

## **BILL ANALYSIS**

Senate Research Center  
81R972 JRJ-D

S.B. 198  
By: Shapleigh  
Higher Education  
4/20/2009  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Given the state of the economy, Texans must be provided with the knowledge and skills to allow them to make sound financial decisions. The lack of financial literacy has greatly contributed to our nation's current economic crisis. As a result of this lack of knowledge, many Texans have been victimized by predatory lending, as they are unable to make informed decisions about their finances.

It is key to teach young people, especially college students, the importance of financial literacy and provide them with a framework for making those decisions before they are overwhelmed with student loans and credit card debt. By providing effective financial literacy education in higher education, we can make young Texans less vulnerable to disreputable lending companies and practices before it is too late.

As proposed, S.B. 198 requires general academic teaching institutions to offer training in personal financial literacy that provides students with the knowledge and skills necessary as self-supporting adults to make important decisions relating to personal financial matters.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 (Section 51.305, Education Code) and SECTION 3 of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter F, Chapter 51, Education Code, by adding Section 51.305, as follows:

Sec. 51.305. PERSONAL FINANCIAL LITERACY TRAINING. (a) Requires the Texas Higher Education Coordinating Board (THECB), by rule, to:

(1) require a general academic teaching institution to offer training in personal financial literacy to provide students of the institution with the knowledge and skills necessary as self-supporting adults to make important decisions relating to personal financial matters; and

(2) determine the topics to be covered by the training, which may include certain topics.

(b) Authorizes THECB, by rule, to provide for the training required under this section to be offered in an online course.

(c) Requires THECB to require institutions to offer the training required by this section as soon as THECB considers practical, but not later than the 2011 fall semester. Provides that this subsection expires January 1, 2012.

SECTION 2. Requires THECB to adopt rules for the administration of Section 51.305, Education Code, as added by this Act, as soon as practicable after this Act takes effect. Authorizes THECB, for that purpose, to adopt rules in the manner provided by law for emergency rules.

SECTION 3. Effective date: upon passage or September 1, 2009.