

106TH CONGRESS
1ST SESSION

S. 1487

To provide for excellence in economic education, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 4, 1999

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

A BILL

To provide for excellence in economic education, and for other purposes.

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. EXCELLENCE IN ECONOMIC EDUCATION.**

4 (a) AMENDMENT.—Title X of the Elementary and
5 Secondary Education Act of 1965 (20 U.S.C. 8001 et
6 seq.) is amended by adding at the end the following:

**“PART L—EXCELLENCE IN ECONOMIC
EDUCATION**

“SEC. 10995. SHORT TITLE; FINDINGS.

“(a) SHORT TITLE.—This part may be cited as the
“Excellence in Economic Education Act of 1999”.

“(b) FINDINGS.—Congress makes the following find-
ings:

“(1) The need for economic literacy in the
United States has grown exponentially in the 1990’s
as a result of rapid technological advancements and
increasing globalization, giving individuals in the
United States more numerous and complex economic
and financial choices than ever before as members of
the workforce, managers of their families’ resources,
and voting citizens.

“(2) Individuals in the United States lack es-
sential economic knowledge, as demonstrated in a
1998–1999 test conducted by the National Council
on Economic Education, a private nonprofit organi-
zation. The test results indicated the following:

“(A) Students and adults alike lack a basic
understanding of core economic concepts such
as scarcity of resources and inflation, with less
than half of those tested demonstrating knowl-
edge of those basic concepts.

1 “(B) A little more than $\frac{1}{3}$ of those tested
2 realize that society must make choices about
3 how to use resources.

4 “(C) Only $\frac{1}{3}$ of those tested understand
5 that active competition in the marketplace
6 serves to lower prices and improve product
7 quality.

8 “(D) Slightly more than $\frac{1}{2}$ of adults in
9 the United States and less than $\frac{1}{4}$ of students
10 in the United States know that a Federal budg-
11 et deficit is created when the Federal Govern-
12 ment’s expenditures exceed its revenues in a
13 year.

14 “(E) Overall, adults received a grade of 57
15 percent on the test and secondary school stu-
16 dents received a grade of 48 percent on the
17 test.

18 “(F) Despite those poor results, the test
19 pointed out that individuals in the United
20 States realize the need for understanding basic
21 economic concepts, with 96 percent of adults
22 tested believing that basic economics should be
23 taught in secondary school.

24 “(3) A range of trends points to the need for
25 individuals in the United States to receive a prac-

1 tical economics education that will give the individ-
2 uals tools to make responsible choices about their
3 limited financial resources, choices which face all
4 people regardless of their financial circumstances.
5 Examples of the trends are the following:

6 “(A) The number of personal bankruptcies
7 in the United States continued to rise and set
8 new records in the 1990’s, despite the longest
9 peacetime economic expansion in United States
10 history. One in every 70 United States house-
11 holds filed for bankruptcy in 1998. Rising
12 bankruptcies have an impact on the cost and
13 availability of consumer credit which in turn
14 negatively affect overall economic growth.

15 “(B) Credit card delinquencies in the
16 United States rose to 1.83 percent in 1998,
17 which is a percentage not seen since 1992 when
18 the effects of a recession were still strong.

19 “(C) The personal savings rate in the
20 United States over the 5 years ending in 1998
21 averaged only 4.5 percent. In the first quarter
22 of 1999, the personal savings rate dropped to
23 negative 0.4 percent. A decline in savings rates
24 reduces potential investment and economic
25 growth.

1 “(D) By 2030, the number of older per-
2 sons in the United States will grow to
3 70,000,000, more than twice the number of
4 older persons in the United States in 1997. The
5 additional older persons will add significantly to
6 the population of retirees in the United States
7 and require a shift in private and public re-
8 sources to attend to their specific needs. The
9 needs will have dramatic, long-term economic
10 consequences for younger generations of indi-
11 viduals in the United States workforce who will
12 need to plan well in order to support their fami-
13 lies and ensure themselves a secure retirement.

14 “(4) The third National Education Goal puts
15 economics forth as 1 of 9 core content areas in
16 which teaching, learning, and students’ mastery of
17 basic and advanced skills must improve.

18 “(5) The National Council on Economic Edu-
19 cation presents a compelling case for doing more to
20 meet the need for economic literacy. While an under-
21 standing of economics is necessary to help the next
22 generation to think, choose, and function in a chang-
23 ing global economy, economics has too often been
24 neglected in schools.

