

Submitter: Gina Valencia  
On Behalf Of:  
Committee: Joint Committee On Ways and Means  
Measure, Appointment or Topic: HB5006

March 20, 2025

Co-Chairs Lieber and Sanchez and Members of the Joint Committee on Ways and Means:

I am writing on behalf of myself, my community and the clients I serve to urge you to “Fix the Funding” for Individual Development Accounts (IDAs). Without your action this year, this life-changing program will shrink by 50% and will enroll fewer than 500 Oregonians per year going forward.

In 1999 the Legislature created IDAs and established a state tax credit to fund them. 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 program over the past 25 years.

I administer the IDA Program for Habitat for Humanity of Oregon, offering Home Purchase and Home Repair matched savings accounts to lower-income individuals across seven Oregon counties. Undoubtedly, I can testify that the IDA savers our organization has helped enrolled and graduate from the program have improved their lives. The funding they have accessed has given them that hand up they needed, either to buy their first home or to repair the systems in their own home that have needed attention. Other Oregonians need this type of support and uplift to find some stability and improve their housing situation.

The future of IDAs is at risk, because the tax credit that funds them 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 – especially IDA savers’ two most common goals: homeownership and higher education. Compared with 15 years ago, each saver needs more funds from the program in order to be successful, yet the total funding has remained stagnant.

There are two funding options available to you in the 2025 session: HB 2735 raises the cap on the existing tax credit, from \$7.5M to \$16.5M, in order to fully fund the program. Or, HB 3809 dedicates revenue from the state lottery to supplement the existing \$7.5M tax credit. Either option would return the IDA program to solid financial

footing. Please incorporate one of these options into the 2025-2027 state budget and Fix the Funding for IDAs.

Sincerely,

Gina Valencia  
Individual Development Account Network Program Manager  
Habitat for Humanity of Oregon