

1-1 By: Farney, Guillen, Schubert H.B. No. 3987
 1-2 (Senate Sponsor - Garcia)
 1-3 (In the Senate - Received from the House May 14, 2015;
 1-4 May 15, 2015, read first time and referred to Committee on
 1-5 Education; May 22, 2015, reported favorably by the following vote:
 1-6 Yeas 10, Nays 0; May 22, 2015, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8 Taylor of Galveston	X			
1-9 Lucio	X			
1-10 Bettencourt	X			
1-11 Campbell	X			
1-12 Garcia	X			
1-13 Huffines	X			
1-14 Kolkhorst			X	
1-15 Rodríguez	X			
1-16 Seliger	X			
1-17 Taylor of Collin	X			
1-18 West	X			

1-20 A BILL TO BE ENTITLED
 1-21 AN ACT

1-22 relating to programs in public schools designed to facilitate
 1-23 planning and saving for higher education and facilitate personal
 1-24 financial literacy instruction.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Subchapter A, Chapter 28, Education Code, is
 1-27 amended by adding Section 28.0024 to read as follows:

1-28 Sec. 28.0024. SCHOOL-BASED SAVINGS PROGRAM. (a) A school
 1-29 district or open-enrollment charter school may establish a
 1-30 school-based savings program to facilitate increased awareness of
 1-31 the importance of saving for higher education and facilitate
 1-32 personal financial literacy instruction. A district or school may
 1-33 offer the program in conjunction with a personal financial literacy
 1-34 course under Section 28.0021.

1-35 (b) A school-based savings program may, through
 1-36 partnerships with appropriate institutions, promote:

1-37 (1) general savings, by offering savings accounts or
 1-38 certificates of deposit through partner financial institutions; or

1-39 (2) savings dedicated for higher education, by
 1-40 offering through partner institutions the following accounts or
 1-41 bonds the primary purpose of which must be to pay expenses
 1-42 associated with higher education:

1-43 (A) an account authorized under Section 529,
 1-44 Internal Revenue Code of 1986;

1-45 (B) a Coverdell education savings account
 1-46 established under 26 U.S.C. Section 530;

1-47 (C) a certificate of deposit;

1-48 (D) a savings account; and

1-49 (E) a Series I savings bond.

1-50 (c) A district or school establishing a program under this
 1-51 section:

1-52 (1) shall seek to establish partnerships with
 1-53 appropriate institutions that are able to offer an account or bond
 1-54 under Subsection (b); and

1-55 (2) may seek to establish partnerships with public
 1-56 sector partners, private businesses, nonprofit organizations, and
 1-57 philanthropic organizations in the community.

1-58 (d) A partnership established under Subsection (c) between
 1-59 a district or school and:

1-60 (1) an appropriate institution may allow a student in
 1-61 the program or the student and an adult in the student's family

2-1 jointly to have an opportunity to establish an account or purchase a
 2-2 bond under Subsection (b); and
 2-3 (2) an appropriate institution, public sector
 2-4 partner, private business, or nonprofit or philanthropic
 2-5 organization may provide:
 2-6 (A) a structure for the management of the
 2-7 program; and
 2-8 (B) incentives that encourage contribution to a
 2-9 school-based account or purchase of a bond under Subsection (b),
 2-10 including incentives that provide matching funds or seed funding.

2-11 SECTION 2. Section 56.007, Education Code, is amended to
 2-12 read as follows:

2-13 Sec. 56.007. EXCLUSION OF ASSETS IN PREPAID TUITION
 2-14 PROGRAMS AND HIGHER EDUCATION SAVINGS PLANS. (a) Notwithstanding
 2-15 any other law, the right of a person to assets held in or the right
 2-16 to receive payments or benefits under any fund or plan established
 2-17 under Subchapter G, H, or I, Chapter 54, including an interest in a
 2-18 savings trust account, prepaid tuition account, or related matching
 2-19 account, or any school-based account or bond described by Section
 2-20 28.0024(b)(2), may not be considered an asset of the person, or
 2-21 otherwise included in the person's household income or other
 2-22 financial resources, for purposes of determining the person's
 2-23 eligibility for a TEXAS grant or any other state-funded student
 2-24 financial assistance.

2-25 (b) The amount of exclusion under Subsection (a) of assets
 2-26 held in or the right to receive payments or benefits under a
 2-27 school-based account or bond described by Section 28.0024(b)(2),
 2-28 except a fund or plan established under Subchapter G, H, or I,
 2-29 Chapter 54, as a school-based account, is limited to the amount of
 2-30 the cost of undergraduate resident tuition and required fees for
 2-31 one academic year consisting of 30 semester credit hours charged by
 2-32 the general academic teaching institution with the highest such
 2-33 tuition and fee costs for the most recent academic year, as
 2-34 determined by the Texas Higher Education Coordinating Board under
 2-35 Section 54.753.

2-36 SECTION 3. Section 31.0039, Human Resources Code, as
 2-37 amended by S.B. No. 219, Acts of the 84th Legislature, Regular
 2-38 Session, 2015, is amended to read as follows:

2-39 Sec. 31.0039. EXCLUSION OF ASSETS IN PREPAID TUITION
 2-40 PROGRAMS AND HIGHER EDUCATION SAVINGS PLANS. (a) For purposes of
 2-41 determining the amount of financial assistance granted to an
 2-42 individual under this chapter for the support of dependent children
 2-43 or determining whether the family meets household income and
 2-44 resource requirements for financial assistance under this chapter,
 2-45 the commission may not consider the right to assets held in or the
 2-46 right to receive payments or benefits under:

2-47 (1) any fund or plan established under Subchapter G,
 2-48 H, or I, Chapter 54, Education Code, including an interest in a
 2-49 savings trust account, prepaid tuition contract, or related
 2-50 matching account; ~~or~~

2-51 (2) any qualified tuition program of any state that
 2-52 meets the requirements of Section 529, Internal Revenue Code of
 2-53 1986; or

2-54 (3) any school-based account or bond described by
 2-55 Section 28.0024(b)(2), Education Code.

