

2009 HOUSE EDUCATION

HCR 3016

## 2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HCR 3016


House Education Committee

☐ Check here for Conference Committee

Hearing Date: February 9, 2009

Recorder Job Number: 8998

Committee Clerk Signature



Minutes:

**Vice Chair Lisa Meier, District 32**, introduced HCR 3016. HCR 3016 encourages school districts in North Dakota to offer a course in financial literacy in order to insure that students are better prepared to make sound money management decisions for themselves and so the students have a sufficient base of knowledge and understanding about financial matters before they begin making financial decisions as young adults. We heard a lot of testimony on this already from the previous bills that we had up and encourage that this be passed and more awareness be made through programs such as jump\$tart and junior achievement.

**Jesse Kozak, University of Mary student**, appeared in support of HCR 3016. I believe this course is a necessity for all high school students. I did a little research on it. In 2007 1,085,471 people filed for bankruptcy. Since 2007 it has increased by 36.7%. This is according to the administrative office of the courts. Being 26 years and not having a class like this in high school, I came out of high school way unprepared. When my dad passed away, my mom was unprepared because my dad took care of all the finances so I saw her having to make all these decisions on her own. Here I am 26 years old trying to do that myself using the credit card when I shouldn't have and falling behind on bills. I believe if we had a course in high school I would have been a little more prepared. I kind of equate that to sexual education classes helps you make better decisions with other people. This is a class that you know we

use credit cards every day. We use money every day. Being able to be educated on this would greatly benefit young adults in making decisions in everyday situations. I believe that having this class would greatly help our economy and individual people as well.

**Rep. Lyle Hanson:** Did you take business math in high school?

**Jesse Kozak:** No I did not. The only thing I took that would actually helped me was economics. I went to high school in California, and that was much different.

**Nikki Binegar, University of Mary student,** appeared in support. I also believe that a course on finances would be beneficial to high school students. Every person needs to deal with finances eventually. I believe that the more a person is educated in an area, the less likely they will make serious mistakes. I think a financial course can include information on saving accounts, checking accounts, debit cards, credit cards, compound interest, loans, scholarships, security and personal information, avoiding mountains of debt, and also knowing and understanding the differences between wants and needs. A financial course such as this could prevent long term problems that could affect a person their entire life. It is not only important that we teach our students the importance of finances but also the long term severe consequences it could have if they are not responsible. It is a lot easier to prevent debt and finance problems than it is to get back in control of them. I have several friends that when we got to college, they took out a lot of credit cards because they are unaware of the consequences. Now today they are unable to get loans for school, cars, and homes because of their debt and their credit score. As educators, it is our job to make sure we are doing what we can to prevent this from happening.

**Chelsey ?, University of Mary student,** appeared in support. Credit card companies are known to target college students because they don't understand and they are not prepared to handle financial situations. I found some statistics. More than 80% of college students have at

least one credit card. Freshmen who have credit cards tend to double their debt by senior year. Important information is often learned the hard way. A financial course could reduce the amount of problems faced by young adults as they begin their life on their own. My father taught me how to manage my money so that I don't have personal experiences of being in debt but we can't turn to everyone's parents to teach their kids good choices. A basic knowledge of how the system works and grasping the concept of living within your means is \_\_\_ in a teacher. I believe that the first step to a stronger economy is educating our young people to manage their finances intelligently.

**Julie Kubisiak, North Dakota Jump\$tart Coalition**, appeared in support. (See Attachment 1.)

**Michel Hillman, North Dakota University System**, appeared in support. (See Attachment 2.)

**Rep. David Rust:** HCR 3016 encourages school districts to offer. Do you like the word offer better than the word require?

**Michel Hillman:** I know that schools are burdened with a lot of retirements. I think that one of the points that this recommendation is age appropriate. Part of what that means is one course in high school is not going to solve decision. I think integrating this course in mathematics courses throughout elementary school and throughout courses like business math--I think this concept should be integrated throughout. I don't think a single course is a quick fix. I do think schools really do have a burden trying to meet all the requirements of all the courses to offer. The best way would be to do the integrating.

**Rep. David Rust:** Do you have a grade level? I have four children. It seems the first two were not inundated with the credit card people like the last two were. The first two didn't seem

to get into trouble, but the last two did. Maybe that was my fault as a parent. I think if I were going to require a class, I would require it as a senior.

**Michel Hillman:** I think the students made a great point. I know that students in the last year of high school, that summer, and the first year in college, they are really hit with a number of credit card offers that are sometimes difficult to turn down. Again, I think there are a lot of concepts here in terms of starting with the piggy bank with preschool children and moving all the way up. You are making a good point for a senior level course. I don't think there is one quick fix for this issue.

**Rep. Lyle Hanson:** Do any colleges in North Dakota offer some type of class like this, especially your two-year schools?

**Michel Hillman:** Most of the campuses in the North Dakota university system now have orientation classes for freshmen where this would be part of the information that is presented. Also when students receive financial aid, there is counseling that goes on in terms what this means and long term debt. We work with the Bank of North Dakota.

