

MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 1:30 p.m. on February 9, 2009, in Room 545-N of the Capitol.

All members were present except:

Senator Anthony Hensley- absent  
Senator Tim Huelskamp- absent  
Senator John Vratil- absent

Committee staff present:

Theresa Kiernan, Office of the Revisor of Statutes  
Matt Sterling, Office of the Revisor of Statutes  
Martha Dorsey, Kansas Legislative Research Department  
Sharon Wenger, Kansas Legislative Research Department  
Dorothy Gerhardt, Committee Assistant

Conferees appearing before the committee:

Melody McCray-Miller, Representative  
Carol Rupe  
Michelle Kaberline, State Treasurer's Office  
April Holman, Kansas Action for Children  
Mark Desettie, Kansas National Education Association  
Whitney Damron, Kansas Community Financial Services Association, Inc.  
Barbara J. Railsback, Ph.D.  
Diane Gjerstad, Wichita Public Schools  
Casey Doty, Director, Arkansas City Recreation Commission  
Steve Friend, Director, Baldwin City Recreation Commission

Others attending:

See attached list.

Hearing on **SB 84 - School districts; personal financial literacy; statewide assessments**

Theresa Kiernan, Office of the Revisor of Statutes, presented a short summary of **SB 84** which amends the current provision of law which directs the State Board of Education to assist school districts in the implementation of personal financial literacy courses or programs. The first amendment expands the scope of the program; it would add a longer list of what the program would involve. Also, in subsection (b) it directs the State Board to adopt a glossary of financial literacy terms which would be used by school districts when they implement the program on financial literacy. Finally, in subsection (e), it directs the State Board of Education to include questions relating to personal financial literacy in the statewide assessments for mathematics or social studies. Under current law, completion of a course in personal financial literacy is not required for graduation.

Melody McCray-Miller, Representative (Attachment 1), appeared before the committee in support of **SB 84**. She feels the law enacted in 2003 produced a strong foundation for the financial literacy program across the state. However, for Kansas students to become truly financially literate with knowledge of financial planning and budget preparation, all districts need to follow through on the initial intent of the law. She reported in a 2003 study produced by the National Credit Union Association, approximately 7% of districts consistently provided financial literacy education. She feels a lack of consistency in teaching as well as agreed-upon outcomes for students across the state's school districts has resulted in students being less prepared for their economic future. She feels **SB 84** will move the state closer to assuring all students graduating from accredited programs in Kansas will be financially literate.

In discussion which followed, it was pointed out the 7% was a state-wide number and that a follow-up study since 2003 had not been conducted. Senator Abrams suggested the words "state curriculum" be inserted in subsection (c) in front of "standards" in line 3 and dropping the next three words so that it would read "develop state curriculum standards for personal financial .....". He felt the words "state curriculum

## CONTINUATION SHEET

Minutes of the Senate Education Committee at 1:30 p.m. on February 9, 2009, in Room 545-N of the Capitol.

standards” meant something specific to the State Board of Education and was a consistent term used throughout curriculum discussions. He also felt in subsection (e), line 2 “FACS” should be added to give school districts more latitude in choosing where personal financial literacy would be taught.

Carol Rupe, a former member of the State Board of Education, also testified in support of **SB 84**. She stressed financial literacy should be taught at all grade levels and school districts should be allowed to present it in any area. It was also her opinion that accountability should be a part of the bill and that it should be a part of state-wide assessment testing.

Michelle Kaberline, State Treasurer’s Office ([Attachment 2](#)), also testified in support of **SB 84**. She stressed the importance of teaching financial literacy at all grade levels and that questions relating to personal financial literacy be included in the statewide assessments for mathematics or social studies.

April Holman, Kansas Action for Children ([Attachment 3](#)) spoke in support of **SB 84** also. KAC is a not-for-profit child advocacy organization which promotes policies that aid family economic stability. It is their opinion that one of the most important ways that we can help families is through public policies that encourage the ownership of assets. In order to make sound financial decisions, personal financial literacy is needed.

Larry Magill, Kansas Association of Insurance Agents, (written only) ([Attachment 4](#)) and Haley Davee, Kansas Credit Union Association, (written only) ([Attachment 5](#)) each provided written testimony in support of **SB 84**.

Mark Desettie, Kansas National Education Association, ([Attachment 6](#)) presented testimony in opposition to **SB 84**. The reasoning for opposition to the proposed legislation is they feel the bill goes beyond the requirements in force. It is their belief that setting state standards and assessments is the duty of the elected State Board of Education and its’ various advisory committees. They believe that such a duty should not be micro-managed by the legislature.

Whitney Damron, Kansas Community Financial Services Assn., Inc., ([Attachment 7](#)) presented testimony in opposition to the bill. Although he stated they support the intent and direction of **SB 84**, they feel the language in Section 1 (a)(7) unfairly ties payday lending to predatory lending. They feel this section should be re-written to read “understanding loans and borrowing money, including predatory lending”.

