

March 6, 2023

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

Dear Committee Members:

RE: SB 606 - Oregon Nonprofit Modernization Act

Neighborhood Partnerships respectfully submits this testimony in strong support of SB 606, the Oregon Nonprofit Modernization Act. Your support is critical to the health of the nonprofit sector and the communities they serve. My name is Holly McGuire. I am the Director of Economic Opportunity at Neighborhood Partnerships.

Neighborhood Partnerships works with community-based organizations across Oregon to develop human-centered and emergent solutions to immediate harms, and to power liberatory and transformative change through organizing, policy advocacy, and narrative change. We center those most impacted by racial, housing, and economic injustice, directing our energy and resources toward building community power, knowledge, and capacity. We believe in an Oregon full of financially resilient households where opportunity and prosperity are shared widely and accessible to all.

In one of our roles, Neighborhood Partnerships is a direct contractor with the state as administrator of the Oregon Individual Development Account (IDA) Initiative, and as such works directly and through networks across the state, with over 60 community based organizations, community action agencies, housing organizations, and with organizations invested in safe and affordable housing for all through our convening of the Oregon Housing Alliance. We have direct experience with the opportunities and burdens of state funding, and secondarily through our close work with program providers over twenty years. This experience led us to integrate Equitable and Liberating Systems as a priority strategic goal:

We strive toward equitable, liberating, human-centered systems and structures that are simple, transparent, and work for people. We shift away from systems and structures that are needlessly complex, create barriers, and perpetuate harm.

The toll that workforce turnover has in the critical social and economic work that nonprofits do in our state cannot be overstated. For community based organizations, the work is so integral to the fabric of communities, and is relationship based. Turnover tears that fabric with each instance. Nonprofit work, precisely because it is both administratively complex, and requires more capacity and staff than is funded, takes time to learn, and longterm staff are mainstays of program effectiveness and impact. But low wages, inadequate benefits, and, again, insufficient numbers mean that burnout is rampant. The

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pandemic made clear how critical workers in nonprofits are to addressing the many inequitable harms our economic system brings to our communities. But the hard truth is that many of our workers qualify for the same programs targeting low income Oregonians that they work for. And many are leaving these underpaid positions hoping that they too can have the opportunity to thrive.

Less visible, but of great impact, are the many structural elements of state and federal funding and contracts that add complex, burdensome, and duplicative qualifying, compliance and reporting requirements. These are sometimes spelled out in RFPs and contracts, but often are behind the scenes, in agencies not mentioned in the primary contract or agreement or prefatory to receiving funding.

Agencies like the Department of Administrative Services, or the Legislative Fiscal Office operate out of the light of primary contracting relationships or routine citizen oversight and have tremendous influence over how long it takes for funding to reach grantees, and what compliance and reporting requirements are required without accountability for their “why”. SB 606 promises increased daylight on the many small and large rules, policies, and processes that impede effective and impactful use of precious state resources.

As a funding entity ourselves, disbursing state funds to organizations statewide, and seeing the impacts of staff turnover, and strong fiscal support for funds tracking and responsiveness to participants, we have increased the proportion of program and administrative support our contracts include. But our program is very small compared the bulk of organizations’ funding through the state. We strongly advocate for this bill, and the possibility it would provide capacity funding and 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.

In the wake of the pandemic, we are all confronting the many ways that how we have “always done things” no longer serves us. Please support this opportunity for creating systems and structures that are simple, transparent, and work *for* people.

Neighborhood Partnerships strongly urges you to support SB 606. Please don’t hesitate to contact us if you have any questions.

Sincerely,



Holly McGuire
Director of Economic Opportunity

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