

By: Farney

H.B. No. 3987

A BILL TO BE ENTITLED

AN ACT

relating to programs in public schools designed to facilitate planning and saving for higher education and facilitate personal financial literacy instruction.

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

SECTION 1. Subchapter A, Chapter 28, Education Code, is amended by adding Section 28.0024 to read as follows:

Sec. 28.0024. SCHOOL-BASED SAVINGS PROGRAM. (a) A school district or open-enrollment charter school may establish a school-based savings program to facilitate increased awareness of the importance of saving for higher education and facilitate personal financial literacy instruction. A district or school may offer the program in conjunction with a personal financial literacy course under Section 28.0021.

(b) A school-based savings program may, through partnerships with financial institutions, as defined by Section 201.101, Finance Code, promote:

(1) general savings, by offering savings accounts or certificates of deposit through partner financial institutions; or

(2) savings dedicated for higher education, by offering accounts through partner financial institutions that are dedicated exclusively to paying expenses associated with higher education, including:

(A) an account authorized under Section 529,

Internal Revenue Code of 1986;

(B) a Coverdell education savings account established under 26 U.S.C. Section 530;

(C) a certificate of deposit;

(D) a savings account; and

(E) a Roth IRA.

(c) A district or school establishing a program under this section shall seek to establish partnerships with financial institutions, public sector partners, private businesses, nonprofit organizations, or philanthropic organizations in the community. A partnership between a district or school and:

(1) a financial institution may allow a student in the program or another adult in the student's family to have an opportunity to establish an account described under Subsection (b); and

(2) a financial institution, public sector partner, private business, or nonprofit or philanthropic organization may provide:

(A) a structure for the management of the program; and

(B) incentives that encourage contribution to a school-based account under Subsection (b), including incentives that provide matching funds or seed funding.

SECTION 2. Section 56.007, Education Code, is amended to read as follows:

Sec. 56.007. EXCLUSION OF ASSETS IN PREPAID TUITION PROGRAMS AND HIGHER EDUCATION SAVINGS PLANS. Notwithstanding any

1 other law, the right of a person to assets held in or the right to
2 receive payments or benefits under any fund, school-based account,
3 or plan established under Section 28.0024(b)(2) up to the amount of
4 the highest cost of undergraduate resident tuition and required
5 fees for a 30-semester hour academic year at a Texas public college
6 or university or Subchapter G, H, or I, Chapter 54, including an
7 interest in a savings trust account, prepaid tuition account, or
8 related matching account, may not be considered an asset of the
9 person, or otherwise included in the person's household income or
10 other financial resources, for purposes of determining the person's
11 eligibility for a TEXAS grant or any other state-funded student
12 financial assistance.

13 SECTION 3. Section [31.0039](#), Human Resources Code, is
14 amended to read as follows:

15 Sec. 31.0039. EXCLUSION OF ASSETS IN PREPAID TUITION
16 PROGRAMS AND HIGHER EDUCATION SAVINGS PLANS. For purposes of
17 determining the amount of financial assistance granted to an
18 individual under this chapter for the support of dependent children
19 or determining whether the family meets household income and
20 resource requirements for financial assistance under this chapter,
21 the department may not consider the right to assets held in or the
22 right to receive payments or benefits under:

23 (1) any fund, school-based account, or plan
24 established under Section 28.0024(b)(2), Education Code, up to the
25 amount of the highest cost of undergraduate resident tuition and
26 required fees for a 30-semester hour academic year at a Texas public
27 college or university. or Subchapter G, H, or I, Chapter 54,

1 Education Code, including an interest in a savings trust account,
2 prepaid tuition contract, or related matching account; or

3 (2) any qualified tuition program of any state that
4 meets the requirements of Section 529, Internal Revenue Code of
5 1986.

6 SECTION 4. Subchapter A, Chapter 33, Human Resources Code,
7 is amended by adding Section 33.0291 to read as follows:

8 Sec. 33.0291. EXCLUSION OF SCHOOL-BASED ACCOUNTS. For
9 purposes of determining whether a person meets family income and
10 resource requirements for eligibility for the supplemental
11 nutrition assistance program, the commission may not consider as
12 income or resources a right to assets held in or a right to receive
13 payments or benefits under a school-based account established under
14 Section 28.0024(b)(2), Education Code up to the amount of the
15 highest cost of undergraduate resident tuition and required fees
16 for a 30-semester hour academic year at a Texas public college or
17 university.

18 SECTION 5. If before implementing any provision of this Act
19 a state agency determines that a waiver or authorization from a
20 federal agency is necessary for implementation of that provision,
21 the agency affected by the provision shall request the waiver or
22 authorization and may delay implementing that provision until the
23 waiver or authorization is granted.

24 SECTION 6. This Act takes effect immediately if it receives
25 a vote of two-thirds of all the members elected to each house, as
26 provided by Section 39, Article III, Texas Constitution. If this
27 Act does not receive the vote necessary for immediate effect, this

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1 Act takes effect September 1, 2015.