

February 23, 2015

To: House Committee on Taxation

From: Gary Brunk, Executive Director, Kansas Association of Community Action Programs

Re: House Bill 2209

Chairman Kleeb and Members of the Committee,

Thank you for the opportunity to submit testimony to the Committee and to voice support for House Bill 2209. I'm Gary Brunk, and I'm the executive director of The Kansas Association of Community Action Programs. KACAP is the membership association for Community Action Agencies in Kansas that are working to create economic opportunity and end poverty in their communities.

In order to reduce poverty in its community, a Community Action Agency works to better focus available local, state, private and federal resources to assist low-income individuals and families to acquire useful skills and knowledge, gain access to new opportunities and achieve economic self-sufficiency.

Individual development account (IDA) programs help families become self-sufficient by requiring participants to enroll in financial education classes and develop a plan that details how much money they will save, how they will use their savings and the amount of their monthly savings account deposit. The use of IDAs is limited to expenditures that can set families firmly on the road to self-sufficiency: first time homeownership, post-secondary education, small business capitalization or repair of owner occupied housing.

Kansas is fortunate that under the leadership of Interfaith Housing Services, Inc. a statewide infrastructure has been created that has the capacity to serve people in 70 counties and the potential to eventually cover all counties. To reach that potential it is necessary to make the IDA tax credit again available to individual income tax payers, which is what House Bill 2209 would do.

We urge that this Committee support enactment of House Bill 2209, which can open doors to opportunity to the many low and moderate income families in Kansas who continue to struggle with the impact of the Great Recession. Thank you.