



Legislative Fiscal Office
83rd Oregon Legislative Assembly
2025 Regular Session

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Bill Title: Relating to poverty reduction; declaring an emergency.

Government Unit(s) Affected: Oregon Business Development Department, Judicial Department, Department of Justice, Cities, Confederated Tribes of Grand Ronde, Confederated Tribes of Siletz, Confederated Tribes of Warm Springs, Burns Paiute Tribe, Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians, Confederated Tribes of Umatilla Indian Reservation, Coquille Indian Tribe, Cow Creek Band of Umpqua Indians

Summary of Fiscal Impact

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Oregon Business Development Department	\$ 2,864,574	\$ -	\$ -	\$ -	\$ 2,864,574	1	0.88
Total Fiscal Impact	\$ 2,864,574	\$ -	\$ -	\$ -	\$ 2,864,574	1	0.88
2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Oregon Business Development Department	\$ -	\$ -	\$ -	\$ -	\$ -	-	-
Total Fiscal Impact	\$ -	\$ -	\$ -	\$ -	\$ -	-	-

Measure Description

The measure includes a one-time appropriation of \$2.8 million General Fund to the Oregon Business Development Department (OBDD) in the 2025-27 biennium to award grants to cities and Oregon Indian tribes with high poverty rates for the purpose of developing local poverty reduction plans. Of the \$2.8 million appropriated, OBDD may use no more than \$200,000 on administrative costs. OBDD is directed to shall prescribe an application process and offer grants of between \$75,000 to \$300,000 based on community population. The measure allows cities and tribes that do not initially qualify for a grant award to submit an amended grant application after consultation with OBDD.

Cities and tribes that receive a grant award shall deliver to OBDD a completed local poverty reduction plan no later than the date established in the grant award agreement. If OBDD determines that the completed local poverty reduction plan fails to meet program requirements, OBDD must provide recommendations and a timeline for curing the deficiencies. If a city or tribe fails to cure the deficiency, OBDD may bring a civil action against the city or tribe for repayment of the amount of the grant award, plus 5% monthly interest and attorney's fees.

Fiscal Analysis

The fiscal impact of the measure is \$2.8 million General Fund and one position (0.88 FTE). The measure directs OBDD to develop and manage a new grant program for local poverty reduction plans, which requires OBDD to develop application and scoring criteria for grant awards; monitor and evaluate completed plans for adherence to specified plan criteria; work with communities to cure plan deficiencies; and monitor resubmittals. OBDD will

need one full-time, limited duration Operations and Policy Analyst 4 position (0.88 FTE) to administer the program. The estimated cost of the position, including position-related services and supplies, is \$289,574 General Fund. Although the measure prohibits OBDD from expending more than \$200,000 on administrative costs of the \$2.8 million appropriated in section 1 of the measure, the cost to implement the measure suggests that OBDD would need an additional appropriation of \$89,574 General Fund in the 2025-27 biennium. OBDD would distribute the remaining \$2.6 million as grant awards to cities and tribes. Based on the level funding and maximum grant awards specified, OBDD estimates making 17 grant awards during the 2025-27 biennium. Although the measure specifies that the grant program sunsets on January 2, 2030, this fiscal impact assumes that OBDD will disburse all grant awards in the 2025-27 biennium. Therefore, the measure is not anticipated to have a fiscal impact in the 2027-29 biennium.

The measure is anticipated to have a minimal fiscal impact on the Oregon Judicial Department and the Department of Justice.

The measure is not anticipated to have a fiscal impact on cities and the nine federally recognized Indian Tribes in Oregon, as this is an optional program.

Relevant Dates

The measure declares an emergency and takes effect on passage.

The proposed grant program sunsets on January 2, 2030.