

SESSION OF 2014

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2475**

As Amended by House Committee of the Whole

**Brief\***

HB 2475, as amended, would revise requirements for standards for personal financial literacy for all grade levels within the existing mathematics curriculum or another appropriate subject-matter curriculum. The bill would require these standards to include instruction and training on the importance and execution of an effective professional handshake. Further, the bill would replace “textbooks” with “instructional materials” in the section of the law requiring the State Board of Education to encourage school districts to incorporate instruction on personal finance into mathematics, economics, family and consumer science, accounting, or other appropriate courses. Similarly, the bill would broaden the scope of topics related to personal financial literacy that are encouraged to be included in instructional materials to include:

- Saving and investing, including topics concerning saving, understanding investments, wealth building, and college savings;
- Credit and debt, including topics concerning the dangers of too much debt, consumer awareness, credit bureaus, payday and car title loans, and collection practices;
- Financial responsibility and money management, including topics concerning budgeting and negotiating techniques; and

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

- Insurance, risk management, and income, including topics concerning insurance coverage, taxes, real estate rent or purchase options, mortgages, and automobile and personal loans.

Additionally, the bill would require the State Board to submit a written report on or before the first day of the 2015 Legislative Session to the House and Senate Education Committees on the aggregate data of statewide assessment results for all questions relating to financial literacy.

## **Background**

In the House Education Committee, Representative Bradford, Kansas State Treasurer Ron Estes, a professor in Pittsburg State University's Department of Family and Consumer Sciences, a representative of Educational Management Consultants, and a concerned citizen appeared in support of the bill. Girl Scout Councils of Kansas, Kansas Association of Realtors, Kansas Credit Union Association, Kansas Chamber, and the Office of the State Bank Commission offered written proponent testimony. Kansas Securities Commissioner Josh Ney and representatives of Wichita Public Schools offered neutral written testimony. Representatives of the Kansas Association of School Boards and Kansas National Education Association appeared as opponents.

The House Committee amended the bill to restore provisions requiring the State Board of Education to develop curriculum standards for personal financial literacy for all grade levels; encourage schools to incorporate instruction on personal finance into mathematics, economics, family and consumer science, accounting, or other appropriate courses' curriculum; and include questions relating to personal financial literacy in the statewide assessment. The House Committee also removed provisions that would have required all accredited high schools to offer a personal financial literacy course for 11th and 12th grades and for students to

pass that class as a condition of graduating from high school. Finally, the House Committee replaced “textbooks” with “instructional materials” in the section encouraging schools to incorporate instruction on personal finance into existing courses and added provisions requiring the State Board to submit a written report on or before the first day of the 2015 Legislative Session to the House and Senate Education committees on the aggregate data of statewide assessment results for all questions relating to financial literacy.

The House Committee of the Whole amended the bill to require the state standards for personal financial literacy to include instruction and training on the importance and execution of an effective professional handshake.

The fiscal note prepared by the Division of the Budget indicates passage of the bill, as introduced, would require the Kansas Department of Education to spend an additional \$50,000, including a half-time FTE Education Program Consultant. Of that, \$35,000 would be for salaries and wages, and \$5,000 for travel and subsistence expenditures for the position to travel to districts and provide training workshops. Though not required, the Department states it also would create a 12-member advisory council to assist agency staff in developing standards for personal financial literacy courses. The council would meet four times and would require approximately \$10,000 for travel and subsistence of its members.