

HB 3809 -1 STAFF MEASURE SUMMARY

House Committee On Higher Education and Workforce Development

Prepared By: Ellen O'Brien, LPRO Analyst

Meeting Dates: 3/25, 4/1

WHAT THE MEASURE DOES:

The measure appropriates \$20 million from the General Fund to the individual development account (IDA) program at the Housing and Community Services Department. It declares an emergency and takes effect July 1, 2025.

Fiscal impact: May have fiscal impact, but no statement yet issued.

Revenue impact: May have revenue impact, but no statement yet issued.

ISSUES DISCUSSED:

- Impact of IDA program
- Provisions of the -1 amendments
- Reliance on IDA tax credit and stagnant funding

EFFECT OF AMENDMENT:

-1 The amendment replaces the measure. It establishes the Individual Development Account Fund and appropriates moneys in the fund to the Oregon Housing and Community Services (OHCS) Department to carry out the individual development account (IDA) program. It allocates \$2.5 million each calendar quarter from the Administrative Services Economic Development Fund to OHCS for deposit in the fund. The amendment declares an emergency and takes effect July 1, 2025.

BACKGROUND:

According to the [Congressional Research Service](#), individual development accounts (IDAs) are savings accounts to help low-income families and persons save for specified purposes, usually education, purchase of a home, or to start a business. The federal Assets For Independence (AFI) Act, enacted by Congress in 1998, specifically authorized IDA demonstration programs; however, authorization for the AFI program expired at the end of FY2003 and according to the federal [Administration for Children and Families](#), no federal appropriations have been made to the program since 2017.

Oregon's IDA program was first established in 1999 by [House Bill 3600](#). The program is governed by ORS 458.670 through ORS 458.700, operated by the Oregon Housing and Community Services (OHCS) Department, and administered under contract by the nonprofit Neighborhood Partnerships. OHCS released its biennial [evaluation report](#) on the program in November 2024.

In Oregon, IDA programs match an individual's contributions up to \$6,000 per year, and the fiduciary organization that provides them offers services such as financial counseling and financial literacy education. Under state law, contributions and withdrawals receive certain tax benefits. ORS 458.685 provides a list of allowable purposes for an IDA, which include post-secondary education or job training, extracurricular expenses to prepare a minor for post-secondary education or job training, and deposit into an Oregon 529 college savings plan.

[House Bill 5204 \(2020\)](#) appropriated \$4.5 million from the General Fund to increase matching funds for IDAs and to give OHCS additional capacity to actively manage the program. [House Bill 5011 \(2021\)](#) made a one-time \$7 million appropriation from the General Fund to supplement the program's funding from the sale of tax credits.

In 2024, [House Bill 4131](#) proposed a \$10 million appropriation for the IDA program, but remained in the Joint Committee on Ways and Means upon adjournment. Instead, [Senate Bill 1530 \(2024\)](#) made a one-time \$5 million appropriation to support matching deposits and to supplement the sale of tax credits.