**Rep. Lyle Hanson:** They are not accredited?

**Michel Hillman:** I don't know that there is a financial literacy class so to speak. It would be incorporated in with a lot of other courses in finance. It is like keyboarding, by the time students get to college, we expect them to have mastered keyboarding. I think it is almost that level of importance to have already mastered before sending them to college.

**Rep. Bob Hunsakor:** Many of the students come out of high school and enter the institutions of higher learning. Do you have any sense of the exposure they have when they walk on your campus from the credit card companies? Are they allowed to be within the buildings of the institution and how much would that be dealt there?

**Michel Hillman:** This was a legislative discussion in preventing people from coming on to \_\_\_\_.

There is a limit what we can do. We can't prevent them from coming on campus.

**Kelvin Hullet, Bismarck Mandan Chamber of Commerce,** appeared. (See Attachment 3.)

**Larry Manzlowski, Division Director for the Property and Casualty Unit, North Dakota Insurance Dept.,** appeared in support of this resolution. Basically our experience is that when we go out and visit with high school students and talk to them, they are sorely missing the information particularly in our case with regards to insurance, credit, and all the impacts that result. Therefore, we are looking forward to this resolution as something that would move this discussion even further down the road.

**Linda Paluck, Director of School Approval and Accreditation, Dept. of Public Instruction,** appeared in support. (See Attachment 4.)

**Dr. Doug Johnson, NDCEL,** appeared. They support the bill. Good solution and good alternative to HB 1443 and 1564.

#### Opposition

**Kelly Schmidt, ND State Treasurer,** appeared in opposition. (See Attachment 5.)

The reason she opposes this resolution is because of the 170 high schools in the state of North Dakota 49 are currently offering either business math or consumer math. These 49 districts have a current enrollment of only 963 students. Though it is offered our students are not taking this class. Therefore, I question what value a resolution would bring to the advancement of educating our kids in the areas of finance.

**Rep. Jerry Kelsh:** Students are suppose to be 100% ready in keyboarding and financial information. That probably isn't always possible. Wondering the same thing about an hour in a class to give those kids a little information on how they need to be responsible for financial in college as well? Just coming out of high school they are suppose to know everything?

**Kelly Schmidt:** What about the kids that don't go to college? What about the kids that go to the military or out there working in the oil fields and have these big paychecks and they don't know what to do with them once they get them? Those are the kids too that we need to worry about. Not everyone goes to college.

The hearing was closed.

## 2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HCR 3016

House Education Committee

☐ Check here for Conference Committee

Hearing Date: February 11, 2009

Recorder Job Number: 9218

Committee Clerk Signature

*Carmen Hart*

Minutes:

**Rep. David Rust:** Why would we pass this when we already have it in HB 1400?

**Chairman Kelsch:** I think one of the things that we probably need to look at is how we can best accommodate school districts to make sure that they have this class as an offering. I think there were some pretty strong feelings, and I talked to some people outside the legislature that have said that how important they think it is that students are taking this class. I think there are a lot of people out there that would probably like to see it as a mandated class. We have to look at the options, and maybe this isn't necessary. Maybe it is something that we can talk to school districts and say look REAs, you are going to have get ready for this for the future. It probably will come back next session and we will say it is a must class, not a shall offer class.

**Rep. David Rust:** One of the things I did notice is that the people who came in and encouraged us wanted it to make it a mandatory class. As I stated earlier when I think about it that most kids would take this like a general math or a general business class. Most of those kids take that as a ninth grader, and I really wonder about the wisdom of doing that as a ninth grader when it seems the crucial year is about the senior year or shortly thereafter. I am becoming more and more convinced of a shall take as opposed to a shall offer.



**Chairman Kelsch:** One thing we don't want to do, though, is we don't want to jeopardize or put into jeopardy some of our small school districts that just aren't prepared to have it as a shall.

**Vice Chair Lisa Meier:** I worked with quite a few of those individuals before the session began. What we came up with was the resolution.

**Rep. Jerry Kelsh** moved a Do Pass. **Rep. Brenda Heller** seconded the motion.

**Rep. Karen Karls:** We heard from all these private groups about junior achievement, Jump\$tart Coalition, and all the materials they provide and the classroom help they provide. Is there going to be a problem because they are not certified teachers? Will they be allowed into the classrooms with the teacher present? How does that work?

**Chairman Kelsch:** I don't think that will go away. I think that those programs are community sponsored and bank sponsored. I think they have really good relationships with the school districts, and they see a real value to having those business people come in. I think the nice thing is that they are touching those kids at an earlier age. What we are looking at here is for a finance class be taught in high school, and the junior achievement hits those kids. Some may go into the junior high, and you don't see them requiring them to be certified teachers.

