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April 1, 2025

The Honorable Lisa Reynolds
The Honorable Shannon Isadore
Oregon Legislature
900 Court Street NE
Salem Oregon 97301

Dear Senator Reynolds and Representative Isadore:

RE: Senate Bill 602 - Task Force on Modernizing Nonprofit Grant Funding and Contracting Recommendations

Blanchet House & Farm joins with Oregon's nonprofits to ask you to support the [recommendations of the state Task Force on Modernizing Grant Funding and Contracting](#) by passing Senate Bill 602. The recommendations are designed to improve the process and outcomes of government grants and contracts by empowering nonprofits to deliver critical services efficiently and cost effectively to Oregonians.

Blanchet House & Farm is a community-based organization that serves our homeless and housing/food insecure communities. Our mission is to alleviate suffering and promote home, and we serve this mission through our meal service program in Old Town and our transitional housing and recovery programs in Old Town and at Blanchet Farm in Carlton.

Our organization has limited experience with government contracts (both with Multnomah County), but this brief experience has been enough to show us how deeply flawed, illogical, and counterproductive to serving our community effectively and efficiently the contracting process is.

Senate Bill 602, if enacted, improves and streamlines how government grants and contracts are structured and administered. The Bill would make important changes such as:

- Encourages state agencies to make advance payments for grant funds equivalent to one-quarter of the annual contract value at the start of each new fiscal year for both new and ongoing contracts and grants.
- Updates all necessary ORS/OARs to encourage state agencies comply with the federal OMB guidelines for administrative rates ([2 CFR 200](#)), which mandate that contracts include either a de minimis standard (currently set at 15%) or the organization's approved negotiated indirect cost rate agreement (NICRA).
- Initiates steps to create a new set of ORS with OAR's specifically for grants. This will streamline Oregon's grants management by promulgating a uniform set of guidance for state agencies to follow and allowing for advance payments.
- Encourages COLA/inflation adjustments for contracts or grants if the contract exceeds 12 months or longer.
- Ensures that the cost of reporting and insurance requirements in contracts and grant agreements is covered by the indirect rate/NICRA sufficiently.)

To review all of the task force's findings and recommendations, we encourage you to read the full [report](#).

While implementing these improvements and others at the State level will not necessarily immediately affect contracting at the local level, my fervent hope is that the State will serve as a model of excellence that will inspire and influence meaningful change at the local level.



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We hope that we can count on your leadership in guiding the passage of Senate Bill 602. Thank you.

Sincerely,

Scott Kerman

Scott Kerman
Executive Director

Cc Senate Rules Committee