# STATE OF NEW YORK

574

2021-2022 Regular Sessions

# IN SENATE

(Prefiled)

January 6, 2021

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

AN ACT to amend the state finance law and the education law, in relation to establishing the state financial literacy fund

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

Section 1. The state finance law is amended by adding a new section 99-ii to read as follows:

§ 99-ii. State financial literacy fund. 1. Notwithstanding any other provision of law, rule, regulation, or practice to the contrary, there is hereby established in the joint custody of the state comptroller, the attorney general, and commissioner of taxation and finance a fund to be known as the "state financial literacy fund".

2. For the purposes of this section, the following terms shall have the following meanings:

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

(ii)(A) the ability to act, including knowledge, skills, confidence, and motivation; and

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

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

c. "Organization" means a state agency, state authority or an organization that possesses a federal tax exemption under section 501(c)(3) of the United States internal revenue code.

d. "Unbanked" means an individual not served by an insured institution in any capacity.

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

LBD01741-01-1

e. "Underbanked" means an individual with an account at an insured institution but who has obtained alternative, nonbank, financial services in the past twelve months.

3. Such fund shall consist of all moneys collected by the state from courts of the unified court system pursuant to article twenty-four of the insurance law and all other moneys appropriated, credited, or transferred thereto from any other fund or source pursuant to law. The moneys in the state financial literacy fund shall be kept separate from and shall not be commingled with any other moneys in the custody of the state comptroller.

4. Beginning on April first, two thousand twenty-two and annually on April first each year thereafter, the attorney general shall transfer a sum up to one million dollars, subject to available funding, from moneys pursuant to subdivision three of this section.

5. Moneys of such fund shall be made available to the attorney general and shall be used for project grants to duly applying organizations to establish financial capability and financial literacy programs, products, content and/or services for at-risk populations in New York. The attorney general shall establish the application criteria for such organizations for the purposes of the fund as defined in this section.

6. Moneys in such fund shall only be expended for a grant to provide the following financial capability and financial literacy programs, products, content and/or services:

a. to design, develop and/or offer free classroom or web based financial education content intended to help an unbanked or underbanked consumer (i) achieve, identify and access lower cost financial products and services; (ii) establish or improve their credit; (iii) increase their saving or retirement funds; or (iv) lower their debt;

b. to provide individualized, free financial coaching to an unbanked or underbanked consumer;

c. to design, develop and/or offer free financial products and/or services intended to help an unbanked or underbanked consumer (i) identify and access responsible financial products and services; (ii) establish or improve their credit; (iii) increase their saving or retirement funds; or (iv) lower their debt; or

d. to design, develop and/or offer free classroom-based programs to be implemented in the state education system to increase the financial capability and financial education of the state's youth.

7. a. Every organization awarded a project grant pursuant to this section shall:

(i) promote and enhance the economic security of consumers;

(ii) include an evaluation component which is designed to measure and document the extent to which such project achieved its intended outcome and increased financial well-being of consumers who utilized such project; and

(iii) submit an annual report to the attorney general documenting:

(A) the specific uses to which such funds were allocated;

(B) the number of individual consumers aided through the use of such funds;

(C) the quantitative results regarding the impact of such project grant; and

(D) any other information requested by the attorney general.

b. Failure to submit a report pursuant to subparagraph (iii) of paragraph a of this subdivision shall render such organization ineligible for project grant funding during the subsequent fiscal year.

c. The attorney general shall post annually on their website a summary of the annual reports received pursuant to subparagraph (iii) of paragraph a of this subdivision.

8. The moneys shall be payable from the fund on the audit and warrant of the comptroller on vouchers approved and certified by the commissioner of the division of human rights.

§ 2. The education law is amended by adding a new section 803-c to read as follows:

§ 803-c. Instruction relating to financial literacy. 1. The department shall require that a school district incorporate into the social studies curriculum for each of the grades kindergarten through eight financial literacy instruction for pupils enrolled in such grades. The purpose of such instruction shall be to provide students with the basic financial literacy necessary for sound financial decision-making.

2. The instruction shall meet the requirements established by the department and shall:

a. be appropriate to, and reflect the age and comprehension of, the students enrolled in the particular grade level; and

b. include content associated with personal financial responsibility as determined by the department.

3. The commissioner shall provide school districts with sample instructional materials and resources that may be used to support the implementation of the financial literacy instruction requirement.

§ 3. Section 305 of the education law is amended by adding a new subdivision 57 to read as follows:

57. The commissioner is authorized to develop a concise course of instruction in financial literacy and personal financial management and require that such course be completed by students prior to graduation from high school. Such course of instruction may be incorporated into other class work or courses of instruction provided to such students. The financial literacy course shall include content associated with personal financial responsibility, financial literacy and personal financial management as determined by the commissioner.

§ 4. This act shall take effect immediately.