

Dear Chair Nathanson and Members of House Committee on Revenue,

I am writing to express my support for HB 2737, which creates a subtraction from federal taxable income for amounts received as AmeriCorps national service educational awards, for personal income taxpayers.

As you know, AmeriCorps improves the lives of Oregonians across the state. In 2018-2020 alone, with over 400 members serving in over 260 sites, Oregon Volunteers' programs made a difference in the lives of children, seniors, veterans, low-income individuals, and many others with needs that might otherwise go unmet. AmeriCorps members, through OV or other branches of service, (VISTA, NCCC) are improving Oregon's natural resources and assisting residents through the COVID crisis. They serve in the areas of housing, education, food security, health care access, economic opportunity and more. Among all the branches of national service operating in Oregon, participants served at over 500 locations across the state.

AmeriCorps generates millions of dollars for Oregon Higher Education. Along with extensive work experience and training, AmeriCorps members receive valuable education awards to offset higher education costs. This brings value to Oregon higher education institutions and supports statewide goals related to workforce development and college access.

- \$33.5 million in Segal Education Awards received by Oregon higher education institutions since 1994.
- Up to \$2.3 million in education awards earned by Oregon Volunteers' 2018-2020 AmeriCorps members.
- More than 20,000 Oregon residents have collectively served approximately 26 million hours through AmeriCorps programs, earning Segal Education Awards totaling more than \$64.1 million since 1994.

You have the chance – by passing HB 2737 – to remove a financial burden placed on AmeriCorps Members. Currently the modest education award is taxed, which means less money going to Oregon institutions of higher education and a bigger financial burden on AmeriCorps Members. The education award is an important incentive and benefit for committing to a year of service with AmeriCorps - some members refrain from redeeming their award because of the tax burden.

- Because members receive a small living allowance during their service, they often do not have the disposable income to pay taxes for the education award. This disproportionately harms underserved and low-income populations.

- A tax-free Education Award strengthens the overall AmeriCorps program, removes financial burdens to those who have served, and ensures access to education opportunities as was intended in the creation of the award.

- Full-time members serving in Oregon in 2021 receive an Ed Award of \$6345. It is estimated that 8-900 members serving in Oregon incur a tax liability from their education award of up to \$600. The state tax revenue estimates on the award represent a small fraction of total tax receipts for the state. The impact on an individual with limited resources is significant.

- A tax-free award incentivizes alumni to use the Ed Award at Oregon-based institutions of higher education.

- Reduction of barriers to service and utilization of the award can ensure that talented, service-oriented individuals, who could contribute to our state's economy after they receive their education, could be retained.

- AmeriCorps programs serve marginalized and underserved communities, and recruit members from local communities to provide increased community support, connect the member to services, provide access to skill-building opportunities and build connections for future employment prospects.

-Reduction of barriers to service can increase the likelihood that programs can continue to recruit and introduce service to a wider variety of community members, and members will be able to fully reap the benefits of their service and commitment to their communities.