

**Public Hearing Testimony of
Sharon M. Palmer, Commissioner
Department of Labor
Labor and Public Employees Committee
February 19, 2013**

Good Afternoon Senator Osten, Representative Tercyak, Senator Markley, Representative Smith and members of the Labor and Public Employees Committee. Thank you for the opportunity to provide you with testimony regarding *House Bill 6145, AAC the Definition the Expansion of the Individual Development Account Program*. My name is Sharon Palmer and I am the Labor Commissioner.

The proposed bill would create greater opportunities for low income families by expanding the eligibility for individual development accounts. The expansion of the IDA program strengthens families by facilitating self-sufficiency and economic stability through financial education and asset development. The expansion of the program supports low-income families by increasing financial opportunities, encouraging long-term savings habits and developing strategies to mitigate financial crises. The proposed changes support a family's motivation and savings ability to achieve the American dream of affordable housing, job training and education, starting a business and/or purchasing a vehicle to get to work, in an appropriate time frame for the participant's economic situation.

I am also proposing additional changes to the Individual Development Account Program as part of the Department of Labor's proposed legislation that would make technical changes to our statutes, which be heard by this Committee at a later date. Specifically, the technical changes would propose to eliminate the \$1,000 per year cap for matching funds while leaving in place the existing \$3,000 maximum cap for matching funds over the life of the program. This would provide more flexibility for program operators to allow them to meet the individual needs of IDA participants, while at the same time ensuring that the proven program requirements and obligations remain intact.

Thank you for the opportunity to provide this testimony and I am available to answer any questions.