

CONSENT

Bill No: SB 700
Author: Grayson (D)
Amended: 1/5/26
Vote: 21

SENATE BANKING & F.I. COMMITTEE: 5-0, 1/7/26
AYES: Grayson, Niello, Cervantes, Richardson, Strickland
NO VOTE RECORDED: Hurtado, Limón

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

SUBJECT: Bank on California Program

SOURCE: Author

DIGEST: This bill deletes the statutory codification of the defunct Bank On California Program.

ANALYSIS:

Existing law establishes the Bank On California Program, a voluntary collaborative initiative intended to assist Californians in opening a bank or credit union account and saving for the future, within the Department of Financial Protection and Innovation.

This bill deletes the statutory codification of the Bank On California Program.

Comments

The following paragraphs provide background on the “Bank On” program and its history within state government. By 2019, activities conducted by state agencies related to Bank On had ceased, and administration of Bank On programs is undertaken by non-state organizations. This bill is essentially code clean-up – removing language from statute that has no effect on state agencies or private organizations.

“Bank On” programs are voluntary programs in which local agencies, typically municipalities and community partners, form coalitions with banks and credit unions to reduce barriers to banking among unbanked and underbanked individuals. The first Bank On program was created in San Francisco in 2005, in response to a survey that identified approximately 50,000 unbanked households in that jurisdiction, many of which housed people of color.

In December 2005, a committee including the San Francisco Treasurer’s Office, the New America Foundation, the Federal Reserve Bank of San Francisco, and the nonprofit organization EARN worked with local community organizations, banks, and credit unions to develop a new program to bank the unbanked. This coalition eventually became Bank on San Francisco. It began with four goals: 1) create more opportunities for lower-income clients to enter the financial mainstream; 2) create products without high fees or minimum balances; 3) help unbanked people learn about the benefits of keeping their money in checking and savings accounts; and 4) help San Franciscans learn more about how to use, manage, and save money.

In 2008, the Schwarzenegger Administration launched Bank On California, to build on Bank On San Francisco and encourage other local governments to launch and maintain regional “Bank On” programs of their own. Initially, Bank On California was housed within the Governor’s Office of Planning and Research. A few years later, Bank On California was shifted to the State and Consumer Services Agency. In 2012, the program was moved to the Department of Financial Institutions (DFI), then moved to the Department of Business Oversight (DBO) in 2013, when DBO was formed through the merger of DFI and the Department of Corporations. In 2015, the program was formally codified within DBO, and DBO was required to report annually to the Chairs of the Senate and Assembly Banking Committees regarding the activities of the Bank On California Program (AB 1282, (Dababneh, Chapter 750, Statutes of 2015)). In 2020, DBO was renamed as the Department of Financial Protection and Innovation (DFPI).

At its height in California, Bank On Programs were located in American Canyon, the Central Coast (including Monterey, Santa Cruz, Salinas, and San Benito Counties), Fresno, Los Angeles, Oakland, Orange County, Napa Valley, the Sacramento area (including Sacramento, Amador, El Dorado, Placer, and Yolo Counties), San Francisco, San Jose, and Stanislaus. However, at some point between 2015 and 2019, active management of California’s Bank On programs shifted from the state to the Cities for Financial Empowerment Fund ((CFE); www.joinbankon.org). Unlike the former, state-run Bank On California website (www.bankoncalifornia.ca.gov), which is no longer maintained, CFE’s

www.joinbankon.org website contains a wealth of current information about Bank On programs across the country.

In 2022 the Legislature repealed the reporting requirement established by AB 1282 upon recognizing that DFPI no longer conducted activities related to the program, (SB 577 (Limón, Chapter 16, Statutes of 2022)).

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

SUPPORT: (Verified 1/20/26)

None received

OPPOSITION: (Verified 1/20/26)

None received

Prepared by: Michael Burdick / B. & F.I. /
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