

By: Dukes

H.B. No. 3967

A BILL TO BE ENTITLED

AN ACT

relating to a pilot program to increase the financial independence of foster children who are transitioning to independent living.

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

SECTION 1. Subchapter B, Chapter 264, Family Code, is amended by adding Section 264.1212 to read as follows:

Sec. 264.1212. PILOT PROGRAM FOR FINANCIAL TRANSITIONAL LIVING SERVICES. (a) The department shall establish a pilot program to assist foster children in the conservatorship of the department to achieve financial security and independence as the children transition to independent living.

(b) The department shall enter into an agreement with a credit union to establish savings accounts for foster children who, under an agreement with the department and credit union, participate in the pilot program. The agreement must:

(1) subject to Subsection (j), prohibit a foster child from withdrawing money from the savings account until the earlier of:

(A) the first anniversary of the date the first deposit is made into the savings account; or

(B) the date the balance in the savings account first equals or exceeds \$2,000;

(2) authorize a foster child to withdraw money from the savings account only in person at the credit union;

1           (3) provide that the balance in the savings account  
2 may not exceed \$2,000 and establish procedures for the transfer or  
3 withdrawal of the amount of money that exceeds \$2,000 when  
4 necessary;

5           (4) require the department and the credit union to  
6 work together to encourage the foster children participating in the  
7 program to open private savings accounts once the participants are  
8 no longer eligible for foster care services; and

9           (5) establish procedures to transfer ownership and  
10 control of the account to the participants exiting the program who  
11 are no longer eligible for foster care services.

12           (c) The department shall seek to partner with a person,  
13 including a foundation, to match the amounts of money deposited  
14 into the foster children savings accounts under the pilot program.  
15 The matching funds must be deposited directly into the child's  
16 savings account.

17           (d) The department and the person selected as a partner  
18 under Subsection (c) shall jointly establish incentives to provide  
19 financial rewards to foster children for actions performed by the  
20 children, including college visits or attendance at financial  
21 education classes. The financial rewards may only be paid by the  
22 person and are not available for matching funds provided under  
23 Subsection (c).

24           (e) Not later than January 1 of each even-numbered year, the  
25 department shall select at least 20 foster children who are age 16  
26 to participate in the pilot program established under this section.

27           (f) Money that may be deposited in a foster child's savings

1 account established under the pilot program includes:

2 (1) money earned by the child through employment or  
3 allowance;

4 (2) gift money;

5 (3) money deposited by the child's foster parent or by  
6 a parent or other relative of the child;

7 (4) money received from the person selected as a  
8 partner under Subsection (c) as financial incentives or matching  
9 funds; and

10 (5) other money authorized under the department's  
11 agreement with the credit union.

12 (g) The department shall survey each foster child who enters  
13 and exits the pilot program. The survey must be designed to assess  
14 any changes in the child's attitudes, perceptions, and knowledge  
15 about financial matters from the time the child entered the program  
16 until the child exited the program.

17 (h) The department shall complete an evaluation of the pilot  
18 program not later than December 31, 2020.

19 (i) The department shall submit a report on the evaluation  
20 of the pilot program conducted under Subsection (h) to the  
21 governor, lieutenant governor, and speaker of the house of  
22 representatives as soon as the evaluation is complete. The  
23 department shall submit a second report evaluating the pilot  
24 program to the governor, lieutenant governor, and speaker of the  
25 house of representatives not later than December 31, 2022.

26 (j) A foster child may not be denied the rights granted  
27 under Section 264.0111 to control money earned by the child that is

1 deposited into a savings account under the pilot program.

2 (k) This section expires December 31, 2022.

3 SECTION 2. As soon as practicable after the effective date  
4 of this Act, the Department of Family and Protective Services shall  
5 establish the pilot program as required by Section 264.1212, Family  
6 Code, as added by this Act.

7 SECTION 3. This Act takes effect September 1, 2015.