

HOUSE BILL 378

Unofficial Copy  
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2001 Regular Session  
(11r1083)

*ENROLLED BILL*

-- Appropriations/Finance and Budget and Taxation --

Introduced by **Delegates Rawlings, Rosenberg, Kopp, Grosfeld, Turner, V. Jones, Bobo, R. Baker, McIntosh, Marriott, Benson, and Pitkin**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
Speaker.

CHAPTER 372

1 AN ACT concerning

2 **Maryland Individual Development Account Act**

3 FOR the purpose of requiring the Secretary of Human Resources to initiate an  
4 Individual Development Account Demonstration Program with certain purposes  
5 and terms; requiring that participants meet certain eligibility requirements and  
6 limit use of the account to certain purchases; requiring participating individuals  
7 and organizations to perform certain functions; establishing the scope and  
8 funding for the Program; requiring the Department of Human Resources to  
9 submit an annual evaluation of the Program to the General Assembly; and  
10 generally relating to the Individual Development Account Demonstration  
11 Program.

12 BY adding to  
13 Article 88A - Department of Human Resources  
14 Section 90 through 95 to be under the new subtitle "Maryland Individual  
15 Development Accounts"

1 Annotated Code of Maryland  
2 (1998 Replacement Volume and 2000 Supplement)

3 **Preamble**

4 ~~WHEREAS, Low income families are having increasing difficulty climbing the~~  
5 ~~economic ladder and half of all Americans have no, negligible, or negative investable~~  
6 ~~assets while the price of entry to the economic mainstream and the cost of a house, an~~  
7 ~~adequate education, or starting a business is increasing; and~~

8 ~~WHEREAS, Economic well being does not come solely from income, spending,~~  
9 ~~and consumption, but also requires savings, investment, and accumulation of assets,~~  
10 ~~which can improve economic stability, connect people with a viable and hopeful~~  
11 ~~future, stimulate development of human and other capital, enable people to focus and~~  
12 ~~specialize, yield personal and social dividends, and enhance the welfare of offspring;~~  
13 ~~and~~

14 ~~WHEREAS, The State of Maryland should invest existing resources in~~  
15 ~~high yielding initiatives where there is reason to believe that the financial returns,~~  
16 ~~including increased income, tax revenue, and decreased welfare cash assistance of~~  
17 ~~individual development account holders will far exceed the cost of investment; and~~

18 ~~WHEREAS, The poverty of tens of thousands of Maryland residents represents~~  
19 ~~a loss of human resources, an assault on human dignity, and a drain on social and~~  
20 ~~fiscal resources of the State, and those who receive public assistance through~~  
21 ~~programs, concentrating on income and consumption, have rarely been successful in~~  
22 ~~promoting and supporting the transition to economic self sufficiency; and~~

23 ~~WHEREAS, Income based welfare policy should be complemented with~~  
24 ~~asset based welfare policy, because, while income based policies ensure that~~  
25 ~~consumption needs (including food, child care, rent, clothing, and health care) are~~  
26 ~~met, asset based policies provide the means to achieve economic self sufficiency and~~  
27 ~~then leave public assistance; and~~

28 ~~WHEREAS, It has been shown that matched savings plans can create a "habit of~~  
29 ~~saving" that can help a family over the long run in asset building, and that a major~~  
30 ~~barrier to home ownership is lack of financial knowledge and personal savings; now,~~  
31 ~~therefore,~~

32 **SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF**  
33 **MARYLAND, That the Laws of Maryland read as follows:**

## Article 88A - Department of Human Resources

## MARYLAND INDIVIDUAL DEVELOPMENT ACCOUNTS

90.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) "INDIVIDUAL DEVELOPMENT ACCOUNT" MEANS A SAVINGS ACCOUNT OPENED BY A PROGRAM PARTICIPANT AT A FEDERALLY INSURED INSTITUTION UNDER THE TERMS OF THE PROGRAM THAT WILL BE THE BASIS FOR DETERMINING THE AMOUNT OF MATCHING FUNDS PROVIDED TO THE PARTICIPANT UNDER THE PROGRAM.