**Rep. Karen Karls:** So would this sort of be like ag in the classroom?

**Chairman Kelsch:** The one question that I had is whether or not we should have had another whereas. I am not real good with how to make it sound good for resolutions. I almost wondered if after the last whereas we shouldn't have an and we look at the feasibility of having a private public partnership to allow junior achievement in all school districts. They have the ability to do it. It is just a matter of getting those school districts all involved. Every community has a bank or an economic development group or a chamber of commerce. That's usually the ones who are pushing it.

**Vice Chair Lisa Meier:** When I worked with Legislative Council on this resolution, I had mentioned Jump\$tart as the program. I know Anita did not include it so maybe that is an issue that she looked at.

**Chairman Kelsch:** That is because Anita is real strict on not including the names of programs. I wonder if you did just say something about and the feasibility of a public private partnership with existing financial literacy programs.

**Vice Chair Lisa Meier:** I think that is an excellent idea. Part of the discussion was whether or not some of these individuals actually could go into the classroom and maybe do two weeks. When I was visiting with Kelvin Hullet, he had mentioned that.

**Chairman Kelsch:** He is such a strong supporter of the junior achievement program, and then you are going to touch the students so that they at least have an understanding of financial literacy when they are younger. Then we would be looking at the class when they are in high school.

**Rep. David Rust:** I was wondering if you wanted to put something like whereas there are private community based organizations with appropriate financial rate of materials available to classrooms?

**Chairman Kelsch:** I think you have to be a little bit more specific in there that you want to look at the feasibility of a public private partnership, because some of these school districts that may be in the next session we may have to put in a little bit of an extra bump if we want to do that to have that partnership whether or not it is feasible.

**Rep. Jerry Kelsh:** I withdraw my motion.

**Rep. Brenda Heller** withdrew her second.

**Rep. Phillip Mueller:** This is a resolution suggesting that the schools do a lot of things. This doesn't talk about a study does it?

**Chairman Kelsch:** Okay, this is not a study. This is just a resolution, so we are not going to amend it.

They went back to the original motions. **Rep. Jerry Kelsh** made a motion for a **Do Pass**.

**Rep. Brenda Heller** seconded the motion.

**DO PASS AND PLACED ON THE CONSENT CALENDAR. 14 YEAS, 0 NAYS. Vice Chair**

**Lisa Meier** is the carrier of this resolution.

Date: 2-11-09  
Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 3016

House Education Committee

☐ Check here for Conference Committee

**Legislative Council Amendment Number** \_\_\_\_\_

Action Taken ☒ Do Pass ☐ Do Not Pass ☐ Amended

Motion Made By Rep Kelsh Seconded By Rep Heller

[illegible]

Total (Yes) \_\_\_\_\_ No ~~at the~~

**Absent** \_\_\_\_\_

**Floor Assignment**

**If the vote is on an amendment, briefly indicate intent:**

Date: 2-11-09  
Roll Call Vote #: 2

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 3016

House Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken ☒ Do Pass ☐ Do Not Pass ☐ Amended

Motion Made By Rep Kelsh Seconded By Rep Heller

Representatives	Yes	No	Representatives	Yes	No
Chairman RaeAnn Kelsch	✓		Rep. Lyle Hanson	✓	
Vice Chairman Lisa Meier	✓		Rep. Bob Hunsakor	✓	
Rep. Brenda Heller	✓		Rep. Jerry Kelsh	✓	
Rep. Dennis Johnson	✓		Rep. Corey Mock	✓	
Rep. Karen Karls	✓		Rep. Phillip Mueller	✓	
Rep. Mike Schatz	✓		Rep. Lee Myxter	✓	
Rep. John D. Wall	✓				
Rep. David Rust	✓				
went back to original motion					
this vote then taken					

Total (Yes) 14 No 0

Absent 0

Floor Assignment Rep Meier

If the vote is on an amendment, briefly indicate intent:

Or Consent calendar

**REPORT OF STANDING COMMITTEE**

**HCR 3016: Education Committee (Rep. R. Kelsch, Chairman) recommends DO PASS and BE PLACED ON THE CONSENT CALENDAR (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HCR 3016 was placed on the Tenth order on the calendar.**

2009 SENATE EDUCATION

HCR 3016

## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 3016

Senate Education Committee

☐ Check here for Conference Committee

Hearing Date: March 23, 2009

Recorder Job Number: 11359

Committee Clerk Signature

Minutes:

Chairman Freborg opened the hearing on HCR 3016. All members were present.

Representative Meier introduced the bill. It encourages school districts to offer courses in financial literacy and encourages students to take them. They would learn about credit card scoring, managing credit card debt, completing a loan application, budgeting savings and investing, banking, including balancing a checkbook and opening a deposit account, and the use of interest rates, understanding simple contracts, state and federal income taxes, personal insurance policies and the comparison of taxes and understanding the roles of consumers interacting with agriculture, business, labor unions, government and formulating and achieving the goals of the free enterprise system.

Kelly Schmidt, state treasurer, testified in favor of the bill. See written testimony.

