



March 12, 2025

Chair Marsh, Vice-Chairs Anderson and Breese-Iverson, and members of the committee:

On behalf of the Human Services Coalition of Oregon (HSCO), we urge your support for House Bill (HB) 2735, with the -1 amendment, which improves the successful Individual Development Accounts (IDAs) program. HSCO is a coalition representing over 50 human services-aligned organizations across Oregon that join together to promote the dignity of all Oregonians through improved public policy and strengthened support for human services. HSCO strongly supports the role of IDAs in helping Oregonians meet their financial goals and achieve long-term financial stability.

In 1999, the Oregon Legislature created IDAs. This matched-savings program provides participants with education and individualized support to reach their financial goals, including homeownership, home repair, higher education, purchasing a vehicle, starting a business, and retirement. The state matches participants' own savings up to 5-to-1 to make their dreams a reality. Over 19,000 Oregonians have participated in this life-changing program over the past 25 years.

However, the state tax credit that funds IDAs has not kept pace with inflation. While the credit has been capped at \$7.5M per year since 2009, the cost of everything that IDA participants save for has increased greatly. Each person saving now needs more funds from the program in order to be successful, yet the total funding has remained stagnant. If the Legislature does not act this year, the program will shrink by 50% and will enroll fewer than 500 people each year going forward.

HSCO supports IDAs because we know that more pathways to homeownership, education, or business ownership are major life goals shared by many in our state. Attaining financial wellness in our communities helps Oregonians and the whole state thrive. Shrinking the funds available for IDAs will only inhibit Oregon's potential.

By passing HB 2735 -1, the Legislature can return the IDA program to solid financial footing. Thank you for your consideration of HB 2735, with -1 amendment. We urge your support.

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