(C) "PROGRAM" MEANS THE INDIVIDUAL DEVELOPMENT ACCOUNT DEMONSTRATION PROGRAM DESCRIBED IN THIS SUBTITLE.

(D) "PROGRAM PARTICIPANT" MEANS AN INDIVIDUAL WHO HAS CONTRACTED WITH A SERVICE PROVIDER TO PARTICIPATE IN THE PROGRAM AND HAS OPENED AN INDIVIDUAL DEVELOPMENT ACCOUNT.

(E) "SERVICE PROVIDER" MEANS ANY PUBLIC ENTITY OR NONPROFIT ORGANIZATION EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE.

(F) "TECHNICAL ASSISTANCE ORGANIZATION" MEANS AN ORGANIZATION THAT PROVIDES TECHNICAL ASSISTANCE, TRAINING, PROGRAM DESIGN, TRACKING, AND EVALUATION TO THE SERVICE PROVIDERS.

91.

(A) THE SECRETARY SHALL INITIATE AN INDIVIDUAL DEVELOPMENT ACCOUNT DEMONSTRATION PROGRAM WHOSE PURPOSE IS TO DEMONSTRATE THAT LOW-INCOME PEOPLE CAN SAVE FOR ASSET PURCHASE.

(B) UNDER THE DEMONSTRATION PROGRAM, STATE MATCHING FUNDS AND PRIVATELY DONATED FUNDS WILL BE PROVIDED TO ELIGIBLE INDIVIDUALS WHO SAVE MONEY FOR PURPOSES SPECIFIED IN THIS SUBTITLE.

(C) ELIGIBILITY FOR PARTICIPATION IN THE PROGRAM SHALL BE LIMITED TO INDIVIDUALS WHO MEET THE FOLLOWING CRITERIA:

(1) THE INDIVIDUAL IS EMPLOYED;

(2) THE INCOME OF THE INDIVIDUAL'S HOUSEHOLD DOES NOT EXCEED 200% OF THE FEDERAL POVERTY LEVEL;

(3) THE LIQUID ASSETS OF THE INDIVIDUAL'S HOUSEHOLD DO NOT EXCEED \$5,000, EXCLUDING HOME EQUITY VALUE AND ONE VEHICLE; AND

1 (4) THE INDIVIDUAL HAS DEMONSTRATED A WILLINGNESS TO ENTER  
2 INTO A CONTRACT TO SAVE MONEY FOR ASSET PURCHASE.

3 (D) INDIVIDUAL DEVELOPMENT ACCOUNTS MAY BE USED BY ACCOUNT  
4 HOLDERS FOR THE FOLLOWING PURPOSES:

5 (1) POSTSECONDARY AND VOCATIONAL EDUCATIONAL EXPENSES  
6 OTHER THAN TUITION;

7 (2) ACQUISITION COSTS FOR A HOME;

8 (3) IF GENERAL FUNDS ARE PROVIDED AS THE STATE MATCHING  
9 FUNDS, MAJOR HOME REPAIRS PROVIDING STRUCTURAL IMPROVEMENTS THAT  
10 WILL LAST AT LEAST 10 YEARS; AND

11 (4) AMOUNTS PAID DIRECTLY INTO A BUSINESS CAPITALIZATION  
12 ACCOUNT THAT IS:

13 (I) ESTABLISHED IN A FEDERALLY INSURED FINANCIAL  
14 INSTITUTION; AND

15 (II) RESTRICTED TO USE FOR QUALIFIED BUSINESS EXPENSES, AS  
16 DETERMINED BY THE SERVICE PROVIDER.

17 92.

18 (A) AN INDIVIDUAL SELECTED FOR PARTICIPATION IN THE PROGRAM SHALL:

19 (1) CONTRACT WITH THE INDIVIDUAL'S SERVICE PROVIDER REGARDING  
20 THE OPENING AND MANAGEMENT OF A SAVINGS ACCOUNT;

21 (2) DEPOSIT EARNED INCOME EACH MONTH INTO THE ACCOUNT;

22 (3) SELECT PURCHASE GOALS FOR WHICH THE SAVINGS WILL BE USED;  
23 AND

24 (4) COMMUNICATE REGULARLY WITH THE SERVICE PROVIDER  
25 REGARDING THE ACCOUNT.