1 “(6) States’ requirements for economic and per-
2 sonal finance education are insufficient as evidenced
3 by the fact that, while 39 States have adopted edu-
4 cational standards (including guidelines or proficien-
5 cies) in economics—

6 “(A) only 13 of those States require all
7 students to take a course in economics before
8 graduating from secondary school;

9 “(B) only 25 States administer tests to de-
10 termine whether students meet the standards;
11 and

12 “(C) only 27 States require that the stand-
13 ards be implemented in schools.

14 “(7) Improved and enhanced national, State,
15 and local economic education efforts, conducted as
16 part of the Campaign for Economic Literacy led by
17 the National Council on Economic Education, will
18 help individuals become informed consumers, con-
19 scientious savers, prudent investors, productive
20 workforce members, responsible citizens, and effec-
21 tive participants in the global economy.

22 “(8)(A) Founded in 1949, the National Council
23 on Economic Education is the preeminent economic
24 education organization in the United States, having

1 a nationwide network that supports economic edu-
2 cation in the Nation’s schools.

3 “(B) This network supports teacher prepared-
4 ness in economics through—

5 “(i) inservice teacher education;

6 “(ii) classroom-tested materials and appro-
7 priate curricula;

8 “(iii) evaluation, assessment, and research
9 on economics education; and

10 “(iv) suggested content standards for eco-
11 nomics.

12 “(9) The National Council on Economic Edu-
13 cation network includes affiliated State Councils on
14 Economic Education and more than 275 university
15 or college-based Centers for Economic Education.
16 This network represents a unique partnership among
17 leaders in education, business, economics, and labor,
18 the purpose of which is to effectively deliver eco-
19 nomic education throughout the United States.

20 “(10) Each year the National Council on Eco-
21 nomic Education network trains 120,000 teachers,
22 reaching more than 7,000,000 students. By
23 strengthening the Council’s nationwide network, the
24 Council can reach more of the Nation’s 50,000,000
25 students.

1 “(11) The National Council on Economic Edu-
2 cation conducts an international economic education
3 program that provides information on market prin-
4 ciples to the world (particularly emerging democ-
5 racies) through teacher training, materials trans-
6 lation and development, study tours, conferences,
7 and research and evaluation. As a result of those ac-
8 tivities, the National Council on Economic Edu-
9 cation is helping to support educational reform and
10 build economic education infrastructures in emerg-
11 ing market economies, and reinforcing the national
12 interest of the United States.

13 “(12) Evaluation results of economics education
14 activities support the following conclusions:

15 “(A) Inservice education in economics for
16 teachers contributes significantly to students’
17 gains in economic knowledge.

18 “(B) Secondary school students who have
19 taken economics courses perform significantly
20 better on tests of economic literacy than do
21 their counterparts who have not taken econom-
22 ics.

23 “(C) Economics courses contribute signifi-
24 cantly more to gains in economic knowledge

1 than does integration of economics into other
2 subjects.

3 “(13) Through partnerships, the National
4 Council on Economic Education network leverages
5 support for its mission by raising \$35,000,000 from
6 the private sector, universities, and States.

7 **“SEC. 10996. EXCELLENCE IN ECONOMIC EDUCATION.**

8 “(a) PURPOSE.—The purpose of this part is to pro-
9 mote economic literacy among all United States students
10 in kindergarten through grade 12 by enhancing national
11 leadership in economic education through the strength-
12 ening of a nationwide economic education network and the
13 provision of resources to appropriate State and local enti-
14 ties.

15 “(b) GOALS.—The goals of this part are—

16 “(1) to increase students’ knowledge of and
17 achievement in economics to enable the students to
18 become more productive and informed citizens;

19 “(2) to strengthen teachers’ understanding of
20 and competency in economics to enable the teachers
21 to increase student mastery of economic principles
22 and their practical application;

23 “(3) to encourage economic education research
24 and development, to disseminate effective instruc-
25 tional materials, and to promote replication of best

1 practices and exemplary programs that foster eco-
2 nomic literacy;

3 “(4) to assist States in measuring the impact of
4 education in economics, which is 1 of 9 national core
5 content areas described in section 306(c) of the
6 Goals 2000: Educate America Act (20 U.S.C.
7 5886(c));

