

BILL ANALYSIS

Senate Research Center
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H.B. 900
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Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Under current law, financial literacy is not required in workforce development programs. Workforce development programs serve displaced workers by providing them with the training necessary to obtain jobs in new fields. Workers in these programs tend to have low incomes, and studies have shown that individuals with low income are more likely to be placed in a subprime lending category, thus being more susceptible to predatory lending practices. Low credit scoring or no credit scoring keeps these individuals in the cycle of paying exorbitant interest rates and fees.

Financial literacy will help individuals in workforce development programs to improve their credit history, and/or start a credit history, which will allow them to use their income for savings and other necessities, rather than high interest rates and fees.

H.B. 900 requires that workforce development programs provide financial literacy training for their workers. H.B. 900 also provides a mechanism by which donations may be received to support the program.

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 Subchapter A, Chapter 302, Labor Code, by adding Section 302.0027, as follows:

Sec. 302.0027. FINANCIAL LITERACY TRAINING. Requires the Texas Workforce Commission (commission) and local workforce development boards to ensure that each workforce development program offered in this state includes training in financial literacy. Requires the division of workforce development in the commission to develop materials and information to be included in the required training. Authorizes the commission to accept a donation of services, money, or property that the commission determines furthers the financial literacy training program. Requires the donation to be accepted in an open meeting by a majority of the voting members of the commission and to be reported in the public records of the commission along with the name of the donor and the purpose of the donation.

SECTION 2. Effective date: upon passage or September 1, 2005.