

Submitter: Maryoris Pedroso Reyes
On Behalf Of:
Committee: Joint Committee On Ways and Means
Measure, Appointment or Topic: HB5006

Re: Individual Development Accounts (IDAs)
Co-Chairs Lieber and Sanchez and Members of the Joint Committee on Ways and Means:

I am writing on behalf of The Immigrant and Refugee Community Organization 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.

Since 2012, the IDA program has helped more than 200 individuals and their families from the Immigrant and Refugee Community to reach their educational and business goals. It has also contributed to bringing financial stability to underrepresented community members. I myself have been a living testimony of this by supporting community members, that thanks to the existence of this program, were able to keep their businesses afloat thanks to the IDA funds.

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,
Maryoris Pedroso-Reyes
The Immigrant and Refugee Community Organization