

Submitter: Sarah Lindsay Ward  
On Behalf Of:  
Committee: Joint Committee On Tax Expenditures  
Measure, Appointment or Topic: SB120

Dear Co-Chair Nathanson, Co-Chair Meek, and Members of the Joint Committee on Tax Expenditures,

On behalf of Food Roots, a 501(c)(3) based in Tillamook, Oregon, I am asking you to please raise the cap on the tax credit that funds Individual Development Accounts (IDAs) to at least \$14M, through SB 120 -1.

In partnership with CASA of Oregon, Food Roots has been administering the IDA program for food business entrepreneurs for about 17 years. The first program graduate with Food Roots was in 2009, and we have assisted 54 other graduates through the program since then, with more participants (referred to as "savers") currently enrolled. A saver graduating means that they have an achievable and sustainable business plan; carried out their Savings Plan Agreement; successfully completed the program-required financial education classes and asset-specific trainings; can attain an EIN; and more. Once graduated, these food entrepreneurs are not without support. Graduates have become entrepreneurs of thriving, valuable, and appreciated food businesses in our area. Our location on the north Oregon Coast contains many geographically isolated areas. Local farmers, fishers, ranchers, and food-makers are crucial to being an economically resilient community, and a community that can sustain even in the case of disaster, and when the main road through the Cascades becomes impassable. Increasing local food options is the foundation of this resilience and sustainability. Households; institutional clients, such as hospital employees; and community members being helped by organizations, are all connected and healthier through access to IDA savers' foods. Food Roots is part of this continuously expanding network, and contributes to providing additional opportunities.

The Legislature created Individual Development Accounts in 1999. This matched-savings program provides participants with education and individualized support to reach their financial goals. Establishing or expanding food-related business is one area of this program. Others supported goals include homeownership, home repair, higher education, purchasing a vehicle, starting other businesses, 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 life-changing program over the past 25 years – spanning every House and Senate district in the state.

The tax credit that funds IDAs 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. Each saver needs more funds from the program in order to be successful, yet tax credit revenue has remained stagnant, prompting the Legislature to provide supplemental investments from the general fund in each of the past three budget cycles. An updated \$14M tax credit cap will allow the IDA program to enroll 1,750 new participants each biennium going forward – close to the program’s established service level of 2,000 new savers per biennium. (If the Legislature takes no action on IDA funding this year, the program will shrink much further, to enroll only 1,000 people per biennium.)

By raising the IDA tax credit cap to at least \$14M through SB 120, the Legislature can return the IDA program to solid financial footing. I urge you to include IDAs in this bill.

Sincerely,

S. Lindsay Ward  
Food Roots