



# House of Representatives

**File No. 671**

General Assembly

February Session, 2022

**(Reprint of File No. 165)**

Substitute House Bill No. 5315  
As Amended by House Amendment  
Schedule "A"

Approved by the Legislative Commissioner  
April 27, 2022

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

Be it enacted by the Senate and House of Representatives in General  
Assembly convened:

1 Section 1. (NEW) (*Effective January 1, 2023*) (a) Beginning July 1, 2023,  
2 there is established a fund to be known as the "Financial Wellness Trust  
3 Fund" to promote the financial education of residents of the state, which  
4 shall be a nonlapsing fund held by the State Treasurer separate and  
5 apart from all other moneys, funds and accounts. The trust fund shall  
6 constitute an instrumentality of the state and shall perform essential  
7 governmental functions. The trust fund shall receive and hold all  
8 payments and deposits or contributions intended for the trust fund,  
9 including gifts, bequests, endowments or federal, state or local grants  
10 and any other funds from any public or private source and all earnings  
11 until disbursed in accordance with this section.

12 (b) Funds shall be expended to support a Center for Financial

13 Wellness if established by the State Treasurer pursuant to section 3 of  
14 this act.

15 Sec. 2. (NEW) (*Effective January 1, 2023*) (a) (1) Beginning July 1, 2023,  
16 there is established a Financial Wellness Trust Fund Advisory  
17 Committee. The State Treasurer, the Secretary of the Office of Policy and  
18 Management, and the cochairpersons and ranking members of the joint  
19 standing committee of the General Assembly having cognizance of  
20 matters relating to banking shall be members of the committee. The  
21 State Treasurer shall, not later than August 1, 2023, appoint two persons,  
22 each of whom shall represent a financial institution in the state or have  
23 expertise in financial wellness, to be members of the committee. The  
24 State Treasurer shall fill any vacancy in the State Treasurer's  
25 appointments.

26 (2) The advisory committee shall meet at least annually.

27 (3) The administrative staff of the joint standing committee of the  
28 General Assembly having cognizance of matters relating to banking  
29 shall serve as administrative staff of the advisory committee.

30 (b) On or before December thirty-first, annually, the advisory  
31 committee shall report, in accordance with the provisions of section 11-  
32 4a of the general statutes, to the joint standing committee of the General  
33 Assembly having cognizance of matters relating to banking on the  
34 status of the Financial Wellness Trust Fund, established pursuant to  
35 section 1 of this act, and any recommendations concerning said fund.

36 Sec. 3. (NEW) (*Effective January 1, 2023*) (a) The State Treasurer may  
37 establish a Center for Financial Wellness within the office of the State  
38 Treasurer within available resources. The purpose of the center is to  
39 improve the financial wellness of all Connecticut residents. Such  
40 purpose shall be achieved by increasing rates of financial literacy and  
41 eliminating economic disparities in wealth and wages.

42 (b) The State Treasurer may apply for, accept and expend such funds  
43 as may be available from federal, state or other sources, including the

44 Financial Wellness Trust Fund established pursuant to section 1 of this  
45 act, and may enter into contracts to carry out the responsibilities of the  
46 center. The State Treasurer may, in the State Treasurer's discretion,  
47 create a tax-exempt organization under Section 501(c)(3) of the Internal  
48 Revenue Code of 1986, or any subsequent corresponding internal  
49 revenue code of the United States, as amended from time to time, to  
50 fulfill the purposes of the center.

51 (c) The State Treasurer, on behalf of the center, may take any action  
52 necessary to carry out the purposes of the center, including, but not  
53 limited to, appointing an executive director and other personnel. The  
54 provisions of section 4-40 of the general statutes shall not apply to the  
55 compensation of the executive director or other personnel. The  
56 compensation of the executive director or personnel appointed under  
57 this section shall be paid by the assets of the Financial Wellness Trust  
58 Fund.

59 (d) The center shall:

60 (1) Recommend policies, procedures, activities and resource  
61 allocations to increase the financial literacy of Connecticut residents and  
62 highlight high-impact financial education efforts in the state; and

63 (2) Assess the effectiveness of state programs in increasing the  
64 financial literacy of residents, including whether the programs  
65 adequately address race and gender-based economic inequities.

66 (e) The center may:

67 (1) Convene organizations and stakeholders and produce reports that  
68 address issues, behaviors and solutions in the state that promote or limit  
69 financial wellness and capability, including access to financial services;

70 (2) Expend funds to support and implement financial wellness  
71 programs, including, but not limited to, programs that provide financial  
72 education, assist with the creation of college savings accounts and  
73 support the building of generational wealth; and

74 (3) Establish and maintain an Internet web site to serve as a  
75 clearinghouse and coordinated entry point for assessing information  
76 about financial literacy programs, publications, grants and materials  
77 promoting enhanced financial literacy and education.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2023</i>	New section
Sec. 2	<i>January 1, 2023</i>	New section
Sec. 3	<i>January 1, 2023</i>	New section

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 23 \$	FY 24 \$
Treasurer	Financial Wellness Trust Fund - Potential Cost/Revenue	See Below	See Below

**Municipal Impact:** None

**Explanation**

The bill, which establishes the Financial Wellness Trust Fund (FWTF) and associated advisory committee and allows the Treasurer to establish the Center for Financial Wellness (CFW), results in potential costs and revenues to the Treasurer within the FWTF.

The bill does not provide a revenue source for the FWTF, but allows the fund to receive monies from various sources, including private gifts and endowments. The potential costs to the Treasurer are contingent upon the manifestation of revenues sufficient to establish and manage ongoing expenses of the CFW.

To the extent that revenues become available to support the fund, there is anticipated to be a one-time cost to the Treasurer within the FWTF of up to \$100,000 to establish the fund. Ongoing programmatic and personnel costs for the CFW are dependent on the levels of revenues received, either through the FWTF or from other sources as allowed. It is anticipated the CFW would only be established if the FWTF had sufficient resources to employ, at minimum, an executive director for

the center.

House "A" alters the original bill by requiring that the FWTF Advisory Committee be staffed by the banking committee and has no fiscal impact.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to availability of resources within the FWTF.

**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)