



April 4, 2025

Senate Committee on Rules
900 Court St. NE
Salem Oregon 97301

RE: Vote yes on SB 602 – Oregon Nonprofit Grant and Contract Modernization Act

Dear Chair Jama, Vice-Chair Bonham, and Rules Committee members –

Northwest Family Services asks you to pass SB 602, the Task Force on Modernizing Nonprofit Grant Funding and Contracting. Your support is critical to the health of the nonprofit sector and the communities we serve.

For over forty years, Northwest Family Services has supported family stability, child well-being, and victims of crime by addressing the social determinants of health. Last year, our team of 140 employees served over 20,000 people in the Portland- and Salem-metro areas through our supportive housing, youth engagement, behavioral health, basic needs, and health & systems navigation programs. Our work is heavily grant-funded, with most programs funded by some level of government grant/contract.

A few challenges involved with these contracts include:

- Some grants are better funded than others for similar work, which means that we are able to pay some program staff better than others. This makes staff retention difficult for some programs, as they know they can be paid better in other programs or at other organizations.
- We have programs that are funded at the same level over multiple years, which means that our organization must absorb the cost of any cost of living increases and merit raises for our staff if we'd like to continue administering the program and serving our community.
- Many of our grants are funded using a cost-reimbursement model, which means that we are fronting the cost, sometimes hundreds of thousands of dollars, for the program as we await inconsistent and untimely reimbursements. On December 31, 2024, we had almost \$2.2 million in contract receivables due from government contract reimbursements. This is not a sustainable model.
- We average a 10% administrative rate on our contracts. Our auditors have told us that our admin rate should be closer to 20%, meaning, again, that the burden is on our organization to raise outside / private funds to fully administer these programs.

There are, of course, other challenges within this system, but these are the most difficult for our organization to navigate.

Senate Bill 602, if enacted, improves and streamlines how government grants and contracts are structured and administered. It would make important changes that would make it easier for us to operate and serve our communities. I encourage you to read [the task force's full report here](#).

Northwest Family Services appreciates your consideration of SB 602. Please don't hesitate to contact us if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rose Fuller", is written over a light blue circular stamp.

Rose Fuller
Executive Director