Barbara J. Railsback, Ph.D. ([Attachment 8](#)) presented testimony in support of the legislation as well as in opposition as it is currently written. She feels changes need to be made to include personal finance as a part of the K-12 curriculum. She opposes the bill as she feels qualified business teachers should be required to teach the class, not math teachers. She feels it must be a requirement for grades 11 and 12 as well as for high school graduation.

Diane Gjerstad, Wichita Public Schools, ([Attachment 9](#)), spoke in opposition to **SB 84**. Her argument included the fact that if financial literacy was a requirement in high schools, the colleges of education in the state should be partners in the endeavor by including this academic area within new teacher curriculum and embedded in advanced level course work. If the policy of the state is to expect students to better understand the issues and importance of finances, it would be reasonable for teacher preparation programs to include financial literacy.

There were no other conferees to appear before the Committee.

The hearing on **SB 84** was closed.

### Hearing on **SB 161 - Recreation commissions; petty cash funds**

Senator Steve Abrams gave a brief report on **SB 161**. As the law now stands, recreation commissions are not allowed a petty cash fund for use in day-to-day operations. This proposal would specifically allow recreation commissions to establish a petty cash fund. Casey Doty, Director, Arkansas City Recreation Commission,

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Minutes of the Senate Education Committee at 1:30 p.m. on February 9, 2009, in Room 545-N of the Capitol.

(Attachment 10) and Steve Friend, Director, Baldwin City Recreation Commission, (Attachment 11) each testified in support of **SB 161**.

There were no other conferees to appear before the Committee.

The hearing on **SB 161** was closed.

Senator Teichman moved the committee recommend **SB 161** favorable for passage. The motion was seconded by Senator Abrams. Motion carried on a voice vote.

The next meeting is scheduled for February 10, 2009.

The meeting was adjourned at 2:35 p.m.

EDUCATION COMMITTEE GUEST LIST

DATE: February 9, 2009

| NAME               | REPRESENTING                          |
|--------------------|---------------------------------------|
| Chris Green        | Harris News                           |
| Pat Lehman         | KRPA                                  |
| Doug Vance         | KRPA                                  |
| Casey Doty         | Arkansas City Rec Comm                |
| Steve Friedman     | Balwin City Rec Com                   |
| Julie Hein         | Hein Law Firm                         |
| Whitney Daman      | FS Community Financial Services Assn. |
| Kelly Difuria      | LGR                                   |
| Doug Mays          | Loanmax                               |
| Carol Ruse         | myself                                |
| Tom Krebs          | KASB                                  |
| Halley Davee       | KMA                                   |
| Judith Freed       | HCCI                                  |
| April Holman       | Kansas Action for Children            |
| Tom Foster         | KSDE                                  |
| Lynn Vasquez       | KSDE                                  |
| BILL REARDON       | K.C.Ks. PUBLIC SCHOOLS                |
| MARK DEBETTI       | KNEA                                  |
| Boyd Burke         | CFSA                                  |
| Debra Kurlak       | Self                                  |
| Diane Gierstad     | Wichita Public Schools                |
| Michelle Koberling | State Treasurers Office               |
| Dennis McKinney    | " " "                                 |
|                    |                                       |



MELODY C. MILLER  
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HOUSE OF  
REPRESENTATIVES

COMMITTEE ASSIGNMENTS  
FEDERAL AND STATE AFFAIRS  
GOVERNMENTAL ORGANIZATION AND  
ELECTIONS  
UTILITIES

## FINANCIAL LITERACY

**In 2003, the Kansas Legislature passed a law that required the State Board of Education to develop guidelines for lesson plans on financial literacy and to help school districts start programs. We have Senator Jean Schodorf and former State Board of Education member Carol Rupe to thank for laying the building blocks for a strong financial literacy program across the state. However, for Kansas students to become truly financially literate, we need all districts following through on the initial intent of the law. According to a study that was done in 2003 by the National Credit Union Association, approximately 7% of districts are consistently providing financial literacy education. Senate Bill 84 is a natural next step for the State of Kansas to take in our quest to continue strengthening the current statute. There has never been a more crucial time to teach all youth the importance of financial education when looking at our current economic challenges. In fact, lack of consistency in teaching, as well as, agreed upon outcomes for our students across the state's school districts, has resulted in our students being less prepared for their economic future. Today most young people in high school do not have the basic knowledge to make adequate decisions concerning their economic affairs. The areas where students are having the most challenges are in financial planning and the simple knowledge of a budget. Senate Bill 84 moves us closer to assuring all students that graduate from accredited programs in Kansas will be financially literate.**

**Therefore, I am in support SB 84.**

**Thank you.**

Senate Education  
2-9-09  
Attachment 1



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STATE OF KANSAS  
**Dennis McKinney**  
TREASURER

PHONE: 785-296-3171  
FAX: 785-296-7950

**Senate Education Committee**  
**Senator Jean Schodorf, Chair**  
**February 9, 2009**

Testimony by Michelle Kaberline, Financial Literacy Coordinator at  
State Treasurer Dennis McKinney's Office

Good afternoon Madam Chair. My name is Michelle Kaberline with the State Treasurer's Office. I coordinate financial education programs and events across the state to educate Kansans of all ages about managing their personal finances. With me today is State Treasurer Dennis McKinney. Treasurer McKinney plans to aggressively continue the financial literacy outreach programs started by former Treasurer Jenkins.