Senator Taylor asked if there are any interfaces with high schools and the state treasurer's office to develop curriculum on financial literacy.

Kelly Schmidt said they are mailing out free discs today called "financial football" to all the state libraries and high school and junior high libraries. (Attached). She does public speaking on financial education. She has always believed we have a personal obligation as parents to teach our kids financial skills but a lot of parents don't know it and are not comfortable sharing



it with their children. The North Dakota Jump Start Coalition is an example of a resource for teachers. There are curriculums and many opportunities available to bring in resources for no cost. She sits on the National Jump Start Coalition Board to continue to move these things forward. These decisions have a direct effect on our opportunities. When you are 17 and 18 years old, we can tell them but we can't tell them much.

Larry Maslowski, North Dakota Insurance Department, testified in favor of the bill. He goes out and speaks to high school classes. There is a shortfall in knowledge about what credit is and how to use it wisely and the impacts of the misuse of credit as you get older. They focus on insurance in particular. For the last 12 years, the insurance industry has used credit scores to decide if they will underwrite and at what rate. The actions of 17 and 18 year olds do have an impact when they later go to purchase insurance. Some apartment complexes look at credit scores before renting. It is critical and the schools are not doing it now.

Michel Hillman, North Dakota University System, testified in favor of the bill. See written testimony.

Senator Flakoll asked if the North Dakota University System is looking on making this course mandatory.

Michel Hillman said no. Age appropriate education can be covered in many courses in K – 12 rather than just in one high school course.

Jack McDonald, Independent Community Banks of North Dakota, testified in favor of the bill.

The banks have long supported financial education of our youth and provide information to local schools.

Wally Erhardt, Associated Director of Student Loans, Bank of North Dakota, testified in favor of the bill. North Dakota had a low default rate (one of the lowest in the US), however there are

many student loan defaults. Many students do not understand how student loan default can affect their credit.

Rick Clayburgh, President and CEO of the North Dakota Bankers Association, testified in favor of the bill. They have been involved as an association with financial literacy education through their banks over 25 years, reaching out to the schools. It is a very important issue. Many people don't understand how to balance a checkbook. Their banks are doing all they can to help educate the adults and children in the state.

Chairman Freborg closed the hearing on HCR 3016.

Senator Flakoll moved a Do Pass on HCR 3016, seconded by Senator Taylor.

The motion passed 5 – 0. Senator Flakoll will carry the resolution.

Date: 3/23/09  
Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 3016

Senate Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass

Motion Made By Sen. Flakoll Seconded By Sen. Taylor

Senators	Yes	No	Senators	Yes	No
Senator Freborg	✓		Senator Taylor	✓	
Senator Gary Lee	✓		Senator Bakke	✓	
Senator Flakoll	✓				

Total (Yes) 5 No 0

Absent 0

Floor Assignment Sen. Flakoll

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE (410)**  
March 23, 2009 9:53 a.m.

**Module No: SR-52-5534**  
**Carrier: Flakoll**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**HCR 3016: Education Committee (Sen. Freborg, Chairman) recommends DO PASS**  
(5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HCR 3016 was placed on the  
Fourteenth order on the calendar.

2009 TESTIMONY

HCR 3016

TESTIMONY TO THE HOUSE EDUCATION COMMITTEE

FEBRUARY 9, 2009

HOUSE CONCURRENT RESOLUTION 3016

Good Morning Madam Chair and members of the Education Committee. My name is Julie Kubisiak and I am representing the North Dakota Jump\$tart Coalition as current president. I am appearing today in support of House Concurrent Resolution 3016.

A recent study, *Debt Literacy, Financial Experiences, and Overindebtedness*, released in December of 2008 by Annamaria Lusard of Dartmouth College and Peter Tufano of the Harvard Business School and the National Bureau of Economic Research makes the point:

"Overall, we find that debt literacy is low, especially among women, the elderly, minorities, and those with low income and debt loads. Specifically, individuals with lower levels of debt literacy tend to transact in high-cost manners (incurring fees and using high-cost borrowing). In applying our results to credit cards, we estimate that less knowledgeable individuals pay 46 percent more fees than do the more knowledgeable individuals. The less knowledgeable also report that their debt loads are excessive or that they are unable to judge their debt position."

We urge the committee to pass this resolution to provide a foundation for North Dakotans in financial literacy and this resolution would take a big step in moving towards that direction.

Attachment 2

Same  
testimony given  
to Senate

## Testimony Offered to House Education Committee on HCR 3016

by Michel Hillman  
North Dakota University System

*February 9, 2009*

---

Good morning Madame Chair and members of the House Education Committee, for the record my name is Mike Hillman, Vice Chancellor for Academic and Student Affairs with the North Dakota University System. The North Dakota University System supports improved financial literacy education in North Dakota schools. A March 2008 report to the State Board for Higher Education on barriers to student financial access to college recommended enhancing age appropriate financial literacy education options for students as well as better access to financial planning information for parents. The report also recommended that the Joint Boards of education support improvements to financial literacy education. Improved financial literacy was discussed and supported at the September 2008 Joint Boards meeting. An excerpt from the report to the SBHE is attached for your information.

