

New law creates tool to fight poverty

By Walter Rubel
SANTA FE BUREAU CHIEF

SANTA FE — New Mexicans fighting to escape poverty may be able to get government assistance for things like buying a home, starting a business or returning to school under a bill passed by the Legislature this session and taking effect today.

The bill appropriates \$1.5 million in recurring money for the creation of the Family Opportunity Fund. Money from that fund will be used to match money earned by participants and placed in a special limited-used bank account.

"We were delighted with what they passed," said Fred Nathan, executive director of the public policy group Think New

Mexico, which first proposed the legislation in October 2005. "The only real difference is, we were asking for \$2 million and we got \$1.5."

Reese Fullerton, head of the Office of Workforce Training and Development, said requests for proposals for administration of the program will be reviewed next week, and it is expected that a firm could be named by next week or the following week.

"The money should hit the streets by the end of July," Fullerton said.

Eligibility for the program was originally set at 200 percent of the federal poverty level. It was amended to comply with the definition of indigent derived from a recent state Supreme Court ruling.

For every dollar put into an interest-

New laws

► For more on the new state laws that go into effect today, see Page 1A.

bearing saving account by a participant in the program, the state will put in a matching amount yet to be determined. Local governments and private sources will also be allowed to contribute.

Money can be withdrawn from the accounts to buy a home, start or expand a small business or pay for college or vocational school.

Participants will be required to take a course in basic household finances — things like managing a budget, balancing a checkbook and understanding credit card debt

and predatory loans.

The Legislature first passed a bill in 2002 that established what were then called individual development accounts, but did not include funding. This bill changes the name to family opportunity accounts, and establishes a nine-person advisory board to oversee the act.

In promoting the proposal before the start of the session, Nathan compared the accounts to the GI bill of the 1940s. He said they were more successful than other social programs because they provided a way out of poverty and into the middle class.

Walter Rubel can be reached at wrubel@lcsun-news.com