Financial literacy is a national priority. The President's Advisory Council on Financial literacy just approved a report on January 6, 2009 that provides recommendations to improve financial literacy of all Americans. Among the recommendations are calls for mandating financial education in schools for students in grades K-12. The Council Chairman, Charles R. Schwab stated "There is no question that the lack of personal financial literacy has been a major contributing factor to the economic and financial crisis in the United States."

I have included with my written testimony an article from the January 2009 issue of The Kansas Banker. Mariner Kemper, Chairman and CEO of UMB Financial Corporation emphasizes that financial literacy should be a national priority.

We believe that now is a critical time for us to address financial literacy in a meaningful way. With our economy down and more and more families finding themselves in a vulnerable financial position, now is the time to educate them on the importance of being good money managers to save and invest in higher education. These students are our future leaders.

*Senate Education*  
*2-9-09*  
*Attachment 2*

In 2003, SB74 was signed into law by Governor Kathleen Sebelius. SB74 was a great effort but could be more effective across Kansas. According to a survey conducted in March, 2008 by the Kansas State Department of Education, not quite 7% of respondents (representing school districts across Kansas) reported having a specific curriculum framework for teaching financial literacy.

Senate Bill No. 84 enhances the current statute (K.S.A. 2008 Supp. 72-7535) by requiring that questions relating to personal financial literacy be included in the statewide assessments for mathematics or social studies. Testing on this subject will encourage more school districts to teach financial education. The assessments requirement will also get the attention of those school boards to move more quickly to adopt financial education into the curriculum for all grades, K-12.

There are many wonderful financial literacy programs available in Kansas for elementary, middle, and high school levels. The best way to reach students is the progressive learning at all grade levels, K-12. It is very clear in the current state of our Nation's economic and financial crisis and the state of our economy here in Kansas; financial literacy education is critical for our youth and could be incorporated in the curriculums for reading, writing, and arithmetic. The Treasurer's Office strongly supports SB84. Treasurer McKinney and I will be happy to entertain questions.

# FISCAL FOCUS

Budget and Tax Policy in  Perspective

April Holman, Director of Economic Policy  
Kansas Action for Children  
Senate Education Committee  
Legislative Testimony - SB 84  
February 9, 2009

Good afternoon, Madam Chair and members of the Committee. On behalf of Kansas Action for Children (KAC) I would like to thank you for this opportunity to testify in favor of SB 84.

KAC is a not-for-profit child advocacy organization that has been in existence since 1979. KAC promotes policies that aid family economic stability because instability creates stress and the potential for harm to children through less consistent medical care, fewer opportunities for early learning and the potential for lower performance in school.

One of the most important ways that we can help families is through public policies that encourage the ownership of assets. Whether the assets are in the form of college savings, a retirement nest-egg, or a down-payment on a home, the development of assets is key to providing financial stability and the creation of a personal safety net.

For several years KAC has worked on policies to promote asset development in Kansas. We consider personal financial literacy to be a vital part of asset development. In order to make sound decisions about saving, investing and money management, people need an understanding of financial products and how they work. If we can provide this insight to young people before they are faced with far-reaching financial decisions, not only will it help the individuals, but it will also help the state economy to avoid turmoil such as that experienced as a result of the current national mortgage crisis.

As a part of a larger effort to promote asset development in Kansas, Kansas Action for Children and the Kansas Partners for Asset Development (KPAD) convened a series of community meetings across the state last fall. The topic of personal financial literacy and the need to establish an initiative that provides access to comprehensive financial education for children and adults was a common theme at each of the meetings. It became clear to us that, while some Kansas school districts are doing a good job of providing financial education, the opportunities for students across the state vary greatly from one school district to the next.

The additional direction provided by Senate Bill 84 will strengthen the state personal financial education curriculum and the inclusion of questions on personal financial literacy on state assessments will ensure that the curriculum is put in place across the state. This will help individual Kansas students in the short term, and it will benefit the Kansas economy in the long term. For these reasons, we urge your support of Senate Bill 84.



# Kansas Association of Insurance Agents



**Testimony on Senate Bill 84  
Senate Education Committee  
By Larry Magill  
February 9, 2009**

Thank you madam Chair and members of the Committee for the opportunity to submit written testimony today in support of Senate Bill 84. My name is Larry Magill and I'm representing the Kansas Association of Insurance Agents. We have approximately 520 member agencies and branches throughout the state and our members employ approximately 2,500 Kansans.

I also serve in a volunteer capacity as Chairman of the Kansas Insurance Education Foundation (KIEF), an all-industry organization created in 1982 to support educating the public to be better consumers of insurance. Over the years KIEF has sponsored teacher training sessions during the summer to help them teach insurance as part of their course curriculum. We are now experimenting with a webinar approach that will use current technology to reach more teachers.

Our national association, the Independent Insurance Agents & Brokers of America, has supported project InVest that began as a high school section using an insurance agency operation as a way of teaching students about business. We have not been successful with it in Kansas because of the amount of volunteer time required, the turnover of teachers and administrators, and the demands on classroom teachers today.