2-56 (b) The amount of exclusion under Subsection (a)(3) of
 2-57 assets held in or the right to receive payments or benefits under a
 2-58 school-based account or bond described by Section
 2-59 28.0024(b)(2)(C), (D), or (E), Education Code, is limited to the
 2-60 amount of the cost of undergraduate resident tuition and required
 2-61 fees for one academic year consisting of 30 semester credit hours
 2-62 charged by the general academic teaching institution with the
 2-63 highest such tuition and fee costs for the most recent academic
 2-64 year, as determined by the Texas Higher Education Coordinating
 2-65 Board under Section 54.753, Education Code.

2-66 SECTION 4. Section 32.02611, Human Resources Code, as
 2-67 amended by S.B. No. 219, Acts of the 84th Legislature, Regular
 2-68 Session, 2015, is amended to read as follows:

2-69 Sec. 32.02611. EXCLUSION OF ASSETS IN PREPAID TUITION

3-1 PROGRAMS AND HIGHER EDUCATION SAVINGS PLANS. (a) Except as
 3-2 provided by Subsection (b), in determining eligibility and need for
 3-3 medical assistance, the commission may not consider as assets or
 3-4 resources, to the extent applicable under federal law, a right to
 3-5 assets held in or a right to receive payments or benefits under:

3-6 (1) any fund or plan established under Subchapter G,
 3-7 H, or I, Chapter 54, Education Code, including an interest in a
 3-8 savings trust account, prepaid tuition contract, or related
 3-9 matching account; ~~or~~

3-10 (2) any qualified tuition program of any state that
 3-11 meets the requirements of Section 529, Internal Revenue Code of
 3-12 1986; or

3-13 (3) any school-based account or bond described by
 3-14 Section 28.0024(b)(2), Education Code.

3-15 (a-1) The amount of exclusion under Subsection (a)(3) of
 3-16 assets held in or the right to receive payments or benefits under a
 3-17 school-based account or bond described by Section
 3-18 28.0024(b)(2)(C), (D), or (E), Education Code, is limited to the
 3-19 amount of the cost of undergraduate resident tuition and required
 3-20 fees for one academic year consisting of 30 semester credit hours
 3-21 charged by the general academic teaching institution with the
 3-22 highest such tuition and fee costs for the most recent academic
 3-23 year, as determined by the Texas Higher Education Coordinating
 3-24 Board under Section 54.753, Education Code.

3-25 (b) In determining eligibility and need for medical
 3-26 assistance for an applicant who may be eligible on the basis of the
 3-27 applicant's eligibility for medical assistance for the aged, blind,
 3-28 or disabled under 42 U.S.C. Section 1396a(a)(10), the commission
 3-29 may consider as assets or resources, to the extent applicable under
 3-30 federal law, a right to assets held in or a right to receive
 3-31 payments or benefits under any fund, account, bond, plan, or
 3-32 tuition program described by Subsection (a).

3-33 (c) Notwithstanding Subsection (b), the commission shall
 3-34 seek a federal waiver authorizing the commission to exclude, for
 3-35 purposes of determining the eligibility of an applicant described
 3-36 by that subsection and to the extent included under federal law, the
 3-37 right to assets held in or a right to receive payments or benefits
 3-38 under any fund, account, bond, plan, or tuition program described
 3-39 by Subsection (a) if the fund, account, bond, plan, or tuition
 3-40 program was established before the 21st birthday of the beneficiary
 3-41 of the fund, account, bond, plan, or tuition program.

3-42 SECTION 5. Subchapter A, Chapter 33, Human Resources Code,
 3-43 is amended by adding Section 33.0291 to read as follows:

3-44 Sec. 33.0291. EXCLUSION OF SCHOOL-BASED ACCOUNTS AND
 3-45 CERTAIN BONDS. (a) For purposes of determining whether a person
 3-46 meets family income and resource requirements for eligibility for
 3-47 the supplemental nutrition assistance program, the commission may
 3-48 not consider as income or resources a right to assets held in or a
 3-49 right to receive payments or benefits under a school-based account
 3-50 or bond described by Section 28.0024(b)(2), Education Code.

3-51 (b) The amount of exclusion under Subsection (a) of assets
 3-52 held in or the right to receive payments or benefits under a
 3-53 school-based account or bond described by Section
 3-54 28.0024(b)(2)(C), (D), or (E), Education Code, is limited to the
 3-55 amount of the cost of undergraduate resident tuition and required
 3-56 fees for one academic year consisting of 30 semester credit hours
 3-57 charged by the general academic teaching institution with the
 3-58 highest such tuition and fee costs for the most recent academic
 3-59 year, as determined by the Texas Higher Education Coordinating
 3-60 Board under Section 54.753, Education Code.

3-61 SECTION 6. If before implementing any provision of this Act
 3-62 a state agency determines that a waiver or authorization from a
 3-63 federal agency is necessary for implementation of that provision,
 3-64 the agency affected by the provision shall request the waiver or
 3-65 authorization and may delay implementing that provision until the
 3-66 waiver or authorization is granted.

3-67 SECTION 7. This Act takes effect immediately if it receives
 3-68 a vote of two-thirds of all the members elected to each house, as
 3-69 provided by Section 39, Article III, Texas Constitution. If this

4-1 Act does not receive the vote necessary for immediate effect, this
4-2 Act takes effect September 1, 2015.

4-3 * * * * *