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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

S.B. 365  
134<sup>th</sup> General Assembly

## Bill Analysis

**Version:** As Introduced

**Primary Sponsor:** Sen. Wilson

Dylan McDonough, Attorney

### SUMMARY

- Requires the State Board of Education to incorporate academic concepts of free market capitalism into the standards and model curriculum for financial literacy and entrepreneurship for grades 9 through 12.

### DETAILED ANALYSIS

#### Free market capitalism standards and curriculum

The bill requires the State Board of Education to incorporate academic concepts of free market capitalism into the standards and model curriculum for financial literacy and entrepreneurship for grades 9 through 12. The bill also specifies the free market capitalism concepts that the newly developed academic content must include. Those concepts include all of the following:<sup>1</sup>

1. Raw materials, labor, and capital are privately owned.
2. Individuals control their own ability to work and earn wages.
3. Private ownership of capital may take many forms, including via a family business, a publicly traded corporation, or a bank, among others.
4. Market prices are the only method to inform consumers and producers about the constantly changing information about the supply and demand of goods and services.
5. Both sellers and buyers seek to profit in a free market transaction, and profit earned can be consumed, saved, reinvested, or dispersed to shareholders.

<sup>1</sup> R.C. 3301.079(A)(2)(b).

6. Wealth creation involves asset value appreciation and depreciation, voluntary exchange of equity ownership, and open and closed markets.
7. The free market positively correlates with entrepreneurship and innovation.
8. The free market may involve externalities and market failures in which the cost of certain economic activities is borne by third parties.
9. The free market often accords with policies like legally protected property rights, legally enforceable contracts, patent protections, and the mitigation of externalities.
10. Free-market societies often embrace political and personal freedoms.

## Background

Under current law, the State Board of Education is required to adopt standards and model curriculum for instruction in financial literacy.<sup>2</sup> The law also requires the Superintendent of Public Instruction to develop a model curriculum for instruction in college and career readiness and financial literacy, which schools may use.<sup>3</sup> However, neither of these provisions specify what must be included in the standards or model curriculum.

A recent act, S.B. 1 of the 134<sup>th</sup> General Assembly, effective October 28, 2021, requires students who enter ninth grade for the first time on or after the 2022-2023 school year to complete one-half unit of financial literacy instruction as part of the required high school curriculum, either as an elective course or in lieu of one-half unit of math.<sup>4</sup>

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## HISTORY

Action	Date
Introduced	10-27-22

ANSB0365IN-134/ks

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<sup>2</sup> R.C. 3301.079(A)(2).

<sup>3</sup> R.C. 3301.0721.

<sup>4</sup> R.C. 3301.603, not in the bill.