

## PROPOSED LAW

This initiative measure is submitted to the people in accordance with the provisions of Article II, Section 8, of the California Constitution.

[This initiative measure amends and adds sections to the California Codes of Law; therefore, any existing provisions proposed to be deleted are printed in ~~strikeout~~ type and provisions proposed to be amended are printed in underlined type to indicate that they are new.]

### **SECTION 1. Name.**

This initiative measure shall be known and may be cited as the “California Personal Finance Education Act” (the “Act”).

### **SECTION 2. Findings and Declarations.**

The People of California find and declare that:

Many young people in this state graduate from high school lacking basic personal finance or money management skills. Given economic challenges, effective financial management becomes crucial for all Californians, particularly high school students as they transition into adulthood. Requiring personal finance education as a prerequisite for high school graduation will better prepare young people by equipping them with knowledge and the opportunity to thrive and achieve financial stability and independence. Many states in the nation already require a course in personal finance as a prerequisite for high school graduation and a standard high school diploma. Adoption of this measure will make California require a stand-alone course in personal finance as a prerequisite for high school graduation and a standard high school diploma.

**SECTION 3.** Section 51225.3 of the Education Code, as amended by Section 35 of Chapter 571 of the Statutes of 2022, is amended to read:

#### **51225.3.**

(a) A pupil shall complete all of the following while in grades 9 to 12, inclusive, in order to receive a diploma of graduation from high school:

(1) At least the following numbers of courses in the subjects specified, each course having a duration of one year, unless otherwise specified:

(A) Three courses in English.

(B) Two courses in mathematics. If the governing board of a school district requires more than two courses in mathematics for graduation, the governing

board of the school district may award a pupil up to one mathematics course credit pursuant to Section 51225.35.

- (C) Two courses in science, including biological and physical sciences.
- (D) Three courses in social studies, including United States history and geography; world history, culture, and geography; a one-semester course in American government and civics; and a one-semester course in economics.
- (E) One course in visual or performing arts, world language, or, commencing with the 2012–13 school year, career technical education.
  - (i) For purposes of satisfying the requirement specified in this subparagraph, a course in American Sign Language shall be deemed a course in world language.
  - (ii) For purposes of this subparagraph, “a course in career technical education” means a course in a district-operated career technical education program that is aligned to the career technical model curriculum standards and framework adopted by the state board, including courses through a regional occupational center or program operated by a county superintendent of schools or pursuant to a joint powers agreement.
  - (iii) This subparagraph does not require a school or school district that currently does not offer career technical education courses to start new career technical education programs for purposes of this section.
  - (iv) If a school district or county office of education elects to allow a career technical education course to satisfy the requirement imposed by this subparagraph, the governing board of the school district or county office of education, before offering that alternative to pupils, shall notify parents, teachers, pupils, and the public at a regularly scheduled meeting of the governing board of all of the following:
    - (I) The intent to offer career technical education courses to fulfill the graduation requirement specified in this subparagraph.
    - (II) The impact that offering career technical education courses, pursuant to this subparagraph, will have on the availability of courses that meet the eligibility requirements for admission to the California State University and the University of California, and whether the career technical

education courses to be offered pursuant to this subparagraph are approved to satisfy those eligibility requirements. If a school district elects to allow a career technical education course to satisfy the requirement imposed by this subparagraph, the school district shall comply with subdivision (I) of Section 48980.

- (III) The distinction, if any, between the high school graduation requirements of the school district or county office of education, and the eligibility requirements for admission to the California State University and the University of California.

- (F) Two courses in physical education, unless the pupil has been exempted pursuant to this code.

