



1 “(b) FINDINGS.—Congress finds the following:

2 “(1) In order to succeed in our dynamic Amer-  
3 ican economy, young people must obtain the skills,  
4 knowledge, and experience necessary to manage their  
5 personal finances and obtain general financial lit-  
6 eracy. All young adults should have the educational  
7 tools necessary to make informed financial decisions.

8 “(2) Despite the critical importance of financial  
9 literacy to young people, the average student who  
10 graduates from high school lacks basic skills in the  
11 management of personal financial affairs. A nation-  
12 wide survey conducted in 2004 by the Jump\$start  
13 Coalition for Personal Financial Literacy examined  
14 the financial knowledge of 4,074 12th graders. On  
15 average, survey respondents answered only 52 per-  
16 cent of the questions correctly. This figure is up only  
17 slightly from the 50 percent average score in 2002.

18 “(3) An evaluation by the National Endowment  
19 for Financial Education High School Financial  
20 Planning Program undertaken jointly with the  
21 United States Department of Agriculture Coopera-  
22 tive State Research, Education, and Extension Serv-  
23 ice demonstrates that as little as 10 hours of class-  
24 room instruction can impart substantial knowledge

1 and affect significant change in how teens handle  
2 their money.

3 “(4) State educational leaders have recognized  
4 the importance of providing a basic financial edu-  
5 cation to students in kindergarten through grade 12  
6 by integrating financial education into State edu-  
7 cational standards, but by 2004, only 7 States re-  
8 quired students to complete a course that covered  
9 personal finance before graduating from high school.

10 “(5) Teacher training and professional develop-  
11 ment are critical to achieving youth financial lit-  
12 eracy. Teachers should be given the tools they need  
13 to educate our Nation’s youth on personal finance  
14 and economics.

15 “(6) Personal financial education helps prepare  
16 students for the workforce and for financial inde-  
17 pendence by developing their sense of individual re-  
18 sponsibility, improving their life skills, and providing  
19 them with a thorough understanding of consumer  
20 economics that will benefit them for their entire  
21 lives.

22 “(7) Financial education integrates instruction  
23 in valuable life skills with instruction in economics,  
24 including income and taxes, money management, in-

1 vestment and spending, and the importance of per-  
2 sonal savings.

3 “(8) The consumers and investors of tomorrow  
4 are in our schools today. The teaching of personal  
5 finance should be encouraged at all levels of our Na-  
6 tion’s educational system, from kindergarten  
7 through grade 12.

8 **“SEC. 4402. STATE GRANT PROGRAM.**

9 “(a) PROGRAM AUTHORIZED.—The Secretary is au-  
10 thorized to provide grants to State educational agencies  
11 to develop and integrate youth financial education pro-  
12 grams for students in elementary schools and secondary  
13 schools.

14 “(b) STATE PLAN.—

15 “(1) APPROVED STATE PLAN REQUIRED.—To  
16 be eligible to receive a grant under this section, a  
17 State educational agency shall submit an application  
18 that includes a State plan, described in paragraph  
19 (2), that is approved by the Secretary.

20 “(2) STATE PLAN CONTENTS.—The State plan  
21 referred to in paragraph (1) shall include—

22 “(A) a description of how the State edu-  
23 cational agency will use grant funds;

24 “(B) a description of how the programs  
25 supported by a grant will be coordinated with

1 other relevant Federal, State, regional, and local  
2 programs; and

3 “(C) a description of how the State edu-  
4 cational agency will evaluate program perform-  
5 ance.

6 “(c) ALLOCATION OF FUNDS.—

7 “(1) ALLOCATION FACTORS.—Except as other-  
8 wise provided in paragraph (2), the Secretary shall  
9 allocate the amounts made available to carry out  
10 this section pursuant to subsection (a) to each State  
11 according to the relative populations in all the States  
12 of students in kindergarten through grade 12, as de-  
13 termined by the Secretary based on the most recent  
14 satisfactory data.

15 “(2) MINIMUM ALLOCATION.—Subject to the  
16 availability of appropriations and notwithstanding  
17 paragraph (1), a State that has submitted a plan  
18 under subsection (b) that is approved by the Sec-  
19 retary shall be allocated an amount that is not less  
20 than \$500,000 for a fiscal year.

