

BILL ANALYSIS

Senate Research Center
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S.B. 627
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State Affairs
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DIGEST AND PURPOSE

Currently, no state agency is charged with creating a coordinated program designed to educate students and adults about the skills necessary to make sound financial decisions regarding credit card debt, student loans, small business ownership, debt management, and other relevant financial matters. As proposed, S.B. 627 requires the Office of Consumer Credit Commissioner, the State Securities Board, and the Texas Education Agency to work together to develop such a program to be made available to students, student loan recipients, and the general public.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Title 5, Finance Code, by adding Chapter 397, as follows:

CHAPTER 397. CONSUMER EDUCATION PROGRAMS SUBCHAPTER A. FINANCIAL LITERACY EDUCATION PROGRAM

Sec. 397.001. DEFINITION. Defines “institution of higher education.”

Sec. 397.002. DUTY OF CERTAIN AGENCIES TO CREATE A FINANCIAL LITERACY EDUCATION PROGRAM. Requires certain agencies to work together to develop a financial literacy education program for adults and children, with materials for the use of students at appropriate grade levels and for the public.

Sec. 397.003. CONTENT OF THE FINANCIAL LITERACY EDUCATION PROGRAM. Requires the financial literacy education program to focus on teaching adults and children to make informed financial decisions. Requires the agencies developing the program to develop educational material addressing consumers’ financial issues, including certain listed issues.

Sec. 397.004. DUTY TO CREATE FINANCIAL LITERACY MATERIAL RELATED TO FINANCIAL AID FOR HIGHER EDUCATION. Requires the agencies developing the program and the Texas Higher Education Coordinating Board to work together to develop financial literacy material concerning financial aid for higher education and to provide those materials to financial aid officers at institutions of higher education. Requires such financial aid officers to use the materials to educate students about financial aid options and debt management.

Sec. 397.005. AVAILABILITY OF FINANCIAL LITERACY MATERIALS ON THE INTERNET. Requires the agencies developing the program to work with the Department of Information Resources to make the financial literacy materials available on the Internet through

the Texas Online portal or any successor to that portal.

Sec. 397.006. FUNDING FOR FINANCIAL LITERACY EDUCATION PROGRAMS.

Requires the agencies developing the program to fund the program through collaborations with and sponsorships by businesses and through federal programs, private or public grants, or other sources.

SECTION 2. Requires the agencies developing the financial literacy education program to submit a joint report to the legislature on the results of the program and the agencies' recommendations for promoting adult financial literacy in the state by December 1, 2005.

SECTION 3. Effective date: September 1, 2003.