26 (B) A SERVICE PROVIDER SHALL:

27 (1) RECRUIT AND SELECT ELIGIBLE PROGRAM PARTICIPANTS;

28 (2) HELP ELIGIBLE PROGRAM PARTICIPANTS OPEN INDIVIDUAL  
29 DEVELOPMENT ACCOUNTS IN FEDERALLY INSURED INSTITUTIONS;

30 (3) PROVIDE FINANCIAL LITERACY TRAINING;

31 (4) HELP PROGRAM PARTICIPANTS IDENTIFY APPROPRIATE USES FOR  
32 THE SAVINGS;

1 (5) SOLICIT DONATIONS FROM PRIVATE ENTITIES INCLUDING THE  
2 FINANCIAL INSTITUTION AT WHICH THE INDIVIDUAL DEVELOPMENT ACCOUNTS  
3 ARE LOCATED FOR THE PURPOSE OF IMPLEMENTING OR ENHANCING THE BENEFITS  
4 OF THE PROGRAM;

5 (6) MAINTAIN ~~A POOL FUND~~ AN ACCOUNT AT A FEDERALLY INSURED  
6 INSTITUTION CONSISTING OF STATE MATCHING FUNDS RECEIVED EACH FISCAL  
7 YEAR REPRESENTING THE MATCHED CONTRIBUTIONS FOR PROGRAM  
8 PARTICIPANTS UNDER THE SUPERVISION OF THE SERVICE PROVIDER AND  
9 ANY PRIVATE DONATIONS RECEIVED BY THE SERVICE PROVIDER FOR THE PURPOSE  
10 OF IMPLEMENTING OR ENHANCING THE BENEFITS OF THE PROGRAM;

11 (7) AFTER OBTAINING WRITTEN AUTHORIZATION FROM THE PROGRAM  
12 PARTICIPANT, SHARE ALL ACCOUNT INFORMATION WITH THE ASSIGNED TECHNICAL  
13 ASSISTANCE ORGANIZATION;

14 (8) ~~HELP INDIVIDUALS RECEIVE THEIR MATCHING FUNDS AT THE~~  
15 ~~CONCLUSION OF THE PROGRAM~~ AT THE CONCLUSION OF AN INDIVIDUAL'S  
16 PARTICIPATION IN THE PROGRAM, PROVIDE THE INDIVIDUAL WITH THE  
17 APPROPRIATE LEVEL OF STATE MATCHING FUNDS HELD BY THE SERVICE PROVIDER  
18 ON BEHALF OF THE INDIVIDUAL, INCLUDING ANY INTEREST EARNED ON THE  
19 MATCHING FUNDS;

20 (9) PROVIDE OR IDENTIFY SUPPORTIVE SERVICES TO HELP THE  
21 PROGRAM PARTICIPANT REACH THE OUTCOME SELECTED;

22 (10) LINK PROGRAM PARTICIPANTS TO OTHER ACTIVITIES THAT FOSTER  
23 INDEPENDENCE;

24 (11) LIMIT THE NUMBER OF PROGRAM PARTICIPANTS UNDER ITS  
25 SUPERVISION TO 150; AND

26 (12) PROVIDE OTHER SERVICES NECESSARY FOR THE EFFECTIVE  
27 IMPLEMENTATION OF THE PROGRAM.

28 (C) A THE TECHNICAL ASSISTANCE ORGANIZATION SHALL:

29 (1) ~~MANAGE THE RESERVE FUND CONSISTING OF THE DEPARTMENT'S~~  
30 ~~ANNUAL FUNDING FOR THE PROGRAM BY:~~

31 ~~(I) RECEIVING ALLOCATED FUNDING FROM THE DEPARTMENT~~  
32 ~~AND MAINTAINING IT IN A FEDERALLY INSURED INSTITUTION;~~

33 ~~(II) TRANSMITTING MATCHING STATE FUNDS AND DONATED~~  
34 ~~PRIVATE FUNDS TO THE SERVICE PROVIDERS;~~

35 ~~(III) TRANSMITTING \$200 PER PROGRAM PARTICIPANT FOR A~~  
36 ~~MAXIMUM OF 3 YEARS TO EACH SERVICE PROVIDER FOR TRAINING AND~~  
37 ~~EDUCATIONAL EXPENSES;~~

