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March 5, 2023

Senate Human Services Committee  
900 Court St. NE  
Salem Oregon 97301

Dear Committee Members:

**RE: SB 606 - Oregon Nonprofit Modernization Act**

I'm writing to ask you to pass SB 606, the Oregon Nonprofit Modernization Act. Your support is critical to the health of the nonprofit sector and the communities they serve.

I have worked for 27 years in the local nonprofit sector. I've seen firsthand, as a nonprofit staff member, executive director, and board member, the significant negative impacts of highly restrictive and insufficiently resourced government contracts. As a consultant working in the local nonprofit sector for over 17 years, I also have heard of these negative impacts over and over again from my dozens of nonprofit clients who span a wide variety of content areas and geographic regions of Oregon's nonprofit sector.

I consider many of the current government contracting methods unethical and also highly inefficient. Allowing organizations to make business savvy investments in their infrastructures and organizational cultures and eliminating unnecessary work not only strengthens the organizations and increases their effectiveness, but it makes them more efficient. It actually saves money in the long run, when you consider the actual costs and added labor required to address workforce turnover, late payments, low administrative rates, burdensome reporting requirements, and complex or confusing applications.

The following components of the bill would greatly benefit not only the nonprofit sector, but the geographic and cultural communities they serve and all Oregonians who benefit directly and indirectly from their critical services, which is all of us.

- Requiring a de minimis administrative rate of 10 percent or higher
- Eliminating reimbursement as a form of payment for state grants
- Requiring disbursement of contract funds within 30-days of signed contract
- Creating the Nonprofit Workforce Retention Fund to provide grants nonprofits to help maintain and prevent employee turnover

- Creating a state task force to reform nonprofit contracting in order to streamline and simplify the process, raise wages, and create an ecosystem of administrative policies, statutes and funding levels that lead to sustainable government/nonprofit partnerships)

Please don't hesitate to contact me if you have any questions ([kathy@kathykniep.com](mailto:kathy@kathykniep.com)).

Thank you for your leadership on this important issue. I truly believe passing this bill will improve the lives of all Oregonians.

Thank you,

A handwritten signature in black ink, appearing to read "Kathy Kniep". The signature is fluid and cursive, with the first name "Kathy" being more prominent than the last name "Kniep".

Kathy Kniep  
Principal