



OREGON FUTURE CAUCUS

From the desk of
Rep Julie Fahey

Dear Colleagues,

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As the cost of higher education continues to rise, lower income families are disproportionately priced out of accessing one of the most important resources to give them a hand up in life. The use of 529 college savings plans as a tool for helping to manage the costs of college have become more and more common, but unfortunately are not used equally at all income levels. Historical data shows that simply having an account opened makes a student three times more likely to enroll in a job training or college program and four times more likely to complete it. But, unfortunately the current tax deduction for contributions to these plans doesn't benefit all families equally. Only 12% of current account owners are low or moderate income and are also much more likely to be in urban communities.

Treasurer Read's proposal to change the current state tax deduction to a refundable tax credit will create a meaningful reason for low- and moderate-income families to opt in to a college savings plan. This proposal was originally contained within House Bill 2387 and is now incorporated as Sections 1-5 of House Bill 2164. The proposal is revenue neutral, while also thoughtfully incentivizing the participation of families who can most benefit from making contributions. **This is why the Oregon Future Caucus urges your support for this proposal.** Our whole economy will benefit when we can increase access to higher education and training.

Oregon's Future Caucus is a bicameral, bipartisan group of 12 legislators age 42 and under focused on issues relevant to young people and to the future of our state. Polling data indicates that the majority of young people, regardless of political party, view access to higher education as a "major issue" facing young people in the United States.

Co-Chair Senator Dallas Heard

Co-Chair Representative Julie Fahey



Co-Vice Chair Representative Diego Hernandez

Co-Vice Chair Representative David Brock Smith