21 “(3) REALLOCATION.—In any fiscal year an al-  
22 location under this subsection—

23 “(A) for a State that has not submitted a  
24 plan under subsection (b); or

1           “(B) for a State whose plan submitted  
2           under subsection (b) has been disapproved by  
3           the Secretary;  
4           shall be reallocated to States with approved plans  
5           under this section in accordance with paragraph (1).

6           “(d) USE OF GRANT FUNDS.—

7           “(1) REQUIRED USES.—A grant made to a  
8           State educational agency under this part shall be  
9           used—

10           “(A) to provide funds to local educational  
11           agencies and public schools to carry out finan-  
12           cial education programs for students in kinder-  
13           garten through grade 12 based on the concept  
14           of achieving financial literacy through the  
15           teaching of personal financial management  
16           skills and the basic principles involved with  
17           earning, spending, saving, and investing;

18           “(B) to carry out professional development  
19           programs to prepare teachers and administra-  
20           tors for financial education; and

21           “(C) to monitor and evaluate programs  
22           supported under subparagraphs (A) and (B).

23           “(2) LIMITATION ON ADMINISTRATIVE COSTS.—  
24           A State educational agency receiving a grant under  
25           subsection (a) may use not more than 4 percent of

1 the total amount of the grant in each fiscal year for  
2 the administrative costs of carrying out this section.

3 “(e) **REPORT TO THE SECRETARY.**—Each State edu-  
4 cational agency receiving a grant under this section shall  
5 transmit a report to the Secretary with respect to each  
6 fiscal year for which a grant is received. The report shall  
7 describe the programs supported by the grant and the re-  
8 sults of the State educational agency’s monitoring and  
9 evaluation of such programs.

10 **“SEC. 4403. CLEARINGHOUSE.**

11 “(a) **AUTHORITY.**—Subject to the availability of ap-  
12 propriations, the Secretary shall make a grant to, or exe-  
13 cute a contract with, an eligible entity with substantial ex-  
14 perience in the field of financial education, such as the  
15 Jump\$tart Coalition for Personal Financial Literacy, to  
16 establish, operate, and maintain a national clearinghouse  
17 (in this part referred to as the ‘Clearinghouse’) for in-  
18 structional materials and information regarding model fi-  
19 nancial education programs and best practices.

20 “(b) **ELIGIBLE ENTITY.**—In this section, the term  
21 ‘eligible entity’ means a national nonprofit organization  
22 with a proven record of—

23 “(1) cataloging youth financial literacy mate-  
24 rials; and

1           “(2) providing support services and materials to  
2           schools and other organizations that work to pro-  
3           mote youth financial literacy.

4           “(c) APPLICATION.—An eligible entity desiring to es-  
5           tablish, operate, and maintain the Clearinghouse shall  
6           submit an application to the Secretary at such time, in  
7           such manner, and accompanied by such information, as  
8           the Secretary may reasonably require.

9           “(d) BASIS AND TERM.—The Secretary shall make  
10          the grant or contract authorized under subsection (a) on  
11          a competitive, merit basis for a term of 5 years.

12          “(e) USE OF FUNDS.—The Clearinghouse shall use  
13          the funds provided under a grant or contract made under  
14          subsection (a)—

15                 “(1) to maintain a repository of instructional  
16                 materials and related information regarding finan-  
17                 cial education programs for elementary schools and  
18                 secondary schools, including kindergartens, for use  
19                 by States, localities, and the general public;

20                 “(2) to disseminate to States, localities, and the  
21                 general public, through electronic and other means,  
22                 instructional materials and related information re-  
23                 garding financial education programs for elementary  
24                 schools and secondary schools, including kinder-  
25                 gartens; and

1           “(3) to the extent that resources allow, to pro-  
2           vide technical assistance to States, localities, and the  
3           general public on the design, establishment, and im-  
4           plementation of financial education programs for ele-  
5           mentary schools and secondary schools, including  
6           kindergartens.

