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**LatinoNetwork**

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To: Committee Chair Senator Gesler Blouin, Vice-Chair Senator Robinson and all the members of the Senate Committee on Human Services

Re: Support SB 606 - Nonprofit Modernization Act

Date: 3/6/2023

Latino Network was founded in 1996 by advocates for the needs of the growing Latinx community in Multnomah County. Since then, these grassroots beginnings have evolved into a continuum of services that support Latinx individuals, families, and communities. Our programs currently focus on education, advocacy & leadership, health & wellness, economic justice, youth empowerment & violence prevention, and arts & culture, engaging nearly 11,000 community members throughout Multnomah, Clackamas, and Washington Counties in the last year. We are the leading culturally-specific provider for Latinx youth, parent, and family services in the Portland area with the goal of serving the nearly 19% of Oregon's population who identify as Latinx or Hispanic.

Latino Network currently provides direct services to youth and families in Senate Districts 13 and 19-25 and House Districts 25, 37 and 42-50.

We support SB 606 and are asking for your support on this important legislation. Nearly all government agencies and jurisdictions from the federal to the local level, and especially the State of Oregon, rely heavily on nonprofit organizations to consistently deliver both basic services and innovative interventions to all communities for a massive range of issue areas. There is a common refrain we use in the sector - Nonprofits do the work governments can't and provide what the market won't. We are an essential part of basic life in nearly all corners of all sectors of community.

The Nonprofit Modernization Act is a way for the government to modernize how it partners with community based organizations. This legislation will create consistency for administrative rates paid to organizations, meeting the federal de minimis standard of 10%, ensure the government is paying its bills on time to providers to avoid delays and gaps in services, support the retention of key essential workers and establish a taskforce to address additional contracting issues that persists across the state.

As we have seen throughout the COVID pandemic, the government's ability to adequately serve the community is dependent on relationships with nonprofit service providers. This has been true long before COVID, but the pandemic has highlighted many of the challenges facing our sector's partnerships. The nonprofit sector has shown up again and again to fill the gaps and make partnerships work, even under the most difficult circumstances. So much has changed in our world and it is now time for government partners to improve how it does business.



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We have a lot to achieve together. State agencies have large missions and ambitious goals; things like ending homelessness, closing health equity gaps, increasing childhood health outcomes, decreasing poverty, increasing literacy and graduation rates, decreasing rates of substance use disorder, and many more. All state agencies working towards these goals look to nonprofit providers in every county in the state to implement new and ongoing programs, services and pilot initiatives. Further, every county and city relies on the nonprofit providers in their community to implement work passed down from the state.

So when organizations are months behind in getting payment from government partners for work that has already been rendered it doesn't just hurt that organization, it hurts the community's ability to get the services they need. When government partners provide inconsistent payment of administrative rates, they limit an organization's ability to be financially stable and build the internal infrastructure for human resources, reporting, training and maintain cash flow; this hurts the community's ability to pilot new initiatives, start new services or respond to emergencies.

Passing this bill will show the nonprofit providers across the state that the legislature values our contributions and will prioritize the success of these symbiotic relationships.

Please support SB 606