographic regions of the State  
24 and serve urban and rural areas; and



1           “(ii) local educational agencies that  
2           may benefit from a subgrant under this  
3           subsection that are serving higher percent-  
4           ages or numbers of school-age children who  
5           are from low-income families, as compared  
6           to other such local educational agencies.

7           “(F) PERMISSIVE LOCAL MATCH.—

8           “(i) IN GENERAL.—A State edu-  
9           cational agency may require an eligible  
10          local entity to match the subgrant funds  
11          the entity receives under this section, ex-  
12          cept that such match may not be derived  
13          from other Federal funds.

14          “(ii) SLIDING SCALE.—The amount of  
15          a match under clause (i)—

16                 “(I) shall be established based on  
17                 a sliding fee scale that takes into ac-  
18                 count the ability of the eligible local  
19                 entity to obtain such matching funds;  
20                 and

21                 “(II) shall not exceed an amount  
22                 equal to 50 percent of the cost of the  
23                 activities supported under the sub-  
24                 grant.

1 “(iii) IN-KIND CONTRIBUTIONS.—

2 Each State educational agency that re-  
3 quires an eligible local entity to match  
4 funds under this section shall permit the  
5 entity to provide all or any portion of such  
6 match in the form of in-kind contributions.

7 “(iv) CONSIDERATION.—Notwith-  
8 standing clause (i), a State educational  
9 agency shall not consider an eligible local  
10 entity’s ability to match funds when deter-  
11 mining whether the entity will receive a  
12 subgrant under this section.

13 “(c) STATE EDUCATIONAL AGENCY APPLICATION.—

14 “(1) IN GENERAL.—Each State educational  
15 agency that desires to receive a grant under this sec-  
16 tion shall submit an application to the Secretary, at  
17 such time, in such manner, and including such infor-  
18 mation as the Secretary may reasonably require.

19 “(2) CONTENTS.—Each application submitted  
20 under paragraph (1) shall include—

21 “(A) a description of how the State edu-  
22 cational agency will use funds received under  
23 this section, including—

24 “(i) how the State will use funds re-  
25 served for State-wide professional develop-

1           ment activities under subsection  
2           (b)(1)(A)(ii); and

3           “(ii) how the State educational agency  
4           will select eligible local entities to receive  
5           subgrants under this section;

6           “(B) a description of how the State edu-  
7           cational agency will assist local educational  
8           agencies in partnering with one of the entities  
9           described in subparagraphs (A) through (F) of  
10          subsection (g)(1) in order to become eligible  
11          local entities;

12          “(C) an identification of Federal and State  
13          programs that the State will coordinate with  
14          the programs developed and carried out by eli-  
15          gible entities that receive subgrants under this  
16          section to make the most effective use of public  
17          resources;

18          “(D) a description of the steps that the  
19          State educational agency will take to ensure  
20          that programs developed and carried out by the  
21          eligible local entities receiving subgrants under  
22          this section implement effective strategies, in-  
23          cluding by providing such entities ongoing tech-  
24          nical assistance, training, monitoring, and dis-  
25          semination of promising practices;

1           “(E) an assurance that the State edu-  
2           cational agency will conduct an independent  
3           evaluation that is based on rigorous scientif-  
4           ically based research to assess—

5                   “(i) the effectiveness of the programs  
6                   developed and carried out by the eligible  
7                   local entities receiving subgrants under  
8                   this section; and

9                   “(ii) the impact of economic and fi-  
10                  nancial literacy education on students  
11                  served by such programs ; and

12                  “(F) such other information and assur-  
13                  ances as the Secretary may reasonably require.

14                  “(3) APPROVAL.—In approving applications  
15                  submitted under paragraph (1), the Secretary  
16                  shall—

17                   “(A) to the extent feasible, ensure an equi-  
18                   table geographic distribution of grants awarded  
19                   under this section; and

20                   “(B) consider local educational agencies  
21                   that may benefit from a subgrant under this  
22                   section that are serving higher percentages or  
23                   numbers of school-age children who are from  
24                   low-income families, as compared to other such  
25                   local educational agencies.

1       “(d) DURATION OF GRANTS.—Grants under this sec-  
2 tion may be awarded for a period of not less than 3 years  
3 and not more than 5 years.

4       “(e) AMOUNT OF GRANTS.—A grant awarded under  
5 this section may not be made in an amount that is less  
6 than \$50,000 per award year.

7       “(f) REPORTS.—

8               “(1) STATE EDUCATIONAL AGENCY.—Each  
9 State educational agency receiving a grant under  
10 this section shall submit to the Secretary, a report  
11 for each fiscal year for which a grant is received that  
12 describes—

13                       “(A) the programs supported by the grant;  
14                       and

15                       “(B) the results of the State educational  
16 agency’s monitoring and evaluation of such pro-  
17 grams.

