

## **BILL ANALYSIS**

S.B. 1589  
By: Zaffirini  
Human Services  
Committee Report (Unamended)

### **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. S.B. 1589 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**

S.B. 1589 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.