

## **BILL ANALYSIS**

C.S.H.B. 1634  
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Human Services  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Youth who age out of foster care must transition quickly into adulthood and be prepared almost immediately to manage their own affairs, including their finances. For many youth in foster care, multiple placements and a consequent lack of a stable home environment limit their opportunities for financial education and can keep youth from developing habits that promote financial security, leaving them vulnerable to poor outcomes as adults. While many young adults formerly in foster care do succeed in life, statistics show that, as a group, foster youth struggle more than other young adults and experience higher rates of poverty, joblessness, and homelessness. Interested parties assert that transitioning youth should be provided financial literacy skills training before they leave foster care to ensure that such youth have the knowledge and resources needed to be self-sufficient, productive, and financially secure adults. C.S.H.B. 1634 seeks to provide life-skills training, including financial literacy education, to certain youth in foster care to improve their transition to independent living.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 1634 amends the Family Code to require the experiential life-skills training that a foster care provider is required to provide or assist youth who are age 14 or older in obtaining in order to improve their transition to independent living to include a financial literacy education program. The bill sets out specific content requirements for the instruction to be included in such a program; sets out as a component of such financial literacy education program assisting a youth who has a source of income to establish a savings plan and, if available, a savings account that the youth can independently manage; and adds assisting a youth who is at least 18 years of age and who has a source of income in obtaining a savings or checking account to the required services to be provided by a person with whom the Department of Family and Protective Services contracts for transitional living services for foster youth.

### **EFFECTIVE DATE**

September 1, 2013.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 1634 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

## INTRODUCED

SECTION 1. Section 264.121, Family Code, is amended by amending Subsections (a-1) and (f) and adding Subsection (a-2) to read as follows:

(a-1) The department shall require a foster care provider to provide or assist youth who are age 14 or older in obtaining experiential life-skills training to improve their transition to independent living. Experiential life-skills training must be tailored to a youth's skills and abilities and may include training in practical activities that include grocery shopping, meal preparation and cooking, using public transportation, and performing basic household tasks~~[-and balancing a checkbook]~~.

(a-2) The experiential life-skills training under Subsection (a-1) must include a financial literacy education program that:

(1) includes instruction on:

(A) obtaining and interpreting a credit score;

(B) protecting, repairing, and improving a credit score;

(C) avoiding predatory lending practices;

(D) saving money and accomplishing financial goals through prudent financial management practices;

(E) using basic banking and accounting skills, including balancing a checkbook;

(F) using debit and credit cards responsibly;

(G) understanding a paycheck and items withheld from a paycheck; and

(H) protecting financial, credit, and identifying information in personal and professional relationships; and

(2) assists a youth who has a source of income to establish a savings plan and savings account that the youth can independently manage.

(f) The department shall require a person with whom the department contracts for transitional living services for foster youth to provide or assist youth in obtaining:

(1) housing services;

(2) job training and employment services;

(3) college preparation services;

(4) services that will assist youth in obtaining a general education development certificate; ~~and~~

(5) a savings or checking account if the youth is at least 18 years of age and has a source of income; and

## HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 264.121, Family Code, is amended by amending Subsections (a-1) and (f) and adding Subsection (a-2) to read as follows:

(a-1) The department shall require a foster care provider to provide or assist youth who are age 14 or older in obtaining experiential life-skills training to improve their transition to independent living. Experiential life-skills training must be tailored to a youth's skills and abilities and may include training in practical activities that include grocery shopping, meal preparation and cooking, using public transportation, and performing basic household tasks~~[-and balancing a checkbook]~~.

(a-2) The experiential life-skills training under Subsection (a-1) must include a financial literacy education program that:

(1) includes instruction on:

(A) obtaining and interpreting a credit score;

(B) protecting, repairing, and improving a credit score;

(C) avoiding predatory lending practices;

(D) saving money and accomplishing financial goals through prudent financial management practices;

(E) using basic banking and accounting skills, including balancing a checkbook;

(F) using debit and credit cards responsibly;

(G) understanding a paycheck and items withheld from a paycheck; and

(H) protecting financial, credit, and identifying information in personal and professional relationships; and

(2) assists a youth who has a source of income to establish a savings plan and, ~~if available, a~~ savings account that the youth can independently manage.

(f) The department shall require a person with whom the department contracts for transitional living services for foster youth to provide or assist youth in obtaining:

(1) housing services;

(2) job training and employment services;

(3) college preparation services;

(4) services that will assist youth in obtaining a general education development certificate; ~~and~~

(5) a savings or checking account if the youth is at least 18 years of age and has a source of income; and

(6) any other appropriate transitional living service identified by the department.

SECTION 2. This Act takes effect September 1, 2013.

(6) any other appropriate transitional living service identified by the department.

SECTION 2. Same as introduced version.