We support SB 84 because we do believe it is essential to teach high school students the basics of insurance to help them be smart insurance consumers throughout their lives. The broad range of insurance products can be hard to understand and yet insurance is vital to protecting a person's assets, whether that is a car, a home or your role as breadwinner to the family. In addition, insurance touches on the saving and investing, retirement planning and identity theft topics listed in SB 84.

The fiscal note indicates that the Department of Education plans two advisory meetings to review and assist in the development of standards on the financial topics outlined in the bill and we would be happy to assist in that effort.

We believe that the added detail to K.S.A. 72-7535 will clarify the importance of insurance in financial literacy courses and improve the results. We would be happy to provide additional information if the committee desires and urge you to act favorably on the bill.

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2-9-09  
Attachment 4



KANSAS CREDIT UNION ASSOCIATION

**To: Senate Education Committee**

**From: Haley DaVee, Director of State Legislative & Public Affairs  
Kansas Credit Union Association**

**Date: February 9, 2009**

**Re: Written Testimony in Support of Senate Bill 84**

The Kansas Credit Union Association, on behalf of the 86 state-chartered and 23 federally-chartered Kansas credit unions, appreciates this opportunity to share written testimony in support of Senate Bill 84 and financial literacy efforts in Kansas.

Kansas credit unions are not-for-profit, member-owned financial cooperatives serving over 550,000 Kansas consumers and operating with a mission of people helping people. As part of this mission, Kansas credit unions have had a long-held commitment to personal financial literacy—both for their members and their communities.

There is no doubt that the need for financial literacy is great—particularly as Americans struggle to deal with the widening effects of the economic crisis. In recent months, Kansas credit unions have reported an upswing in requests for financial literacy efforts from consumers across the state.

The commitment of credit unions to financial literacy is evident in the many financial literacy programs that credit unions across the state utilize—either individually or cooperatively. These programs include the following:

- **Money\$mart Financial Management Camp:** Money\$mart is a financial management camp created specifically for Kansas middle school students by KCUA and the Kansas State Treasurer's Office. Since its inception in 2004 over 1,000 Kansas middle school students have participated. This fall alone Kansas credit unions held Money\$mart camps for students at Truesdell Middle School in Wichita and El Dorado Middle School.
- **Save@School:** This program joins the State Treasurer's Office, local financial institutions and schools with the goal of teaching students the importance of savings. Four credit unions in Kansas participate in the program which teaches the importance of savings through hands-on experience with and classroom exercises taught by credit union employees.

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Attachment 5

- **BizKid\$:** Credit unions in Kansas and across the nation have sponsored BizKid\$, a PBS program that teaches youth entrepreneurial skills and personal financial literacy. The first season of the programming received critical acclaim and was a huge success—reaching over 271 million people across the United States. BizKid\$ is currently in its second season and airs on all PBS markets in Kansas.
- **National Endowment for Financial Education:** Credit unions in Kansas and nationwide have a partnership with the National Endowment for Financial Education to provide and promote the High School Financial Planning Program (HSFPP). This award winning curriculum is provided FREE of charge to schools nationwide. In the past two years, 122 Kansas teachers have received over 7,200 copies of the HSFPP student manuals.

Personal financial literacy is critical as consumers today have more options for credit in an increasingly complex and overwhelming marketplace. **KCUA supports efforts in the state of Kansas—whether it is SB 84 or other initiatives—to increase personal financial education for K-12 students.**

Thank you for allowing us to provide written comment on SB 84.





**Making public schools great for every child**

KANSAS NATIONAL EDUCATION ASSOCIATION / 715 SW 10TH AVENUE / TOPEKA, KANSAS 66612-1686

**Mark Desetti, Testimony  
Senate Education Committee  
February 9, 2009**

**Senate Bill 84**

Madame Chair, members of the committee, thank you for the opportunity to come before you today to discuss Senate Bill 84.

We come before you today in opposition to this bill not because we are opposed to financial literacy or the goal of the sponsors but because we do not believe this level of specificity is the job of the legislature.

Back March 10, 2003 this committee pursued the idea of requiring financial literacy instruction in our schools. We submitted testimony in favor of Senate Bill 74 on that day. I have included that testimony on the back of today's testimony. Clearly we stood with the legislature when you passed this idea back then. We still support it.

But this bill goes way beyond the requirements in Senate Bill 74. It is our belief that setting state standards and assessments is the duty of the elected State Board of Education and its various advisory committees. We further believe that such a duty should not be micro-managed by the legislature.

By all means, talk to the State Board of Education if you have concerns. Hold a joint meeting with them to discuss this issue. But leave the establishment of standards and assessments to them. They will bring in the experts and make the appropriate decisions.

We urge you to reject Senate Bill 84 and keep authority for standards and assessments with the State Board of Education.



Madame Chairman, members of the committee, please accept this written testimony regarding **Senate Bill 74** on behalf of KNEA.

It seems to us that the time is right for this idea. While we do a great job in Kansas public schools on mathematics education as reflected in our math scores on the National Assessment of Educational Progress, there is an increasing need to ensure that our students are prepared for a consumer world unlike the one we faced back 20, 30, or 40 years ago.