18               “(2) SECRETARY.—The Secretary shall publicly  
19 release a copy of the report, including by posting the  
20 report on the Internet website of the Department of  
21 Education.

22       “(g) DEFINITIONS.—In this section:

23               “(1) ELIGIBLE LOCAL ENTITY.—The term ‘eli-  
24 gible local entity’ means a partnership consisting of

1 a local educational agency and not less than 1 of the  
2 following entities:

3 “(A) A nonprofit organization with experi-  
4 ence, or promise of success, in developing, ad-  
5 ministering, and carrying out high-quality fi-  
6 nancial education or personal finance education  
7 programs.

8 “(B) A nonprofit organization with experi-  
9 ence, or promise of success, in developing, ad-  
10 ministering, and carrying out high-quality pro-  
11 fessional development for teachers that leads to  
12 an increase in student academic achievement in  
13 subjects integral to financial education or per-  
14 sonal finance education.

15 “(C) A recipient of an Excellence in Eco-  
16 nomic Education grant under section 5534.

17 “(D) An institution of higher education.

18 “(E) A community-based organization with  
19 experience, or promise of success, in developing,  
20 administering, and carrying out high-quality fi-  
21 nancial education or personal finance education  
22 programs.

23 “(F) A small or large business with experi-  
24 ence, or promise of success, in developing, ad-  
25 ministering, and carrying out high-quality fi-

1           nancial education or personal finance education  
2           programs.

3           “(2) LOW-INCOME FAMILY.—The term ‘low-in-  
4           come family’ means a family below the poverty line,  
5           as determined under section 1124(c)(2).

6   **“SEC. 5534. GRANT TO NATIONAL ORGANIZATION TO IM-  
7                    PROVE THE QUALITY OF FINANCIAL EDU-  
8                    CATION PROGRAMS.**

9           “(a) AUTHORIZATION.—From the amounts appro-  
10          priated under section 5536, the Secretary may award a  
11          competitive grant to a national nonprofit educational orga-  
12          nization that has as its primary purpose the improvement  
13          of the quality of student understanding of personal finance  
14          and economics through effective teaching of economics in  
15          the Nation’s classrooms (referred to in this section as the  
16          ‘grantee’).

17          “(b) USES OF FUNDS.—

18                 “(1) DIRECT ACTIVITIES.—The grantee shall  
19                 use 25 percent of the funds made available through  
20                 the grant for a fiscal year to—

21                         “(A) strengthen and expand the grantee’s  
22                         relationships with State and local personal fi-  
23                         nance, entrepreneurial, and economic education  
24                         organizations;

1           “(B) support and promote training of  
2 teachers who teach a grade from kindergarten  
3 through grade 12 regarding economics, includ-  
4 ing the dissemination of information on effec-  
5 tive practices and research findings regarding  
6 the teaching of economics;

7           “(C) support research on effective teaching  
8 practices and the development of assessment in-  
9 struments to document student understanding  
10 of personal finance and economics; and

11           “(D) develop and disseminate appropriate  
12 materials to foster economic literacy.

13           “(2) SUBGRANTS.—The grantee shall use 75  
14 percent of the funds made available through the  
15 grant for a fiscal year to award subgrants to State  
16 educational agencies or local educational agencies,  
17 and State or local economic, personal finance, or en-  
18 trepreneurial education organizations (referred to in  
19 this section as the ‘recipient’). The grantee shall  
20 award such a subgrant to pay for the Federal share  
21 of the cost of enabling the recipient to work in part-  
22 nership with one or more of the entities described in  
23 paragraph (3) for one or more of the following pur-  
24 poses:



1           “(A) Collaboratively establishing and con-  
2           ducting teacher training programs that use ef-  
3           fective and innovative approaches to the teach-  
4           ing of economics, personal finance, and entre-  
5           preneurship.

6           “(B) Providing resources to local edu-  
7           cational agencies that desire to incorporate eco-  
8           nomics and personal finance into the curricula  
9           of the schools served by the agencies.

10           “(C) Conducting evaluations of the impact  
11           of economic and financial literacy education on  
12           students.

13           “(D) Conducting economic and financial  
14           literacy education research.

15           “(E) Encouraging replication of best prac-  
16           tices to promote economic and financial literacy.

17           “(3) PARTNERSHIP ENTITIES.—The entities de-  
18           scribed in this paragraph are the following:

19           “(A) A private sector entity.

20           “(B) A State educational agency.

21           “(C) A local educational agency.

22           “(D) An institution of higher education.

23           “(E) An organization promoting economic  
24           development.

1           “(F) An organization promoting edu-  
2           cational excellence.

3           “(G) An organization promoting personal  
4           finance or entrepreneurial education.

5           “(c) GRANTEE APPLICATIONS.—

6           “(1) IN GENERAL.—To be eligible to receive a  
7           grant under this section, the grantee shall submit to  
8           the Secretary an application at such time, in such  
9           manner, and accompanied by such information as  
10          the Secretary may require.

