



March 19, 2015

TO: Senate Human Services and Early Childhood Committee

FROM: Leslie Sutton, Oregon Intellectual and Developmental Disabilities Coalition

RE: Support for SB 40 and 43

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Chair Gelser and Members of the Committee:

The Oregon Intellectual and Developmental Disabilities Coalition (IDD Coalition) is a group of approximately 30 organizations across Oregon that promote quality services, equality and community integration for Oregonians with intellectual and developmental disabilities (IDD) and their families.

The IDD Coalition believes that everyone benefits when a person with a disability has the supports they need to live a healthy and fulfilling life as a member of their community. The IDD Coalition supports SB 40 and 43 because the bills extend the sunset on the tax credits for people with severe disabilities and families with children with disabilities.

The policy behind these tax credits is based on a recognition that living with disabilities is more costly than living without disabilities. The tax credits exist to provide financial offset and assistance with some of the costs associated with disabilities.<sup>1</sup> As a practical matter, we know this to be true. Many IDD Coalition members, their families and the people they support use these tax credits as a small offset for their disability related expenditures.

The annual costs of having a child with a disability vary depending on the disability needs. One study estimates the direct and indirect costs averaging \$10,000 per year with an upper estimate at \$25,000 per year. When increased Medicaid, SSI, Special Education and other public

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<sup>1</sup> Oregon Legislative Revenue Office, Research Report #2-15, February, 2015.



assistance is factored in, the average costs climbs to \$30,000 per year and upper estimate at \$65,000 per year.<sup>2</sup>

These are substantial costs which can represent a large portion of the individual's or family's annual income. Individuals and families with disabilities experience direct monetary costs, but also experience indirect costs through such things as a decline in work hours, reduced workforce participation, and therefore reduced earnings. Appropriate day care with adequate supports for a child with a disability can often be very difficult to find. Many families must have one member stay home or reduce their work hours to care for the child with a disability.

Adults with disabilities historically struggle in the American workforce. The US Bureau of Labor Statistics February 2014 data shows that only 19% of people with disabilities are employed compared to 69% of people without disabilities. Despite this statistic, Oregonians with intellectual and developmental disabilities want to work and have high expectations of themselves and of Oregon to make this happen.<sup>3</sup> In response, Oregon is current transforming its IDD support system to facilitate employment opportunities for people with IDD in their communities for minimum wage and higher. These tax credits can support this movement by offsetting a small portion of the disability-related costs these individuals incur in their life as they become employed taxpayers.

The reality is that these tax credits only offset a small portion of the actual direct and indirect costs experienced by individuals with severe disabilities and families who have children with disabilities, but they are an important step toward putting those who benefit on equal footing with other tax paying citizens. We urge you to vote in favor of extending the sunset on these important tax credits and move SB 40 and SB 43 to the Senate floor with a "do pass" recommendation.

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<sup>2</sup> The Economic Costs of Childhood Disability, Mark Stabile and Sara Allin, page 65, Vol. 22, No. 1, Spring 2012, [www.futureofchildren.org](http://www.futureofchildren.org).

<sup>3</sup> 2014 Oregon Family Network survey, 82% of parents with children with disabilities believe their child will have a paying job. 2013 Oregon National Core Indicators, 60% of adults with IDD who did not have an integrated job at minimum wage and above wanted one.