The pressure on young people to sign up for credit cards, to make internet purchases, to enter into long term contracts for wireless phone service, or even just to open checking accounts at ever younger ages, demands that we, as a society, develop the means to protect our citizens financially. In recent years, this legislature has worked to stop credit card providers from roaming our college campuses – that in itself is indicative of the concern we have for our young people.

**Senate Bill 74** does not mandate a course in financial literacy. Instead it asks that we explore ways to fold financial literacy into our mathematics instruction programs. While we will never be able to legislate sound financial planning by individuals, we can at least arm people with the knowledge to make reasonable choices. And that is a good thing to do, not only for each individual, but for our society in general.

**Senate Bill 74** is a good idea. It's not a mandate, it's not an expansion of requirements on our schools. It's a common sense approach to financial literacy.



**SUBMITTED TESTIMONY**

**TO: The Honorable Jean Schodorf, Chair  
And Members of the Senate Committee on Education**

**FROM: Whitney Damron  
On Behalf of the Kansas Community Financial Services Association, Inc.**

**RE: SB 84 – An Act concerning schools; relating to personal financial literacy.**

**DATE: February 9, 2009**

Good afternoon Madam Chair Schodorf and Members of the Senate Committee on Education. I am Whitney Damron and I am pleased to submit these remarks to you today on behalf of the Kansas Community Financial Services Association, Inc., formerly known as the Kansas Payday Loan Association.

The KCFSA is a trade organization that represents those involved in payday and other consumer lending in our state. Our members are licensed by the Office of the State Bank Commissioner.

We strongly support the intent and direction of SB 84, but would respectfully call the committee's attention to page one, Section 1 (a)(7), which appears to unfairly tie payday lending to predatory lending. We strongly oppose that linkage and would ask this committee to either clarify this language or strike the reference to payday loans from this bill.

Appropriately written, this section would then read:

**(7) *understanding loans and borrowing money, including predatory lending.***

The Community Financial Services Association (CFSA) and the Kansas Community Financial Services Association both strongly support financial literacy, as evidenced by just a small portion of the information available on the CFSA website and more importantly, by the actions of our members (see attached). Our members are involved with financial literacy with their customers, with schools, communities and with the general public.

For more information on this subject and payday lending in general, we encourage you to visit the CFSA website at:

[www.cfsa.net](http://www.cfsa.net)

In closing, I would respectfully note for the Committee that payday loan fees in Kansas are among the lowest in the United States and as low as or lower than all of our surrounding states. We have some of the strongest pro-consumer protections in statute including military best practices lending, forms available in Spanish, 24 hour right of rescission, no loan rollovers and other consumer protections, most, if not all of which were supported by and even proposed by the payday loan industry.

On behalf of the Kansas Community Financial Services Association, Inc., we respectfully thank the Committee for its consideration of our comments.

WBD  
Attachments

Senators of the Senate Education Committee:

My name is Dr. Barbara Railsback, and it is my privilege to sit before you today to discuss Senate Bill 84. I am here as a concerned citizen of the state of Kansas, as a business educator, and as both a “proponent” of Senate Bill 84 and as an “opponent” of Senate Bill 84.

First let me discuss why I am a “proponent” of this bill.

As a business educator for over twenty-five years in Kansas, it is painfully obvious to me that many of our Kansas high school graduates are entering the adult phase of their lives with very little knowledge of the financial responsibilities they will face as productive citizens. In reality, it is the responsibility of parents to teach this to their children; but unfortunately, many of our current parents and young grandparents don’t have personal finance skills either. It has been obvious to business educators for many years that there was a problem; but school administrators, KSDE personnel, and our state and national legislators haven’t admitted that there was a problem or haven’t come up with a solution to start to solve the problem. Of course, the problem is hard to solve because it is multi-faceted.

Therefore, I am pleased that Senate Bill 84 has been introduced; however, it makes me very sad that it was only introduced during a time of major economic recession. What is even more extremely sad is that in 2003, SB72 was passed into law by our state legislature. This law (provided on page 12 of this document) required that personal finance skills/knowledge be taught to all K-12 students attending Kansas schools. However, the Kansas Department of Education narrowly interpreted the law as it was written and mandated that “personal finance math concepts should be included in K-12



math.” That narrow interpretation of the law resulted in no changes in what is being taught in Kansas math classrooms, especially at the 9-12 levels; and this is evident in the request made by the Kansas Board of Education for research into this matter (see board of education minutes provided on page 19 of this document).

So, in summary of my being a **proponent** of this law, I am glad that legislators are interested in personal financial literacy and recognize that it is time to examine this topic again in the Kansas legislature. However, it is now time to create a substantial law that will truly address the problem and attempt to solve it.

Unfortunately, SB84 is only a large band-aide for the mistakes made when KSDE interpreted SB72 of 2003. The only difference between SB72 of 2003 and SB84 now being considered by the Senate Education Committee is that SB84 lists some specific personal finance topics that are to be taught to Kansas students. Hence the reason I am an **opponent** of this bill.

