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La Costa Rickford
Operator's Signature

10/16/03
Date

2003 HOUSE EDUCATION

HCR 3029

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Yolanda Richardson
Operator's Signature

10/16/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES
BILL/RESOLUTION NO. HCR 3029

House Education Committee

Conference Committee

Hearing Date February 5, 2003

Tape Number	Side A	Side B	Meter #
1		x	1500-3485
Committee Clerk Signature <i>Linda Fiechter</i>			

Minutes: **Chairman Kelsch** opened HCR 3029

(1500-3095) Rep. Frank Klein, District 36, See Attached Testimony attachment, viewed a video.

Rep. Herbel Do your kids have Credit Cards?

Klein: I encourage them to use them, and if they don't pay them they have to face me.

Rep. Hunsakor Could I get a copy of this video for my districts?

Rep. Hanson I would like to know how many of the 11 Higher Education Institutes have contracts with credit card company.

Klein I don't know if any of them have contracts,

Opposition: none

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2003 HOUSE STANDING COMMITTEE MINUTES
 BILL/RESOLUTION NO. HCR 3029
 House Education Committee

Conference Committee

Hearing Date February 11, 2003

Tape Number	Side A	Side B	Meter #
1		x	222-1200
Committee Clerk Signature			

Minutes: **Chairman Kelsch** recapped the bill, read research from colleges about any contracts they may have with credit card companies.

Chairman Kelsch I'm not sure we can prohibit the marketing of credit cards at colleges.

Rep. Herbel Have the universities teach credit card responsibility

Rep. Haas I agree with you, but to put restrictions, this interferes with free enterprise, it is a matter of individual responsibilities

Vice Chair Johnson Could copies of this movie be given through the NDEA so that Jr. and Sr. are aware of what is happening when you use a credit card.

Chairman Kelsch Key, showing it in the classes so that they See Attached Testimony what can actually happen.

Rep. Haas some of them are being taught in family consumer science, and that is how to balance a check book and handle credit cards.

Rep. Williams moved a DO NOT PASS, **Rep. Herbel** seconded the motion roll vote, passed 12-2-0, **Rep. Williams** will carry the bill to the floor.

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Jo Costa Richardson
 Operator's Signature

10/16/03
 Date

LR

Date: 8/11/03
Roll Call Vote #: 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 3029

House HOUSE EDUCATION Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken ASAP

Motion Made By Williams Seconded By Herbel

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch	✓				
Rep. Johnson	✓				
Rep. Nelson	✓				
Rep. Haas	✓				
Rep. Hawken	✓				
Rep. Herbel	✓				
Rep. Meier		✓			
Rep. Norland	✓				
Rep. Sitte		✓			
Rep. Hanson	✓				
Rep. Hunsakor	✓				
Rep. Mueller	✓				
Rep. Solberg	✓				
Rep. Williams	✓				

Total (Yes) 12 No 2

Absent 0

Floor Assignment Williams

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

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LaCosta Richard 10/16/03
Operator's Signature Date

REPORT OF STANDING COMMITTEE (410)
February 11, 2003 12:04 p.m.

Module No: HR-26-2264
Carrier: Williams
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE
HCR 3029: Education Committee (Rep. R. Kelsch, Chairman) recommends **DO NOT PASS** (12 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HCR 3029 was placed on the Eleventh order on the calendar.

(2) DESK, (3) COMM

Page No. 1

HR-26-2264

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10/16/03
Date

2003 TESTIMONY

HCR 3029

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Yolanda Richardson
Operator's Signature

10/16/03
Date

Good morning Madame Chairman and committee members:

For the record, my name is Frank Klein, State Representative for District 36.

(U.S. News and World) Many U.S. households are carrying a load of debt; and yet, they continue to receive offers for more credit cards. In fact, the average number of credit cards per household is 14. But, the real problem is with the college students. (Freshmen Seminar Textbook) Credit card debt by first year students has contributed significantly to the dropout rate for this group.

The purpose of concurrent resolution 3029 is to direct the Legislature Council to study the problems associated with credit card companies marketing credit cards to college students.

To emphasize the need for such a study, we will view a brief, but powerful video which was produced by "60 Minutes" entitled: **Power of Plastic**. (Video)

I know Dickinson State University is not affiliated with any credit card company, yet *just last week*, my son received this "Special Student Offer" (Discover). It has his name and Dickinson State University printed on the invitation. The company obtained his name and address through the campus directory. (Who's Who) *The next day*, he received an invitation for a Visa card and offer to receive a *Free* "Who's Who Among Students and Universities and Colleges" windshirt.

(GAO) Other tactics used: Several bookstore managers allow tabling and other forms of solicitation, including tabletop brochures and applications in textbooks and shopping bags. Applications inserted in shopping bags often help reduce the cost of the bags.

(Nellie Mae) There are reports on usage rates and trends. Students should not be banned from access to credit cards, but they should be encouraged to learn how to use them wisely. This resolution is directing the Legislative Council to study problems associated with credit card companies marketing credit cards to college students.

I urge a "DO PASS" on this resolution

9/7/02

Credit card use by college students worries lawmakers

WASHINGTON (AP) — More college students are overusing credit cards, academics and policy makers said Thursday as they urged Congress to do something about the problem.

"Often it's their unknowing parents who end up dealing with the debt," Ellen Frishberg, director of student financial services at Johns Hopkins University, told the Senate banking committee.

Eighty-three percent of undergraduates had at least one credit card last year, up from 67 percent in 1998, according to a study by Nellie Mae, a leading provider of student loans. The proportion of students with four or more credit cards jumped from 27 to 47 percent in that period, the study found.

The Education Department recently found that more than 44 percent of college students carried a balance on a credit card during the 1999-2000 school year. Among those students, the average credit card debt was \$3,066. It was the first year such data was collected.

Robert Manning, an economic sociologist at the Rochester Institute of Technology, testified that credit card companies were increasingly marketing to freshmen rather than just juniors and seniors as in years past.

"It means that the debt bur-

den is going to show up earlier," Manning said. "It means that retention in college is going to be affected, and we're going to see an increase in dropout rates because a student that has a debt problem in their sophomore year may not be able to find a way to financially limp through the last two years."

He said some of the nation's universities were contributing to the problem by entering into financial contracts with credit card companies. For example, the University of Tennessee has a seven-year, \$16.5 million contract with First USA that gives the company information about the university's students.

Sen. Chris Dodd, D-Conn., pledged to order a General Accounting Office investigation into the marketing of credit cards on college campuses.

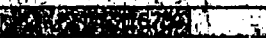
Dodd also has authored legislation that would require credit card companies to ensure students can pay their bills before getting credit cards. If students cannot prove they can pay, they would be required to take a course in personal finances or get their parents to co-sign an application.

Beware of plastic

An increasing number of college students are using credit cards to pay for their purchases, increasing the likelihood of accumulating debt.

Undergraduates who had at least one credit card

2001  83%

1998 

College students who carried a balance: 44 percent

Average debt: \$3,066

SOURCE: Nellie Mae; Department of Education; AP

Credit card companies generally used to require parents to co-sign student applications, but stopped that practice about a decade ago, according to Manning.

Colista Richardson
Operator's Signature

10/16/03
Date

