



March 1, 2023

Governor Kotek  
Senate President Rob Wagner  
Speaker of House of Representatives Dan Rayfield  
Members of the Oregon Legislature  
900 Court St. NE  
Salem Oregon 97301

Dear Elected Officials:

RE: SB 606 - Oregon Nonprofit Modernization Act

Gray Family Foundation, a supporting organization of Oregon Community Foundation, fully supports the passage of SB 606, the Oregon Nonprofit Modernization Act. Your support for SB 606 is critical to the health of the nonprofit sector and the communities they serve.

We were founded on the belief that fostering an understanding and appreciation of the natural world is a crucial part of a child's education. We support nonprofits across Oregon to engage people as active stewards, caring for our communities and natural environments. Our vision is of an inclusive, equitable, and diverse state with opportunities for all people living in Oregon to strengthen their connections to place through meaning outdoor experiences. This can only be achieved by a strong, healthy, and sustainable nonprofit sector.

Oregon's nonprofits provide vital enrichment opportunities for our youth. They are a key mechanism for delivering essential and impactful programs benefiting youth and families, such as Outdoor School for All, summer and afterschool learning programs,, STEM and STEAM programs, and programs that deeply engage students in culturally-relevant outdoor experiences that support positive youth development and youth leadership. Many of these nonprofits also expose youth to education and career opportunities in the outdoor recreation, green energy, and natural resource sectors that are vital to the future health of the Oregon economy.

We've heard directly from the nonprofits we work most closely with on the immense challenges of hiring and retaining staff, on cash flow issues caused by complicated reporting requirements on government grants and contracts, and about incredibly long wait times for reimbursable expenses. Additionally, smaller community-based organizations struggle to be competitive due to complex or confusing applications.

As an example, in 2022, an important community based, BIPOC-led, statewide nonprofit reached out to me. They were waiting for nearly \$300,000 in reimbursable funds on work that they had delivered as part of state and local contracts. Payments were slow coming due to cumbersome paperwork and the tolls of the pandemic on their administrative staffing. Because of this, they were at risk of not being able to make payroll that month. Gray Family Foundation stepped in with a \$50,000 loan to help the close the gap. This example is just one small anecdote demonstrating the need to pass SB 606 to enable nonprofit organizations to survive and thrive. Nonprofits across the state will be helped by:

- Requiring a de minimis administrative rate of 10 percent or higher
- Eliminating reimbursement as a form of payment for state contracts
- 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).

Gray Family Foundation appreciates your consideration of SB 606. Please don't hesitate to contact me if you have any questions.

Thank you.

Sincerely,



Nancy Bales  
Executive Director, Gray Family Foundation