SB72 is a perfectly appropriate bill; the only problem with it is that it was interpreted by KSDE personnel so narrowly [teach in math] that it was bound to fail miserably. And it has.

KSDE personnel overlooked the fact that there were highly-qualified teachers already teaching personal finance classes in every Kansas high school. Instead of reading the full law [ie—the portion that said “or another appropriate subject matter curriculum”], KSDE personnel decided to narrowly interpret the law and make a simple fix—make it mandatory that math teachers include personal finance topics in their classes.

Why wasn’t SB72 effective and why won’t SB84 be effective since it lists in detail the topic areas to be covered? Because math teachers are **not** personal finance teachers.

Math and personal finance are two different subject areas. Math teachers want to teach math and business and FACS educators want to teach personal finance. Math teachers are having a hard enough time covering all of their “math” content let alone trying to incorporate personal finance the way it should be incorporated: fully, covering each one of the angles of personal finance. If you look at this high school personal finance book I have brought with me today as an exhibit (*Managing Your Personal Finances*, Joan S. Ryan, South-Western Publishing Company), you should be able to gain an understanding of the complexity of personal financial literacy and the enormous amount of content covered in personal finance courses.

Math teachers are 1) not trained at the collegiate level to teach personal financial literacy, 2) do not have enough time before state assessment testing to ensure that their students know the basic mathematic concepts on which they are to be tested (geometry and algebra), and 3) most of them do not care to teach financial literacy (see attached e-mail comments and surveys from business and math educators from across the state starting on page 20). I urge you to take the time to look at these survey results carefully and keep in mind that the only class indicated where personal finance is truly being taught in math curriculums is in General Math—a class usually taken by low-functioning students; college bound students do not take this class.

When one discusses financial literacy, one must understand that simply giving a student the ability to figure simple and compound interest is NOT financial literacy. Financial literacy is having an understanding of personal finance concepts, knowing when to apply said concepts, and having the ability to make changes as necessary to solve financial problems. A true course in personal finance is a combination of understanding

basic economic concepts, utilizing mathematical equations, and gaining an understanding of how personal decisions and behaviors can affect one's financial well being. Math and personal finance are two different subject areas. And, just as math should be taught by highly-qualified personnel so should personal finance.

I am an **opponent** of this bill in that it, as written, simply will not solve the problems that haven't been alleviated by SB72. Personal finance is a personal business issue that encompasses much more than math formulas.

This bill, as with the previous bill dealing with financial literacy, is written so that once again mathematics teachers and perhaps teachers of economics (typically social science teachers) will be responsible for teaching financial literacy. And, this will work to some degree at the K-8 level because mathematics at the K-8 level has always included "the beginnings of financial literacy knowledge."

It is, however, at the high school level where we "are losing kids." And, it is at the 11<sup>th</sup> and 12<sup>th</sup> grade levels where a "true" personal finance class should be taught and required for high school graduation. If a personal finance class is taught as it should be taught (not watered down and not made simplistic and just not teaching kids how to solve formulas), only 11<sup>th</sup> and 12<sup>th</sup> graders can truly grasp the analytical nature of the subject matter. If taught by qualified personnel and taught correctly, it is a course where higher-level thinking has to be utilized in order to understand and grasp all of the different branches that create in one "financial literacy."

Why does this bill target math and social science when it is painfully obvious from the data collected by KSDE that math teachers don't want to teach this content? It is almost like Kansas legislators and KSDE personnel want to ignore the fact that there are

more than just “academic subject area” teachers in high schools. There are highly-qualified, nationally tested personnel teaching in every Kansas high school who are HIGHLY QUALIFIED TO TEACH PERSONAL FINANCE. Instead of asking math teachers to teach more when they are having a difficult time teaching the math content they need to be teaching, why not require personal finance as a graduation requirement and require that highly qualified teachers teach it.

Math and social studies teachers have not taken the coursework at the collegiate level to be highly qualified to teach this subject. Many of them could not answer the following basic concepts of true financial literacy:

- 1) What is the 20/10 rule of credit and how does one apply it in their personal financial lives?
- 2) What is the 25% housing rule?
- 3) What percentage of a home’s true value is typically covered through homeowner’s insurance?
- 4) What is the difference between common stock and preferred stock?
- 5) How does the Rule of 72 affect one’s investments?
- 6) What is the difference between saving and investing?
- 7) Define FICO.
- 8) How many months of income should one have “saved” in case of unemployment or dire financial need? (This is probably a question every Kansan needs to know the answer to.)
- 9) How much life insurance should a young couple where only the husband works have on the life of the wife when the children are 5, 7, and 10?
- 10) Using future/present value tables, how much do you need to put in savings now when your child is two years old in order to have \$25,000 in 16 years if you are earning 3% interest per year?



11) What president introduced the Consumer Bill of Rights and how does the Consumer Bill of Rights protect you as a consumer?

These are common personal finance topics (along with many others). This is higher-level thinking that should be introduced to students when they are becoming aware of the need for such knowledge. This is what needs to be taught as far as financial literacy is concerned in our school, and let's face it: it can't be taught in a high school math classroom because the teachers of high school math are having a hard enough time as it is trying to teach math. Personal finance is NOT math; math is a small part of personal finance. Personal finance is its own subject area and it deserves to be a stand alone required course for high school graduation from Kansas public high schools.

