

111TH CONGRESS
1ST SESSION

H. R. 3037

To require the Secretary of Education to establish a pilot program to award grants to State and local educational agencies to develop financial literacy programs in elementary and secondary schools, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 25, 2009

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

A BILL

To require the Secretary of Education to establish a pilot program to award grants to State and local educational agencies to develop financial literacy programs in elementary and secondary schools, 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. SHORT TITLE.**

4 This Act may be cited as the “Financial Literacy for
5 Youth Act of 2009” or the “FLY Act of 2009”.

1 **SEC. 2. REQUIREMENT TO ESTABLISH A PILOT PROGRAM**
2 **TO AWARD GRANTS TO STATE AND LOCAL**
3 **EDUCATIONAL AGENCIES TO DEVELOP FI-**
4 **NANCIAL LITERACY PROGRAMS IN ELEMEN-**
5 **TARY AND SECONDARY SCHOOLS.**

6 (a) IN GENERAL.—

7 (1) PILOT PROGRAM.—The Secretary of Edu-
8 cation (referred to in this Act as the “Secretary”)
9 shall establish a pilot program to award grants to
10 State and local educational agencies to develop fi-
11 nancial literacy programs in elementary and sec-
12 ondary schools.

13 (2) GRANT AWARDS.—The Secretary shall
14 award grants under the pilot program to 10 State
15 or local education agencies.

16 (b) APPLICATION.—

17 (1) IN GENERAL.—Each State or local edu-
18 cational agency that desires a grant under the pilot
19 program shall submit an application to the Secretary
20 at such time, in such manner, and accompanied by
21 such information as the Secretary may reasonably
22 require.

23 (2) CONTENTS.—Each grant application under
24 the pilot program shall describe how—

25 (A) funds will be used to incorporate finan-
26 cial literacy into the curriculum;

1 (B) a local educational agency will work
2 with State educational agencies to ensure that
3 the curriculum is in compliance with State
4 standards;

5 (C) the funds will be used for professional
6 development;

7 (D) a local educational agency will coordi-
8 nate its financial literacy program with local,
9 State, and Federal programs (or other commu-
10 nity initiatives, if applicable); and

11 (E) a local educational agency will measure
12 performance and evaluate the effectiveness of
13 its program.

14 (c) USE OF FUNDS.—A grant award under the pilot
15 program shall be used to integrate financial literacy pro-
16 grams into elementary and secondary school curriculums;
17 to carry out professional development, including fellow-
18 ships for financial literacy instructors and personnel (in-
19 cluding licensed teachers, education administrators, and
20 bank personnel) involved in the education of financial lit-
21 eracy programs; to conduct program evaluations and sur-
22 veys; and to collect, analyze, and develop information nec-
23 essary to accomplish the pilot program.

1 (d) MAXIMUM GRANT.—A grant award under the
2 pilot program to any one State or local educational agency
3 shall be not more than \$250,000 for any fiscal year.

4 (e) LIMITATION ON ADMINISTRATIVE COSTS.—Not
5 more than 4 percent of the amounts made available under
6 the pilot program for any fiscal year may be used for ad-
7 ministrative costs to carry out the pilot program.

8 (f) REPORTS.—

9 (1) REPORT BY A STATE OR LOCAL EDUCATION
10 AGENCY.—Not later than 90 days after the conclu-
11 sion of the pilot program, a State or local edu-
12 cational agency shall prepare and submit to the Sec-
13 retary a report that details which curriculums and
14 policies implemented in the financial literacy pro-
15 gram were successful or unsuccessful, which curricu-
16 lums and policies they would recommend to other
17 education agencies, and such further guidelines for
18 this report as the Secretary shall deem necessary.

19 (2) REPORT BY THE SECRETARY.—Not later
20 than 180 days after the conclusion of the pilot pro-
21 gram, the Secretary shall submit to the Committee
22 on Financial Services and the Committee on Edu-
23 cation and Labor a report on the pilot program.

24 (g) FINANCIAL LITERACY DEFINED.—The term “fi-
25 nancial literacy” means the acquisition of knowledge and

1 understanding of all personal financial matters and trans-
2 actions, from finance management and investment, to
3 being able to make sound financial decisions, including but
4 not limited to understanding—

5 (1) how to balance a checkbook, read a credit
6 card statement, and calculate interest rates;

7 (2) what a pay stub is and why Federal and
8 State taxes, Social Security, and Medicare are de-
9 ducted from wages;

10 (3) the differences between various types of
11 bank accounts;

12 (4) the significance of a credit score and how
13 to read credit reports;

14 (5) the marketing techniques frequently used by
15 individuals and businesses to attract patrons; and

16 (6) the importance of saving for college and re-
17 tirement.

18 (h) AUTHORIZATION OF APPROPRIATIONS.—There
19 are authorized to be appropriated such sums as are nec-
20 essary for each of the fiscal years 2010 through 2015 to
21 carry out the pilot program.

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