

Chair Nathanson, vice chairs Pham and Reschke, and members of the Committee, thank you for the opportunity to talk with you about HB 2737. For the record my name is Michael Fieldman, I live in Roseburg and I am currently the Legislative Assistant for Representative Leif. I have also been an 8 year member of the Oregon Volunteer Commission and have been its past chair. Additionally, prior to my position with Rep. Leif I had a 45 year career in running a variety of human service programs including administering AmeriCorps programs for 25 years. Needless to say, I have seen the very positive impact AmeriCorps service has had on both the communities receiving its service and on the individuals who serve as AmeriCorps members.

This bill allows AmeriCorps members to use their Education Award, without having to come up with the money to pay the State taxes that are assessed at its use. AmeriCorps members earn this award of about \$6400 after their year of service. They earn this in addition to their, below minimum wage, living allowance of about \$8.20/hr. The payment of the taxes only occurs if the award is used so no taxes are withheld from their living allowance, which means people have to come up with extra cash if they want to use the award. Also the award payment goes directly to the school or a loan payment and not to the member. Given that the members wages can barely cover the basic costs of life, coming up with this extra money can be very problematic. This bill will remove a barrier to using this hard earned benefit.

There are actually 3 reasons why this is a good idea.

The first is that it makes good financial sense to the State. If a member cannot use their education award then the state does not get any tax revenue anyway but it loses the \$6400 that would have been spent on school costs including tuition. It does not take too many members not using their award to outweigh the lost tax revenue. It is our estimate

that about half of the ed awards go unused. This year alone there are about 750 members serving in Oregon. There is an old saying about being a penny wise but a pound foolish. I think this saying applies to this tax. The state would be better getting the \$6400 in tuition.

The second reason this bill is a good idea is because it addresses an equity problem this tax creates, in that the people who struggle most to find the additional money for the taxes will most likely come from lower income and disadvantaged families as they can't go to family members for financial help, something members from higher income families could do. This tax therefore has a disproportionately negative impact on families from lower income and BIPOC households. We need to be looking for ways to remove barriers to education for this population and not imposing them.

Finally, this bill is a good idea because it is the right thing to do. AmeriCorps members commit a year of their lives to benefit our communities and they do it at near or below poverty level wages. To then ask them to pay extra to use a benefit they have worked hard to earn is not a great way of saying thank you for the year of service they have given our communities. Removing this **minimal tax revenue** to the state but **significant tax burden** to the members would be the right way of expressing appreciation for the sacrifices they make for Oregon's betterment. Because of this I ask that you support the passage of this bill out of committee.