As a parent of a high school senior, I observed during my child's freshman, sophomore, and junior years while in Algebra I, Geometry, and Algebra II the amount of financial literacy concepts he learned in those math classes since it was law (SB72, 2003) that they were to be taught in math class. What he had for personal finance was 1) three problems his freshman year to complete on simple interest and 2) four total problems on compound interest (2 his freshman year and 2 his junior year). During the year of geometry, there was no personal finance because math books containing the subject content our Kansas students are tested on for the Kansas assessments do not contain personal finance concepts. I asked him while he was solving his "interest" homework problems if the teacher had talked about when and how a person could utilize the benefits of compound interest and/or simple interest or if the teacher had talked about amortization charts and their importance in lending. His answer was "what are you talking about? No, she just showed us how to use the formulas to solve the problems."

Again, I must emphasize that personal financial literacy includes math concepts, but it is not math. And Kansas students and citizens DESERVE to have qualified teachers who understand the entire concept of personal finance teaching this subject area and they DESERVE to have it taught in the educational process it is going to “do the most good” for the student in the future.

As a former high school teacher, I can tell you that 9<sup>th</sup> and 10<sup>th</sup> graders do not understand the need for this knowledge but juniors and seniors do. Seniors especially do because many of them are over 18 and are already in debt because of not understanding the consequences of giving into impulse buying and using the philosophy of “I want it, I don’t need it, but I want it and so I should get it.” You would be surprised at how many seniors in high school have \$5,000-\$10,000 in consumer debt (typically a car loan), credit cards, and are already in the cycle of forever having consumer debt such as credit card debt and vehicle loans. Many are already working 30-40 hours a week to pay these debts.

Algebra, geometry, and advanced math teachers simply do not have the time to properly teach personal finance concepts. They don’t have the time to spend 2-3 weeks on investment topics, 2-3 weeks on consumer laws, 2-3 weeks on banking services, 4-5 weeks on credit and borrowing, 2-3 weeks on insurance and these are just the basic areas of personal finance; in reality, there are many more topics that should be covered in a comprehensive personal finance course. The content must be taught appropriately and in a stand-alone class.

Don’t pass a law that isn’t going to work. Don’t waste the taxpayers’ money. If you aren’t going to pass a law that is substantial and that has some “meat” to it, just keep SB72 and continue in the same manner as we have been for five years.

As I stated previously, I don't understand why legislators and the KSDE seem to think that personal financial literacy can't be a stand-alone class and that only math or social science teachers are capable of teaching it. Perhaps legislators have been told that business and FACS teachers are "vocational" teachers and they are only training students for jobs. If that is the case, you must understand that is not true.

Perhaps you are not aware that in the 1930s, the "father of business education, Fredrick Nichols, a strong proponent during the 1920s of vocational training in business" determined that business education has two branches:

1) Educating **FOR** business which means providing training in order for the student to obtain basic entry-level job skills (which is the area our KSDE Career & Technical Education Department today focuses on)

**and**

2) Educating **ABOUT** business which means providing the general public with knowledge of basic economics and personal financial concepts (taken from *Effective Methods of Teaching Business Education, 2008 National Business Education Yearbook* [shown as an exhibit]).

All business teacher education training institutions in this state (FHSU, ESU, and KSU [and hopefully the private institutions also]) require their business education majors to take courses in order to be highly qualified in BOTH of these branches of business education. The graduates of these state university programs have the training to teach personal finance as it should be taught and they WANT to teach personal finance. Math teachers do not want to teach personal finance. That is not their area of interest.

When I graduated from Fort Hays State in 1982, I wanted to teach consumer education/personal finance. And, today, that is still the class that I enjoy teaching the most because I know that it is going to help students understand the importance of looking at opportunity costs and future goals. And I know that if I can get kids to understand this concept on a personal level, it will help them in the business world also.

I realize that perhaps legislators are told by KSDE that business educators in our Kansas high schools are only to be teaching #1 above—the vocational part of business education or the teaching FOR business. But that is not true and that is not what most business teachers want. There is a correlation between the two, and business education teachers are trained and are also TESTED through the Business Education PRAXIS II (0100) exam on their knowledge of personal financial literacy. When they pass the Praxis business education exam to get their teaching licenses, they have passed a rigorous set of questions dealing with the concepts of personal finance as well as how to teach these concepts. The Mathematics Praxis exams have absolutely no questions on personal finance on them.

So, isn't it logical to have licensed teachers who have been tested through nationally- and state-recognized content knowledge exams to be teaching the content that these national tests report they are competent to teach? Why would you have non-competent teachers teaching this information? Would you let a business teacher teach a calculus class or just tell the school that calculus concepts can easily be integrated into an accounting course or a business law course? That is what this law does. It is absolutely ludicrous.

