

By: West

S.B. No. 602

A BILL TO BE ENTITLED

AN ACT

relating to the Preparation for Adult Living Program and other services for foster children transitioning to independent living.

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

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

(a-2) The experiential life-skills training under Subsection (a-1) must include:

(1) a financial literacy education program developed in collaboration with the Office of Consumer Credit Commissioner and the State Securities Board that:

(A) includes instruction on:

(i) obtaining and interpreting a credit score, including information about different scores produced by credit reporting agencies;

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

(iii) the risks of payday loans, unsecured loans, and motor vehicle title loans;

(iv) avoiding predatory lending practices, including an explanation of interest rates and usurious interest;

(v) identifying and avoiding financial scams;

1 (vi) [~~(iv)~~] saving money and accomplishing
2 financial goals through prudent financial management practices;

3 (vii) [~~(v)~~] using basic banking and
4 accounting skills, including opening and using a bank account,
5 balancing a checkbook, and creating a balanced budget;

6 (viii) [~~(vi)~~] using debit and credit cards
7 responsibly;

8 (ix) [~~(vii)~~] understanding a paycheck and
9 items withheld from a paycheck;

10 (x) [~~(viii)~~] understanding the time
11 requirements and process for filing federal taxes;

12 (xi) [~~(ix)~~] protecting financial, credit,
13 and personally identifying information in personal and
14 professional relationships and online;

15 (xii) [~~(x)~~] forms of identity and credit
16 theft; and

17 (xiii) [~~(xi)~~] using insurance to protect
18 against the risk of financial loss; and

19 (B) assists a youth who has a source of income to:

20 (i) establish a savings plan and, if
21 available, a savings account that the youth can independently
22 manage; and

23 (ii) prepare a monthly budget that includes
24 the following expenses:

25 (a) rent based on the monthly rent for
26 an apartment advertised for lease during the preceding month;

27 (b) utilities based on a reasonable

utility bill in the area in which the youth resides;

(c) telephone service based on a reasonable bill for telephone service in the area in which the youth resides;

(d) Internet service based on a reasonable bill for Internet service in the area in which the youth resides; and

(e) other reasonable monthly expenses; and

(2) for youth who are 17 years of age or older, lessons related to:

(A) financing a motor vehicle, including information about the types of financing available for the purchase of a motor vehicle and the risks of subprime and buy-here-pay-here motor vehicle loans;

(B) insurance, including applying for and obtaining motor vehicle ~~automobile~~ insurance and residential property insurance, including tenants insurance;

(C) ~~(B)~~ civic engagement, including the process for registering to vote, the places to vote, and resources for information regarding upcoming elections; and

(D) ~~(C)~~ the documents the youth is required to receive under Subsection (e-1) prior to being discharged from foster care and how those documents may be used.

(i) The department shall ensure that the transition plan for each youth 16 years of age or older includes provisions to assist the youth in managing the youth's housing needs after the youth

leaves foster care, including provisions that:

(1) identify the cost of housing in relation to the youth's sources of income, including any benefits or rental assistance available to the youth;

(2) if the youth's housing goals include residing with family or friends, state that the department has addressed the following with the youth:

(A) the length of time the youth expects to stay in the housing arrangement;

(B) expectations for the youth regarding paying rent and meeting other household obligations;

(C) the youth's psychological and emotional needs, as applicable; and

(D) any potential conflicts with other household members, or any difficulties connected to the type of housing the youth is seeking, that may arise based on the youth's psychological and emotional needs;

(3) inform the youth about emergency shelters and housing resources, including supervised independent living and housing at colleges and universities, such as dormitories;

(4) require the department to review a common rental application and a common rental contract with the youth and ensure that the youth possesses all of the documentation required to obtain rental housing; and

(5) identify any individuals who are able to serve as cosigners or references on the youth's applications for housing.

(j) The department shall ensure that the transition plan for

1 each youth 16 years of age or older includes information about
2 securing or transferring governmental assistance the youth may
3 qualify for, including:

- 4 (1) social security benefits;
- 5 (2) veteran or service member benefits;
- 6 (3) supplemental nutrition assistance;
- 7 (4) special supplemental nutrition assistance for
8 women, infants, and children;
- 9 (5) temporary assistance for needy families; and
- 10 (6) housing assistance.

11 SECTION 2. This Act takes effect September 1, 2025.