



THE NONPROFIT  
ASSOCIATION OF  
OREGON

*Connect. Improve. Advance.*

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# SUPPORT SB 159

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## 2023 Oregon Legislative Session

The State of Oregon relies on nonprofits to fill an essential role including providing for basic needs like food and shelter, offering educational and economic advancement opportunities, supporting arts and culture, protecting civil rights, and so much more. In addition, nonprofit organizations are connected to and trusted by their communities allowing them to be relied on as an essential resource for culturally specific programs and services. When Oregonians undergo crises, like wildfires, nonprofits provide critical resources for stability to survivors and play a crucial role in setting the stage for recovery. Nonprofits have the ability to respond more quickly and with greater flexibility to community members' needs than most other entities.

The government and nonprofit organizations have something significant in common, all of the resources held by them both are used for “public benefit” and it is imperative that the government and nonprofits collaborate to enhance and improve the lives of all Oregonians.

## WHAT IS CHALLENGE?

Oregon's state procurement system lacks the ability to distinguish between for-profit and nonprofit applicants for contracts and services. The state does not collect data on the number of nonprofits that apply for their contracts. As a result, there is no way for the state to recognize the community benefits and mission-oriented approach of nonprofits in the procurement process. Currently, the system is designed to accept and reward practices like underbidding, nonprofits are at a major disadvantage because their funds can never be shared with owners or paid out to shareholders. Additionally, the procurement process does not consider how a nonprofit applicant connects its mission to the procurement requirements. In many ways, government is missing out on the additional “purchasing power” that a nonprofit can show through the types of investments and assets that they can bring to the table through other means.

[What is SB 159? →](#)

## WHAT IS SB 159?

SB 159 creates the ability to award procurement points in contract applications from charitable nonprofits. By doing so, the state can take acknowledge the specific positive attributes that nonprofits bring to the table:



**Stewardship of public funds.** Nonprofits bring greater fiscal oversight of state funds because of the fiduciary role that a community-based nonprofit board of directors provides over financial management.



**Accountability.** The board of directors of a nonprofit organization has the ability to hire and fire the executive director – this oversight brings greater accountability over the leadership of the organization.



**Community relationships.** Nonprofits bring positive and constructive relationships with community members that facilitates successful outcomes for a public contract.



**Mutual public interests.** There is a great potential for synergy between the public interest and goals of a state contract and the charitable mission that guides the nonprofit's work.



**Public trust.** Nonprofits are embedded into the communities they serve. They rank as one of society's most trusted institutions with significant good will from constituents.



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