- 1                   ~~(IV)~~     DEPOSITING PRIVATE DONATIONS; AND
- 2                   ~~(V)~~     REDEPOSITING FUNDING RETURNED BY SERVICE PROVIDERS
- 3 MAINTAIN AN ACCOUNT AT A FEDERALLY INSURED INSTITUTION THAT INCLUDES:
- 4                    (1)     THE FUNDS PROVIDED BY THE DEPARTMENT FOR THE
- 5 PROGRAM EACH FISCAL YEAR;
- 6                    (II)    PRIVATE DONATIONS RECEIVED BY THE TECHNICAL
- 7 ASSISTANCE ORGANIZATION FOR THE PURPOSE OF IMPLEMENTING OR ENHANCING
- 8 THE BENEFITS OF THE PROGRAM; AND
- 9                    (III)   STATE MATCHING FUNDS RETURNED BY A SERVICE PROVIDER
- 10 AS A RESULT OF A PROGRAM PARTICIPANT'S WITHDRAWAL FROM THE PROGRAM,
- 11 INCLUDING ANY INTEREST ON THE MATCHING FUNDS;
- 12                   (2)     TRANSMIT FUNDS EACH FISCAL YEAR TO SERVICE PROVIDERS IN AN
- 13 AMOUNT THAT REPRESENTS THE LEVEL OF STATE MATCHING FUNDS FOR WHICH
- 14 PROGRAM PARTICIPANTS UNDER THE SUPERVISION OF THE SERVICE PROVIDER
- 15 HAVE QUALIFIED IN THE PRIOR FISCAL YEAR AND TRANSMIT PRIVATE DONATIONS
- 16 RECEIVED BY THE TECHNICAL ASSISTANCE ORGANIZATION FOR THE PURPOSE OF
- 17 IMPLEMENTING OR ENHANCING THE BENEFITS OF THE PROGRAM;
- 18                   (3)     TRANSMIT AN APPROPRIATE AMOUNT OF FUNDS EACH FISCAL YEAR
- 19 TO SERVICE PROVIDERS FOR TRAINING AND EDUCATIONAL EXPENSES THAT MAY
- 20 NOT EXCEED \$200 PER PROGRAM PARTICIPANT UNDER THE SUPERVISION OF THE
- 21 SERVICE PROVIDER IN THE PRIOR FISCAL YEAR;
- 22                   ~~(2)~~    (4)     SOLICIT NONPROFIT ORGANIZATIONS TO APPLY TO BECOME
- 23 SERVICE PROVIDERS;
- 24                   ~~(3)~~    (5)     SELECT SERVICE PROVIDERS FROM APPLICANTS BASED ON
- 25 FACTORS INCLUDING:
- 26                    (I)     STABILITY;
- 27                    (II)    GEOGRAPHICAL DISTRIBUTION; AND
- 28                    (III)   ABILITY TO PROVIDE SERVICES DESCRIBED IN SUBSECTION (B)
- 29 OF THIS SECTION;
- 30                   ~~(4)~~    (6)     PROVIDE TECHNICAL ASSISTANCE AND TRAINING IN
- 31 FINANCIAL LITERACY AND PROGRAM DESIGN TO SERVICE PROVIDERS;
- 32                   ~~(5)~~    (7)     TRACK AND EVALUATE PROGRAM PARTICIPATION;
- 33                   ~~(6)~~    (8)     ASSIST SERVICE PROVIDERS IN ADVERTISING THE PROGRAM;
- 34                   ~~(7)~~    (9)     PROVIDE CONSULTATION TO SERVICE PROVIDERS AS NEEDED;

1           ~~(8)~~    (10)    INCLUDE STAKEHOLDERS IN THE DEVELOPMENT AND  
2 IMPLEMENTATION OF THE PROGRAM; AND

3           ~~(9)~~    (11)    SOLICIT CONTRIBUTIONS FROM PRIVATE ENTITIES.

