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H.B. No. 2645

A BILL TO BE ENTITLED

AN ACT

relating to a pilot program to increase the financial independence of foster youth 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 264.1215 to read as follows:

Sec. 264.1215. PILOT PROGRAM FOR FINANCIAL TRANSITIONAL LIVING SERVICES. (a) The department shall establish a pilot program to assist foster youth to achieve financial security and independence as the youth transition to independent living.

(b) The department shall enter into an agreement with one or more banks, credit unions, or other financial institutions to establish savings and checking accounts for foster youth who are at least 14 but not more than 21 years of age and participate in the pilot program. The agreement must include the following terms:

(1) notwithstanding Section 34.305(c), Finance Code, a requirement that foster youth participating in the program are the sole owner of the savings and checking accounts and may establish savings and checking accounts without a co-signor;

(2) a requirement that the department and the bank, credit union, or other financial institution together encourage the foster youth participating in the program to open or continue private savings and checking accounts once the participants are no longer eligible for the program;

1 (3) procedures to ensure the participants maintain
2 ownership and control of the account at the time the participants
3 exit the program;

4 (4) a requirement that the bank, credit union, or
5 other financial institution provide to participants in the program
6 a checking and savings account that does not require maintenance
7 fees and cannot incur overdraft fees, nonsufficient funds fees,
8 inactivity fees, or any other penalty fees; and

9 (5) options to make financial coaching or mentoring
10 available to foster youth participating in the pilot program.

11 (c) The department may seek to partner with persons,
12 including nonprofit organizations or foundations, to match the
13 amounts of money deposited into the foster youth savings accounts
14 under the pilot program. The matching funds must be deposited
15 directly into a youth's savings account.

16 (d) The department and a person selected as a partner under
17 Subsection (c) may jointly establish incentives to provide
18 financial rewards to foster youth for actions performed by the
19 youth.

20 (e) The department shall survey each foster youth who enters
21 and exits the pilot program. The survey must be designed to assess
22 any changes in the youth's attitudes, perceptions, and knowledge
23 about financial matters from the time the youth entered the program
24 until the youth exited the program.

25 (f) The department shall complete an evaluation of the pilot
26 program and submit a report on the evaluation of the pilot program
27 conducted under this section to the governor, lieutenant governor,

1 and speaker of the house of representatives as soon as the
2 evaluation is complete but not later than December 31, 2027.

3 (g) A foster youth may not be denied the rights granted
4 under Section 264.0111 to control money earned by the youth that is
5 deposited into a savings or checking account under the pilot
6 program.

7 (h) If the department is unable to enter into an agreement
8 with a bank, credit union, or other financial institution, the
9 department shall include in the report required under Subsection
10 (f) a description of any legal or practical barriers that must be
11 addressed to ensure foster youth are able to participate in the
12 pilot program and establish savings and checking accounts before
13 the foster youth are no longer eligible for foster care services.

14 (i) This section expires January 1, 2028.

15 SECTION 2. As soon as practicable after the effective date
16 of this Act, the Department of Family and Protective Services shall
17 establish the pilot program as required by Section 264.1215, Family
18 Code, as added by this Act.

19 SECTION 3. This Act takes effect September 1, 2023.