



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 4969 (Substitute H-2 as reported without amendment)

Sponsor: Representative Paul Condino

House Committee: Family and Children Services

Senate Committee: Families and Human Services

CONTENT

The bill would amend the Social Welfare Act to allow an Individual Development Account (IDA) to be used for postsecondary education and business capitalization.

An IDA is a trust created or organized in the United States that is funded through periodic contributions by the establishing individual and that may be matched by or through a qualified entity (i.e., a charitable nonprofit organization, or a State or local governmental agency acting in cooperation with such an organization) for a qualified purpose.

The Act requires the Family Independence Agency to operate a program allowing an individual eligible for family independence assistance to establish an IDA, which currently may be used only for first-time home purchases.

MCL 400.57k

Legislative Analyst: Julie Koval

FISCAL IMPACT

The bill would have no fiscal impact on the Family Independence Agency. Section 418 of Public Act 344 of 2004 appropriates \$200,000 in Federal Temporary Assistance to Needy Families funds for State IDA partnership programs to provide assistance to qualified State households. The bill would result in no additional costs to the State.

Date Completed: 12-2-04

Fiscal Analyst: Constance Cole