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## OLR Bill Analysis

sHB 5315 (as amended by House "A")\*

### ***AN ACT ESTABLISHING A FINANCIAL WELLNESS TRUST FUND AND AUTHORIZING THE TREASURER TO ESTABLISH A CENTER FOR FINANCIAL WELLNESS.***

#### **SUMMARY**

This bill:

1. creates the Financial Wellness Trust Fund, to be held by the state treasurer, to promote state residents' financial education;
2. establishes an eight-member Financial Wellness Trust Fund Advisory Committee to annually report to the Banking Committee on the fund's status and any recommendations concerning the fund; and
3. authorizes the state treasurer to (a) create a Center for Financial Wellness in his office to improve state residents' financial wellness and (b) use the Financial Wellness Trust Fund to support the center, among other things.

\*House Amendment "A" makes the advisory committee responsible for reporting on the fund's status instead of the treasurer, requires the Banking Committee's administrative staff to serve as the advisory committee's administrative staff, and eliminates the requirement that the treasurer convene the advisory committee's meetings.

EFFECTIVE DATE: January 1, 2023

#### **FINANCIAL WELLNESS TRUST FUND AND ADVISORY COMMITTEE**

The bill establishes the fund beginning on July 1, 2023, as a nonlapsing fund separate from other moneys, funds, and accounts. The fund must be used to support the Center for Financial Wellness if the state treasurer establishes the center (see below).

Under the bill, the fund must be an instrumentality of the state and perform essential government functions. It must receive and hold, until used for its purpose, all payments, deposits, or contributions intended for it, including gifts, bequests, endowments, governmental grants, and any other funds and earnings.

The bill establishes the advisory committee beginning July 1, 2023, consisting of the following members:

1. the state treasurer;
2. the Office of Policy and Management (OPM) secretary;
3. the Banking Committee's chairpersons and ranking members;  
and
4. two representatives who either represent a financial institution in the state or have financial wellness expertise, both appointed by the state treasurer.

The treasurer must make his appointments by August 1, 2023, and fill any vacancy. The Banking Committee's administrative staff must serve as the advisory committee's administrative staff.

The bill requires the advisory committee to (1) meet at least annually and (2) report to the Banking Committee annually by December 31 on the fund's status and any recommendations concerning the fund.

### **CENTER FOR FINANCIAL WELLNESS**

The bill allows the state treasurer, within available resources, to establish the center in his office to improve state residents' financial wellness. The center's purpose must be achieved by increasing rates of financial literacy and eliminating economic disparities in wealth and wages.

Under the bill, the state treasurer may:

1. apply for, accept, and spend funds that may be available from federal, state, or other sources, including the Financial Wellness

Trust Fund;

2. enter into contracts to carry out the center's responsibilities; and
3. create a 501(c)(3) tax-exempt organization to fulfill the center's purpose.

The treasurer may also take any necessary action on behalf of the center to carry out its purposes, including appointing an executive director and other personnel. Under the bill, the compensation for the center's director and personnel (1) must be paid by the Financial Wellness Trust Fund's assets and (2) is exempt from the state law that generally requires the Department of Administrative Services commissioner to determine compensation, subject to the OPM secretary's approval (CGS § 4-40).

The bill requires the center to:

1. recommend policies, procedures, activities, and resource allocations to increase state residents' financial literacy and highlight high-impact financial education efforts in the state and
2. assess state programs' effectiveness in increasing residents' financial literacy, including whether they adequately address race- and gender-based economic inequities.

Additionally, the bill allows the center to:

1. convene organizations and stakeholders and produce reports addressing issues, behaviors, and solutions that promote or limit financial wellness and capability, including access to financial services;
2. spend funds to support and implement financial wellness programs, including those that provide financial education, assist with creating college savings accounts, and support building generational wealth; and
3. establish and maintain a website to serve as a clearinghouse and

coordinated entry point for assessing information about financial literacy programs, publications, grants, and materials promoting enhanced financial literacy and education.

**COMMITTEE ACTION**

Banking Committee

Joint Favorable Substitute

Yea 17 Nay 0 (03/15/2022)

Appropriations Committee

Joint Favorable

Yea 34 Nay 14 (04/18/2022)