



THE NONPROFIT
ASSOCIATION OF
OREGON
Connect. Improve. Advance.

June 6, 2023

To the Ways and Means Subcommittee On General Government:

We write to support SB 606 and the A6 amendments.

Last year the Nonprofit Association of Oregon (NAO) and Northwest Health Foundation (NWHF) came together in what we saw as an urgent need facing nonprofits across the state. NAO had been hearing from members, and NWHF had been hearing from grantees that structural policies and practices in government contracting—stubborn but fixable—were severely affecting a sector that we all depend on. This was further solidified in NAO's report [*Services, Systems and Solutions: A Study Of Government to Nonprofit Contracts In Oregon*](#) - 166 respondents shared their top concerns with government contracting. The top three were 1) Contract rates do not cover adequate administrative costs 2) Difficult application procedures or timelines 3) Contract rates do not rise with cost increases over time.

We brought together nonprofit leaders across the state with a legislative solution, Senate Bill 606, that includes immediate changes to contracting and grantmaking, a retention fund and a task force.

More than 170 organizations and individuals have endorsed the bill. You can see the full list at northwesthealth.org/npma. These nonprofits promote the well-being of Oregonians every day, providing for basic needs like food and shelter, offering opportunities for education and economic advancement, supporting arts and culture, protecting our civil rights and so much more.

Many of the bills in this legislative session and much of the State's ongoing programs are dependent on grants and contracts with the nonprofit sector. We undermine the very goals of these policies and programs—and the success of so many Oregonians that depend on them—if we don't address the underlying issues facing the sector and driven in large part by public contracting: underinvestment and administrative burden, understaffing and low pay, high turnover and burnout, severely delayed reimbursement payments.

It is no wonder that so many nonprofit employees—executive directors and line staff alike—are leaving the sector (or new job seekers are never considering it) to seek higher pay, better benefits and less traumatic stressors in the private sector or elsewhere.

But you don't have to take our word for it. It's been all over the local and national news. Highlights from just this week:

The Oregonian: [Opinion: A better partnership for deploying homeless services dollars](#) June 04, 2023

"Public funding is a critical source of financing for nonprofit organizations and serves to fill multiple gaps. But access to public funding is overly complicated, cumbersome, opaque and insufficient."

Inside Philanthropy: [Nonprofit Homeless Response Staff Struggle to Afford Housing. Will Funders Respond?](#) June 05, 2023

"National experts consulted for this article say that the homeless service sector's workers are critically underpaid nationwide. The result is that, all too frequently, the very workers charged with helping others out of homelessness are at risk of being homeless themselves."

We have reached a tipping point. But while the list of frustrations is long, the solutions already exist among the organizations doing the work and the talented staff in our public agencies. We know that our state government consistently recognizes the need for competitive pay, good benefits and a solid administrative backbone for its employees to ensure the delivery of effective services. We shouldn't betray those same values when we contract with nonprofits. And we don't have to.

Though we recognize that the adoption of the A6 amendments mean we miss immediate opportunities for improvement, a legislative task force is a viable path to find solutions. As the bill outlines, the task force would take a close look at streamlining and simplifying state contracting, improving payment delivery, reducing burdensome reporting requirements, and raising nonprofit wages to improve employee retention in the long-term. The task force would be required to present to the legislature findings and solutions by fall 2024.

Our organizations stand ready to help. Thanks so much for providing us an opportunity to share our perspective and for your service to Oregon.

Respectfully,



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President & CEO
Northwest Health Foundation



Jim White
Executive Director
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