4       (D)    THE SECRETARY SHALL:

5           (1)    SOLICIT PROPOSALS FROM ENTITIES INTERESTED IN BECOMING  
6 ~~THE~~ TECHNICAL ASSISTANCE ~~ORGANIZATIONS~~ ORGANIZATION;

7           (2)    SELECT ~~ONE OR MORE~~ A TECHNICAL ASSISTANCE ~~ORGANIZATIONS~~  
8 ORGANIZATION BASED ON FACTORS INCLUDING:

9                   (I)    STABILITY; AND

10                   (II)    ABILITY TO PROVIDE SERVICES DESCRIBED IN SUBSECTION (C)  
11 OF THIS SECTION; AND

12           (3)    PROVIDE ~~NO MORE THAN~~ PAYMENTS TO THE TECHNICAL  
13 ASSISTANCE ORGANIZATION TO IMPLEMENT THE REQUIREMENTS OF THIS  
14 SUBTITLE, WHICH MAY NOT EXCEED \$80,000 ANNUALLY IN FUNDING TO THE  
15 TECHNICAL ASSISTANCE ORGANIZATIONS FOR A MAXIMUM OF 5 YEARS.

16 93.

17       (A)    THE CONTRACT BETWEEN THE PROGRAM PARTICIPANT AND THE SERVICE  
18 PROVIDER SHALL PROVIDE THAT MONEY MAY BE WITHDRAWN BY A PROGRAM  
19 PARTICIPANT FROM AN INDIVIDUAL DEVELOPMENT ACCOUNT OTHER THAN FOR  
20 QUALIFIED PURPOSES ONLY FOR EMERGENCIES:

21           (1)    AS DETERMINED BY THE DEPARTMENT; AND

22           (2)    IF REPLACED WITHIN ~~6~~ 12 MONTHS.

23       (B)    IF A SERVICE PROVIDER LEARNS THAT FUNDS WERE WITHDRAWN FROM  
24 AN INDIVIDUAL DEVELOPMENT ACCOUNT FOR PURPOSES OTHER THAN THOSE  
25 LISTED IN §§ 91 AND 93(A) OF THIS SUBTITLE, THEN THE SERVICE PROVIDER SHALL:

26           (1)    WITHHOLD ANY MATCHING FUNDS; ~~AND~~

27           (2)    TERMINATE THE INDIVIDUAL'S CONTRACT WITH THE SERVICE  
28 PROVIDER; AND

29           (3)    RETURN THE STATE MATCHING FUNDS HELD ON BEHALF OF A  
30 PROGRAM PARTICIPANT PRIOR TO WITHDRAWAL FROM THE PROGRAM TO THE  
31 TECHNICAL ASSISTANCE ORGANIZATION, INCLUDING ANY INTEREST ON THE  
32 MATCHING FUNDS.

33       (C)    THE CONTRACT BETWEEN A PROGRAM PARTICIPANT AND THE SERVICE  
34 PROVIDER SHALL PROVIDE THAT THE SERVICE PROVIDER MAY GRANT AN

1 EXCEPTION TO THE REQUIRED MONTHLY DEPOSITS OF EARNED INCOME BASED ON  
 2 A DEMONSTRATED HARDSHIP ENCOUNTERED BY THE PROGRAM PARTICIPANT.

3 ~~(C)~~ (D) THE TECHNICAL ASSISTANCE ~~ORGANIZATIONS~~ ORGANIZATION  
 4 SHALL ESTABLISH A GRIEVANCE PROCESS TO HEAR, REVIEW, AND DECIDE IN  
 5 WRITING ANY GRIEVANCE MADE BY A PROGRAM PARTICIPANT WHO DISPUTES A  
 6 DECISION BY THE SERVICE PROVIDER.

7 ~~(D)~~ (E) THE TECHNICAL ASSISTANCE ~~ORGANIZATIONS~~ ORGANIZATION  
 8 SHALL DEVELOP PROCEDURES TO FOLLOW WHEN A PROGRAM PARTICIPANT MOVES  
 9 FROM THE COMMUNITY OR IS OTHERWISE UNABLE TO CONTINUE TO PARTICIPATE  
 10 IN THE PROGRAM.