HCR 3016 is consistent with State Board for Higher Education and Joint Boards discussions indicating the need for improved financial literacy in North Dakota. We encourage you to recommend a Do Pass on the resolution. Please let me know if you have any questions.

# **Report and Recommendations of SBHE 5-4 Work Plan Objective's Committee Relative to Affordability March 2008**

## **Excerpt from PRIORITY TWO**

### **Develop a financial literacy, student communication and marketing plan**

Presently, there are several opportunities students and parents have available to learn about financial aid opportunities (e.g., family financial aid nights, Project Vital Link publications, free federal publications, high school counselors/principals, College Goal Sunday events). Even so committee members indicated they hear from parents and students that the financial aid process is confusing and overwhelming. For the first time, North Dakota participated in a national event known as, College Goal Sunday. Eight North Dakota sites were selected based on population, size, and financial demographics. The College Goal Sunday focuses on assisting students from low-income, first-generation higher education, or minority households and assist(s) them with completing the Free Application for Federal Student Aid (FAFSA) form. At this first-time event, 473 families attended. Survey results, completed by students who attended this event indicate: 1) 32% will be the first in their family to attend college; 2) 39% indicated financial aid was the biggest factor that may prevent them from attending college; 3) 68% responded that parents helped them the most to get ready for college; 4) 73% responded that paying expenses most concerned them about attending college; and 66% responded that a teacher or high school counselor helped them receive the most information on financial aid.

### **COMMITTEE RECOMMENDATIONS FOR PRIORITY TWO:**

- The committee recommends that: The SBHE consider recommending to the joint boards (i.e., DPI, ESPB, CTE, and NDUS) development of a joint plan and proposal for enhancing financial literacy (age appropriate) education curriculum options, not only for students, but to expand information dissemination in this area to parents. Financial literacy can be broadly designed to encourage savings by individuals at all age levels, thru raising awareness of the cost of college, sources available to cover the cost, and better education and financial planning.
- The NDUS office work with Student Loans of ND, and other partnering agencies, to expand the *Design Your Future* publication and distribution (to lower grade levels) and to include additional information on financial literacy.



Testimony on House Concurrent Resolution 3016  
Kelvin L. Hullet for the Bismarck Mandan Chamber  
House Education Committee  
The Honorable RaeAnn Kelsch, Chair

Madam Chair and members of the Committee, I am Kelvin Hullet, here today representing the Bismarck Mandan Chamber of Commerce. Thank you for the opportunity to speak with you about the importance of teaching personal finance to our kids. I also want to commend you, Representative Meier, Weiler and Wolf and Senators Dever and Flakoll for bringing forward this important issue. Among our members and the business community, this issue ranks high on our list of priorities.

As you review ways to teach students about personal finance, I ask you to ensure the private sector is engaged in this effort. At the Bismarck-Mandan Chamber, we have responded to our business community's desire to assist with teaching personal finance by expanding our Junior Achievement program to 9<sup>th</sup> graders in our community.

In the 2008-2009 school year, the Bismarck Mandan JA program will serve over 150 classrooms in grades three through six and ninth grade in the community. I would note that this effort is funded by the business community. In particular, our 9<sup>th</sup> grade personal finance segment is funded by Capital Credit Union. After funding a pilot program last year in one school, they stepped forward this year to fund all the 9<sup>th</sup> grades in the community.

Our message is one that has never wavered: We must prepare our children today for tomorrow's challenges. Financial literacy is as important to our youth as reading, writing and arithmetic. It is a cornerstone for opportunity and a necessity in today's world.

JA programs have three unique features that distinguish it from other available community programs: **the corporate volunteer, experiential learning and evaluation.**

§ JA curriculum is delivered by a volunteer, most often from the local business community. Studies show that combining the JA curriculum with the corporate volunteer makes the greatest impact on outcomes.

§ Every JA lesson incorporates an innovative hands-on activity to help make economic education and financial literacy concepts true to life. No other organization offers the same caliber of programs with such positive measurable results.

§ All JA curriculum correlates to North Dakota state education standards for language arts, social studies and mathematics.

Now more than ever, young people must be prepared to meet the challenges of an economy in flux.

JA addresses these issues by providing curricula that teaches about budgeting, saving, investing and paying for college. Students receiving JA curriculum exemplify the following attitudinal and knowledge gains:

- A greater understanding of making smart financial decisions at an early age
- A better, more comprehensive knowledge of how to manage household budgets
- A more thorough awareness of how to achieve and maintain good credit
- Tangible strategies to avoid unnecessary debt
- A realistic understanding of the benefits of post-secondary education to their lifelong earning potential

There is no better investment in times of economic challenges than an investment in the education of our children. Junior Achievement believes in the boundless potential of the young mind, and by using the principles of market-based economics, JA programs help prepare young people to be better workers, consumers and citizens.

