

HB 3837 A STAFF MEASURE SUMMARY

House Committee On Economic Development, Small Business, and Trade

Action Date: 04/07/25

Action: Do pass with amendments and be referred to Ways and Means. (Printed A-Eng.)

Vote: 7-1-1-0

Yeas: 7 - Diehl, Dobson, Isadore, Lively, Nguyen D, Skarlatos, Watanabe

Nays: 1 - Yunker

Exc: 1 - Osborne

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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Meeting Dates: 3/24, 4/7

WHAT THE MEASURE DOES:

The measure appropriates \$2,775,000 to OBDD (Oregon Business Development Department) to distribute to areas with high poverty rates to develop local poverty reduction plans. It declares an emergency and is effective on passage.

Detailed Summary:

Appropriates \$2,775,000 to OBDD from the General Fund for the biennium beginning July 1, 2025, for the purpose of awarding grants to eligible communities to develop local poverty reduction plans. Allows OBDD to withhold \$200,000 for costs incurred administering the program.

Eligible communities include cities or federally recognized Tribes in Oregon that contain one or more census tracts with a federal poverty rate of 23 percent or more, or the governing body of such city or Tribe.

The local poverty reduction plans must

- demonstrate the community has engaged with businesses, financial institutions, governmental bodies, nonprofit and philanthropic organizations, faith communities, local schools, and individuals affected by poverty.
- be informed by analysis of local poverty data.
- map local economic resources and gaps.
- be informed by research on best practices for reducing poverty.
- create performance measures to track poverty reduction goals.

Directs OBDD to develop an application process. Sets requirements for grant application and agreements. Sets the following limits for individual grants:

- communities with less than 25,000 residents: \$75,000.
- communities with 25,000 to 100,000 residents: \$150,000.
- communities with more than 100,000 residents: \$300,000.

Sets requirements for revising applications that do not qualify and allows OBDD to make a final determination. The final determination by OBDD is not subject to appeal.

Requires communities who receive grants to submit completed poverty reduction plans. Requires OBDD to notify the community if the plan meets requirements, any deficiencies with the plan, and recommendations and a timeline for resolving them. Allows OBDD to bring civil action to secure repayment for grant and interest if a

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community fails to cure deficiencies in the specified timeframe.

Repeals these requirements on January 2, 2030.

Declares an emergency, effective on passage.

ISSUES DISCUSSED:

- Inclusion of federally recognized Tribes
- Ability for smaller communities to participate
- Examples of successful local poverty reduction plans
- How grant limits were determined

EFFECT OF AMENDMENT:

Updates timing so that the funding is appropriated from the General Fund for the biennium beginning July 1, 2025. Changes the date that the requirements are repealed to January 2, 2030.

BACKGROUND:

Federal poverty rates are set by the Assistant Secretary for Planning and Evaluation (ASPE). The [2025 poverty guidelines](#) are based on household size and are used to determine financial eligibility for certain programs.