

Submitter: Tia Marten

On Behalf Of:

Committee: Joint Committee On Tax Expenditures

Measure, Appointment or Topic: SB120

Re: Support for Individual Development Accounts in SB 120 -1

Dear Co-Chair Nathanson, Co-Chair Meek, and Members of the Joint Committee on Tax Expenditures:

On behalf of The Housing Authority of Jackson County FSS Program, and Tia Marten, FSS Coordinator, please raise the cap on the tax credit that funds Individual Development Accounts (IDAs) to at least \$14M, through SB 120 -1.

The Legislature created Individual Development Accounts in 1999. This matched-savings program offers participants education and individualized support to help them achieve their financial goals, including homeownership, home repairs, higher education, vehicle purchases, business startups, and retirement planning. 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, spanning every House and Senate district in the state.

We utilize the IDA to help our participants enhance their self-reliance and reduce their dependency on government subsidy programs.

The 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 dramatically. Each saver requires additional funds from the program to be successful. Yet, tax credit revenue has remained stagnant, prompting the Legislature to provide supplemental investments from the general fund in each of the past three budget cycles. An updated \$14M tax credit cap will allow the IDA program to enroll 1,750 new participants each biennium going forward, close to the program's established service level of 2,000 new savers per biennium. (If the Legislature takes no action on IDA funding this year, the program will shrink much further, to enroll only 1,000 people per biennium.)

By raising the IDA tax credit cap to at least \$14M through SB 120, the Legislature can return the IDA program to solid financial footing. I urge you to include IDAs in this bill.

Sincerely,

Tia Marten, FSS Coordinator

Housing Authority of Jackson County