8 “(5) to extend strong economic education deliv-
9 ery systems to every State; and

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

13 **“SEC. 10997. GRANT PROGRAM AUTHORIZED.**

14 “(a) GRANTS TO THE NATIONAL COUNCIL ON ECO-
15 NOMIC EDUCATION.—

16 “(1) IN GENERAL.—The Secretary is authorized
17 to award a grant to the National Council on Eco-
18 nomic Education (referred to in this section as the
19 ‘grantee’), which is a nonprofit educational organiza-
20 tion that has as its primary purpose the improve-
21 ment of the quality of student understanding of eco-
22 nomics through effective teaching of economics in
23 the Nation’s classrooms.

24 “(2) USE OF GRANT FUNDS.—

1 “(A) ONE-QUARTER.—The grantee shall
2 use $\frac{1}{4}$ of the funds made available through the
3 grant and not reserved under subsection (f) for
4 a fiscal year—

5 “(i) to strengthen and expand the
6 grantee’s nationwide network on economic
7 education;

8 “(ii) to support and promote training,
9 of teachers who teach a grade from kinder-
10 garten through grade 12, regarding eco-
11 nomics, including the dissemination of in-
12 formation on effective practices and re-
13 search findings regarding the teaching of
14 economics;

15 “(iii) to support research on effective
16 teaching practices and the development of
17 assessment instruments to document stu-
18 dent performance;

19 “(iv) to develop and disseminate ap-
20 propriate materials to foster economic lit-
21 eracy; and

22 “(v) to coordinate activities assisted
23 under this section with activities assisted
24 under title II.

1 “(B) THREE-QUARTERS.—The grantee
2 shall use $\frac{3}{4}$ of the funds made available
3 through the grant and not reserved under sub-
4 section (f) for a fiscal year to award grants to
5 State economic education councils, or in the
6 case of a State that does not have a State eco-
7 nomic education council, a center for economic
8 education (which council or center shall be re-
9 ferred to in this section as a ‘recipient’). The
10 grantee shall award such a grant to pay for the
11 Federal share of the cost of enabling the recipi-
12 ent to work in partnership with 1 or more of
13 the entities described in paragraph (3) for 1 or
14 more of the following purposes:

15 “(i) Collaboratively establishing and
16 conducting teacher training programs that
17 use effective and innovative approaches to
18 the teaching of economics.

19 “(ii) Providing resources to school dis-
20 tricts that want to incorporate economics
21 into the curricula of the schools in the dis-
22 tricts.

23 “(iii) Conducting evaluations of the
24 impact of economic education on students.

1 “(iv) Conducting economic education
2 research.

3 “(v) Creating and conducting school-
4 based student activities to promote con-
5 sumer, economic, and personal finance
6 education, such as saving, investing, and
7 entrepreneurial education, and to encour-
8 age awareness and student achievement in
9 economics.

10 “(vi) Establishing interstate and
11 international student and teacher ex-
12 changes to promote economic literacy.

13 “(vii) Encouraging replication of best
14 practices to encourage economic literacy.

15 “(C) ADDITIONAL REQUIREMENTS AND
16 TECHNICAL ASSISTANCE.—The grantee shall—

17 “(i) meet such other requirements as
18 the Secretary determines to be necessary
19 to assure compliance with this section; and

20 “(ii) provide such technical assistance
21 as may be necessary to carry out this sec-
22 tion.

23 “(3) PARTNERSHIP ENTITIES.—The entities re-
24 ferred to in paragraph (2)(B) are the following:

25 “(A) A private sector entity.

1 “(B) A State educational agency.

2 “(C) A local educational agency.

3 “(D) An institution of higher education.

4 “(E) Another organization promoting eco-
5 nomic development.

6 “(F) Another organization promoting edu-
7 cational excellence.

8 “(4) ADMINISTRATIVE COSTS.—The grantee
9 and each recipient receiving a grant under this sec-
10 tion for a fiscal year may use not more than 25 per-
11 cent of the funds made available through the grant
12 for administrative costs.

13 “(b) TEACHER TRAINING PROGRAMS.—

14 “(1) IN GENERAL.—In carrying out the teacher
15 training programs described in subsection (a)(2)(B)
16 a recipient shall—

17 “(A) train teachers who teach a grade
18 from kindergarten through grade 12;

19 “(B) conduct programs taught by qualified
20 teacher trainers who can tap the expertise,
21 knowledge, and experience of classroom teach-
22 ers, private sector leaders, and other members
23 of the community involved, for the training; and

24 “(C) encourage teachers from disciplines
25 other than economics to participate in such

1 teacher training programs, if the training will
2 promote the economic understanding of their
3 students.

