

CHAPTER 321

AN ACT establishing the Financial Empowerment Pilot Program and making an appropriation.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. a. There is established in the Department of Community Affairs a Financial Empowerment Pilot Program. The purpose of the pilot program shall be to address financial literacy and empowerment issues for economically vulnerable individuals in the State through the disbursement of grants to eligible entities to implement financial empowerment forums, programs, or initiatives.

b. The department shall award grants to eligible entities through a competitive grant solicitation to fund the establishment of financial empowerment forums, programs, or initiatives designed to educate the public regarding financial literacy and empowerment and provide personal financial coaching to economically vulnerable individuals.

c. The pilot program shall run for a period of three years following the effective date of P.L.2021, c.321.

d. For purposes of P.L.2021, c.321, “eligible entities” shall include non-profit providers, municipalities, and institutions of higher education, excluding proprietary institutions authorized to offer licensed degree programs.

2. a. 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 establish metrics and standards to track counseling efforts and results for economically vulnerable individuals, and has developed or plans to develop methods for implementing those standards 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 in the following areas:

(a) the opening of or transitioning to a safe and affordable bank account;

(b) the establishment of a credit score, or the increase in an existing credit score;

(c) the decrease of non-mortgage debt; and

(d) the increase in rate of savings;

(5) whether the eligible entity has access to, has developed, or has plans to develop materials on financial literacy and empowerment for publication and dissemination to the public;

(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.

3. a. The program shall submit a report to the Commissioner of Community Affairs no later than two months after the conclusion of the pilot program. The report shall include, at a minimum, information on the outcomes of grantees' forums, programs, or initiatives.

b. The commissioner shall submit a report to the Governor, and to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), on the implementation and effectiveness of the pilot program no later than two months after the pilot program issues its report to the commissioner. The report shall include the commissioner's recommendation on the advisability of the pilot program's continuation and expansion throughout the State.

4. There is appropriated from the General Fund to the Department of Community Affairs \$6,360,000 for the purposes of effectuating the provisions of this act. Up to 3.5 percent of the amounts appropriated may be expended for appropriate and reasonable administrative expenses incurred in the administration of the pilot program by the department.

5. This act shall take effect immediately and shall expire upon submission of the final report required to be prepared under section 3 of this act.

Approved December 21, 2021.