

STATE OF NEW YORK

4605--A

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 -- recommitted to the Committee on Banks in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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:

1 Section 1. The state finance law is amended by adding a new section
2 99-rr to read as follows:

3 § 99-rr. State financial literacy fund. 1. Notwithstanding any other
4 provision of law, rule, regulation, or practice to the contrary, there
5 is hereby established in the joint custody of the state comptroller, the
6 attorney general, and commissioner of taxation and finance a fund to be
7 known as the "state financial literacy fund".

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

37 § 4. This act shall take effect immediately.