7           “(f) CONSULTATION.—The chief executive officer of  
8           the eligible entity selected to establish and operate the  
9           Clearinghouse shall consult with the Department of the  
10          Treasury and the Securities Exchange Commission with  
11          respect to its activities under subsection (e).

12          “(g) SUBMISSION TO CLEARINGHOUSE.—Each Fed-  
13          eral agency or department that develops financial edu-  
14          cation programs and instructional materials for such pro-  
15          grams shall submit to the Clearinghouse information on  
16          the programs and copies of the materials.

17          “(h) APPLICATION OF COPYRIGHT LAWS.—In car-  
18          rying out this section the Clearinghouse shall comply with  
19          the provisions of title 17 of the United States Code.

20          **“SEC. 4404. EVALUATION AND REPORT.**

21          “(a) PERFORMANCE MEASURES.—The Secretary  
22          shall develop measures to evaluate the performance of pro-  
23          grams assisted under sections 4402 and 4403.

24          “(b) EVALUATION ACCORDING TO PERFORMANCE  
25          MEASURES.—Applying the performance measures devel-

1 oped under subsection (a), the Secretary shall evaluate  
2 programs assisted under sections 4402 and 4403—

3 “(1) to judge their performance and effective-  
4 ness;

5 “(2) to identify which of the programs rep-  
6 resent the best practices of entities developing finan-  
7 cial education programs for students in kindergarten  
8 through grade 12; and

9 “(3) to identify which of the programs may be  
10 replicated and used to provide technical assistance to  
11 States, localities, and the general public.

12 “(c) REPORT.—For each fiscal year for which there  
13 are appropriations under section 4407(a), the Secretary  
14 shall transmit a report to Congress describing the status  
15 of the implementation of this part. The report shall in-  
16 clude the results of the evaluation required under sub-  
17 section (b) and a description of the programs supported  
18 under section 4402.

19 **“SEC. 4405. DEFINITIONS.**

20 “In this part:

21 “(1) FINANCIAL EDUCATION.—The term ‘finan-  
22 cial education’ means educational activities and ex-  
23 periences, planned and supervised by qualified teach-  
24 ers, that enable students to understand basic eco-  
25 nomic and consumer principles, acquire the skills

1 and knowledge necessary to manage personal and  
2 household finances, and develop a range of com-  
3 petencies that will enable the students to become re-  
4 sponsible consumers in today’s complex economy.

5 “(2) QUALIFIED TEACHER.—The term ‘quali-  
6 fied teacher’ means a teacher who holds a valid  
7 teaching certification or is considered to be qualified  
8 by the State educational agency in the State in  
9 which the teacher works.

10 **“SEC. 4406. PROHIBITION.**

11 “Nothing in this part shall be construed to authorize  
12 an officer or employee of the Federal Government to man-  
13 date, direct, or control a State, local educational agency,  
14 or school’s specific instructional content, curriculum, or  
15 program of instruction, as a condition of eligibility to re-  
16 ceive funds under this part.

17 **“SEC. 4407. AUTHORIZATION OF APPROPRIATIONS.**

18 “(a) AUTHORIZATION.—For the purposes of carrying  
19 out this part, there are authorized to be appropriated  
20 \$100,000,000 for each of the fiscal years 2006 through  
21 2010.

22 “(b) LIMITATION ON FUNDS FOR CLEARING-  
23 HOUSE.—The Secretary may use not less than 2 percent  
24 and not more than 5 percent of amounts appropriated

1 under subsection (a) for each fiscal year to carry out sec-  
2 tion 4403.

3 “(c) LIMITATION ON FUNDS FOR SECRETARY EVAL-  
4 UATION.—The Secretary may use not more than \$200,000  
5 from the amounts appropriated under subsection (a) for  
6 each fiscal year to carry out subsections (a) and (b) of  
7 section 4404.

8 “(d) LIMITATION ON ADMINISTRATIVE COSTS.—Ex-  
9 cept as necessary to carry out subsections (a) and (b) of  
10 section 4404 using amounts described in subsection (c) of  
11 this section, the Secretary shall not use any portion of the  
12 amounts appropriated under subsection (a) for the costs  
13 of administering this part.”.

○