

# STATE OF NEW YORK

1750--A

2023-2024 Regular Sessions

## IN SENATE

January 13, 2023

Introduced by Sen. SANDERS -- read twice and ordered printed, and when printed to be committed to the Committee on Finance -- recommitted to the Committee on Banks in accordance with Senate Rule 6, sec. 8 -- 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.