

Submitter: Leah Guliasi  
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 Warm Springs Community Action Team (WSCAT) to urge you to support changes in 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 have been working with IDA clients on the Warm Springs Indian Reservation since 2016 and have seen so much positive impact on the community, as a result of IDAs. Our program participants have been able to start businesses, attend college, buy homes, and access many other resources to help them build assets and reduce the barriers to meeting their goals.

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,  
Leah Guliasi  
Warm Springs Community Action Team