11          “(2) RECIPIENT APPLICATIONS.—

12          “(A) SUBMISSION.—To be eligible to re-  
13          ceive a subgrant under this section, a recipient  
14          shall submit an application to the grantee at  
15          such time, in such manner, and accompanied by  
16          such information as the grantee may require.

17          “(B) REVIEW.—The grantee shall invite  
18          the individuals described in subparagraph (C)  
19          to review all applications from recipients for a  
20          subgrant under this section and to make rec-  
21          ommendations to the grantee regarding the ap-  
22          proval of the applications.

23          “(C) REVIEWERS.—The individuals de-  
24          scribed in this subparagraph are the following:

1                   “(i) Leaders in the fields of economics  
2                   and education.

3                   “(ii) Such other individuals as the  
4                   grantee determines to be necessary, espe-  
5                   cially members of the State and local busi-  
6                   ness, banking, and finance communities.

7           “(d) ADMINISTRATIVE COSTS.—The grantee and  
8 each recipient receiving a subgrant under this section for  
9 a fiscal year may use not more than 5 percent of the funds  
10 made available through the grant or subgrant for adminis-  
11 trative costs.

12           “(e) TEACHER TRAINING PROGRAMS.—In carrying  
13 out the teacher training programs described in subsection  
14 (b)(2)(A), a recipient shall—

15                   “(1) train teachers who teach a grade from kin-  
16                   dergarten through grade 12; and

17                   “(2) encourage teachers from disciplines other  
18                   than economics and financial literacy to participate  
19                   in such teacher training programs, if the training  
20                   will promote the economic and financial literacy of  
21                   those teachers’ students.

22           “(f) INVOLVEMENT OF BUSINESS COMMUNITY.—In  
23 carrying out the activities assisted under this section, the  
24 grantee and recipients are strongly encouraged to—

1           “(1) include interactions with the local business  
2           community to the fullest extent possible to reinforce  
3           the connection between economic and financial lit-  
4           eracy and economic development; and

5           “(2) work with private businesses to obtain  
6           matching contributions for Federal funds and assist  
7           recipients in working toward self-sufficiency.

8           “(g) ADDITIONAL REQUIREMENTS AND TECHNICAL  
9           ASSISTANCE.—The grantee shall—

10           “(1) meet such other requirements as the Sec-  
11           retary determines to be necessary to assure compli-  
12           ance with this section; and

13           “(2) receive from the Secretary such technical  
14           assistance as may be necessary to carry out this sec-  
15           tion.

16           “(h) FEDERAL SHARE.—The Federal share of the  
17           cost described in subsection (b)(2) shall be 50 percent.

18           “(i) PAYMENT OF NON-FEDERAL SHARE.—The non-  
19           Federal share may be paid in cash or in kind (fairly evalu-  
20           ated, including plant, equipment, or services).

21           “(j) REPORTS TO CONGRESS.—Not later than 2  
22           years after the date funds are first made available to carry  
23           out this section, and every 2 years thereafter, the Sec-  
24           retary shall submit to the appropriate committees of Con-

1 gress a report regarding activities assisted under this sec-  
2 tion.

3 **“SEC. 5535. SUPPLEMENT, NOT SUPPLANT.**

4 “Funds made available to carry out this subpart shall  
5 be used to supplement, and not supplant, other Federal,  
6 State, and local funds expended for the purpose described  
7 in section 5532(a).

8 **“SEC. 5536. AUTHORIZATION OF APPROPRIATIONS.**

9 “(a) IN GENERAL.—There are authorized to be ap-  
10 propriated such sums as may be necessary to carry out  
11 this subpart for fiscal year 2011 and each of the 5 suc-  
12 ceeding fiscal years.

13 “(b) DISTRIBUTION OF FUNDS.—Of the funds appro-  
14 priated under subsection (a) for each fiscal year—

15 “(1) the Secretary shall reserve up to 4 percent  
16 to carry out the activities described in section 5534;  
17 and

18 “(2) shall use the remaining funds to carry out  
19 section 5533.”.

20 **SEC. 3. CONFORMING AMENDMENT.**

21 The table of contents in section 2 of the Elementary  
22 and Secondary Education Act of 1965 (20 U.S.C. 6301  
23 et seq.) is amended by striking the item relating to sub-  
24 part 13 of part D of title V and inserting the following:

“SUBPART 13—FINANCIAL EDUCATION FOR STUDENTS

“Sec. 5531. Short title.

“Sec. 5532. Purpose and goals.

“Sec. 5533. Grants to State educational agencies for financial education for students.

“Sec. 5534. Grant to national organization to improve the quality of financial education programs.

“Sec. 5535. Supplement, not supplant.

“Sec. 5536. Authorization of appropriations.”.

