



March 13, 2025

The Honorable Sara Gelser Blouin
The Honorable Sarah Finger McDonald
The Honorable Shelly Boshart Davis
The Honorable Cedric Hayden
The Honorable Jami Cate
The Honorable Dick Anderson
The Honorable David Gomberg

Oregon Legislature
900 Court Street NE
Salem Oregon 97301

Dear Senators and Representatives for Benton and Linn Counties:

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

Old Mill Center for Children and Families 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.

As a member of the Governor's Task Force that worked on the recommendations that are included in this bill, I am particularly passionate about seeing these important changes happen. I am convinced that they will provide tangible long-term benefits to Oregonians as we address current inefficiencies and inconsistencies and show the nonprofit workforce that we deeply value their work with the most vulnerable members of our state. The latter alone will surely lead to a more stable workforce that is paid at levels that are more comparable to those in government and in private business.



Old Mill Center for Children and Families is a community-based organization that supports vulnerable children and families with early childhood education, parenting education, family support, behavioral health and occupational therapy services that are individualized to the needs of each child and family. This allows parents to be the best parents they can be and have the resources and knowledge to support the needs of their children. Our mission is to *be a community-based, family-centered organization empowering children and families of diverse backgrounds to optimize their potential through specifically designed education and therapy programs.*

Our organization has experienced delays in payment and contract start dates for state contracts and grants, inflation adjusted contract value decreases when considering the impact of inflation for personnel and personnel benefit costs and duplication and redundancy in the requests for contract documentation like organizational insurance and base organizational data and reporting. We are fortunate that we have reserves built from local donor support that allow us to weather the cashflow impacts of these challenges with state contracts and grants but know that many smaller nonprofits have faced serious consequences including the need to take out personal loans and furloughing of staff when contracts and grants were delayed. We also know that many of us under-invest at times in our own infrastructure and systems as administrative rates included in grants and contracts are not sufficient to make the necessary upgrades. During Covid we were fortunate to access some additional funds to catch up in those areas, but ongoing funding is needed.

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

- 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).
- 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.



- Requires agencies to track rates of on-time payments of invoices to ensure they meet the payment schedule agreed to in the contract or grant agreement.
- Initiates steps to create a centralized statewide grant management database to integrate procurement and program management workflows, store organizational information (organizational profile) and application details, and operate as a repository for reports and training materials.

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

[Modernizing-Grant-Funding-And-Contracting-Full-Report-09132024-Final.pdf](#)

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

Sincerely,

A handwritten signature in black ink, appearing to read "Bettina Schempf", with a large, stylized loop at the end.

Bettina Schempf
Executive Director

Cc Senate Rules Committee