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March 4, 2021

IDA Initiative Testimony in Support of HB 2551

House Human Services Committee

Chair Williams, Vice Chair Leif, Vice Chair Ruiz, and Members of the Committee:

I am writing urge you to support the Oregon Individual Development Account (IDA) Initiative's request for funding to assist low/moderate income Oregonians in achieving homeownership, higher education, starting a business, and other significant goals contributing to financial stability and self-sufficiency.

Since 2008, Northeast Oregon Economic Development District's participation in the Oregon IDA Initiative has made it possible for us to offer matched savings to low/moderate income individuals in our rural region of Baker, Union and Wallowa counties. To date we have assisted 159 individuals to invest in small businesses, education, training and other assets that allow them to earn incomes and improve their financial outlook. These matched savings accounts provide a critical source of funds to support entrepreneurship and workforce development for low/moderate income individuals in our region.

The IDA Initiative is asking that you support HB 2551 in renewing the IDA Initiative Tax Credit for the next six years. In addition, we ask that you support additional funding of \$7 million in General Fund appropriations in the next biennium as more Oregonians seek to participate in this important program.

IDAs offer matched savings which can support families and communities facing the financial impacts of COVID. IDAs can both help people keep from falling behind, and position people to stabilize and move forward as recovery begins. IDAs are one of the few existing tools we have to help meet urgent needs and support an equitable recovery from COVID-19 impacts. Infrastructure for IDAs is already in place and ready to make a difference in our community.

Without action on your part, the IDA Initiative would not be able to accept new savers in 2021, which would be a devastating blow to low/moderate income individuals in our rural region. We get inquiries every month from individuals wanting to enroll in the program and turning them away at a time when COVID-19 has created even more need would be a travesty. We are ready and eager to enroll and support savers to successfully complete the program and achieve their goals for business or employment. We need you to renew the IDA Initiative Tax Credit for the next six years and to support additional funding of \$7 million in General Fund appropriations in the next biennium.

Thank you for your service, and for your attention to this critical request.

Sincerely,

Lisa Dawson, Executive Director
Northeast Oregon Economic Development District