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

Section 1. K.S.A. 72-1103 is hereby amended to read as follows: 72-1103. 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. 2014 Supp. 72-7535, and amendments thereto. A student who has not taken and satisfactorily passed such course shall not be certified as having completed the course requirements necessary for graduation from high school.

Sec. 2. K.S.A. 2014 Supp. 72-7535 is hereby amended to read as follows: 72-7535. (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, grades kindergarten to 10, within the existing mathematics curriculum or another appropriate subject-matter curriculum, and for grades 11 or 12 in accordance with this section.
(d) A course of instruction concerning personal financial literacy for grades 11 or 12, as required by K.S.A. 72-1103, and amendments thereto, shall be at least one semester or two quarters or the equivalent thereof, and shall include, but not be limited to, the following areas:

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

2. Banking, including, but not limited to, typical account types and their features, completing a check, online banking resources, monitoring account balance activity and the benefits and detriments of different account features such as protection plans for overdraft and minimum balance requirements;

3. Payment types, interest rates and credit cards, including, but not limited to, cash advances, payday loans, debit cards, merchant cards, annual percentage rates on credit cards, credit limit, annual fees on credit cards, grace periods, minimum payments, other fee structures on credit cards, and calculating a return on an initial investment with different interest rates and compounding frequencies;

4. Credit scores, including, but not limited to, how credit scores are calculated, implications of good or bad credit scores, financial decisions most detrimental to a credit score, ease of ruining a credit score, entities who calculate credit scores, what impacts credit scores, how to manage a credit score, FICO, major credit bureaus, credit checks and purchases typically requiring good credit;

5. Financing higher education, including, but not limited to, filling out a free application for federal student aid, understanding repayment obligations for loans, scholarships, grants, types of loans, good debt versus bad debt, depreciation versus appreciation, cost of attendance, master promissory note, loan payback schedules and returns on investments including future returns on appreciation on assets and an education;

6. Renting versus owning property, including, but not limited to, mortgages, appreciation, depreciation, tax incentives, lease terms, fixed and adjustable rate mortgages, balloon payments, liens, foreclosures, buying process, selling process, renting process and the costs associated with home ownership versus renting;

7. Insurance, including, but not limited to, the purpose of financial risk management, insurance terminology, health insurance, homeowners insurance, renters insurance, life insurance, disability insurance, identity theft insurance and automobile insurance;

8. Consumer fraud, including, but not limited to, the fair credit
reporting act, the fair debt collection practices act, the truth in lending act, identity fraud, identity theft, preventing common consumer fraud practices and how to spot consumer fraud;

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

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

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

(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. 72-6439, 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.

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

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