

ANDREA VALDERRAMA
REPRESENTATIVE
HOUSE DISTRICT 47

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May 30, 2023

Co-Chairs Meek and Nathanson, Members of the Joint Committee on Tax Expenditures
900 Court St. NE
Salem, Oregon 97301

Andrea Valderrama
State Representative, House District 47
900 Court St. NE, H-286
Salem, Oregon 97301

RE: Testimony In Support of HB 3235A: Oregon Kids' Credit

Co-Chairs Meek and Nathanson, Co-Vice-Chairs Boquist, Reschke, and Walters, and Members of the Committee,

My name is Andrea Valderrama, State Representative for House District 47 - Outer East Portland. I respectfully submit this testimony in support of House Bill 3235A, the Oregon Kids' Credit.

During the COVID-19 pandemic, one of the responses taken by Congress and the Biden Administration through the American Rescue Plan was the implementation of a Child Tax Credit. The Child Tax Credit in 2021 was a primary factor in seeing child poverty nationwide drop faster than at any point in history. One of the most impactful changes in instituting the Child Tax Credit in 2021 was moving the allocation of the credit's funds from a yearly tax credit to a monthly disbursement, which helped families address immediate needs and resource gaps in the short term.

Indeed, while most of the children who benefited were white, the enhanced tax credit disproportionately helped children of color escape poverty. As designed, the Oregon Kids' Credit would disproportionately benefit Black, Indigenous, and Latino children. In other words, a child tax credit not only reduces poverty, it also pushes back against racial inequality. When the federal expansion ended, an estimated 190,000 Oregon children lost access to the credit. While Congress should expand its Child Tax Credit, Oregon families cannot wait for congressional action. The

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legislature can immediately reduce child poverty by passing HB 3235A and creating the Oregon Kids' Credit.

Pursuing this policy will have statewide impacts, helping families and children throughout Oregon in both rural and urban communities. Hundreds if not thousands of children in each county will be impacted as families will be able to have the additional resources they need to be successful and maintain stability. These intangible benefits have direct and immediate impacts on the overall welfare of our state's children, their families, and ultimately their communities.

With rising inflation, children and families across Oregon are struggling with economic insecurity, made worse by rising housing and childcare expenses. Providing more resources for rent, food, and other basic needs would be an effective and efficient way to deliver resources to the families in greatest need and slash child poverty.

I am in favor of moving the disbursement from a yearly lump sum to a quarterly disbursement, and believe a total yearly amount of \$1,000 or more provides the best opportunity for economic stability. Accordingly, I continue to support the current version of HB 3235A to make the most impactful difference we can make for Oregonians, but would support the measure with either the -A8 or -A10 amendments. Together, we can improve the economic stability of Oregonians with the passage of HB 3235.

Please join me in supporting Oregon's parents and children and advance the Oregon Kids' Credit, HB 3235A.

A handwritten signature in black ink, consisting of a stylized, cursive script that appears to read "Andrea Valderrama".

Andrea Valderrama, State Representative
House District 47