If you really want to make a difference and ensure that Kansas high school graduates have personal financial literacy knowledge, make this proposed law have some substance and make it in plain and simple English: **Personal finance is to be taught as a stand-alone class to juniors or seniors, is a requirement for high school graduation in Kansas, and is to be taught by highly-qualified business education or FACS teachers.**

I realize that some would say that students don't need additional requirements for high school graduation because they don't have enough electives as it is. That isn't true. Most high school seniors could graduate with 28-32 credits (7 or 8 classes per year), but if school regulations say they only need 24, they may attend only part-time during their senior year or take dual credit courses (for college and high school credit) or act as a teacher's aide. If they are leaving school early or taking two or three teacher's aide classes, they have the time to take personal finance during their junior and senior years. Emporia high school has required seniors to take consumer education (offered either through business or FACS departments) for many years and their students seem to have plenty of time to take additional electives.

Page 11 of this document provides my suggested changes (gray shading and strikethrough) to SB84. As it is currently written, no changes will occur in Kansas curriculum because math teachers don't want to teach it and if it isn't in their math books, they won't make the effort to teach it. And, do we really want them teaching it when they don't have time to adequately cover their "straight math curriculums"?

In summary, I am a proponent of this bill in that we do need to make personal finance part of our K-12 curriculum, especially 9-12. However, I am an opponent in that as the bill is written, it will change nothing. In order to have effective, positive change, you must consider requiring highly qualified teachers to teach this course and you must require it for high school graduation so all students are exposed the concepts taught in a true financial literacy course. At this time, I would be quite pleased to answer any questions or respond to comments that you might have.





**Senate Education**  
**Senator Schodorf, Chair**

**S. B. 84 – Financial Literacy**

*Submitted by Diane Gjerstad  
Wichita Public Schools*

February 9, 2009

Madame Chair, members of the Committee:

Senate Bill 83 adds specificity to current law of what the legislature expects the State Board of Education to require for students to learn in the area of personal and financial literacy.

Madame Chair, if the legislature is going to require all students be tested on specific areas of personal and financial literacy, then we would ask the Colleges of Education be partners by including this academic area within new teacher curriculum and embedded in advanced level coursework. If the policy of this state is to expect our students to better understand the issues and importance of finances, then it is reasonable for the teacher preparation programs to include financial literacy.

Finally I would also take the opportunity to discuss the importance of funding Professional Development for current teachers. This year only 10% of staff development costs were funded by the formula and the Governor's budget recommends zero funding for FY 2010. This trend of underfunding or not funding staff training for schools is simply not consistent with legislation, such as S.B. 84, which require teachers to teach a subject matter they have little or no background. If the legislature wants our students to learn, first our teachers need to learn the subject matter.

Thank you, Madame Chair, for considering our issues on this subject.

*Senate Education  
2-9-09  
Attachment 9*



To: Senate Education Committee Members

From: Casey Doty, Arkansas City Recreation Commission Director

Date: February 9, 2009

RE: SB 161; Petty Cash Fund for Recreation Commissions

I am Casey Doty of the Arkansas City Recreation Commission and I appear here this afternoon in support of Senate Bill 161.

As it currently stands, Kansas Statutes do not specifically allow petty cash funds for Recreation Commission(s). This bill would establish local authority and eliminate questions regarding the legality of Recreation Commission(s) maintaining a small petty cash fund.

The advantages of having a petty cash fund include:

- Having the ability to mail packages within a few minutes, rather than going through the process of determining shipping costs, issuing purchase order, cutting check, and obtaining signatures. This expedites the daily process of shipping supplies and allows Staff to focus on other responsibilities
- Having the ability to pay for emergency expenses, i.e. last minute program and meeting supplies

In the event this bill does not pass, it would be up to the local Commission(s) to determine legality of petty cash fund. In many cases this process would involve Recreation Board of Directors hiring legal council, causing undue expense.

I thank you for your time and the opportunity to appear today in support of Senate Bill 161. I would be happy to stand for any questions.

Senate Education  
2-9-09  
Attachment 10



P.O. Box 871, 715 High Street  
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(785) 594-3670  
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Gentlemen and Ladies:

Thank you for the opportunity to offer some personal insights on the issue of Petty Cash Funds by Recreation Commissions. Since Recreation Commissions are so closely related to school districts as far as our establishment and budgeting process, I have assumed that we were permitted to establish fund accounts that permitted us to carry on our daily functions in a similar fashion.

I have been in the Recreation Commission business for 31 years and have not encountered any issues regarding a Petty Cash Fund from any auditor. It is our practice to keep a Cash Drawer from which we make change for different registrations and activity fees. This Cash Drawer is always counted at the end of the day and any excess cash or checks placed in deposit bag. In addition, both of the Recreation Commission boards that I have worked for have established a Petty Cash Checking Account that allows me the discretion to write checks for items needing immediate payment. The maximum amount for this account has been set at \$500 by both of the Commission Boards I have worked for over the years.

To me, these are both situations of how a responsible governmental entity manages its funds to effectively handle day to day operations.

Thank you for the opportunity to address you this afternoon.

Sincerely,

Stevens M. Friend  
Director, Baldwin City Recreation Commission  
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Baldwin City, Ks 66006  
785 594-3670  
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Senate Education  
2-9-09  
Attachment 11