

#### **541A.4 Individual development account pilot phase.**

A state human investment reserve pool is created in the state treasury under the authority of the administrator. The governor shall name an executive branch agency as administrator to have authority over the reserve pool. Interest on moneys in the reserve pool shall remain in the reserve pool and notwithstanding sections 8.33 and 8.39, moneys in the reserve pool are not subject to reversion or transfer. Moneys in the reserve pool shall be used for administrative expenses of the administrator. The administrator shall perform all of the following duties or may delegate the performance of the duties to a suitable entity in administering the individual development accounts:

1. During the five-year period beginning January 1, 1995, the total number of individual development accounts shall be limited to ten thousand accounts, with not more than five thousand new accounts opened in any one calendar year of the period, and to individuals with a household income which does not exceed two hundred percent of the federal poverty level.

2. Issue a request for proposals for operating organizations to be involved with the operation of individual development accounts on behalf of a specific target population. The administrator shall determine the review criteria used to select operating organizations. The initial review criteria used to evaluate organizations' proposed projects and requirements associated with operating organizations shall include but are not limited to all of the following:

*a.* Provision of a safe and secure investment mechanism for the individual development accounts utilizing a financial institution approved by the administrator.

*b.* The proposed project has a strong relationship to goals established by other initiatives deemed a priority by the administrator.

*c.* The proposed project links the making of an account holder's contributions to an individual development account with other services or outcomes identified by the operating organization in the proposal. The proposed project includes mechanisms for the operating organization to monitor and enforce the identified outcomes and services.

*d.* The operating organization is capable of performing the project as proposed. Minimum capabilities shall include an ability to provide financial counseling, familiarity and ability to work with the proposed target population, and a strong record of successful management.

*e.* The operating organization proposes to provide a significant amount of matching funds for individual development accounts.

*f.* The proposal includes a monitoring and evaluation plan for certifying the proposed project's outcomes.

*g.* The responsibilities of an operating organization shall include but are not limited to all of the following:

(1) Certifying that a financial instrument is an individual development account based upon its having the characteristics described in section 541A.2.

(2) Certifying the income status and the amount of contributions to an individual development account by an account holder during a tax year which are eligible for a savings refund authorized under section 541A.3, subsection 1.

3. Utilizing guidelines established in law for this purpose, the administrator shall contract for an independent evaluation of the implementation of the individual development accounts. The evaluation shall consider the following: implementation and process used for the implementation, program impact, and financial

effectiveness.

93 Acts, ch 97, §19; 94 Acts, ch 1114, §24; 96 Acts, ch 1106, § 12, 13