

TESTIMONY IN SUPPORT OF HB2301 AS AMENDED

By

Dr. Walt Chappell, President Educational Management Consultants, LLC

Please pass the amendment attached below. It will benefit ALL students by making sure that they learn how to manage their money before they graduate from high school.

- 1) Since 2010, a course in personal financial literacy has ALREADY qualified as a math ½ credit. So, passing HB2301 to tell districts which “offer” this course to do what is already approved does little to teach all Kansas high school graduates how to manage their money as adults. Consequently, most of our students will still end up in debt soon after graduation.
- 2) For decades, there has been very strong support from parents, students, teachers, bankers, business owners and statewide financial organizations to **require that every high school student take a stand-alone course to learn how to manage their money before they graduate.** Both Republican and Democrat leaders have worked hard to make this happen.
- 3) K.S.A. 72-7535 which is now K.S.A. 72-3236 was passed in 2003. It required the State Board of Education to “***develop curriculum, materials and guidelines***” to teach personal financial literacy in all public and non-public schools. But 18 years later, few school districts require their students to pass a semester course to graduate from high school.
- 4) There should be **NO MORE EXCUSES!!** The **Kansas State Banking Commission** offers a free **Everfi** program to teach these skills. They are joined by the **State Securities Commission** and the **State Treasurer’s** office in providing free PFL teaching materials. The **FBLA Personal Finance** course is even online and available free of charge. Other districts have included content from various sources or purchased **Dave Ramsey’s course**.
- 5) In addition, the **Kansas Council For Economic Education** has also been providing free personal finance curriculum materials for over 30 years. In addition, they offer free summer workshops for Kansas teachers and pay for their room and board to attend. Even so, as long as this course is not a graduation requirement in most districts, few teachers attend these workshops or teach using the free instructional materials in their classrooms.
- 6) For now, K.S.A. 72-3236 only “**encourages**” local districts to teach some PFL concepts in math or social studies courses. There are very few PFL questions on the State assessments. A small number of students are lucky enough to take a PFL course as an elective. But it is clear that **the law passed in 2003 is not working**. Simply put, if a course is not required or tested, it does not get taught!!
- 7) By preventing thousands of Kansas students from learning how to manage the money they earn, the Legislature is setting them up to be in debt as soon as they graduate from high school.
- 8) **Making PFL a graduation requirement is no different than any other course which the State Legislature has mandated that students need to be successful adults since K.S.A.**

72-3217 was passed into law in 1919. However, in this case, PFL skills are more relevant than many of the other required courses a high school student must take to graduate.

- 9) It is time to let every high school student have an opportunity to learn basic PFL concepts—not just leave it to chance as to which high school they attend.
- 10) The State legislature has used its **Constitutional authority under Article 6, Section 1** to mandate that each Kansas student take a minimum number of courses in English, Math, Science, and other courses to graduate for over 100 years. But, in 2010, with the support of the KASB and KNEA, the untested and unfunded Common Core Standards were adopted without the State Legislature or local school boards having input or vote. (See attached.)
- 11) For the KASB and KNEA to testify against requiring PFL as a graduation requirement is very sad. They claim that it should be left to local districts to decide. If that is the case, then why impose the CCS on every school without any flexibility by local school boards, and bypass the Legislature’s authority to decide what courses are taught to Kansas students.
- 12) The PFL curriculum materials to teach our students are being provided for free. The course is already being taught as a ½ credit math substitute or as a CTE pathway funded by Perkins grants at minimal expense to the few local school districts who offer it to their students.
- 13) A stand-alone course in PFL is applied math which each high school student will use to make financial decisions for the rest of their life.
- 14) **So, please vote to amend and send HB2301 to the floor of the House to be passed into law this Session. Thousands of Kansas parents and students will thank you for years to come.**

Have a GREAT DAY,

Dr. Walt Chappell, President
EDUCATIONAL MANAGEMENT CONSULTANTS, LLC
3165 N. Porter, Wichita, KS 67204
(316) 854-0877 (P) / (316)208-4565 (C)
educationalmanagers@cox.net
www.educationalmanagers.com

Managing Cost Effective Learning Systems

SUGGESTED AMENDMENT TO HB2301

Please replace New Section 1 in HB2301 with the following language.

New Section 1. K.S.A. 72-3217 is hereby amended to read as follows:

All accredited schools, public, private or parochial, shall provide and give a complete course of instruction to all pupils, in civil government, and United States history, and in patriotism and the duties of a citizen, suitable to the elementary grades;. In addition thereto, all accredited high schools, public, private or parochial, shall give a course of instruction concerning the government and institutions of the United States, and particularly of the constitution of the United States; ~~and no~~, ***and a course of instruction for grade 11 or 12 concerning personal financial literacy as provided in K.S.A. 2017 Supp. 72-3236, and amendments thereto.*** A student who has not taken and satisfactorily passed such ~~course~~ ***courses*** shall ***not*** be certified as having completed the course requirements necessary for graduation from high school.

