

By: Shapleigh

S.B. No. 627

A BILL TO BE ENTITLED

AN ACT

relating to financial literacy programs for consumers.

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

SECTION 1. Title 5, Finance Code, is amended by adding Chapter 397 to read as follows:

CHAPTER 397. CONSUMER EDUCATION PROGRAMS

SUBCHAPTER A. FINANCIAL LITERACY EDUCATION PROGRAM

Sec. 397.001. DEFINITION. In this subchapter, "institution of higher education" means a public institution of higher education as defined by Section 61.003, Education Code, or a private college or university that issues degrees in this state and is accredited by a recognized accrediting agency as defined by Section 61.003, Education Code.

Sec. 397.002. DUTY OF CERTAIN AGENCIES TO CREATE A FINANCIAL LITERACY EDUCATION PROGRAM. The Office of Consumer Credit Commissioner, the State Securities Board, and the Texas Education Agency shall collaborate to develop a financial literacy education program for adults and children. The agencies shall develop materials for the use of students at appropriate grade levels and for the public.

Sec. 397.003. CONTENT OF THE FINANCIAL LITERACY EDUCATION PROGRAM. The financial literacy education program must focus on teaching adults and children to make informed financial decisions. The agencies developing the program shall develop educational

1 material addressing consumers' financial issues, including:

2 (1) how to eliminate credit card debt;

3 (2) how to manage money to make the transition from
4 renting a home to home ownership;

5 (3) how to start a small business;

6 (4) how to be a prudent investor and begin a savings
7 program;

8 (5) information about bankruptcy;

9 (6) information about the types of bank accounts
10 available to consumers and the benefits of maintaining a bank
11 account; and

12 (7) information about the types of loans available to
13 consumers and how to become a low-risk borrower.

14 Sec. 397.004. DUTY TO CREATE FINANCIAL LITERACY MATERIAL
15 RELATED TO FINANCIAL AID FOR HIGHER EDUCATION. The agencies
16 developing the financial literacy education program and the Texas
17 Higher Education Coordinating Board shall collaborate to develop
18 financial literacy material concerning financial aid for higher
19 education and provide these materials to financial aid officers at
20 institutions of higher education. Financial aid officers at public
21 institutions of higher education shall use these materials to
22 educate students about financial aid options and debt management.

23 Sec. 397.005. AVAILABILITY OF FINANCIAL LITERACY MATERIALS
24 ON THE INTERNET. The agencies developing the financial literacy
25 education program shall work with the Department of Information
26 Resources to make the financial literacy materials created under
27 this chapter available on the Internet through the TexasOnline

1 government portal or any successor to that portal.

2 Sec. 397.006. FUNDING FOR FINANCIAL LITERACY EDUCATION
3 PROGRAMS. The agencies developing the program shall fund the
4 financial literacy education program through collaborations with
5 and sponsorship by businesses and through federal programs, private
6 or public grants, or other sources.

7 SECTION 2. Not later than December 1, 2005, the Office of
8 Consumer Credit Commissioner, the State Securities Board, and the
9 Texas Education Agency jointly shall submit a written report to the
10 legislature on the results of the financial literacy education
11 program and presenting the agencies' recommendations for promoting
12 adult financial literacy in the state.

13 SECTION 3. This Act takes effect September 1, 2003.