



February 24, 2023

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

Dear Committee Members:

RE: SB 606 - Oregon Nonprofit Modernization Act

The Alliance for Equity in Montessori Education 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 we serve.

Our mission is to increase access to high-quality, early childhood education for families impacted by economic and racial inequities by providing tuition-free Montessori preschools. Our Alder Montessori school opened in Fall of 2015 and is co-located at a public elementary school in the Reynolds School District, within Multnomah County. Over 70% of our students enter our school as dual language learners, and 100% of the families we serve have incomes at or below 200% of the FPL.

Funding from the State allows us to provide tuition-free early childhood education and represents over 80% of our current annual funding. As we expand to serve more young children and their families our confidence in the State funding contracting system needs to be strong. We can only open new preschools when we know we have the financial stability to properly set up classrooms, hire and onboard qualified staff, and provide a preschool program which is there for years to come for the children and their families.

We have experienced many contracting challenges due to delayed payments each fiscal year, often with no funding flowing until late October. There are many administrative requirements for licensed childcare centers/preschool funding systems and admin rates do not cover our true costs. The application process to expand to add just 5 more children is also complex and time consuming.

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The passage of SB606 will make a huge impact for non-profit providers and stabilizes our programs and services which offer essential supports to low-income families and their children. We strongly support SB606 as the following components of the bill will help us, and other similar nonprofits by the following:

- 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 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).

The Alliance for Equity in Montessori appreciates your consideration of SB 606. Please don't hesitate to contact us if you have any questions. Thank you.

Sincerely,

Liora Berry, Executive Director

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