(G)

- (i) Commencing with pupils graduating in the 2029–30 school year, including for pupils enrolled in a charter school, a one-semester course in ethnic studies. A local educational agency, including a charter school, may require a full-year course in ethnic studies at its discretion. Commencing with the 2025–26 school year, a local educational agency, including a charter school, with pupils in grades 9 to 12, inclusive, shall offer at least a one-semester course in ethnic studies.
- (ii) Subject to the course offerings of a local educational agency, including a charter school, a pupil may fulfill the requirement of clause (i) through the completion of any of the following types of courses:
  - (I) A course based on the model curriculum developed pursuant to Section 51226.7.
  - (II) An existing ethnic studies course.
  - (III) An ethnic studies course taught as part of a course that has been approved as meeting the A–G requirements of the University of California and the California State University.
  - (IV) A locally developed ethnic studies course approved by the governing board of the school district or the governing body of the charter school. The proposed course shall first be presented at a public meeting of the governing board of the school district or the governing body of the charter

school, and shall not be approved until a subsequent public meeting of the governing board or governing body at which the public has had the opportunity to express its views on the proposed course.

- (iii) A course that does not use ethnic studies content as the primary content through which the subject is taught shall not be used to satisfy the requirement of clause (i).
- (iv) A pupil completing a course described in clause (ii) shall also accrue credit for coursework in the subject that the course is offered, including, if applicable, credit towards satisfying a course required for a diploma of graduation from high school pursuant to this section.
- (v) Curriculum, instruction, and instructional materials for a course described in clause (ii) shall meet all of the following requirements:
  - (I) Be appropriate for use with pupils of all races, religions, nationalities, genders, sexual orientations, and diverse ethnic and cultural backgrounds, pupils with disabilities, and English learners.
  - (II) Not reflect or promote, directly or indirectly, any bias, bigotry, or discrimination against any person or group of persons on the basis of any category protected by Section 220.
  - (III) Not teach or promote religious doctrine.
- (vi) It is the intent of the Legislature that local educational agencies, including charter schools, consider that, pursuant to Section 51226.7, the Instructional Quality Commission undertook a lengthy, thorough, deliberative, and inclusive process before submitting a model curriculum in ethnic studies to the state board. To the extent that local educational agencies, including charter schools, choose to locally develop an ethnic studies program for approval by their governing board or governing body, it is the intent of the Legislature that local educational agencies not use the portions of the draft model curriculum that were not adopted by the Instructional Quality Commission due to concerns related to bias, bigotry, and discrimination.

- (vii) The amendments made to this section by Section 1 of Chapter 661 of the Statutes of 2021 shall not be construed to alter any other requirement of this section for pupils enrolled in a charter school.

(H)

- (i) Commencing with pupils graduating in the 2029–30 school year, including for pupils enrolled in a charter school, a one-semester course in personal finance. A local educational agency, including a charter school, may require a full-year course in personal finance at its discretion. Commencing with the 2026–27 school year, a local educational agency, including a charter school, with pupils in grades 9 to 12, inclusive, shall offer at least a one-semester course in personal finance.
- (ii) Subject to the course offerings of a local educational agency, including a charter school, a pupil may fulfill the requirement of clause (i) through the completion of either of the following types of courses:
  - (I) An existing personal finance course that has been approved as meeting the A–G requirements of the University of California and the California State University.
  - (II) A locally developed personal finance course approved by the governing board of the school district or the governing body of the charter school. The proposed course shall first be presented at a public meeting of the governing board or governing body at which the public has had the opportunity to express its views on the proposed course.
- (iii) For purposes of this subparagraph (H), a personal finance course may include content designed to develop knowledge of topics including, but not limited to, the following:
  - (I) Developing budgeting skills for independent living.
  - (II) Understanding the tax system, including its impact on personal income, the process to file taxes, and how to read tax forms and pay stubs.
  - (III) Understanding retirement accounts and investment alternatives to build financial security, including 401K programs, Individual Retirement Accounts (IRA), stocks, bonds, mutual funds, and index funds.

- (IV) Evaluating types of credit and their features, while highlighting dangers of predatory lending practices.
- (V) Understanding the importance of managing credit, including how to establish credit, the role of credit scores and credit reports.
- (VI) Enhancing consumer protection skills by raising awareness of common scams and frauds, and preventing identity theft.
- (VII) Identifying means to finance college or workforce education, including scholarships, merit aid and student loans.
- (VIII) Learning about the features of bank accounts, including how to manage an online account and minimize fees.