11 ~~(E)~~ (F) (1) A FEDERALLY INSURED FINANCIAL INSTITUTION HAS NO  
 12 GREATER DUTIES OR RESPONSIBILITIES AS TO AN INDIVIDUAL DEVELOPMENT  
 13 ACCOUNT THAN IT HAS AS TO ANY OTHER SAVINGS ACCOUNT.

14 (2) A FEDERALLY INSURED FINANCIAL INSTITUTION HAS NO DUTY OR  
 15 RESPONSIBILITY TO RECOGNIZE OR GIVE EFFECT TO ANY WITHDRAWAL  
 16 RESTRICTION ESTABLISHED IN THE CONTRACT BETWEEN THE PROGRAM  
 17 PARTICIPANT AND THE SERVICE PROVIDER.

18 94.

19 (A) (1) THE STATE SHALL PROVIDE MATCHING FUNDS AS PROVIDED IN THE  
 20 DEPARTMENT'S ANNUAL BUDGET. THE DEPARTMENT SHALL PROVIDE FUNDS TO  
 21 THE TECHNICAL ASSISTANCE ORGANIZATION EACH FISCAL YEAR TO BE USED BY  
 22 THE TECHNICAL ASSISTANCE ORGANIZATION TO PROVIDE MATCHING FUNDS TO  
 23 SERVICE PROVIDERS ON BEHALF OF PROGRAM PARTICIPANTS IN THE AMOUNT OF \$2  
 24 TO EACH DOLLAR DEPOSITED IN THE INDIVIDUAL DEVELOPMENT ACCOUNT BY THE  
 25 PROGRAM PARTICIPANT.

26 ~~(B)~~ NOT MORE THAN (2) THE MATCHING FUNDS PROVIDED UNDER THIS  
 27 SUBSECTION TO A SERVICE PROVIDER TO BE HELD ON BEHALF OF PROGRAM  
 28 PARTICIPANTS MAY NOT EXCEED \$1,000 IN STATE MATCHING FUNDS MAY BE  
 29 ALLOCATED TO FOR ANY SINGLE PARTICIPANT IN A GIVEN YEAR.

30 (3) A PROGRAM PARTICIPANT SHALL BE ELIGIBLE TO PARTICIPATE IN  
 31 THE PROGRAM FOR NO MORE THAN 3 CONSECUTIVE YEARS FROM THE DATE THAT  
 32 THE PROGRAM PARTICIPANT OPENED AN INDIVIDUAL DEVELOPMENT ACCOUNT.

33 (4) ON THE COMPLETION OF AN INDIVIDUAL'S PARTICIPATION IN THE  
 34 PROGRAM, A SERVICE PROVIDER SHALL TRANSFER TO THE INDIVIDUAL'S  
 35 INDIVIDUAL DEVELOPMENT ACCOUNT OR, AS PROVIDED IN THE INDIVIDUAL'S  
 36 CONTRACT WITH THE SERVICE PROVIDER, AN AMOUNT EQUAL TO THE MATCHING  
 37 FUNDS HELD ON BEHALF OF THE INDIVIDUAL DURING THE INDIVIDUAL'S  
 38 PARTICIPATION IN THE PROGRAM, INCLUDING ANY INTEREST ON THE MATCHING  
 39 FUNDS.

1 (B) AT THE CONCLUSION OF THE PROGRAM AS PROVIDED IN § 95 OF THIS  
 2 SUBTITLE, ANY STATE MATCHING FUNDS AND INTEREST ON THE MATCHING FUNDS  
 3 HELD IN AN ACCOUNT BY THE TECHNICAL ASSISTANCE ORGANIZATION OR A  
 4 SERVICE PROVIDER IN EXCESS OF AMOUNTS TO BE TRANSFERRED TO PROGRAM  
 5 PARTICIPANTS AS PROVIDED UNDER THIS SUBTITLE SHALL REVERT TO THE  
 6 GENERAL FUND OF THE STATE.

7 (C) THE PROGRAM SHALL ADHERE TO ALL APPLICABLE FEDERAL LAW  
 8 CONCERNING TEMPORARY ASSISTANCE FOR NEEDY FAMILIES PROGRAM AND STATE  
 9 MAINTENANCE OF EFFORT REQUIREMENTS.

