

Re: Support For HB 3809 -1

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

I am writing to urge you to support HB 3809, with the -1 amendment. Please “Fix the Funding” for IDAs!

I have been donating to the IDA program since at least 2013. I appreciate knowing this reliable program will distribute my donations to the people in Oregon who need it the most to build their lives whether it is by becoming a homeowner, a small business owner, or being able to have higher education. Although my grandparents were immigrants to this country, I was fortunate to grow up in a solidly middle-class family whose first home was made possible through the GI Bill and FHA. I got a graduate education through my state university system and the support of my parents. I was able to purchase my own home with the good-paying job I got with that education.

Other community organizations provide similar support for marginalized communities but there are no tax credits or tax deductions for donating to those programs. I also feel safer donating my money to organizations that are vetted by the state. The Tax Credit is a boon to increasing the donations I make to the IDA.

I am grateful to be able to support this state-sponsored program that matches participant's own savings up to 5:1 to make their dreams a reality. Knowing that the donations I and others made have helped over 19,000 Oregonians who participated in this life-changing program over the past 25 years makes me proud of my neighbors, community and state.

HB 3809 -1 is needed because the state tax credit that funds IDAs has not kept pace with inflation. While the program’s tax credit revenue has been stagnant since 2009, the cost of everything that IDA participants save for has increased significantly – especially the two most common savings goals of higher education and homeownership. Each saver needs more of the program’s limited funds in order to be successful. If the Legislature does not act this year, the IDA program will shrink by 50% and will enroll fewer than 500 people each year going forward.

By passing HB 3809 -1, the Legislature can “Fix the Funding” and return the IDA program to solid financial footing, ensuring that your constituents can continue reaching their goals of higher education, purchasing a home, starting a business and beyond. I urge you to pass this bill.

Sincerely,  
Karen Erde, MD