(2) Other coursework requirements adopted by the governing board of the school district.

(b) The governing board, with the active involvement of parents, administrators, teachers, and pupils, shall adopt alternative means for pupils to complete the prescribed course of study that may include practical demonstration of skills and competencies, supervised work experience or other outside school experience, career technical education classes offered in high schools, courses offered by regional occupational centers or programs, interdisciplinary study, independent study, and credit earned at a postsecondary educational institution. Requirements for graduation and specified alternative modes for completing the prescribed course of study shall be made available to pupils, parents, and the public.

(c) On or before July 1, 2017, the department shall submit a comprehensive report to the appropriate policy committees of the Legislature on the addition of career technical education courses to satisfy the requirement specified in subparagraph (E) of paragraph (1) of subdivision (a), including, but not limited to, the following information:

- (1) A comparison of the pupil enrollment in career technical education courses, world language courses, and visual and performing arts courses for the 2005–06 to 2011–12 school years, inclusive, to the pupil enrollment in career technical education courses, world language courses, and visual and performing arts courses for the 2012–13 to 2016–17 school years, inclusive.
- (2) The reasons, reported by school districts, that pupils give for choosing to enroll in a career technical education course to satisfy the requirement specified in subparagraph (E) of paragraph (1) of subdivision (a).
- (3) The type and number of career technical education courses that were conducted for the 2005–06 to 2011–12 school years, inclusive, compared to the type and number of

career technical education courses that were conducted for the 2012–13 to 2016–17 school years, inclusive.

- (4) The number of career technical education courses that satisfied the subject matter requirements for admission to the University of California or the California State University.
- (5) The extent to which the career technical education courses chosen by pupils are aligned with the California Career Technical Education Model Curriculum Standards, and prepare pupils for employment, advanced training, and postsecondary education.
- (6) The number of career technical education courses that also satisfy the visual and performing arts requirement, and the number of career technical education courses that also satisfy the world language requirement.
- (7) Annual pupil dropout and graduation rates for the 2011–12 to 2014–15 school years, inclusive.

(d) For purposes of completing the report described in subdivision (c), the Superintendent may use existing state resources and federal funds. If state or federal funds are not available or sufficient, the Superintendent may apply for and accept grants, and receive donations and other financial support from public or private sources for purposes of this section.

(e) For purposes of completing the report described in subdivision (c), the Superintendent may accept support, including, but not limited to, financial and technical support, from high school reform advocates, teachers, chamber organizations, industry representatives, research centers, parents, and pupils.

(f) The amendments made to this section by Section 1 of Chapter 661 of the Statutes of 2021 shall become operative only upon an appropriation of funds by the Legislature for purposes of these amendments in the annual Budget Act or another statute.

(g) This section shall become inoperative on the earlier of the following two dates:

- (1) On July 1, immediately following the first fiscal year after the enactment of Chapter 621 of the Statutes of 2011 in which the number of career technical education courses that, as determined by the department, satisfy the world language requirement for admission to the California State University and the University of California is at least twice the number of career technical education courses that meet these admission requirements as of January 1, 2012. This section shall be repealed on the following January 1, unless a later enacted statute, that becomes operative on or before that date, deletes or extends the dates on which it becomes inoperative and is repealed. It is the intent of the Legislature that new career technical education courses that satisfy the world language requirement for admission to the California State University and the University of California focus on world languages aligned with

career preparation, emphasizing real-world application and technical content in related career and technical education courses.

(2) On July 1, 2027, and, as of January 1, 2028, is repealed.

#### **SECTION 4.**

Section 51225.3 of the Education Code, as amended by Section 36 of Chapter 571 of the Statutes of 2022, is amended to read:

##### **51225.3.**

(a) A pupil shall complete all of the following while in grades 9 to 12, inclusive, in order to receive a diploma of graduation from high school:

(1) At least the following numbers of courses in the subjects specified, each course having a duration of one year, unless otherwise specified:

(A) Three courses in English.

