

Senate Bill 603

Sponsored by Senator CAMPOS (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Tells a state agency to set up rules for other state agencies to use in coming up with programs and budgets the agencies want to fund with grants. Tells the head of the state's labor bureau to form a committee to give advice about setting a prevailing rate of wage for workers in nonprofit organizations. Tells the head of the bureau to set a prevailing rate of wage. Takes effect 91 days after the session ends. (Flesch Readability Score: 62.3).

Requires the Oregon Department of Administrative Services to establish guidelines for state agencies to follow in designing programs and establishing budgets for ongoing or multiyear activities that state agencies intend to fund with grant moneys. Specifies contents for the guidelines.

Requires the Commissioner of the Bureau of Labor and Industries to establish an advisory committee to assist the commissioner in determining a prevailing rate of wage and minimum benefits for employees of nonprofit organizations, providing guidance to state agencies in calculating labor costs and wage allocations the state agencies can use in establishing budgets for grant programs, delineating categories of work for the purpose of enabling the commissioner to determine an applicable prevailing rate of wage and minimum benefits and calculating and publishing data that state agencies can use in making adjustments to program and activity costs to account for inflation and cost-of-living allowances.

Requires the commissioner at least once each program year to determine in consultation with the advisory committee the prevailing rate of wage and minimum benefits for workers in each category of work and region that the advisory committee establishes.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to standards for state agencies that award grants to nonprofit organizations; and prescrib-
3 ing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. (1) As used in this section and section 2 of this 2025 Act:**

6 (a) **"Grant" means an agreement under which a state agency provides money, property,**
7 **a loan, a loan guarantee, a credit enhancement or other monetary assistance or another**
8 **asset to a recipient for the purpose of initiating or supporting a program or activity on behalf**
9 **of the state agency that the recipient carries out and in which the state agency does not**
10 **anticipate involvement other than monitoring compliance with the conditions upon which the**
11 **state agency made the agreement.**

12 (b) **"Program year" means a calendar year during which a program or activity that a**
13 **grant funds is active and the grant recipient is performing functions in compliance with**
14 **conditions specified for the grant.**

15 (c) **"State agency" means a state office, department, division, bureau, board, commission**
16 **or other agency that awards a grant to a nonprofit organization to carry out functions that**
17 **the agency specifies in a grant agreement.**

18 (2) **The Oregon Department of Administrative Services by rule shall establish guidelines**
19 **for state agencies to follow in designing programs and establishing budgets for ongoing or**
20 **multiyear activities that state agencies intend to fund with grant moneys. The rules must**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 require state agencies to:

2 (a) Use a request for information, market survey or other available means to obtain an
 3 estimate of the costs of implementing a program of services that the state agency intends
 4 to carry out by awarding a grant to a recipient that is capable of carrying out the program
 5 in accordance with the state agency's specifications;

6 (b) Use the estimate described in paragraph (a) of this subsection to establish a budget
 7 for the program the state agency intends to fund with the grant, taking into account labor
 8 costs that are based on a prevailing wage standard that the Commissioner of the Bureau of
 9 Labor and Industries establishes under section 2 of this 2025 Act for the category and type
 10 of work that the state agency anticipates that the program will require;

11 (c) Consider how best to specify the scope of work for the program based on the goals
 12 the state agency has for the program and the budget the state agency develops under para-
 13 graph (b) of this subsection, designing the specifications to effectively implement the pro-
 14 gram within the established budget; and

15 (d) Assume for the purposes of specifying and budgeting for a program in which the state
 16 agency intends to require a grant recipient to demonstrate certain outcomes for participants
 17 in a program that the program:

18 (A) Must run for three to five years, unless the state agency specifically denominates the
 19 program as a pilot or demonstration program; and

20 (B) Will require annual adjustments for inflation and cost-of-living allowances for em-
 21 ployees of the grant recipient.

22 **SECTION 2.** (1) The Commissioner of the Bureau of Labor and Industries shall establish
 23 an advisory committee for the purpose of assisting the commissioner in:

24 (a) Determining a prevailing rate of wage and minimum benefits for employees of
 25 nonprofit organizations to which state agencies award grants to implement programs on be-
 26 half of the state agencies;

27 (b) Providing guidance to state agencies in calculating labor costs and wage allocations
 28 the state agencies can use in establishing budgets for programs and activities the state
 29 agencies fund with grants;

30 (c) Delineating for the purpose of enabling the commissioner to determine an applicable
 31 prevailing rate of wage and minimum benefits:

32 (A) Categories of work based on a delineation of the skills, expertise, education, training
 33 or other qualifications necessary to carry out the functions of a program or activity that a
 34 state agency funds with a grant; and

35 (B) Regions or locations of the state within which different prevailing rates of wage or
 36 minimum benefits apply; and

37 (d) Calculating and publishing data that state agencies can use in making adjustments
 38 to program and activity costs to account for inflation and cost-of-living allowances.

39 (2)(a) The advisory committee described in subsection (1) of this section must be com-
 40 posed of representatives of:

41 (A) Nonprofit workers;

42 (B) Nonprofit employers;

43 (C) State agencies that award grants to nonprofit organizations; and

44 (D) The public.

45 (b) The advisory committee shall give priority to advising the commissioner concerning

1 prevailing wage and benefit standards and work categorization that apply to work in pro-
2 grams that provide human services.

3 (3) The commissioner at least once each program year shall determine in consultation
4 with the advisory committee described in subsection (1) of this section the prevailing rate
5 of wage and minimum benefits for workers in each category of work and region that the
6 advisory committee establishes under subsection (1)(c) of this section and shall make the
7 information available to state agencies that award grants in each category of work and each
8 region and to the public. The commissioner may amend the rate at any time.

9 (4)(a) A person that the commissioner or advisory committee contacts or consults for the
10 purpose of determining a prevailing rate of wage and minimum benefits under subsection (3)
11 of this section shall cooperate with and provide to the commissioner and the committee, on
12 forms the commissioner provides, the data the commissioner or the committee requests and
13 shall certify the accuracy of the data.

14 (b) Notwithstanding ORS 192.311 to 192.478, information that a person provides to the
15 commissioner or the committee under paragraph (a) of this subsection is confidential and
16 not available for inspection by the public.

17 (c) The commissioner may enter into a contract with a public or private party to obtain
18 data and information the commissioner needs to determine the prevailing rate of wage and
19 minimum benefits. The contract may provide for the manner and extent of the review of
20 affected categories of work and for other requirements the commissioner prescribes.

21 **SECTION 3.** (1) Sections 1 and 2 of this 2025 Act become operative on January 1, 2026.

22 (2) The Commissioner of the Bureau of Labor and Industries may adopt rules and take
23 any other action before the operative date specified in subsection (1) of this section neces-
24 sary to enable the commissioner, on and after the operative date specified in subsection (1)
25 of this section, to undertake and exercise all of the duties, functions and powers conferred
26 on the commissioner by sections 1 and 2 of this 2025 Act.

27 **SECTION 4.** This 2025 Act takes effect on the 91st day after the date on which the 2025
28 regular session of the Eighty-third Legislative Assembly adjourns sine die.

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