

By the Committee on Banking and Insurance; and Senator Atwater

597-1738-06

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A bill to be entitled

An act relating to the Financial Literacy Council; creating the council; providing purposes; providing for membership; providing for meetings, procedures, and records; providing powers and duties of the council; providing for resources of the council; requiring that any funds received by the council be deposited in the Administrative Trust Fund; providing for expiration of the council; requiring annual reports to the Governor and Legislature; providing a contingent appropriation; providing for construction; providing a limitation on expenditures of certain grant funds; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Financial Literacy Council.--

(1) CREATION.--A council, as defined in s. 20.03, Florida Statutes, named the Financial Literacy Council, is created as an adjunct to the Department of Financial Services. The council shall be subject to the provisions of s. 20.052, Florida Statutes.

(2) PURPOSE.--The purpose of the council is to study financial problems that affect consumers, particularly young persons, seniors, and working adults, and small businesses which arise from a lack of basic knowledge of financial issues and to provide recommendations to the Department of Financial Services which will assist the department in developing

1 financial literacy programs and resources and providing a  
2 single state resource for financial literacy for the general  
3 public in order to empower individuals and businesses to  
4 manage their financial matters in order to reduce debt,  
5 increase savings, and avoid bankruptcy. All recommendations  
6 are subject to approval by the Chief Financial Officer.

7 (3) COMPOSITION.--

8 (a) The council shall consist of nine members who  
9 shall be appointed by and serve at the pleasure of the Chief  
10 Financial Officer. Six members must be persons having  
11 experience in various areas of the financial industry, such as  
12 financial institutions, as defined in s. 655.005, Florida  
13 Statutes, finance, insurance, real estate, and securities. At  
14 least one member must be a person who is not employed by and  
15 is not a representative of the financial industry. At least  
16 one member must be chosen from a list of three persons  
17 submitted to the Chief Financial Officer by a senior advocacy  
18 group. At least one member must be chosen from a list of three  
19 persons submitted to the Chief Financial Officer by the  
20 Florida Council on Economic Education. Appointed members shall  
21 include persons who represent rural and urban interests and  
22 the ethnic and cultural diversity of the state's population.

23 (b) Members of the council shall serve at the pleasure  
24 of the Chief Financial Officer. The council shall meet at the  
25 call of the chair. Five of the initial members appointed to  
26 the council shall be appointed for terms of 3 years. All other  
27 members shall be appointed for terms of 4 years. Members shall  
28 serve until their successors are appointed. A vacancy shall be  
29 filled for the remainder of the unexpired term.

30 (c) The Department of Financial Services shall provide  
31 administrative and staff support to the council.

1           (4) MEETINGS; PROCEDURES; RECORDS.--

2           (a) The business of the council shall be presented to  
3 the council in the form of an agenda. The agenda shall be set  
4 by the Chief Financial Officer and shall include items of  
5 business requested by the council members.

6           (b) A majority of the members constitutes a quorum,  
7 and action by a majority of a quorum shall be official.

8           (c) The minutes for each meeting shall be submitted to  
9 the Chief Financial Officer within 14 days after the date of  
10 each meeting.

11           (5) POWERS AND DUTIES.--The council shall:

12           (a) Study financial problems that affect consumers,  
13 particularly young persons, seniors, and working adults, and  
14 small businesses which arise from a lack of basic knowledge of  
15 financial issues.

16           (b) Study and make recommendations to the department  
17 regarding the creation of a single state resource for  
18 consumers and small businesses to contact for financial  
19 assistance.

20           (c) Study and make recommendations as to how the  
21 department may help equip small businesses, young people,  
22 working adults, and seniors with the tools and resources they  
23 need to make informed financial decisions.

24           (d) Study and make recommendations as to how the  
25 department may help residents of this state learn more about  
26 personal finance issues, including, but not limited to,  
27 personal savings, applying for loans, managing debt, making  
28 sound investment choices, and saving for retirement.

