

HOUSE BILL No. 2232

By Committee on Federal and State Affairs

2-4

1 AN ACT concerning schools; relating to personal financial literacy
2 courses; amending K.S.A. 72-1103 and K.S.A. 2014 Supp. 72-7535 and
3 repealing the existing sections.
4

5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 72-1103 is hereby amended to read as follows: 72-
7 1103. All accredited schools, public, private or parochial, shall provide and
8 give a complete course of instruction to all pupils, in civil government, and
9 United States history, and in patriotism and the duties of a citizen, suitable
10 to the elementary grades; In addition thereto, all accredited high schools,
11 public, private or parochial, shall give a course of instruction concerning
12 the government and institutions of the United States, and particularly of
13 the constitution of the United States; ~~and no, and a course of instruction~~
14 *for grade 11 or 12 concerning personal financial literacy as provided in*
15 *K.S.A. 2014 Supp. 72-7535, and amendments thereto. A student who has*
16 *not taken and satisfactorily passed such—course courses shall not be*
17 *certified as having completed the course requirements necessary for*
18 *graduation from high school.*

19 Sec. 2. K.S.A. 2014 Supp. 72-7535 is hereby amended to read as
20 follows: 72-7535. (a) In order to equip students with the knowledge and
21 skills needed to become self-supporting and to enable students to make
22 critical decisions regarding personal finances, the state board of education
23 shall authorize and assist in the implementation of programs on teaching
24 personal financial literacy.

25 (b) The state board of education shall develop a curriculum, materials
26 and guidelines that local boards of education and governing authorities of
27 accredited nonpublic schools may use in implementing the program of
28 instruction on personal financial literacy. The state board of education
29 shall adopt a glossary of personal financial literacy terms which shall be
30 used by school districts when implementing the program on personal
31 financial literacy.

32 (c) The state board of education shall develop state curriculum
33 standards for personal financial literacy, for ~~all grade levels,~~ *grades*
34 *kindergarten to 10*, within the existing mathematics curriculum or another
35 appropriate subject-matter curriculum, *and for grades 11 or 12 in*
36 *accordance with this section.*

1 (d) *A course of instruction concerning personal financial literacy for*
2 *grades 11 or 12, as required by K.S.A. 72-1103, and amendments thereto,*
3 *shall be at least one semester or two quarters or the equivalent thereof,*
4 *and shall include, but not be limited to, the following areas:*

5 (1) *Savings, including, but not limited to, interest, compound interest,*
6 *the rule of 72, budgeting and managing expenditures, importance of*
7 *saving, balancing a checkbook, creating a savings plan, principal, capital,*
8 *types of savings vehicles, monthly budgeting, bargain shopping as a part*
9 *of a financial plan and helpful negotiation strategies;*

10 (2) *banking, including, but not limited to, typical account types and*
11 *their features, completing a check, online banking resources, monitoring*
12 *account balance activity and the benefits and detriments of different*
13 *account features such as protection plans for overdraft and minimum*
14 *balance requirements;*

15 (3) *payment types, interest rates and credit cards, including, but not*
16 *limited to, cash advances, payday loans, debit cards, merchant cards,*
17 *annual percentage rates on credit cards, credit limit, annual fees on credit*
18 *cards, grace periods, minimum payments, other fee structures on credit*
19 *cards, and calculating a return on an initial investment with different*
20 *interest rates and compounding frequencies;*

21 (4) *credit scores, including, but not limited to, how credit scores are*
22 *calculated, implications of good or bad credit scores, financial decisions*
23 *most detrimental to a credit score, ease of ruining a credit score, entities*
24 *who calculate credit scores, what impacts credit scores, how to manage a*
25 *credit score, FICO, major credit bureaus, credit checks and purchases*
26 *typically requiring good credit;*

27 (5) *financing higher education, including, but not limited to, filling*
28 *out a free application for federal student aid, understanding repayment*
29 *obligations for loans, scholarships, grants, types of loans, good debt*
30 *versus bad debt, depreciation versus appreciation, cost of attendance,*
31 *master promissory note, loan payback schedules and returns on*
32 *investments including future returns on appreciation on assets and an*
33 *education;*

34 (6) *renting versus owning property, including, but not limited to,*
35 *mortgages, appreciation, depreciation, tax incentives, lease terms, fixed*
36 *and adjustable rate mortgages, balloon payments, liens, foreclosures,*
37 *buying process, selling process, renting process and the costs associated*
38 *with home ownership versus renting;*

39 (7) *insurance, including, but not limited to, the purpose of financial*
40 *risk management, insurance terminology, health insurance, homeowners*
41 *insurance, renters insurance, life insurance, disability insurance, identity*
42 *theft insurance and automobile insurance;*

43 (8) *consumer fraud, including, but not limited to, the fair credit*

1 *reporting act, the fair debt collection practices act, the truth in lending*
2 *act, identity fraud, identity theft, preventing common consumer fraud*
3 *practices and how to spot consumer fraud;*

4 (9) *investing, including, but not limited to, stocks, bonds, mutual*
5 *funds, 401(k), individual retirement arrangements, risk and reward*
6 *dynamics, rate of return, shareholders, dividends, coupons, creating an*
7 *optimal investment portfolio, reading a stock quote and evaluating a*
8 *company based on its price, market capitalization, dividend yield,*
9 *earnings per share and price to earnings ratio;*

10 (10) *taxes, including, but not limited to, sales tax, income taxes and*
11 *income tax brackets, property taxes, capital gains taxes, tax forms, net*
12 *pay, tax revenue sources for federal, state and local governments and*
13 *state, federal and social security withholding; and*

14 (11) *debt, including, but not limited to, good debt versus bad debt, the*
15 *dangers of debt as a financial tool and the importance of avoiding debt as*
16 *a young adult.*

17 (d) The state board of education shall encourage school districts when
18 selecting textbooks for mathematics, economics, family and consumer
19 science, accounting or other appropriate courses, to select those textbooks
20 which contain substantive provisions on personal finance, including
21 personal budgeting, credit, debt management and other topics concerning
22 personal financial literacy.

23 ~~(e) The state board of education shall include questions relating to~~
24 ~~personal financial literacy in the statewide assessments for mathematics or~~
25 ~~social studies required under K.S.A. 72-6439, and amendments thereto.~~
26 ~~When the statewide assessments for mathematics or social studies are~~
27 ~~reviewed or rewritten, the state board of education shall examine the~~
28 ~~questions relating to personal financial literacy and rewrite such questions~~
29 ~~in order to determine if programs on personal financial literacy are~~
30 ~~equipping students with the knowledge and skills needed to become self-~~
31 ~~supporting and enabling students to make critical decisions regarding~~
32 ~~personal finances.~~

33 Sec. 3. K.S.A. 72-1103 and K.S.A. 2014 Supp. 72-7535 are hereby
34 repealed.

35 Sec. 4. This act shall take effect and be in force from and after its
36 publication in the statute book.