

ASSEMBLY BILL NO. 3062
(First Reprint)

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I herewith return Assembly Bill No. 3062 (First Reprint) with my recommendations for reconsideration.

Assembly Bill No. 3062 (First Reprint) establishes a three-year Financial Empowerment Pilot Program ("program") in the Department of Community Affairs ("DCA" or "department") to "address financial literacy and empowerment issues for economically vulnerable individuals in the State." The bill requires DCA to contract with non-profits in five participating municipalities to create centers to provide financial literacy education and personal financial coaching. DCA would be further required to provide support services and educational materials to the centers and to develop and implement standards for tracking the program's results. To fund the program, the bill appropriates "[a]ll monies received from the settlement of the complaint of the Federal Trade Commission against Equifax, Inc.," minus the Attorney General's costs in pursuing the action.

I applaud the bill's sponsors for proposing this initiative to support economically vulnerable individuals. As we strive to build a stronger and fairer New Jersey, it is critical to enable New Jerseyans to establish a secure financial footing, provide for their families, and set themselves up for future success. The goals of Assembly Bill No. 3062 (First Reprint) align with other actions my Administration is taking to support financial empowerment. For example, I recently created the Wealth Disparity Task Force through Executive Order No. 262 (2021) to study and consider ways to rectify systemic wealth disparities. And, in the coming months, the Department of the Treasury will launch a comprehensive online platform, accessible in multiple languages,

aimed at providing free, interactive, and personalized financial literacy resources to all adult New Jersey residents. The platform will include tools and content related to budgeting, banking and credit, saving for education or home buying, reducing debt, and retirement planning, among other financial wellness topics.

Nevertheless, I have concerns about the structure and implementation of the program described by Assembly Bill No. 3062 (First Reprint). First, the program cannot be funded with the money recovered by the State from the 2019 settlement with Equifax, Inc. The \$6.36 million in civil penalties recovered by the Attorney General has already been dedicated to funding important priorities of the Division of Consumer Affairs related to consumer protection and modernizing the licensing systems for regulated businesses. And, as a matter of executive prerogative, I am reluctant to approve a bill that directs one agency to spend funds recovered by another agency in an enforcement action. However, given my strong support of financial literacy and empowerment, I am recommending that \$6.36 million be appropriated from the General Fund to support implementation of this bill.

In addition, I am recommending changes to provide DCA with more flexibility in supporting financial empowerment and literacy by directing the department to run a competitive grant program. With respect to the proposal to establish brick-and-mortar financial empowerment "centers" in five municipalities, I am concerned about singling out particular localities. Economically vulnerable individuals in all parts of the State should have the opportunity to benefit from the program. And, while I encourage DCA to prioritize applicants who propose to establish brick-and-mortar locations in high-need areas, DCA should have the flexibility to award grants to other applicants as well. My

recommendations thus also include a non-exhaustive list of criteria for DCA to consider in awarding grants, all of which are designed to achieve the purposes of the bill.

Finally, I recommend allowing municipalities and institutions of higher education, including county and community colleges, to apply for the grants made available under the program. Allowing municipalities to apply preserves the intent of involving localities in the process. And higher education institutions may be particularly well-suited to providing in-person financial literacy education to economically vulnerable students, their family members, and other members of the public.

Therefore, I herewith return Assembly Bill No. 3062 (First Reprint) and recommend that it be amended as follows:

<u>Page 2, Title, Line 1:</u>	After "Program" insert "and making an appropriation"
<u>Page 2, Section 1, Line 10:</u>	Delete "municipal" and insert "the disbursement of grants to eligible entities to implement"
<u>Page 2, Section 1, Line 10:</u>	Delete "centers. The" and insert "forums, programs, or initiatives."
<u>Page 2, Section 1, Lines 11-13:</u>	Delete in their entirety
<u>Page 2, Section 1, Lines 14-15</u>	Delete "pilot program, in consultation with the participating municipality," and insert "department"
<u>Page 2, Section 1, Line 15:</u>	Delete "contract with a non-profit provider to establish a" and insert "award grants to eligible entities through a competitive grant solicitation to fund the establishment of"
<u>Page 2, Section 1, Line 16:</u>	Delete "center in each of the participating"
<u>Page 2, Section 1, Lines 17-18:</u>	Delete in their entirety
<u>Page 2, Section 1, Line 19:</u>	Delete "facilitate appropriate"
<u>Page 2, Section 1, Lines 24-25:</u>	Delete "establishment of the financial empowerment centers pursuant to this section" and insert "the effective date of"

