

## **BILL ANALYSIS**

S.B. 377  
By: Perry  
Human Services  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties have expressed a need to update the Texas achieving a better life experience (ABLE) program to reflect certain recent changes in federal law and to provide increased flexibility in the administration of the program. S.B. 377 seeks to achieve these goals by amending the law regarding the Texas ABLE program.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Prepaid Higher Education Tuition Board in SECTION 2 of this bill.

### **ANALYSIS**

S.B. 377 amends the Education Code to specify that the Prepaid Higher Education Tuition Board's power to enter into agreements or other transactions with the United States, state agencies, and other entities as necessary to carry out its duties under the Texas achieving a better life experience (ABLE) program includes the power to enter into an agreement to engage services through a consortium of states and an agreement with another entity to act as plan manager. The bill changes the purpose of the board's power to contract with another state that administers a qualified ABLE program from the purpose of providing Texas residents with access to a qualified ABLE program to the purpose of providing access in Texas to a qualified ABLE program and gives the board the power to contract with a consortium of states that administers a qualified ABLE program for that purpose. The bill removes the criteria that a designated beneficiary under the Texas ABLE program be a Texas resident and instead gives the board the power to adopt rules establishing residency requirements for a designated beneficiary, if determined appropriate.

S.B. 377 authorizes the board to delegate its duty to establish and review at least annually the asset allocation and selection of the underlying investments of the ABLE program to a financial institution, including a financial institution retained by another state or a consortium of states. The bill specifies that the financial institutions to which the board may delegate the authority to act on behalf of the board in certain activities with regard to the investment of ABLE account funds include a financial institution retained by another state or a consortium of states. The bill specifies that the financial institutions with which the board may contract to serve as plan managers and to invest the money in ABLE accounts include a financial institution retained by another state or a consortium of states and authorizes the board to contract with other entities to serve as plan managers.

**EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.