STATE OF NEW YORK

3604

2017-2018 Regular Sessions

IN SENATE

January 25, 2017

Introduced by Sen. SANDERS -- read twice and ordered printed, and when printed to be committed to the Committee on Banks

AN ACT to amend the financial services law, in relation to establishing the state financial literacy commission

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The financial services law is amended by adding a new article 7 to read as follows:

ARTICLE 7

STATE FINANCIAL LITERACY COMMISSION

Section 701. Definitions.

702. State financial literacy commission.

703. Powers and duties.

§ 701. Definitions. For the purposes of this article, the following terms shall have the following meanings:

1. "Financial capability" means: (a) financial literacy and access to appropriate financial products; and

(b)(i) the ability to act, including knowledge, skills, confidence, and motivation; and

(ii) the opportunity to act, through access to beneficial financial products and institutions.

2. "Financial literacy" means the ability to use knowledge and skills to manage financial resources effectively for a lifetime of financial well-being.

§ 702. State financial literacy commission. 1. There is created a state financial literacy commission to measurably improve the financial literacy and financial capability of New York state residents.

2. The commission shall be composed of the following members:

(a) the state comptroller or designee;

(b) the commissioner of education or designee;

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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(c) one representative of the executive branch, appointed by the governor, who is an employee of an agency or department that conducts financial literacy education outreach efforts in New York state, including the office of children and family services, department of financial services, or the department of labor, but not including the department of education;

(d) a member of the assembly appointed by the speaker of the assembly and a member of the senate appointed by the temporary president of the senate;

(e) a kindergarten through twelfth grade public school financial literacy educator appointed by New York state united teachers;

(f) one representative of kindergarten through twelfth grade public school administration, currently serving as a school board member, superintendent, or principal, appointed by the governor based on nominees submitted by the New York state school boards association, the New York state council of school superintendents, and the school administrators association of New York state;

(g) three representatives focused on collegiate financial literacy issues:

(i) the chairman of the New York state higher education services corporation or designee;

(ii) one representative appointed by the governor from the state university of New York; and

(iii) one representative appointed by the governor from an independent college in New York;

(h) two representatives from nonprofit entities engaged in providing financial literacy education to New York adults appointed by the governor; and

(i) two representatives from New York state's financial services business community that actively promote financial literacy education to New York state adults, appointed by the governor.

3. The state comptroller or designee and another member of the commission, appointed by the governor, who is not an employee of the state of New York, shall serve as co-chairs of the commission.

4. (a) Each member shall serve for a three-year term, provided that the state comptroller shall have the authority to designate whether an initial term for each appointee shall be for a one, two, or three-year initial term in order to ensure that no more than one-third of the terms expire in any given year.

(b) A vacancy shall be filled by the appointing authority as provided in subdivision two of this section for the remainder of the term.

5. The commission may request from any branch, division, department, board, commission, or other agency of the state or any entity that receives state funds, such information as will enable the commission to perform its duties as required in this article.

§ 703. Powers and duties. The commission established by section seven hundred two of this article shall have the following powers and duties necessary and appropriate to achieve the purposes of this chapter:

1. collaborate with relevant state agencies and departments, private enterprise, and nonprofit organizations;

2. incentivize New York state's kindergarten through twelfth grade educational system, businesses, community organizations, and governmental agencies to implement financial literacy and capability programs;

3. advise the governor, agencies and departments, and the legislature on the current status of New York state residents' financial literacy and capability;

4. create and maintain a current inventory of all financial literacy and capability initiatives available in the state, and in particular identify trusted options that will benefit New York state residents;

5. identify ways to equip New York state residents with the training, information, skills, and tools they need to make sound financial decisions throughout their lives and ways to help individuals with low income get access to needed financial products and services;

6. identify ways to help New York state residents with low income save and build assets;

7. identify ways to help increase the percentage of New York state employees saving for retirement;

8. recommend actions that can be taken by the public and private sector to achieve the goal of increasing the financial literacy and capability of all New York state residents;

9. promote and raise the awareness in the state about the importance of financial literacy and capability;

10. identify key indicators to be tracked regarding financial literacy and capability in New York state;

11. analyze data to monitor the progress in achieving an increase in the financial literacy and capability of New York state residents;

12. pursue and accept funding from diverse sources outside state government to launch, sustain, expand, and enhance financial literacy and capability efforts in the state;

13. disburse funds raised through fund development activities in accordance with the priorities set forth by this section and by the commission;

14. consider and implement research and policy initiatives that provide effective and meaningful results; and

15. issue a report on the commission's progress and recommendations for increasing the financial literacy and capability of New York state residents to the governor and the legislative committees of jurisdiction during the first month of each legislative session.

§ 2. This act shall take effect immediately.