

By: West

S.B. No. 577

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of the foster child trust account program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter A, Chapter 264, Family Code, is amended by adding Section 264.0112 to read as follows:

Sec. 264.0112. FOSTER CHILD TRUST ACCOUNT PROGRAM. (a) The department in cooperation with the comptroller shall establish and administer a foster child trust account program to hold federal benefits described by Subsection (b) received by children in the department's conservatorship.

(b) For a child in the department's conservatorship who receives or is eligible to receive United States Department of Veterans Affairs benefits, Supplemental Security Income (SSI) benefits under 42 U.S.C. Section 1381 et seq., or Social Security Disability Insurance (SSDI) benefits under 42 U.S.C. Section 401 et seq., the department shall:

(1) serve as the representative payee for the benefits received by the child;

(2) deposit any benefits received by the department on behalf of the child into an interest-bearing trust account maintained by the comptroller and manage the account until all money in the account is disbursed to the child;

(3) save the benefits in a manner that avoids

1 violating federal asset or resource limits that would negatively  
2 affect the child's eligibility to receive the benefits; and

3 (4) provide an accounting to the child and the child's  
4 legal representative regarding the saving of the child's resources  
5 under the program on the date the child is discharged from or  
6 otherwise leaves foster care.

7 (c) The comptroller may contract with one or more financial  
8 institutions to establish and manage an account for each child who  
9 receives benefits described by Subsection (b).

10 (d) The comptroller shall make funds in the account  
11 available to a child in accordance with Subsection (e) as soon as  
12 practicable after:

13 (1) the date the child leaves the department's  
14 conservatorship if on that date the child:

15 (A) is at least 18 years of age; or

16 (B) has had the disabilities of minority removed;

17 or

18 (2) the child's 18th birthday if the child is younger  
19 than 18 years of age on the date the child leaves the department's  
20 conservatorship.

21 (e) On the date provided by Subsection (d), the comptroller  
22 shall make the entire balance of the account available to the child  
23 using a debit card or an online or electronic transfer payment  
24 service if the balance of the account does not exceed \$5,000. If  
25 the balance of the account exceeds \$5,000, the comptroller shall  
26 make \$5,000 available to the child on the date provided by  
27 Subsection (d), and pay the remaining balance of the account to the

1 child in increments not to exceed \$5,000 each quarter after the  
2 initial disbursement until no money remains in the account.

3 (f) Neither the state nor a child's guardian may access  
4 money in the child's account except that the state may deduct an  
5 amount equal to any interest earned on money in the account.

6 (g) On the date on which all money has been disbursed from a  
7 child's account, the child's account is closed.

8 SECTION 2. Not later than January 1, 2026, the Department of  
9 Family and Protective Services shall adopt rules necessary to  
10 establish and administer the accounts required under Section  
11 264.0112, Family Code, as added by this Act.

12 SECTION 3. This Act takes effect September 1, 2025.