**The rest of HB2301 is fine as drafted.

DESCRIPTION of the KANSAS COUNCIL ON ECONOMIC EDUCATION

The Kansas Council on Economic Education (KCEE) is a non-profit entity organized under Section 501(c)(3) of the Internal Revenue Code. The KCEE also is known as the Kansas Council for Economic Education. Although it is a separate legal entity, the KCEE is affiliated with all of Kansas' six public universities and is hosted by the W. Frank Barton School of Business at Wichita State University. Each university has a Center for Economic Education that is affiliated with the KCEE. The KCEE also is affiliated with the Council for Economic Education, an international advocate for youth economic and financial literacy. Our MISSION is to equip teachers to educate Kansas' students in grades K-12 in economics and personal finance. Our VISION is that, through economic and financial literacy, Kansas' students will become more knowledgeable consumers, wiser savers and investors, better employees, and more responsible citizens who are capable of managing their finances, evaluating policy decisions, and helping to avoid future economic and financial crises. Whether the graduating high school senior will enter college or the job market, economic and financial literacy are critical to success. The economic and financial crises have underscored the need for our services. The KCEE has served the state for 54 years. We invite you to visit our website at www.kcee.wichita.edu.

The KCEE strives to reach as many students as possible by equipping their teachers to teach personal finance and economics. We train teachers through workshops, webinars, and virtual conferences. In addition, we provide tuition assistance to enable certified Kansas teachers to take courses for graduate credit through our affiliated Centers for Economic Education on the universities' campuses.

The KCEE can provide all of the standards-based curriculum resources that are needed to teach economics and personal finance. Many lesson plans are included. We advocate for dedicated courses in personal finance and economics at the high school level. Specifically, we believe that all students should be required to pass at least one course in economics and one course in personal finance. Ideally, each course would be at least one semester in length. Moreover, we emphasize that these concepts need to be incorporated into the curricula starting in kindergarten. It is very easy to include personal finance and economics concepts in math, business, social studies, family and consumer sciences, and other subjects. Such inclusion actually makes the other subjects more meaningful and engaging by providing practical applications. The KCEE and its affiliated Centers for Economic Education are available to help school districts in designing dedicated courses and integrating economics and personal finance into other subject areas.

The KCEE provides several programs and competitions that are very popular with both teachers and students. They engage students through experiential learning and practical applications of knowledge. One is The Stock Market Game™ (SMG), which is a stock market simulation that is supported by the New York Stock Exchange and the securities industry. An independent study showed that the SMG is a very effective means of increasing both financial literacy and math proficiency. Through funding provided to the KCEE, every eligible student can participate in the SMG without charge. The students study online. After gaining basic knowledge, their teachers form teams of students (typically with three to five students per team). Each team is given a hypothetical \$100,000 to invest in a securities portfolio. The trading takes place in real time at the actual prices of the securities. It is amazing how well some of the teams perform!

Another of our programs is LifeSmarts, which is known as “the Ultimate Consumer Challenge.” LifeSmarts is made available nationwide by the National Consumers League and is provided in Kansas through a contract with the KCEE. The Office of the State Bank Commissioner through its Division of Consumer and Mortgage Lending is the umbrella sponsor of LifeSmarts in Kansas. Additional funding has been provided by AT&T and American Century Investments.

Using both public and private funding, the KCEE developed and copyrighted its Financial Foundations for Kids program, which uses self-paced computer courseware and is one of the finest tools available for teaching personal finance and economics to students in grades K-8. Under our agreement with the funding sources, this program is provided throughout the state without charge. In addition to individual CDs that are available through the KCEE, Financial Foundations for Kids is available online to all schools through our website. Detailed information about all of our programs is available through links on our website.

In addition to the competitions that we conduct for The Stock Market Game™ and LifeSmarts, the KCEE conducts the Kansas Personal Finance Challenge as well as the Kansas competition in the National Economics Challenge. We also conduct an Economics Poster Contest for students in grades K-8. It is very gratifying to see how well our Kansas students compete at the national level. Our state championship team in the high school LifeSmarts competition receives an expense-paid trip to the national championship. Our 2011 state champions from Nickerson High School won the national championship in Universal City, California. Our teams have also placed as high as third in the National Personal Finance Challenge.

