

Submitter: Erin Meechan
On Behalf Of:
Committee: Joint Committee On Ways and Means
Measure, Appointment or Topic: HB5006

Re: Individual Development Accounts (IDAs)
Co-Chairs Lieber and Sanchez and Members of the Joint Committee on Ways and Means:

I am writing on behalf of myself, Erin Meechan and my family, and I urge you to “Fix the Funding” for Individual Development Accounts (IDAs). Without your action this year, this life-changing program will shrink by 50% and will enroll fewer than 500 Oregonians per year going forward.

In 1999 the Legislature created IDAs and established a state tax credit to fund them. 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 program over the past 25 years.

I am a housing voucher recipient and at Home Forward the program is called the Goals program. Throughout the years I have personally seen the amazing things that IDA has done for families and voucher holders. As their incomes increased, they were able to save and buy a house then recirculate their voucher back to Home Forward for another family. The IDA program popped them out of living the low-income life and pushed their families forward.

I have seen the work of IDAs in small business owners and even a non-profit for refugees started and is still functioning today. Being a part of an IDA program is a dream for me that I hope to be able to participate in this Fall through Home Forward’s Goals program. Without fixing the funding and supporting these two bills HB 2735 or HB 3809 there most likely won’t be an option for me to jump to the next level of financial solvency.

The future of IDAs is at risk, because the tax credit that funds them has not kept pace with inflation.

There are two funding options available to you in the 2025 session: HB 2735 raises the cap on the existing tax credit, from \$7.5M to \$16.5M, in order to fully fund the program. Or, HB 3809 dedicates revenue from the state lottery to supplement the existing \$7.5M tax credit. Either option would return the IDA program to solid financial footing. Please incorporate one of these options into the 2025-2027 state budget and

Fix the Funding for IDAs.

Sincerely,

Erin Meehan