JA believes in a world where all children have access to practical education- the most relevant topics presented in tangible, coherent and applicable way. We provide a path to responsible decision-making, encourage the skills necessary to succeed in the workforce and set the stage a healthy economic future for our community.

Madam Chair, thank you for the opportunity to discuss this important issue with you today and I would be happy to answer any questions you might have of me.

**TESTIMONY ON HCR 3016  
EDUCATION COMMITTEE**

**February 9, 2009**

**by Linda M. Paluck, Director of School Approval and Accreditation**

**701-328-1718**

**Department of Public Instruction**

---

Madam Chairman and members of the committee:

My name is Linda Paluck and I am the Director of School Approval and Accreditation for the Department of Public Instruction. I am here to provide information on HCR 3016 regarding the urging of school districts to offer students a course in financial literacy.

You have heard earlier testimony proposing a consolidation among related bills concerning the general high school coursework requirements. The Department of Public Instruction supports the inclusion of personal financial literacy to all students across the curriculum. To accomplish such an aim, the Department recommends that personal financial literacy content standards be developed and incorporated within the state's social studies content standards, and within the economics strand.

I have spent 30+ years in the field as a teacher, and central office administrator overseeing curriculum and school improvement in grades K-12. I have worked extensively with other educators in our state writing curriculum standards and more importantly using the standards as a common tool in aligning content area instruction among the grade levels, within districts and around the state. I've observed how teachers implement standards in their classrooms and how they hold students accountable for their progress. My role as facilitator gave me the opportunity to work with grade level teams in K-12 as they dialogued and interpreted each of the benchmarks in their content area. I became fascinated with the depth of knowledge, experience and strategies that teachers are willing to share with one another. Around the state I've witnessed a ground swell of collaboration that was virtually nonexistent in my earlier days of teaching. I've seen where staff have come together to create tri-folds of the standards for each grade level. These tri-folds are grade specific documents made just for parents who receive their own copy of the standards for their children on the first day of school. These standards tell parents what their child

should know and be able to do by the end of the school year. I've participated in 'family fun nights' where parents are invited to school to see firsthand how the standards are used at school with their children. Middle school teachers often post the standards on their bulletin boards in their classrooms. Elementary teachers write the name of the standard and benchmark in their teacher's manual to make sure the expectations are being met. High School teachers are introducing their students into the standards world by making sure they highlight the standard and benchmark they are learning. I've seen records of students who keep track of their progress through the standards and yes, I spent two years working with a district in creating a standards based report card. Most recently I've worked with schools and districts in reviewing their North Dakota State Assessment results. These assessment items are directly related to the Math and English content standards which determine Adequate Yearly Progress.

It is my hope that you will consider the development of a financial literacy content standard to be incorporated into the states social studies content standards.

Madam Chairman, this concludes my testimony. I stand for questions from the Committee. Thank you.

**Testimony  
In Opposition of  
HCR 3016**

**House Education Committee  
February 3, 2009**

**Kelly Schmidt  
ND State Treasurer**

A life of financial success and security begins with a strong education. Every generation is introduced to the reality of spending, saving and finance at a younger age than the last. Yet for years, our nation's financial literacy has not kept pace.

We live in a nation where nearly one-third of high school seniors have credit cards, even more have debit cards, and an average of 1.5 million families file for personal bankruptcy each year. The need for personal financial literacy couldn't ring more loud or clear.

While the national savings rate has hovered around zero for years, consumer debt has soared by 24 percent since 2002 (Source: Federal Reserve). It's as easy to get a credit card today as it is to consume calories. Last year, the typical household received 68 credit card offers – 46 percent more than in 1998 and carried an average balance of \$9,200 (Source: TransUnion, December 2008) 40% more students drop out of college due to money issues including student loan debt and credit card debt than academic failure. (Source: Pratt Financial Group Study)

In 2007, a Charles Schwab survey on teens and money reported that only 45% of teens know how to use a credit card, while just 26% understood credit-card interest and fees. Only 1 in 3 knows how to read a bank statement, balance a checkbook and pay bills. Barely 1 in 5 had an idea how to invest.

More than ever, the financial decisions we make today have a direct effect on the opportunities available to us tomorrow. Our credit score determines the interest rates we pay on our mortgages, the rate of our insurance premiums as well as our ability to get a job. Yes, employers are now checking credit scores when evaluating their applicants.

Financial literacy is an essential life-skill that when instilled at an early age help our youth develop the foundation for making wise financial decisions and becoming financially secure later. Studies reveal that financial education programs taught in schools help young learners know more, save more, and

substantially increase personal confidence with money. Yet, financial education is currently only required learning in twenty states.

Of the 170 public high schools in North Dakota, 49 are offering either Business Math or Consumer Education. These 49 districts have a current enrollment of 963 students in either offering. Though it is offered, our students are not taking the opportunity. Therefore, I question what value a resolution would bring in the advancement of educating our kids in the areas of finance.