4 “(2) RELEASE TIME.—Funds made available
5 under this section for the teacher training programs
6 described in subparagraphs (A) and (B) of sub-
7 section (a)(2) may be used to pay for release time
8 for teachers and teacher trainers who participate in
9 the training.

10 “(c) INVOLVEMENT OF BUSINESS COMMUNITY.—In
11 carrying out the activities assisted under this part the
12 grantee and recipients are encouraged to—

13 “(1) include interactions with the local business
14 community to the fullest extent possible, to reinforce
15 the connection between economic education and eco-
16 nomic development; and

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

20 “(d) FEDERAL SHARE.—

21 “(1) IN GENERAL.—The Federal share of the
22 cost described in subsection (a)(2)(B) shall be 50
23 percent. The Federal share of the cost of estab-
24 lishing a State council on economic education or a

1 center for economic education under subsection (f),
2 for 1 fiscal year only, shall be 75 percent.

3 “(2) NON-FEDERAL SHARE.—The non-Federal
4 share may be paid in cash or in kind, fairly evalu-
5 ated, including plant, equipment, or services.

6 “(e) APPLICATIONS.—

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

12 “(2) RECIPIENTS.—

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

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

24 “(C) INDIVIDUALS.—The individuals re-
25 ferred to in subparagraph (B) 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.

5 “(f) SPECIAL RULE.—For each State that does not
6 have a recipient in the State, as determined by the grant-
7 ee, not less than the greater of 1.5 percent or \$100,000
8 of the total amount appropriated under subsection (i), for
9 1 fiscal year, shall be made available to the State to pay
10 for the Federal share of the cost of establishing a State
11 council on economic education or a center for economic
12 education in partnership with a private sector entity, an
13 institution of higher education, the State educational
14 agency, and other organizations.

15 “(g) SUPPLEMENT AND NOT SUPPLANT.—Funds ap-
16 propriated under this section shall be used to supplement
17 and not supplant other Federal, State, and local funds ex-
18 pended for the purpose described in section 10996(a).

19 “(h) REPORT.—The Secretary shall prepare and sub-
20 mit to the appropriate committees of Congress a report
21 regarding activities assisted under this section not later
22 than 2 years after the date funds are first appropriated
23 under subsection (i) and every 2 years thereafter.

24 “(i) AUTHORIZATION OF APPROPRIATIONS.—There
25 are authorized to be appropriated to carry out this part

1 \$10,000,000 for fiscal year 2000, and such sums as may
 2 be necessary for each of the 4 succeeding fiscal years.”.

3 (b) RELATED AMENDMENTS.—The Elementary and
 4 Secondary Education Act of 1965 (20 U.S.C. 6301 et
 5 seq.) is amended—

6 (1) in section 2103(a)(2)(I) (20 U.S.C.
 7 6623(a)(2)(I)), by inserting “economics,” after
 8 “civics and government,”;

9 (2) in section 3206(b)(4) (20 U.S.C.
 10 6896(b)(4)), by inserting “economics,” after “his-
 11 tory,”;

12 (3) in section 5108(b) (20 U.S.C. 7208(b)), by
 13 inserting “economics,” after “history,”;

14 (4) in section 10101(b)(1)(A)(iii) (20 U.S.C.
 15 8001(b)(1)(A)(iii)), by striking “and social studies”
 16 and inserting “social studies, and economics,”;

17 (5) in section 10963(b)(4) (20 U.S.C.
 18 8283(b)(4))—

19 (A) in subparagraph (E), by striking
 20 “and” after the semicolon;

21 (B) in subparagraph (F), by inserting
 22 “and” after the semicolon; and

23 (C) by adding at the end the following:

1 “(G) economic education and other pro-
2 grams designed to enhance economic literacy
3 and personal financial responsibility;”; and
4 (6) in section 10974(a)(8)(H) (20 U.S.C.
5 8294(a)(8)(H)), by striking “local rural entrepre-
6 neurship” and inserting “promoting economic lit-
7 eracy, local rural entrepreneurship,”.

○