

Submitter: LUKE BONHAM
On Behalf Of:
Committee: Senate Committee On Human Services
Measure, Appointment or Topic: SB465

Members of the Senate Committee on Human Services,
My name is Luke Bonham and I'm the IDA Program Manager at Neighborhood Partnerships (NP). As the administrator of the Oregon IDA Initiative in partnership with Oregon Housing and Community Services, I am here to share my support for SB 465.

Our support for this statute change is informed by the feedback that we've heard from program participants and organizations across Oregon. If you aren't all that familiar with IDAs, I'm going to take a minute to explain how this statute impacts IDA participants. IDA savers are Oregonians with low and moderate incomes that are working to reach a financial goal, such as a first time home purchase, microenterprise startup or growth, or post-secondary education to name a few. Participants use IDA match dollars to leverage the power of their own savings at a rate of up to 5:1. It's common right now for savers to be allocated \$10,000 in matching funds toward their goal. Under the current annual match limit, the full \$10,000 will not be available to them until one year and one day after they opened their IDA, even if they have completed their education requirements and reached their full savings goal of \$2,000. This simple improvement will allow savers to leverage their savings plus the \$10,000 in matching funds under their timeline, not ours.

This statutory change will not cost the program more money, it simply helps the IDA resource be more flexible depending on each saver's situation, especially as the costs of living continue to rise. I also want to clarify that the \$20,000 total limit is not a guarantee that all savers would be allocated \$20,000. That is simply copying the total match limit as set in administrative rule currently.

With or without this statute change, as the costs of assets increase, the buying power and opportunities for savers begin to diminish, and thus more IDA funds are needed per saver to support the program's goals of investing in financial assets that lead to higher educational attainment, stable employment, earnings from a business, or equity in a home.

I'd like to highlight that the original bill draft identifies the Oregon Housing and Community Services Department (OHCS) to annually adjust the dollar amount for inflation. After consulting with the Department, we are advocating for the removal of the annual inflation adjustments (3b) due to administrative complexities, which is something that has already been submitted.

In addition to this change, Representative Ruiz and Senator Weber are introducing

legislation in the house to address the needed long-term revenue solution for the program. Without additional revenue, the program is facing an estimated 50% reduction in estimated savers that are able to open an IDA. For reference, the combined 5 members of this committee have over 2,300 past or current IDAs in your districts. We look forward to working with you to ensure the IDA continues to be effective and available to many more Oregonians in the years to come.

Thank you for your support of the IDA Initiative.

The following support materials are also available for the committee's reference:

- IDA SB 465 Statute Change FAQs-
https://drive.google.com/file/d/1GxlzAzz8gMJYAzqdrY7r09fy5hZGnE0/view?usp=drive_link
- 2024 IDA Evaluation Findings summary: https://oregonidainitiative.org/wp-content/uploads/2025/01/Eval-highlights-2024_digital.pdf