



256 Warner Milne Road, Oregon City, OR 97045  
(503) 655-8600 | [www.cwsor.org](http://www.cwsor.org)

March 6, 2023

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

Dear Committee Members:

RE: SB 606 - Oregon Nonprofit Modernization Act

Clackamas Women's Services (CWS) asks 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.

The mission of Clackamas Women's Services (CWS) is to break the isolation of domestic and sexual violence. Incorporated in 1985 as Clackamas County's first domestic violence shelter, CWS is a comprehensive community-based organization providing services to survivors of domestic/dating violence, sexual assault, elder and vulnerable adult abuse, human trafficking and exploitation, and stalking. The wide-ranging slate of services provided by CWS includes emergency shelter, transitional housing, a 24/7 crisis line, mobile advocacy, mental health counseling, support groups, legal advocacy, youth violence prevention education, Camp HOPE Oregon, and community education. At our secure emergency shelter, rural outreach offices, Clackamas Community College, DHS, Camp HOPE Oregon, and A Safe Place Family Justice Center (ASP-FJC), CWS coordinates services with other public and private agencies to best serve survivors seeking help.

As a community-based nonprofit providing services 24/7 throughout our county it is critical that we are able to be responsive and that we are able to focus on service delivery. CWS has an operating budget of \$7M, and 70% of this budget is government funding (local, county, state, and federal). CWS is directly impacted by all of the issues that SB 606 seeks to address.

For example, CWS has a negotiated indirect cost rate with the U.S. Department of Justice. We are required to apply for this rate to be approved annually through a comprehensive formula that requires sophisticated accounting. However, many local, county, state and even some federal contracts will not accept this rate, causing a challenge for us to have consistency in our administrative cost structures. Even worse, many agencies do not allow for a 10% or higher rate, which in essence should be the bare minimum. Businesses and government operations run at a much higher administrative rate. Administrative costs cover critical functions such as the human resources and finance functions of our operations.

CWS has also experienced numerous challenges with reimbursement-based grants. In fiscal years 2021 and 2022, we carried an accounts receivable balance for an average of three months for most contracts and in some cases for over six months. This included CWS paying upfront for client assistance costs such as rent assistance or emergency services and not being reimbursed until many

months later. This created an undue burden on nonprofits, impacting not only cash flow for basic functions such as payroll but also putting stress on operations and creating fragility for the very agencies that are shoring up resources that government is not able to provide for some of our most vulnerable residents.

We are also pleased to see the following elements of SB 606 that will have an immediate and long-term positive impact on our ability to provide life-saving services to victims and their families.

- Creating the Nonprofit Workforce Retention Fund to provide grants to 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).

Clackamas Women's Services (CWS) appreciates your consideration of SB 606. Please don't hesitate to contact us if you have any questions.

Thank you.

Sincerely,



Melissa Erlbaum  
Executive Director