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Deryl K. Schuster, Bank Commissioner

Sam Brownback, Governor

TO: Chairman Ron Highland, House Committee on Education
FROM: Deryl K. Schuster, Kansas Bank Commissioner
DATE: February 12, 2015
RE: Neutral Written Testimony Regarding HB 2232

Thank you Chairman Highland and members of the committee. The Office of the State Bank Commissioner appreciates the opportunity to submit neutral written testimony regarding HB 2232 and financial literacy education programs in high schools.

The OSBC has a strong history of supporting and promoting financial literacy education programs for students and adults. In addition to regulating state chartered banks, the OSBC's Consumer and Mortgage Lending Division (CML) examines and regulates mortgage companies and other consumer credit providers. Fines and penalties received as a result of CML enforcement actions are directed to the agency's Consumer Education Settlement Fund to support financial literacy initiatives for students and adults. Since 1999, the agency has awarded an average of approximately \$260,000 in grants annually to support financial literacy initiatives, including grants to help fund the programs outlined below that benefit students.

The Kansas Council on Economic Education (KCEE) provides consumer credit education to primary and secondary school teachers to enhance their ability to teach consumer economics. The grant also supports Lifesmarts, an online competition for students in grades 6-12 to develop knowledge and skills in personal finance. During FY 2014, more than 1,000 teachers received instruction or training, and more than 1,200 6-12 graders participated in LifeSmarts.

Communities in School of Kansas is a non-profit organization that promotes financial literacy through a program called Reality U. Reality U is a life simulation workshop that builds financial literacy for teens. High school students manage virtual salaries and make choices on necessities and luxuries. Each student is assigned a salary and a 26-year old lifestyle that is generated by their career choice and current school performance. Students leave with a better understanding of how much life costs and how their current choices impact their future. During the 2013-2014 school year Reality U was presented in 38 schools with 9,276 attendees.

EverFi is a program in 159 schools across the state that teaches, assesses and certifies high school students in financial literacy. Everfi offers a series of online courses in Saving, Banking, Credit Score, Financing Higher Education, Renting vs. Owning, Taxes and Insurance, Consumer Fraud, Investing and Payments, Interest Rates, and Credit Cards. The training offers real-life simulations that allow students to apply their learning in virtual environments to understand the consequences of their decisions. The EverFi curriculum is free to all Kansas high school students. EverFi conducts pre- and post-assessments to measure student knowledge and learning. During the 2013-2014 school year, EverFi reached more than 6,400 students and assessments showed a 33% average knowledge gain.

In addition to the above activities, the OSBC is working with the Securities Commissioner, State Treasurer and other state agencies to maximize financial literacy resources, avoid duplication of programs, and develop a one-stop website for financial literacy education initiatives.

The OSBC is pleased to help fund financial literacy education programs for Kansas students. Our office is committed to continuing this support to assist students develop the financial knowledge and skills they need to make sound financial decisions. The OSBC may be able to serve as a resource and work with current providers of financial literacy education programs to help meet financial literacy education requirements should HB 2232 become law. Our office looks forward to continuing to support and identify ways in which our office can continue to assist with financial literacy education in Kansas.