



Chair Lehner, Vice Chair Hite, Ranking Member Sawyer, and Members of the Senate Education Committee, my name is Thomas Ash, and I am Director of Governmental Relations for the Buckeye Association of School Administrators (BASA). Joining me today to offer testimony and answer questions on Substitute House Bill 383 are Barbara Shaner, Associate Executive Director of the Ohio Association of School Business Officials (OASBO) and Damon Asbury, Director of Legislative services for the Ohio School Boards Association.

On behalf of our associations, we are writing as interested parties with regard to House Bill 383, which addresses the need for improving the financial literacy of Ohio's young people. Too many of our students graduate from high school without understanding the importance of managing credit wisely. We have heard reports of our state's college students graduating with tens of thousands of dollars of debt, possibly much of it the result of loans for college but also for a significant accumulation of credit card debt.

We are grateful that the bill's sponsors held several interested party meetings in an attempt to have stakeholder consensus for the proposed legislation, and we appreciated the opportunity to participate in those sessions.

First of all, we support the requirement that the State Board of Education's standards and model curriculum for financial literacy and entrepreneurship include information and instruction on the informed student document established through this legislation. We believe that this instruction will help college-bound students more completely benefit from this document to be developed by the Chancellor of Higher Education for each state institution of higher education.

However, while we support the goals of HB 383, we would be remiss if we did not identify some potential unintended consequences.

The legislation provides that students entering ninth grade for the first time on or after July 1, 2018 will be required to have at least one-half unit of instruction in economics and financial literacy as part of the three units of social studies instruction required for graduation. Of those three social studies units, at least one-half credit must be earned in both American history and in government. However, most local graduation requirements provide that at least one full credit must be earned in each of these subjects.

The net effect is to have one social studies credit available not only for the financial literacy but also for world history since a minimum of one-half credit of world history has been added to graduation requirements for students entering ninth grade for the first time on or after July 1, 2017.

Naturally, the financial literacy could count as one of the five elective credits required for graduation. Subjects eligible as elective credits include any combination of foreign language, fine arts, business, career-technical education, family and consumer sciences, technology, agricultural education or English language arts, mathematics, science or social studies courses not otherwise required. We caution that the use of the financial literacy class as a substitute for one of the elective choices available to students could possibly limit access to the other elective courses.

Senator Peggy Lehman, Chair
Ohio Senate Education Committee
House Bill 383
November 28, 2016

The net effect of this could be that students pursuing a particular curriculum leading to a chosen career path might not be able to avail themselves of all of the course opportunities in exploring that career.

We are also concerned that the addition of financial literacy could require school districts to hire additional staff if they do not currently offer electives in the area of social studies. If the current instructors in this subject area already have full schedules teaching the currently required courses, the only alternative would be the hiring of additional teachers in either social studies or family and consumer science.

Finally, one other additional unintended consequence could be a reduction in the available social studies electives. Unlike the districts identified in the previous paragraph, there are many districts that do offer such electives. This requirement in HB 383 could mean the loss of such courses as geography and sociology as districts would use existing faculty to offer instruction in financial literacy rather than in these other important social studies courses.

Thank you for this opportunity to offer this testimony, and we would be happy to address questions at the pleasure of the chair.