The KCEE collaborates with other organizations for the benefit of students. The staff of Youth Entrepreneurs realizes that their students are much more likely to become successful entrepreneurs if they understand economics and personal finance. Communities In Schools strives to keep kids in school until they graduate. Their staff understands that students who are economically and financially literate are more likely

to stay in school and to graduate. The KCEE has partnered with the Kansas State Department of Education (KSDE) to present the Kansas Summit on Economic and Financial Literacy to increase awareness of the need for such education. Jim Graham, the KCEE's President and CEO, served on a task force that helped the KSDE in the revision of its high school business curriculum that included the addition of a business economics course. The KCEE also works closely with the Kansas State Board of Education and the Kansas Association of School Boards. Using funding provided by Koch Industries, Inc., the KCEE expanded its services beyond the traditional classroom by successfully implementing its programs at the Boys and Girls Club in Wichita.

The KCEE has participated in two very significant initiatives in the Wichita Public Schools. One was the establishment of a dedicated course in personal finance in all of the high schools with the requirement that the students successfully complete the course in order to graduate. The other is the possible conversion of the Adams Elementary School to the Adams Economics and Entrepreneurship Magnet School. The Federal Reserve System has advised that this will be only the fourth economics magnet school in the country.

Of course, the KCEE would like to pursue similar initiatives in other school districts throughout the state. We have prepared an online personal finance course that is available to all schools in Kansas without charge. It includes an introduction to economics and incorporates all of the appropriate resources that are available through the KCEE including The Stock Market Game™ and LifeSmarts. The funding for this course was provided by the Kansas Credit Union Association and eight of its members.

In our efforts to get our programs into more schools, the KCEE worked with the Kansas Association of School Boards to conduct a market research study to determine how many students are being impacted, the barriers to the use of our services, and how we can better serve the schools, their teachers, and their students. We knew which schools were participating in our programs, but were not sure how many students were involved. More than 600 schools participate in our programs every year. We will not be satisfied until every student becomes economically and financially literate. Also, we are working with the regional school service centers to provide more professional development opportunities for teachers so they can educate more students.

The KCEE receives both public and private funding. Most of our public funding has come from fines and fees collected by regulatory agencies rather than from tax revenues. The regulatory agencies are required to use a portion of these funds for educational programs and realize that their objectives can be accomplished by funding the KCEE's programs. If you will click on "Supporters" on our website, you will see a list of the individuals and entities that have provided our funding. As expected, our funding was adversely affected by the economic and financial crises and the resulting recession.

In summary, it is the desire of the KCEE that every school and every student in Kansas participate in our programs. When students become economically and financially literate, their lives will be more meaningful and we will have played our part in avoiding future economic and financial crises. As our tagline states, we are "TEACHING OPPORTUNITY." During each academic year, we reach more than 100,000 students through more than 1000 teachers throughout the state.

72-3217. Required courses of instruction; graduation requirements.

All accredited schools, public, private or parochial, shall provide and give a complete course of instruction to all pupils, in civil government, and United States history, and in patriotism and the duties of a citizen, suitable to the elementary grades; in addition thereto, all accredited high schools, public, private or parochial, shall give a course of instruction concerning the government and institutions of the United States, and particularly of the constitution of the United States; and no student who has not taken and satisfactorily passed such course shall be certified as having completed the course requirements necessary for graduation from high school.

History: L. 1919, ch. 257, § 2; R.S. 1923, 72-1103; L. 1925, ch. 224, § 1; L. 1968, ch. 20, § 2; L. 1984, ch. 261, § 5; July 1.

72-3236. Personal financial literacy programs; development and implementation.

(a) In order to equip students with the knowledge and skills needed to become self-supporting and to enable students to make critical decisions regarding personal finances, the state board of education shall authorize and assist in the implementation of programs on teaching personal financial literacy.

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

(c) The state board of education shall develop state curriculum standards for personal financial literacy, for all grade levels, within the existing mathematics curriculum or another appropriate subject-matter curriculum.

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

(e) The state board of education shall include questions relating to personal financial literacy in the statewide assessments for mathematics or social studies required under K.S.A. 72-5170, and amendments thereto. When the statewide assessments for mathematics or social studies are reviewed or rewritten, the state board of education shall examine the questions relating to personal financial literacy and rewrite such questions in order to determine if programs on personal financial literacy are equipping students with the knowledge and skills needed to become self-supporting and enabling students to make critical decisions regarding personal finances.

History: L. 2003, ch. 39, § 1; L. 2009, ch. 130, § 2; L. 2015, ch. 4, § 48; L. 2017, ch. 95, § 76; July 1.

KANSAS CONSTITUTION

Article Six: Education

1: Schools and related institutions and activities. **The legislature shall** provide for intellectual, educational, vocational and scientific improvement by establishing and maintaining public schools, educational institutions and related activities **which may be organized and changed in such manner as may be provided by law.**

2: State board of education and state board of regents.

(a) The legislature shall provide for a **state board of education which shall have general supervision** of public schools, educational institutions and all the educational interests of the state, except educational functions delegated by law to the state board of regents. The state board of education shall perform such other duties as may be provided by law.