



HOUSING SENIORS | CREATING HOPE | PILOTING CHANGE

March 5, 2023

Senator Sara Gelser Blouin, Chair  
Senate Committee on Human Services  
900 Court St NE, H-283 Salem, OR 97301

**RE: Support for SB 606**

Chair Gelser Blouin, Vice Chair Robinson, and Members of the Committee:

On behalf of Northwest Pilot Project, I am writing in strong support of SB 606, The Nonprofit Modernization Act, which establishes Nonprofit Workforce Retention Fund to support qualifying nonprofit organizations with access to funding and new guidelines that will increase employee compensation and therefore reduce workforce turnover. This measure is critical to the health of the nonprofit sector and the communities they serve, and we urge your support.

Northwest Pilot Project (NWPP) is a social service agency with over 53 years of experience in providing housing stabilization services to older adults experiencing or at risk of homelessness in Multnomah County. As a nonprofit service provider in the social and human services sector, NWPP's work is critical to older adults in Multnomah County because *we are the only provider of senior-focused housing placement services*. Multnomah County does not directly provide the services we do; they contract with us to do so because we are the experts in this area.

However, and as I'm sure you are aware, nonprofit organizations must secure funding from grant awards, individuals, business, and government contracts. Fundraising, and contract management are time consuming and expensive. Despite have a unique stream of revenue, however, does not mean nonprofit organization receive any unique exemptions from labor laws, IRS payroll rules, ADA compliance, etc. Nor do we get significant discounts or donations for rent, insurance, and other required management expenses. Employee compensation and benefits are the biggest cost center for nonprofit organizations, just as with for profit businesses. Nonprofits like NWPP need the Nonprofit Modernization Act to make access to and use of government funds more efficient and less costly.

Some of the benefits of the Nonprofit Modernization Act to nonprofits across Oregon will be:

- Requiring a *de minimis* administrative rate of 10 percent or higher.
- Eliminating reimbursement as a form of payment for state grants; funds would be provided in full at the start of the funding period.

- 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 ensure nonprofit contracting will be streamlined and simplified.

SB 606 is a timely and needed reform to how nonprofit organizations can increase their efficacy and impact while building and retaining a strong workforce.

Sincerely,

Laura Golino de Lovato  
Executive Director  
Northwest Pilot Project