

March 6, 2023
Senate Human Services Committee
900 Court St. NE
Salem Oregon 97301

Dear Committee Members:

RE: SB 606 - Oregon Nonprofit Modernization Act

APANO Communities United Fund (CUF) and APANO ask 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.

APANO CUF and APANO share a mission of uniting Asians and Pacific Islanders to build power, develop leaders, and advance equity through organizing, advocacy, community development, and cultural work. Across our organizations, we provide a range of programs that reach AAPI small business owners, Vietnamese- and Chinese- speaking immigrants and families, Jade District residents in Southeast Portland, AAPI and BIPOC creatives and artists, AAPI and other young people of color, and the broader AAPI community in Oregon. Our programs engage community members to deepen their understanding of systems and policies, and to find power in their identities and communities; remove intentional barriers to access resources and opportunities; and mobilize community members to influence issues and decision making.

For many years, the work of our and other Asian American, Native Hawaiian, and Pacific Islander community organizations has expanded. We are looked to in order to serve the wide range of needs and priorities of AAPI Oregonians and to fill the gaps in access that our communities uniquely face. The COVID-19 pandemic exacerbated the many disparities and hardships our communities face. As a result, we saw an increased demand for our programmatic work , which required us to pivot in order to meet acute and long-term community needs – all while supporting our staff in navigating a profoundly challenging time.

This has shed light on the two critical organizational challenges we face today: 1.) investing in our organization's infrastructure to manage an increasingly complex organization (and involved funding streams including government funding), and 2.) hiring, retaining, and justly compensating our staff who carry out the heart of our work. The second has been particularly challenging in a high-inflation context where the compensation increases we have prioritized barely keep up with the cost of living,

much less lift the floor of base salaries in a nonprofit sector that demands much of its workers and compensates poorly.

The Oregon Nonprofit Modernization Act helps address these 2 challenges. First, it **requires a de minimis administrative rate of 10 percent or higher**, enabling organizations like ours to invest in the capacity needed to manage all of the requirements of government grants and strengthen our core infrastructure to support all of our staff and programs. Second, it **creates the Nonprofit Workforce Retention Fund** to provide grants to nonprofits to help maintain and prevent employee turnover. Retention is an especially critical piece of this fund which is directly tied to the impact of our work. Retaining qualified employees helps us deepen relationships with community members and partners, build and improve our programs, and mentor and develop newer staff members.

The landscape of organizations serving Asian American, Native Hawaiian, and Pacific Islander has been growing in capacity, enabling us to better meet specific community needs within our diverse demographic. The provisions of SB 606 will enhance our collective capacity by making state agencies' contracting and grant processes work better for our needs by also:

- Eliminating reimbursement as a form of payment for state grants;
- Requiring disbursement of contract funds within 30-days of signed contract;
- And 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.

For nonprofits to do our work well, for us to provide meaningful programs that positively impact our communities and advance justice and equity in Oregon, it is critical that we invest in our staffs and organizational infrastructures. Our work is challenging, complex, and necessary. It must be supported by a strong foundation and meaningful investment in the people and capacity that make it possible. Thank you for your consideration of SB 606, and please don't hesitate to contact us if you have any questions.

Sincerely,



Allie Yee
Co-Executive Director
APANO Communities United Fund & APANO