

## **BILL ANALYSIS**

S.B. 851  
By: Shapleigh  
Public Education  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

S.B. 851 directs the Texas Education Agency (TEA) to establish a financial literacy pilot program, in no more than five school districts, to provide students with the knowledge and skills necessary to make critical financial decisions. Additionally, the bill requires TEA to report to the legislature by January 1, 2007 as to the implementation and effectiveness of the pilot program. A pilot program will allow schools to develop and test programs thereby helping to develop a strong and effective model for teaching financial soundness.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Education Agency in SECTION 1 of this bill.

### **ANALYSIS**

SB 851 amends the Education Code by setting forth a definition of program to mean the financial literacy pilot program. To the extent funding is available, the agency by rule is to establish and implement a financial literacy pilot program to provide students in participating school districts with the knowledge and skills necessary to make critical decisions relating to personal finance matters. The agency in collaboration with the Office of Consumer Credit Commissioner and State Securities Board is to develop curriculum and instructional materials. Such materials must include information as such as avoiding and eliminating credit card debt, managing money in the transition from renting to buying a home and others.

The agency is to develop an application and selection process for selecting school districts to participate in the program and not more than five school districts may be selected by the agency to participate in the program. The agency may solicit and accept a gift, grant or donation from any source for the implementation of the program.

Not later than January 1, 2007, the agency shall provide each member of the legislature with a report relating to the implementation and effectiveness of the program. This subsection expires February 1, 2007.

### **EFFECTIVE DATE**

This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2005.