



**Senate Bill 606 established the Modernizing Grant Funding and Contracting Task Force to examine how the state's granting and public procurement practices limit the wages of nonprofit organizations.**

## NEAR TERM

### Existing Administrative Authority

- Establish a permanent advisory council & office of nonprofit partnership.
- Ensure state agencies comply with federal OMB guidelines for administrative rates.
- First quarter advance payment for new & ongoing work.
- Establish a Program Year offset from the fiscal year.
- Conduct ongoing nonprofit stakeholder review of Oregon Procurement Manual, templates & training materials.
- Require contract language to include terms for advance payment and insurance coverage.

## LONG TERM

### New & Existing Administrative Authority

- Launch a single statewide grant management database platform.
- Require contract language to include terms for advance payment and insurance coverage.
- Cost out reporting requirements.
- Ensure agencies use prospective budgeting for ongoing bodies of work.
- 3-5 year investment commitment for programs that are meant to show change in participant outcomes.

## NEAR TERM

### Requires Legislative Authority

- Fund & establish a permanent nonprofit advisory council.
- Approve a new office of nonprofit partnership
- Tracking rates of on-time payments of invoices, institute late payment penalty.
- Launch a single statewide grant management database platform.
- Create a new set of grant specific ORS with OARs.
- Establish a workforce standards board.

## LONG TERM

### Requires Legislative Authority

- 3-5 year investment commitment for programs that are meant to show change in participant outcomes.
- Establish a workforce standards board.

**Task Force recommendations were organized into this four-quadrant plot to allow for both administrative and legislative entities to identify the elements within their jurisdiction to take action. This considers ideal timing and crossover responsibilities among the administrative and legislative tasks.**



## Key Learnings

- While a majority of agencies reported having authorization to use advance payment schedules, it is not a consistently utilized
- There is no consistent process for state agencies to follow for grants. There are clearer processes for contracts and sometimes agencies use those guidelines for grants even though the Oregon procurement code clearly states that grants are not contracts
- Each agency and sometime different divisions within the agencies use different grant management systems, including siloed digital platforms.
- There is communication and process division between state procurement staff and state program staff working on the same grantmaking programs
- Identifying insurance requirements is often done without the nonprofit partner and financial coverage of those costs is inconsistent with managed



## Recommendations most relevant to emergency response

- ❑ Require state agencies to follow the OMB guidelines - honor 15% de minimis or Negotiated Indirect Cost Rate Agreement
- ❑ Contracts and grant agreements should offer advance payment equivalent to one-quarter of the annual contract value at the start of each new contract period
- ❑ Create guidelines, outside the contract code, that establishes consistent practices for advance payment or scheduled disbursement payment models
- ❑ Implement a single statewide grant management database