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FISCAL IMPACT REPORT

SPONSOR King, R ORIGINAL DATE 1/24/08
LAST UPDATED _____ HB 420
SHORT TITLE Financial Literacy Education SB _____
ANALYST C. Sanchez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$100	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Regulation and Licensing Department (RLD)

SUMMARY

Synopsis of Bill

House Bill 420 would appropriate \$124,000 to the Securities Division of the Regulation and Licensing Department for the financial literacy program (investor education).

FISCAL IMPLICATIONS

The bill would provide an appropriation of \$124,000 for fiscal year 09. Any unexpended balance would revert to the general fund.

SIGNIFICANT ISSUES

By enhancing the financial literacy program and increasing the number and variety of education programs, RLD will embark on a long-term strategy of decreasing victimization and thereby conserve the investment capital available in the state to better support legitimate business ventures.

The Securities Division will expand the publication and distribution of written brochures and other materials on securities and financial literacy topics. Investment materials will be distributed through the Division's Savvy Investor seminar programs, participation in conferences and other

public meetings, and by making the brochures available through financial institutions such as banks and credit unions.

The Division will continue to support financial literacy programs in public schools such as the “Focus on the Future” program, and the “Stock Market Game” that teach students about investment and market issues.

PERFORMANCE IMPLICATIONS

The bill would enable the Securities Division to expand its financial literacy program which could be significant in light of recent problems that consumers have experienced with sub-prime loans and with investments that are tied to such loans.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo.

CS/mt