(B) Two courses in mathematics. If the governing board of a school district requires more than two courses in mathematics for graduation, the governing board of the school district may award a pupil up to one mathematics course credit pursuant to Section 51225.35.

(C) Two courses in science, including biological and physical sciences.

(D) Three courses in social studies, including United States history and geography; world history, culture, and geography; a one-semester course in American government and civics; and a one-semester course in economics.

(E) One course in visual or performing arts or world language. For purposes of satisfying the requirement specified in this subparagraph, a course in American Sign Language shall be deemed a course in world language.

(F) Two courses in physical education, unless the pupil has been exempted pursuant to this code.

(G)

(i) Commencing with pupils graduating in the 2029–30 school year, including for pupils enrolled in a charter school, a one-semester course in ethnic studies. A local educational agency, including a charter school, may require a full-year course in ethnic studies at its discretion. Commencing with the 2025–26 school year, a local educational agency, including a charter school, with pupils in



grades 9 to 12, inclusive, shall offer at least a one-semester course in ethnic studies.

- (ii) Subject to the course offerings of a local educational agency, including a charter school, a pupil may fulfill the requirement of clause (i) through the completion of any of the following types of courses:
  - (I) A course based on the model curriculum developed pursuant to Section 51226.7.
  - (II) An existing ethnic studies course.
  - (III) An ethnic studies course taught as part of a course that has been approved as meeting the A–G requirements of the University of California and the California State University.
  - (IV) A locally developed ethnic studies course approved by the governing board of the school district or the governing body of the charter school. The proposed course shall first be presented at a public meeting of the governing board of the school district or the governing body of the charter school, and shall not be approved until a subsequent public meeting of the governing board or governing body at which the public has had the opportunity to express its views on the proposed course.
- (iii) A course that does not use ethnic studies content as the primary content through which the subject is taught shall not be used to satisfy the requirement of clause (i).
- (iv) A pupil completing a course described in clause (ii) shall also accrue credit for coursework in the subject that the course is offered, including, if applicable, credit towards satisfying a course required for a diploma of graduation from high school pursuant to this section.
- (v) Curriculum, instruction, and instructional materials for a course described in clause (ii) shall meet all of the following requirements:
  - (I) Be appropriate for use with pupils of all races, religions, nationalities, genders, sexual orientations, and diverse ethnic and cultural backgrounds, pupils with disabilities, and English learners.

- (II) Not reflect or promote, directly or indirectly, any bias, bigotry, or discrimination against any person or group of persons on the basis of any category protected by Section 220.
- (III) Not teach or promote religious doctrine.
- (vi) It is the intent of the Legislature that local educational agencies, including charter schools, consider that, pursuant to Section 51226.7, the Instructional Quality Commission undertook a lengthy, thorough, deliberative, and inclusive process before submitting a model curriculum in ethnic studies to the state board. To the extent that local educational agencies, including charter schools, choose to locally develop an ethnic studies program for approval by their governing board or governing body, it is the intent of the Legislature that local educational agencies not use the portions of the draft model curriculum that were not adopted by the Instructional Quality Commission due to concerns related to bias, bigotry, and discrimination.
- (vii) The amendments made to this section by Section 2 of Chapter 661 of the Statutes of 2021 shall not be construed to alter any other requirement of this section for pupils enrolled in a charter school.
- (H)
  - (i) Commencing with pupils graduating in the 2029–30 school year, including for pupils enrolled in a charter school, a one-semester course in personal finance. A local educational agency, including a charter school, may require a full-year course in personal finance at its discretion. Commencing with the 2026–27 school year, a local educational agency, including a charter school, with pupils in grades 9 to 12, inclusive, shall offer at least a one-semester course in personal finance.
  - (ii) Subject to the course offerings of a local educational agency, including a charter school, a pupil may fulfill the requirement of clause (i) through the completion of either of the following types of courses:
    - (I) An existing personal finance course that has been approved as meeting the A–G requirements of the University of California and the California State University.