P.L. , c. (C.) (pending before the Legislature as this bill)"

Page 2, Section 1, Line 25:

After "section." insert "d. For purposes of P.L. , c. (C.) (pending before the Legislature as this bill), 'eligible entities' shall include non-profit providers, municipalities, and institutions of higher education, excluding proprietary institutions authorized to offer licensed degree programs."

Page 2, Section 2, Line 27:

Delete "The pilot program shall" and insert "An eligible entity seeking to participate in the Financial Empowerment Pilot Program shall submit an application for a grant to the Department of Community Affairs in a form determined by the department. The application shall include information that the department determines is necessary to administer the program and award grants.

b. The department shall establish criteria for the award of grants to eligible entities, which shall include, but need not be limited, to the following:

(1) whether the eligible entity's forums, programs, or initiatives are designed to reach and are likely to reach economically vulnerable individuals;

(2) whether the eligible entity maintains or plans to establish a financial empowerment center at a physical location that facilitates direct contact with economically vulnerable individuals;

(3) whether the eligible entity has established or plans to"

Page 2, Section 2, Line 29:

Delete "shall provide" and insert "has developed or plans to develop"

Page 2, Section 2, Line 30:

Delete "at the financial empowerment centers," and insert "as part of its forums, programs, or initiatives;

(4) whether the eligible entity's forums, programs, or initiatives are designed to promote education and improve outcomes among economically vulnerable individuals"

- Page 2, Section 2, Line 32: Delete "(1)" and insert "(a)"
- Page 2, Section 2, Line 34: Delete "(2)" and insert "(b)"
- Page 2, Section 2, Line 36: Delete "(3)" and insert "(c)"
- Page 2, Section 2, Line 37: Delete "(4)" and insert "(d)"
- Page 2, Section 2, Line 37: Delete "." and insert ";"
- Page 2, Section 2, Line 38: Delete in its entirety and insert "(5) whether the eligible entity has access to, has developed, or plans to develop"
- Page 2, Section 2, Line 39: Delete "services, including"
- Page 2, Section 2, Line 40: Delete "and shall coordinate" and insert ";(6) whether the eligible entity intends to offer its forums, programs, or initiatives in languages other than English; and
- (7) any other criteria the department determines are necessary to evaluate whether the eligible entity's proposed forums, programs, or initiatives will achieve the goals of educating the public regarding financial literacy and empowerment and providing personal financial coaching to economically vulnerable individuals.
- c. If the eligible entity is an institution of higher education, the department shall also determine whether the eligible entity's forums, programs, or initiatives are designed to reach and likely to reach economically vulnerable members of the public beyond the institution's student body."
- Page 2, Section 2, Lines 41-42: Delete in their entirety
- Page 3, Section 3, Line 2: Delete "counseling efforts and results established and" and insert "outcomes of grantees' forums, programs, or initiatives."
- Page 3, Section 3, Lines 3-4: Delete in their entirety

- Page 3, Section 3, Line 5: Delete "After receiving the report, the" and insert "The"
- Page 3, Section 3, Lines 11-12: Delete "to additional municipalities in" and insert "throughout"
- Page 3, Section 4, Line 14: Delete "All monies received by the State from the settlement of the" and insert "There is appropriated from the General Fund"
- Page 3, Section 4, Lines 15-16: Delete in their entirety
- Page 3, Section 4, Line 17: Delete "participating in the complaint, shall be transferred"
- Page 3, Section 4, Line 18: After "Affairs" insert "\$6,360,000"
- Page 3, Section 4, Line 19: Delete "The moneys" and insert "Up to 3.5 percent of the amounts appropriated"
- Page 3, Section 4, Line 19: Delete "also"
- Page 3, Section 5, Line 23: After "take" insert "effect"

[seal]

Respectfully,
/s/ Philip D. Murphy
Governor

Attest:
/s/ Parimal Garg
Chief Counsel to the Governor