

Submitter: Veronica Alvez
On Behalf Of: Mt. Hood Community College
Committee: Joint Committee On Ways and Means
Measure, Appointment or Topic: HB5006

Veronica Alvez Testimony
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 Veronica Alvez and Mt. Hood Community College 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.

At the time I was pursuing my degree, I did not qualify for federal financial aid. Without the Educational IDA (Individual Development Account) offered through MHCC (Mt Hood Community College) I wouldn’t be able to complete my certification. I earned a certificate in Business Assistant/Account Assistant at MHCC, and thanks to the support of the IDA, I currently working part-time as Assistant Administrator at Holy Cross Catholic Church and as Interpreter at Legacy Hospitals. The support I received through the Educational IDA not only provided me with the opportunity to earn my own education and has empowered me to grow professionally and give back to my community.

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,
Veronica Alvez
Class of 2019