- (II) A locally developed personal finance course approved by the governing board of the school district or the governing body of the charter school. The proposed course shall first be presented at a public meeting of the governing board or governing body at which the public has had the opportunity to express its views on the proposed course.
- (iii) For purposes of this subparagraph (H), a personal finance course may include content designed to develop knowledge of topics including, but not limited to, the following:
  - (I) Developing budgeting skills for independent living.
  - (II) Understanding the tax system, including its impact on personal income, the process to file taxes, and how to read tax forms and pay stubs.
  - (III) Understanding retirement accounts and investment alternatives to build financial security, including 401K programs, Individual Retirement Accounts (IRA), stocks, bonds, mutual funds, and index funds.
  - (IV) Evaluating types of credit and their features, while highlighting dangers of predatory lending practices.
  - (V) Understanding the importance of managing credit, including how to establish credit, the role of credit scores and credit reports.
  - (VI) Enhancing consumer protection skills by raising awareness of common scams and frauds, and preventing identity theft.
  - (VII) Identifying means to finance college or workforce education, including scholarships, merit aid and student loans.
  - (VIII) Learning about the features of bank accounts, including how to manage an online account and minimize fees.
- (2) Other coursework requirements adopted by the governing board of the school district.
- (b) The governing board, with the active involvement of parents, administrators, teachers, and pupils, shall adopt alternative means for pupils to complete the prescribed course of study that may include practical demonstration of skills and competencies, supervised

work experience or other outside school experience, career technical education classes offered in high schools, courses offered by regional occupational centers or programs, interdisciplinary study, independent study, and credit earned at a postsecondary educational institution. Requirements for graduation and specified alternative modes for completing the prescribed course of study shall be made available to pupils, parents, and the public.

- (c) If a pupil completed a career technical education course that met the requirements of subparagraph (E) of paragraph (1) of subdivision (a) of Section 51225.3, as amended by Section 3 of Chapter 621 of the Statutes of 2011, before the inoperative date of that section, that course shall be deemed to fulfill the requirements of subparagraph (E) of paragraph (1) of subdivision (a) of this section.
- (d) The amendments made to this section by Section 2 of Chapter 661 of the Statutes of 2021 shall become operative only upon an appropriation of funds by the Legislature for purposes of these amendments in the annual Budget Act or another statute.
- (e) This section shall become operative upon the date that Section 51225.3, as amended by Section 35 of Assembly Bill 185 of the 2021–22 Regular Session, becomes inoperative.

#### **SECTION 5. Severability.**

If any provision of this Act, or part thereof, is for any reason held to be invalid or unconstitutional, the remaining provisions shall not be affected, but shall remain in full force and effect, and to this end the provisions of this Act are severable.

#### **SECTION 6. Liberal Construction.**

This Act shall be liberally construed to effectuate its purposes.

#### **SECTION 7. Amendment.**

Pursuant to subdivision (c) of Section 10 of Article II of the California Constitution, this Act may be amended by a subsequent measure submitted to a vote of the people at a statewide election. This Act may also be amended by a statute passed by a minimum 60% vote of both houses of the Legislature and signed by the Governor, so long as said legislation furthers the purposes of the Act as expressed on Section 2 (Findings and Declarations) of this Act.

#### **SECTION 8. Conflicting Measures.**

- (a) In the event that this Act and another ballot measure relating to personal finance instruction as a prerequisite for high school graduation and a standard high school diploma shall appear on the same statewide election ballot, the provisions of the other measure or measures shall be deemed to conflict with this measure. In the event that this Act received a greater number of affirmative votes than a measure deemed to conflict with it, the provisions of this Act shall prevail in their entirety, and the other measure or

measures shall be null and void.

- (b) If this Act is approved by the voters but superseded by law by any other conflicting ballot measure approved by the voters at the same election, and the conflicting measure is later held invalid, this Act shall be self-executing and given the force of law.