Business math and consumer education courses are considered the non-college bound curriculum. It doesn't make any difference if you strive to be a doctor or a laborer, your need to balance a checkbook and understand the fundamentals of our money- drive society remain the same.

The fundamentals of financial literacy are just as vital to the successful future of North Dakota students as the education of ethics, values and the basic skills of reading, writing and simple arithmetic.

I strong support the advancement of financial education in our schools and hope you will support legislation which moves towards a requirement of financial literacy.

HCR 3016

Good Morning Mr. Chairman and members of the Senate Education Committee. For the record my name is Lisa Meier and I represent Dist. 32.

I'm here today to visit with you about HCR 3016.

This Resolution Encourages School Districts to offer courses in financial literacy and encourages students to take them. Many States around us already have been requiring financial literacy courses to be offered and some states even require the students to take them.

This resolution would help insure that students before they enter adulthood have a understanding of the basic concepts of financial literacy, including credit scoring, managing credit debt, and completing a loan application, budgeting savings and investing, banking (including balancing a check book, opening a deposit account and the use of interest rates) understanding simple contracts, State

and Federal income taxes, personal insurance policies, and the comparison of prices and understanding the roles of consumers interacting with agriculture, business, labor unions and government in formulating and achieving the goals of the mixed free enterprise system,

Mr. chairman and committee members, that concludes my testimony. I believe there are others here to testify in this resolutions behalf and I'll stand for quest



**Testimony  
In Support of  
HCR 3016**

**Senate Education Committee  
March 23, 2009**

**Kelly Schmidt  
ND State Treasurer**

A life of financial success and security begins with a strong education. Every generation is introduced to the reality of spending, saving and finance at a younger age than the last. Yet for years, our nation's financial literacy has not kept pace.


We live in a nation where nearly one-third of high school seniors have credit cards, even more have debit cards, and an average of 1.5 million families file for personal bankruptcy each year. The need for personal financial literacy couldn't ring more loud or clear.

While the national savings rate has hovered around zero for years, consumer debt has soared by 24 percent since 2002 (Source: Federal Reserve). It's as easy to get a credit card today as it is to consume calories. Last year, the typical household received 68 credit card offers – 46 percent more than in 1998 and carried an average balance of \$9,200 (Source: TransUnion, December 2008) 40% more students drop out of college due to money issues including student loan debt and credit card debt than academic failure. (Source: Pratt Financial Group Study)

In 2007, a Charles Schwab survey on teens and money reported that only 45% of teens know how to use a credit card, while just 26% understood credit-card interest and fees. Only 1 in 3 knows how to read a bank statement, balance a checkbook and pay bills. Barely 1 in 5 had an idea how to invest.

More than ever, the financial decisions we make today have a direct effect on the opportunities available to us tomorrow. Our credit score determines the interest rates we pay on our mortgages, the rate of our insurance premiums as well as our ability to get a job. Yes, employers are now checking credit scores when evaluating their applicants.

Financial literacy is an essential life-skill that when instilled at an early age help our youth develop the foundation for making wise financial decisions and becoming financially secure later. Studies reveal that financial education programs taught in schools help young learners know more, save more, and





substantially increase personal confidence with money. Yet, financial education is currently only required learning in twenty states.

**Of the 170 public high schools in North Dakota, 49 are offering either Business Math or Consumer Education. These 49 districts have a current enrollment of 963 students in either offering. Though it is offered, our students are not taking the opportunity.**

Business math and consumer education courses are considered the non-college bound curriculum. It doesn't make any difference if you strive to be a doctor or a laborer, your need to balance a checkbook and understand the fundamentals of our money- drive society remain the same.

The fundamentals of financial literacy are just as vital to the successful future of North Dakota students as the education of ethics, values and the basic skills of reading, writing and simple arithmetic.

I strongly support the advancement of financial education in our schools and hope you will support legislation which moves **towards a requirement of financial literacy.**





Kelly L. Schmidt  
STATE TREASURER

STATE OF NORTH DAKOTA  
OFFICE OF

## State Treasurer

STATE CAPITOL  
600 E BOULEVARD AVE DEPT 120  
BISMARCK, ND 58505-0600  
(701) 328-2643 FAX (701) 328-3002  
[www.state.nd.us/ndtreas](http://www.state.nd.us/ndtreas)

April 6, 2009

Wishek School & Public Library  
100 Badger Street S  
Wishek, ND 58495

Dear Librarian,

One of the most important steps we can take to prepare North Dakota's youth for meeting the challenges of the 21<sup>st</sup> century is to improve their basic financial skills. As part of a broader effort this year to make financial literacy resources available to students and their parents, we would like to share with you a new interactive tool that can get students involved in financial education. I firmly believe that educators, along with school and community librarians, are critical to successfully achieving the goal of sound financial literacy for the young citizens of our state.