10 (D) TEMPORARY ASSISTANCE FOR NEEDY FAMILIES AND STATE  
 11 MAINTENANCE OF EFFORT FUNDS MAY BE USED TO:

12 (1) MATCH PROGRAM PARTICIPANTS' CONTRIBUTIONS TO THEIR  
 13 SAVINGS ACCOUNTS AS PROVIDED UNDER FEDERAL LAW; OR

14 (2) PROVIDE THE EDUCATIONAL AND TRAINING EXPENSES OF THE  
 15 TECHNICAL ASSISTANCE ORGANIZATIONS AND SERVICE PROVIDERS.

16 95.

17 (A) THE INDIVIDUAL DEVELOPMENT ACCOUNT DEMONSTRATION PROGRAM  
 18 SHALL:

19 (1) BE CONDUCTED FROM JULY 1, 2001 TO JUNE 30, 2006; AND

20 (2) BE LIMITED TO 800 PROGRAM PARTICIPANTS;

21 ~~(3) PERMIT FUNDS IN AN INDIVIDUAL DEVELOPMENT ACCOUNT TO BE~~  
 22 ~~MATCHED THROUGH THE PROGRAM FOR NO MORE THAN 3 YEARS FROM THE~~  
 23 ~~OPENING OF THE SAVINGS ACCOUNT; AND~~

24 ~~(4) BE ALLOCATED NOT MORE THAN \$3,280,000.~~

25 ~~(B) THE DEPARTMENT SHALL PROVIDE THE ANNUALLY ALLOTTED FUNDING~~  
 26 ~~FOR THE PROGRAM TO THE TECHNICAL ASSISTANCE ORGANIZATIONS ON OR BEFORE~~  
 27 ~~JULY 1 OF EACH YEAR.~~

28 ~~(C) THE TECHNICAL ASSISTANCE ORGANIZATIONS~~ ORGANIZATION SHALL  
 29 SUBMIT AN ANNUAL WRITTEN REPORT TO THE SECRETARY ON OR BEFORE  
 30 DECEMBER 31 OF EACH PROGRAM YEAR INCLUDING:

31 (1) THE NUMBER OF PROGRAM PARTICIPANTS;

32 (2) THE AMOUNT OF SAVINGS IN EACH INDIVIDUAL DEVELOPMENT  
 33 ACCOUNT AND THE AMOUNT OF MATCHING FUNDS DEDICATED TO EACH ACCOUNT;

34 (3) THE USES OF THE SAVINGS AND MATCHED FUNDS; AND

1 (4) ANY OTHER INFORMATION REQUIRED FOR THE STATE TO EVALUATE  
2 AND OPERATE THE PROGRAM.

3 ~~(D)~~ (C) THE SECRETARY SHALL SUBMIT AN ANNUAL EVALUATION OF THE  
4 PROGRAM, INCLUDING A FINANCIAL STATEMENT, TO THE SENATE FINANCE AND  
5 BUDGET AND TAXATION ~~AND COMMITTEES AND THE~~ HOUSE APPROPRIATIONS  
6 ~~COMMITTEES~~ COMMITTEE ON OR BEFORE JULY 1.

7 ~~(E)~~ (D) AT THE CONCLUSION OF THE 5-YEAR DEMONSTRATION, THE  
8 SECRETARY SHALL PREPARE A WRITTEN REPORT TO THE APPROPRIATE  
9 COMMITTEES:

10 (1) DESCRIBING THE PROGRAM'S EFFECT; AND

11 (2) RECOMMENDING WHETHER THE PROGRAM SHOULD BE EXTENDED  
12 OR EXPANDED.

13 ~~(F)~~ (E) THE SECRETARY SHALL ADOPT REGULATIONS NECESSARY TO  
14 EFFECTIVELY IMPLEMENT THE PROGRAM.

15 ~~(G)~~ (F) FUNDING FOR THE PROGRAM SHALL BE INCLUDED IN THE  
16 DEPARTMENT'S ANNUAL BUDGET.

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
18 July 1, 2001.