

AN ACT relating to financial literacy and making an appropriation therefor.

*Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 41 IS CREATED TO READ AS FOLLOWS:

(1) There is created a Kentucky Financial Literacy Commission for the purpose of raising funds, and developing, managing, and implementing the plans and educational programs described in this section and Section 2 of this Act. The educational programs shall include financial literacy education programs for elementary school students and their parents, and the promotion of financial literacy in retirement and college savings.

(2) The commission shall be administered by a board of directors composed of eleven

(11) members:

(a) The Treasurer or his or her designee;

(b) The commissioner of the Department of Financial Institutions or his or her designee;

(c) The commissioner of the Kentucky Department of Education or his or her designee;

(d) One (1) director to be appointed by the Secretary of State, one (1) director to be appointed by the Auditor of Public Accounts, and one (1) director to be appointed by the Commissioner of Agriculture. All directors appointed under this paragraph shall be chosen from the lists of individuals recommended by the Kentucky Bankers Association, the Kentucky Credit Union League, the Kentucky Consumer Finance Association, and the Kentucky Education Association; and

(e) Five (5) directors to be appointed by the Governor as follows:

1. One (1) shall be a teacher or administrator of a Kentucky public elementary school; and

2. Four (4) shall be chosen from lists of individuals recommended by the Kentucky Society of Certified Public Accountants, the Kentucky Jump Start Coalition, the Kentucky Deferred Deposit Association, the Independent Insurance Agents of Kentucky, and the Kentucky Parent Teacher Association.
- (3) The term of office for each appointed director shall be four (4) years. However, the initial terms of office shall be:
- (a) For the director appointed by the Secretary of State, a term of three (3) years;
- (b) For the director appointed by the Auditor of Public Accounts, a term of two (2) years;
- (c) For the director appointed by the Commissioner of Agriculture, a term of one (1) year;
- (d) For the director appointed by the Governor under subsection (2)(e)1. of this section, a term of four (4) years; and
- (e) For the directors appointed by the Governor under subsection (2)(e)2. of this section, one (1) a term of three (3) years, one (1) a term of two (2) years, and two (2) a term of one (1) year.
- (4) Each director shall serve until the director's successor is appointed, and if a vacancy occurs, it shall be filled in the same manner as the original appointment and shall be for the unexpired term.
- (5) The Treasurer shall serve as the chair of the commission. The board of directors shall annually elect from its membership the officers it deems necessary to perform the business of the commission, and may also appoint committees, including advisory committees, as deemed necessary.
- (6) A majority of the members of the board of directors shall constitute a quorum. The board shall meet at the call of the chair and the meetings of the board may

be held anywhere within the state.

(7) The commission shall be attached to the Department of the Treasury for administrative purposes only. The department shall furnish any necessary personnel, supplies, or equipment needed by the commission.

(8) The directors shall serve without compensation, but shall receive reimbursement for travel in accordance with the travel administrative regulations promulgated by the Finance and Administration Cabinet.

(9) The commission may adopt bylaws and promulgate administrative regulations pursuant to KRS Chapter 13A that are necessary to carry out the purposes of this section and Section 2 of this Act.

➔SECTION 2. A NEW SECTION OF KRS CHAPTER 41 IS CREATED TO READ AS FOLLOWS:

(1) The commission shall:

(a) Formulate and implement educational programs to improve the financial literacy of the citizens of the Commonwealth of Kentucky, including elementary school students and their parents;

(b) Educate the public in Kentucky about effective personal management of financial resources, including college and retirement savings;

(c) Design, implement, and disseminate publications and Web site media to promote financial literacy education;

(d) Establish and maintain a Web site that will serve as a clearinghouse and coordinated entry point for assessing information about financial literacy programs as well as publications, grants, and materials promoting enhanced financial literacy and education;

(e) Make grants and awards to implement and improve programs for financial literacy education; and

(f) Initiate educational programs and campaigns deemed advisable by the

board of directors that are designated to promote financial literacy education.

(2) The commission may raise funds, including corporate funding, and solicit and accept monetary gifts of whatever nature, including gifts by will, trust, grants, and other monetary aids from any personal source, to promote its activities and to support its ongoing programs. This subsection does not permit the commission to borrow money or guarantee any obligations. Funds raised shall be deposited in the financial literacy fund created in Section 3 of this Act.

(3) The commission and any funds it is responsible for shall be subject to audit by the Auditor of Public Accounts in accordance with KRS 43.050.

(4) The commission shall report by August 1 of each year to the Legislative Research Commission on the activities of the commission for the preceding fiscal year.

➔SECTION 3. A NEW SECTION OF KRS CHAPTER 41 IS CREATED TO READ AS FOLLOWS:

(1) The financial literacy fund is created as a separate trust and agency account in the State Treasury. The financial literacy fund shall consist of amounts received from appropriations and any other proceeds from gifts, grants, federal funds, or any other funds, both public and private, made available for the purposes of Sections 1 and 2 of this Act.

(2) The financial literacy fund shall be administered by the Financial Literacy Commission established in Section 1 of this Act.

(3) Amounts deposited in the financial literacy fund shall be used only for the purposes enumerated in Sections 1 and 2 of this Act.

(4) Notwithstanding KRS 45.229, the financial literacy fund amounts not expended at the close of a fiscal year shall not lapse but shall be carried forward into the next fiscal year.

(5) Moneys deposited in the fund are hereby appropriated for the purposes set forth

*in this section and shall not be appropriated or transferred by the General Assembly for any other purpose.*