29           (e) Study and make recommendations to the department  
30 regarding the development of best practices for financial  
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1 management which are characteristic of highly successful small  
2 businesses.

3 (f) Study and make recommendations as to how the  
4 department can serve as an educational forum for resource  
5 planning, financial planning, and management issues for small  
6 businesses.

7 (g) Assist the department in developing written  
8 materials that shall be available to educate consumers and  
9 small businesses about basic financial issues.

10 (h) Study and make recommendations to the department  
11 regarding the establishment of an outreach program to help  
12 educate affected persons through public meetings or seminars  
13 or through web-based media.

14 (6) RESOURCES.--

15 (a) The council may apply for and accept funds,  
16 grants, gifts, and services from the state, the government of  
17 the United States or any of its agencies, or any other public  
18 or private source for the purpose of defraying clerical and  
19 administrative costs as necessary to carry out its duties  
20 under this section. All sums received by the council shall be  
21 deposited into the Department of Financial Services  
22 Administrative Trust Fund. The moneys received and deposited  
23 into the trust fund are appropriated for use by the council in  
24 carrying out its duties as prescribed by this section.

25 (b) The council shall seek out and, wherever possible,  
26 use the talents, expertise, and resources within the state,  
27 and especially those of the public school, community college,  
28 and state university systems, in furtherance of its mission.

29 (c) The council may procure information and assistance  
30 from any state agency, political subdivision, municipal  
31 corporation, or public officer.

1           (d) The council may coordinate with any state agency,  
2 any political subdivision, or any school district of the state  
3 in the furtherance of its mission.

4           (7) EXPIRATION.--The council shall cease to exist on  
5 December 31, 2011. Upon expiration, any funds remaining in the  
6 Financial Literacy Council account of the Department of  
7 Financial Services Administrative Trust Fund shall be  
8 appropriated to the department to fund the activities that the  
9 department has implemented pursuant to the recommendations of  
10 the council.

11           (8) REPORTS.--Beginning January 1, 2008, the council  
12 shall report annually on January 1 to the Governor, the  
13 President of the Senate, and the Speaker of the House of  
14 Representatives on the activities carried out under this  
15 section, including expenditures and funding.

16           Section 2. For the 2006-2007 fiscal year, the sum of  
17 \$50,000 in nonrecurring funds is appropriated from the  
18 Department of Financial Services Administrative Trust Fund in  
19 the specific appropriation category "Financial Literacy  
20 Council" to the Financial Literacy Council created by this  
21 act. The appropriation is contingent upon prior receipt of  
22 grant funds or private contributions by the council for the  
23 purposes of this act. This section does not entitle the  
24 Financial Literacy Council to expend funds from the  
25 Administrative Trust Fund in an amount greater than the amount  
26 of grant funds or private contributions received by the  
27 council and deposited into the Administrative Trust Fund  
28 pursuant to this act.

29           Section 3. This act shall take effect July 1, 2006.  
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1                   STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
2                                   COMMITTEE SUBSTITUTE FOR  
3   Senate Bill 1368

4 The committee substitute provides the following changes:

- 5 1. Subjects the Financial Literacy Council to the provisions  
6 of s.20.052, F.S., which provides requirements for the  
7 operations of councils established by law, including  
8 accountability to the Legislature, appointment of members, per  
9 diem and expense reimbursement, and the applicability of the  
10 "Government-in-the-Sunshine" Laws.  
11 2. Requires the Financial Literacy Council to submit  
12 recommendations to the Department of Financial Services.  
13 3. Revises the composition of the Financial Literacy Council  
14 by removing the Chief Financial Officer as a member of the  
15 council and reducing the number of members from 10 to 9.  
16 4. Provides for distribution of assets of the council upon  
17 dissolution of the council in 2011 in accordance with the  
18 council's goals.  
19 5. Requires the council's annual reports to include  
20 information concerning the funding and expenses of the  
21 council.  
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