

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 **Portland Community Reinvestment Initiative (PCRI)**, 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 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 – spanning every House and Senate district in the state.

**Testimony from PCRI IDA recipient:**

I was unable to use the funds to buy a house. So I used the funds for my personal needs.

I am a saver. I'm satisfied with things that I have already. I use some of the money to get my car fixed. Like windshield fluid, Lights on my dashboard, etc. These are what I needed to be done to my car. which I thought wasn't necessary because I didn't have the enough money to have it drive safely. Wow, was I wrong. I can see my dashboard at night. To see how fast I was Driving, and to see if I needed Gas. I'm so grateful.

Most important was getting my teeth fixed. I was in a lot of pain. I search for many Dentists to help me save my teeth. They all said just get Dentures. I acquired and it would of cost thousands of dollars for them. Which I would never have. IDA saved me with the funds I needed to have a beautiful smile.

My Dentist provided a Salve test. To see how much percentage of bacteria I had in my Mouth. With this information showed a strong connection between your oral health and your overall health.

An average person Has about 70% Active Matrix Metallprotienase-8 (aMMP\_8) Germs in their mouth. I had 400 ng/ml. When I received my Denture, I had the Salve test again. My score was down to 16%. Thanks to Jehovah God and the funds I got from the IDA program. I Have a safe car to drive plus a beautiful smile and I'm healthier.

Thanks,

Nita Davidson

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 needs more funds from the program in order 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,  
Roshan Etim  
IDA/Intake/Compliance Coordinator