



Testimony in Support of Senate Bill 602
Jim White
Nonprofit Association of Oregon

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My name is Jim White, executive director of the Nonprofit Association of Oregon (NAO). I'm testifying in support of Senate Bill 602.

NAO is a registered 501(c) (3) nonprofit organization representing over 1,450 charitable nonprofit organizations and affiliate members across Oregon. Our members are located throughout the state and come from all areas of the nonprofit sector serving our communities, including education, disaster recovery, health and human services, the arts, and environmental protection and veterans' services. NAO's mission is to strengthen the collective voice, leadership and capacity of Oregon nonprofits to enrich the lives of all Oregonians.

The State of Oregon partners with nonprofits to deliver a wide range of essential services to communities statewide. Nonprofits are crucial in areas where a community-based, culturally responsible approach, along with local support, are keys to effectively implementing legislatively funded services. They include behavioral health, housing, children/youth services, public health, human services, and emergency response.

SB 602 is a direct result of the Legislature's directive to set up the [Task Force on Modernizing Grant Funding and Contracting's recommendations](#). The Task Force was charged with developing recommendations to improve the outcomes of state government grants and contracts by addressing longstanding problems that inhibit nonprofits from successfully carrying out services.

Over the years, disjointed application processes, restrictive contracts, incommensurate reporting requirements, late and delayed contract payments, reimbursement-based grants, low-administrative rates, and lack of cost-of-living adjustments have affected nonprofits' financial stability and threatened critical service provision. In part due to these issues, wages have stagnated, and staff turnover has increased in the nonprofit sector.

Senate Bill 602 is designed to maximize the ability of nonprofits to provide government funded services efficiently and cost effectively. The bill provides a venue through an advisory council to streamline administrative procedures, reduce redundancies, eliminate inconsistencies, and promote mechanisms that provide centralized accountability. The bill encourages more a collaborative relationship between state government and nonprofits by providing a platform to adjust contracts or grants when there are insufficient funds or delays in funding.



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NAO works alongside many outstanding Oregon-based 501(c)3 organizations that enrich lives and deliver vitally needed services for the people of Oregon. Nonprofits benefit our state in unique ways that cannot be replicated by the government or by the private sector. The independent strength of Oregon's charitable sector is more important today than ever. For all of these reasons, we strongly support the passage of SB 602.