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March 24, 2025

Re: Support For HB 2809 -1

Chair Hudson, Vice-Chairs Fragala and Harbick, and Members of the Committee:

On behalf of the Northeast Oregon Economic Development District (NEOEDD), I am writing to urge you to support HB 3809, with the -1 amendment. Please “Fix the Funding” for IDAs!

In 1999 the Legislature created Individual Development Accounts (IDAs). This matched-savings program provides participants with education and individual support to reach their financial goals, including obtaining higher education or starting a business. The state matches participants’ own savings to help them reach their goals. Over 19,000 Oregonians have participated in this life-changing program over the past 25 years.

However, the state tax credit that funds IDAs have not kept pace with inflation. The credit has been capped at \$7.5M per year since 2009, while the cost of everything that IDA participants save for has increased sharply. Each saver needs more funds from the program in order to be successful, yet the total funding has remained stagnant. If the Legislature does not act this year, the program will shrink by 50% and will enroll fewer people going forward.

Since 2008, NEOEDD has successfully assisted 206 low-moderate income individuals in Baker, Union and Wallowa counties to access matched savings through the IDA program, allowing them to invest in small businesses, education and training that allows them to earn incomes and improve their financial outlook. These matched savings accounts provide a critical source of funds to support entrepreneurship and workforce development for low/moderate income individuals in our rural region, which has higher than average self-employment rates.

In our program we match each dollar saved with \$5 of match and provide financial education, training and coaching specific to each participant’s goals. We are currently serving 16 savers, mostly for small business start-up or expansion. We have to turn away many others who would benefit from the program because there are not enough matching funds available to meet the need.

By passing HB 3809 -1, the Legislature can “Fix the Funding” and return the IDA program to solid financial footing. I urge you to pass this bill.

Sincerely,

Lisa Dawson, Executive Director