Enclosed is a copy of the *Financial Football Training Camp* CD-ROM. This game has been effective in reaching many young people around the country. I encourage you to promote the *Financial Football* game in your school and library newsletters and web sites. It is a fun way to teach the importance of effective money management, budgeting, borrowing, and sensible use of credit. Our ultimate goal is to arm young people with the knowledge to improve their chances of making good decisions and managing their affairs wisely.

"Financial Football" combines the structure and rules of the National Football League (NFL) with financial education questions of varying difficulty. To score points, a player needs to answer various money management questions correctly.

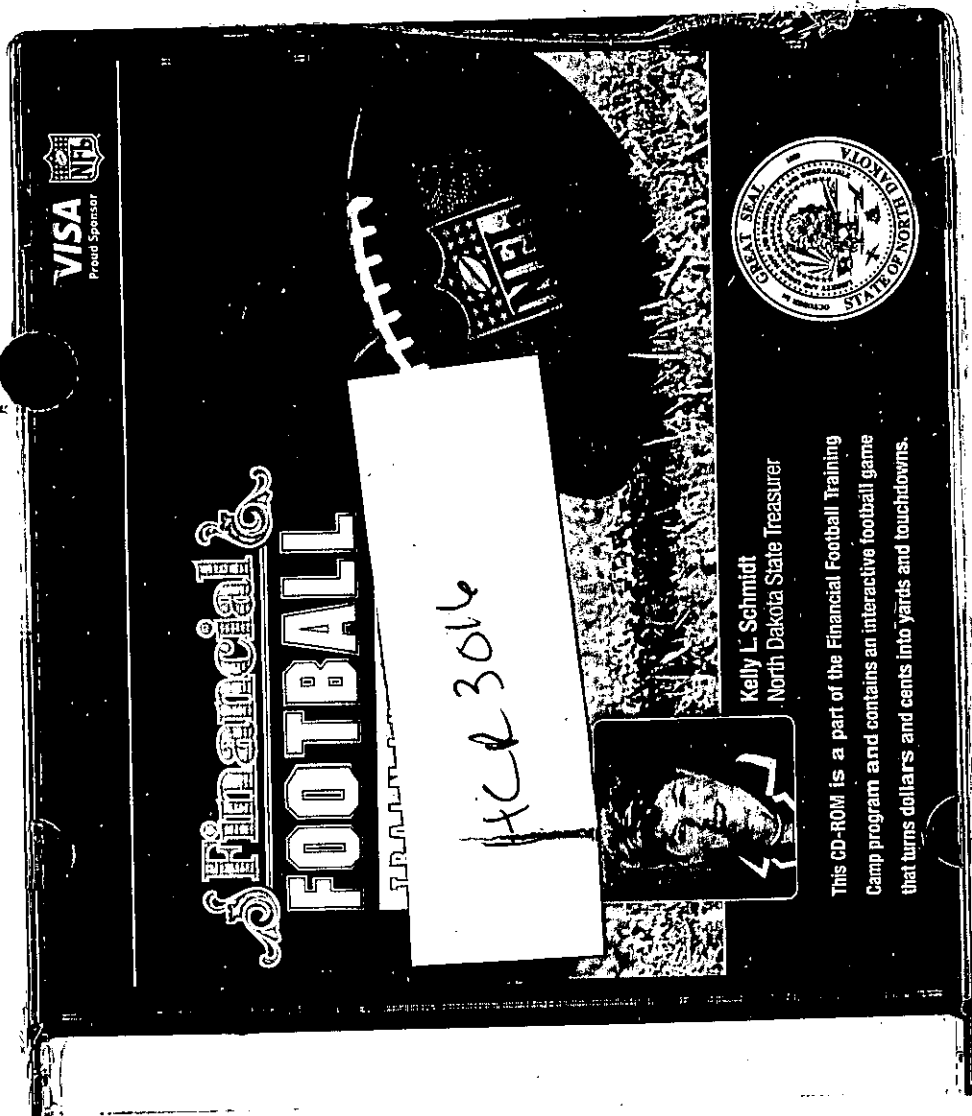
The CD-ROM was created at no cost to the state and is jointly promoted by the NFL and NFL players. It has an accompanying financial literacy program designed for high school student instruction. The game and teaching resources are available for free download in the Teacher Resource Section, and a free computer-based version of the "Financial Football" disk is also available to use with your students at [www.practicalmoneyskills.com](http://www.practicalmoneyskills.com).

Thank you for your assistance in furthering personal financial literacy for North Dakota's young men and women. With your help, we can help provide North Dakota's high school students with the knowledge they need to become financially responsible adults.

Sincerely,

Kelly Schmidt  
North Dakota State Treasurer

CONTACT TREASURER'S OFFICE FOR A COPY OF CD



Kelly L. Schmidt  
North Dakota State Treasurer

This CD-ROM is a part of the Financial Football Training Camp program and contains an interactive football game that turns dollars and cents into yards and touchdowns.