



7780 SW Capitol Hwy, Portland, Oregon 97219 503-246-1663 www.nhpdx.org

March 1, 2023
Senate Human Services Committee
900 Court St. NE
Salem Oregon 97301

Dear Committee Members:
RE: SB 606 - Oregon Nonprofit Modernization Act

Neighborhood House Inc. 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.

Founded in 1905, Neighborhood House has offered innovative services to meet the needs of thousands of low income families and seniors. Today, Neighborhood House provides services and resources to support self-reliance, economic independence, and dignity for people of all ages through Early Childhood Education programs, enrichment programs for school age children, senior services, culturally specific child care business development and parenting programs, and operation of the largest free food distribution center serving Portland's westside.

State, city, and county funding is essential to our delivery of quality services to meet urgent needs. But many of our current funding agreements with the State of Oregon, City of Portland, and Multnomah County pose significant barriers, including inadequate reimbursement rates which make hiring and retaining staff extremely difficult; arbitrary limitations on spending for effective data tracking, program and financial management; burdensome, duplicative reporting requirements; and significant delays in payment of reimbursements for costs we have already incurred to serve our community.

Your action to adopt THE OREGON NONPROFIT MODERNIZATION ACT will make an enormous difference in our ability to keep meeting urgent community needs. The Act addresses many of the most significant barriers we confront in our current governmental funding agreements including:

- 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)
- Permitting the use of the 10% de minimis rate as a starting point to address inadequate support for administrative costs that are essential to maintaining accountability
- Requiring disbursement of awarded contract funds within 30-days of contracts being signed

Neighborhood House appreciates your consideration of SB 606. Please don't hesitate to contact us if you have any questions.

Thank you,

Chris Chiaccerini
Executive Director, Neighborhood House