

REVENUE: Revenue statement issued
FISCAL: No fiscal impact

Action: Do Pass as Amended and Be Printed Engrossed
Vote: 7 - 0 - 1
Yeas: Bailey, Bentz, Galizio, Gilliam, Holvey, Witt, Read
Nays: 0
Exc.: Thatcher
Prepared By: Barbara Allen, Administrator
Meeting Dates: 2/3, 2/5, 2/10

WHAT THE MEASURE DOES: Changes the definition of “lower income household” for purposes of statutes relating to Individual Development Accounts (IDA) administered by Housing and Community Services Department (HCSD). Allows HCSD the option of using additional sources of data beyond that published by the U.S. Department of Housing and Urban Development when determining eligibility of low income households.

ISSUES DISCUSSED:

- Percentage of funds used for administrative and marketing costs by Housing and Community Services Department
- Amending the bill to clarify definitions of poverty guidelines by source
- Amending the bill to allow Housing and Community Services Department to consider use of a wider source of published data defining area household income

EFFECT OF COMMITTEE AMENDMENT: Deletes the word “area” when referring to the U.S. Department of Health and Human Services’ poverty guidelines. Allows HCSD the option of using additional sources of data beyond that published by the US Department of Housing and Urban Development when determining eligibility of low income households.

BACKGROUND: The intent of the Individual Development Accounts (IDA) program is to help low income households reach their financial goals. The IDA program contractually pairs individuals in low income households with fiduciary organizations for the purpose of accumulating funds. Generally, IDAs are used for education, small business startups and home down payments. Individuals who successfully follow a planned savings program will have their accounts matched by their fiduciary partner. In most areas of the state, the 80 percent area median household income will be the applicable guideline in determining eligibility.

This measure adds an alternative eligibility guideline, which takes into consideration higher household incomes due to larger family sizes as well as the relative income of a community. Currently, the definition for potential IDA participants is that they must have incomes at less than 80 percent of the area median household income. This measure would add a second eligibility requirement equal to 200 percent of the federal poverty level.