

# STATE OF NEW YORK

4605

2023-2024 Regular Sessions

## IN ASSEMBLY

February 17, 2023

Introduced by M. of A. BICHOTTE HERMELYN -- read once and referred to the Committee on Banks

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-qq to read as follows:

§ 99-qq. 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.

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

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

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

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

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

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

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

31 c. to design, develop and/or offer free financial products and/or  
32 services intended to help an unbanked or underbanked consumer (i) iden-  
33 tify and access responsible financial products and services; (ii) estab-  
34 lish or improve their credit; (iii) increase their saving or retirement  
35 funds; or (iv) lower their debt; or

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

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

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

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

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

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

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

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

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

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

1 c. The attorney general shall post annually on their website a summary  
2 of the annual reports received pursuant to subparagraph (iii) of para-  
3 graph a of this subdivision.

4 8. The moneys shall be payable from the fund on the audit and warrant  
5 of the comptroller on vouchers approved and certified by the commission-  
6 er of the division of human rights.

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

9 § 803-c. Instruction relating to financial literacy. 1. The department  
10 shall require that a school district incorporate into the social studies  
11 curriculum for each of the grades kindergarten through eight financial  
12 literacy instruction for pupils enrolled in such grades. The purpose of  
13 such instruction shall be to provide students with the basic financial  
14 literacy necessary for sound financial decision-making.

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

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

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

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

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

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

34 § 4. This act shall take effect immediately.