



February 28, 2023

Senate Human Services Committee
900 Court St. NE
Salem, OR 97301

RE: SB 606 - Oregon Nonprofit Modernization Act

Dear Committee Members:

New Avenues for Youth, a Portland-based nonprofit founded in 1997 that is dedicated to the prevention and intervention of youth homelessness, urges you to pass the Oregon Nonprofit Modernization Act (SB 606). Your support for the bill is critical to the health of the nonprofit sector and the communities it serves.

New Avenues receives more than 50% of its funding from the State of Oregon (and nearly 80% in total from public sources). Consistently managing State and public contracts brings significant administrative burden, including cumbersome billing procedures, heavy compliance requirements, and long delays in payment (sometimes six months or more). Every contract is unique and includes different billing processes, allowable costs, and terms of payment. Contracts rarely cover the true cost of delivering services, necessitating that we raise additional funds and resources to meet contract requirements. Funding is often allocated for short periods and requires constant re-application and competition with other nonprofits—a process that also pits nonprofits against each other, with organizations often agreeing to non-competitive and non-sustainable terms in order to “win” the opportunity to deliver needed services. Simply undertaking the procurement process can itself require tremendous organizational resources and capacity.

The COVID-19 pandemic has only exacerbated these challenges. Our employees continue to be impacted by high levels of inflation and exploding costs around housing/living. Contract reimbursement rates are hindering us from keeping pace with these costs, resulting in a massive workforce gap and the inability to deliver critical community services.

The Nonprofit Modernization Act will bring greater consistency and sustainability to contracting, help stabilize cash flow through reasonable pay schedules, and put cost reimbursement up front so agencies are not financially over-extended. It will urgently initiate ways to overhaul and modernize the securing of our social safety net. And it will make staff retention funds available to help nonprofits like New Avenues stabilize and address the workforce crisis.

Thank you for your consideration of SB 606. Please let us know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean Suib".

Sean Suib
Executive Director