

B-Engrossed
Senate Bill 606

Ordered by the Senate June 12
Including Senate Amendments dated April 11 and June 12

Sponsored by Senator CAMPOS; Senators GELSER BLOUIN, GOLDEN, JAMA, Representatives NERON, PHAM K (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

[Sets minimum rate at which specified state agencies may compensate nonprofit organizations for indirect costs related to providing services.]

Establishes Task Force on Modernizing Grant Funding and Contracting. Specifies membership of task force. Requires task force to examine how state's granting and public procurement practices limit wages of employees of nonprofit organizations and make recommendations to Oregon Department of Administrative Services concerning changes to state procurement practices that will support living wages for employees of nonprofit organizations, uniform application procedures for grant moneys, standard contracting language that permits flexibility in contract terms and conditions and multiyear contract terms, sufficient reporting requirements that are commensurate with funding levels and that allow for adequate lead time for changes to reporting required within term of contract, payment models that prioritize full cost recovery and mechanism for ongoing review and evaluation of grantmaking and procurement processes.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to compensation for nonprofit organizations that provide services on behalf of the state;
3 and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. (1) The Task Force on Modernizing Grant Funding and Contracting is es-**
6 **ablished.**

7 **(2) The task force consists of 15 members appointed as follows:**

8 **(a) The President of the Senate shall appoint one member from among members of the**
9 **Senate.**

10 **(b) The Speaker of the House of Representatives shall appoint one member from among**
11 **members of the House of Representatives.**

12 **(c) The Governor shall appoint 12 members as follows:**

13 **(A) One member who represents the office of the Governor;**

14 **(B) One member who represents the Oregon Department of Administrative Services;**

15 **(C) One member who represents a public or private foundation with headquarters in this**
16 **state; and**

17 **(D) Nine members who represent nonprofit organizations that since January 1, 2020, have**
18 **received grants from or entered into public contracts with a state agency, a municipality or**
19 **another nonprofit organization.**

20 **(d) The Attorney General shall appoint one member who represents the Department of**
21 **Justice.**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **(3) The task force shall examine how the state’s granting and public procurement prac-**
2 **tics limit the wages of employees of nonprofit organizations and make recommendations to**
3 **the Oregon Department of Administrative Services concerning:**

4 **(a) Changes to state procurement practices that will support living wages for employees**
5 **of nonprofit organizations;**

6 **(b) Uniform application procedures for grant moneys that apply to each of the following**
7 **agencies:**

8 **(A) The Department of Human Services;**

9 **(B) The Oregon Health Authority;**

10 **(C) The Housing and Community Services Department;**

11 **(D) The Department of Education;**

12 **(E) The Department of Early Learning and Care;**

13 **(F) The Oregon Youth Authority;**

14 **(G) The Oregon Department of Emergency Management;**

15 **(H) The Higher Education Coordinating Commission; and**

16 **(I) The Department of Justice;**

17 **(c) Standard contracting language that permits flexibility in contract terms and condi-**
18 **tions and multiyear contract terms;**

19 **(d) Sufficient reporting requirements that are commensurate with funding levels and that**
20 **allow for adequate lead time for changes to reporting required within the term of a contract;**

21 **(e) Payment models that prioritize full cost recovery; and**

22 **(f) A mechanism for ongoing review and evaluation of grantmaking and procurement**
23 **processes.**

24 **(4) The task force may conduct studies, take testimony, request data and information**
25 **from state agencies and otherwise take actions necessary to carry out the purposes set forth**
26 **in subsection (3) of this section.**

27 **(5) A majority of the voting members of the task force constitutes a quorum for the**
28 **transaction of business.**

29 **(6) Official action by the task force requires the approval of a majority of the voting**
30 **members of the task force.**

31 **(7) The task force shall elect one of its members to serve as chairperson.**

32 **(8) If there is a vacancy for any cause, the appointing authority shall make an appoint-**
33 **ment to become immediately effective.**

34 **(9) The task force shall meet at times and places specified by the call of the chairperson**
35 **or of a majority of the voting members of the task force.**

36 **(10) The task force may adopt rules necessary for the operation of the task force.**

37 **(11) The task force shall submit a report in the manner provided by ORS 192.245, and**
38 **may include recommendations for legislation, to an interim committee of the Legislative**
39 **Assembly related to grantmaking and public procurement, with a copy to the Director of the**
40 **Oregon Department of Administrative Services, no later than September 15, 2024.**

41 **(12) The Oregon Department of Administrative Services shall provide staff support to the**
42 **task force.**

43 **(13) Members of the Legislative Assembly appointed to the task force are nonvoting**
44 **members of the task force and may act in an advisory capacity only.**

45 **(14) Members of the task force who are not members of the Legislative Assembly are not**

1 entitled to compensation or reimbursement for expenses and serve as volunteers on the task
2 force.

3 (15) All agencies of state government, as defined in ORS 174.111, are directed to assist
4 the task force in the performance of the duties of the task force and, to the extent permitted
5 by laws relating to confidentiality, to furnish information and advice the members of the task
6 force consider necessary to perform their duties.

7 **SECTION 2.** Section 1 of this 2023 Act is repealed on December 31, 2024.

8 **SECTION 3.** Notwithstanding any other law limiting expenditures, the limitation on
9 expenditures established by section 2 (7), chapter __, Oregon Laws 2023 (Enrolled Senate
10 Bill 5502), for the biennium beginning July 1, 2023, as the maximum limit for payment of ex-
11 penses from fees, moneys or other revenues, including Miscellaneous Receipts and federal
12 funds received from charges, but excluding lottery funds and federal funds not described in
13 section 2, chapter __, Oregon Laws 2023 (Enrolled Senate Bill 5502), collected or received by
14 the Oregon Department of Administrative Services, for enterprise goods and services, is in-
15 creased by \$181,355.

16 **SECTION 4.** This 2023 Act takes effect on the 91st day after the date on which the 2023
17 regular session of the Eighty-second Legislative Assembly adjourns sine die.

18