



Legislative Fiscal Office
83rd Oregon Legislative Assembly
2025 Regular Session

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Bill Title: Relating to state agency relations with nonprofit organizations; prescribing an effective date.

Government Unit(s) Affected: Department of Administrative Services, Department of Justice, Statewide - Executive Branch

Summary of Fiscal Impact

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Administrative Services	\$ 686,900	\$ -	\$ -	\$ -	\$ 686,900	3	2.00
Total Fiscal Impact	\$ 686,900	\$ -	\$ -	\$ -	\$ 686,900	3	2.00

2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Administrative Services	\$ 357,221	\$ -	\$ -	\$ -	\$ 357,221	1	1.00
Total Fiscal Impact	\$ 357,221	\$ -	\$ -	\$ -	\$ 357,221	1	1.00

- The table above does not reflect an indeterminate fiscal impact to executive branch agencies who have grant or procurement contracts with nonprofit entities.

Measure Description

The measure establishes the Nonprofit Organization Advisory Council and requires the Council to consult with the Department of Administrative Services (DAS) to review grant and procurement processes for executive branch agencies who contract with nonprofit entities. DAS is required to provide staff support for the Council. Council members are not entitled to compensation. For contracted nonprofit services provided under a declared emergency, the measure requires agencies to offer advance payment at a minimum of 25% of the price for contracted nonprofit services over a 12-month term. The measure allows nonprofit organizations to charge a negotiated indirect cost rate. The Secretary of State, State Treasurer, and Public Defense Commission are exempted from the requirements of the measure. The measure does not apply to agencies in either the Judicial or Legislative branches of government.

Fiscal Analysis

Department of Administrative Services

The estimated fiscal impact of this measure is \$686,900 General Fund and three positions (2.00 FTE) in the 2025-27 biennium, and \$357,221 General Fund and one position (1.00 FTE) in the 2027-29 biennium. New positions include three Operations and Policy Analyst (OPA) roles for the 2025-27 biennium, including two full-time, limited duration positions (1.25 FTE) and one full-time, permanent position (0.75 FTE). Two OPA 4 positions would begin January 1, 2026, to conduct rulemaking, policy changes, and material revisions necessary to comply with the enterprise-wide requirements for grant agreements and procurement contracts outlined in the measure. One OPA 3 position would begin July 1, 2026, to assist agencies and manage operational changes

associated with the new policies. The estimated cost of the positions, including personal services and standard position-related services and supplies costs, is \$606,400 General Fund. Additional estimated costs include \$80,500 General Fund for Attorney General costs for rulemaking counsel. Limited duration positions are anticipated to phase out in the 2025-27 biennium. In the 2027-29 biennium, one full-time, permanent OPA 4 would continuously support the work of the Council and manage ongoing operational and policy changes.

Other Executive Branch Agencies

There is an indeterminate fiscal impact to executive branch agencies that enter grant agreements or procurement contracts, including the Oregon Business Development Department, the Oregon Department of Transportation, the Oregon Department of Forestry, the Oregon Liquor and Cannabis Commission, and the Oregon Youth Authority. Some agencies report a lack of resources to support any additional work related to grant and procurement contracts. Dependent on the volume of grant and procurement agreements an agency has, and the depth of work requested by the Nonprofit Advisory Council, agencies may require additional resources. Anticipated work includes but is not limited to revision of existing contracts and boilerplate to include advance payment language, employee training for the new agreement language, alignment with Council recommendations, new systems, tracking mechanisms, rulemaking etc. Agencies estimate this work would be completed by Operations and Policy Analyst positions serving as Grant and Procurement Specialists.

If there is a significant increase in General Counsel requests by agencies, the Department of Justice may require additional resources. There is no fiscal impact to executive branch agencies that do not engage in grant agreements or procurement contracts.

Relevant Dates

The measure takes effect on January 1, 2026.