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

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From Janet Yousey <Janet.Yousey@shangrila-or.org>

Date Thu 3/20/2025 2:37 PM

To Sen.FloydProzanski@oregonlegislature.gov <Sen.FloydProzanski@oregonlegislature.gov>

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Dear Senator Prozanski,

Shangri-La 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.

Shangri-La supports people with disabilities and families with disadvantages - at home, at work, and in the community. We serve approximately 1000 people per year and employ 350 staff. I see Senate Bill 602 as a starting point to elevating the work of nonprofit organizations and valuing the work nonprofits do in our community.

Our organization has experienced significant barriers over the years due to red tape, missed deadlines, and vague grant spending guidelines. This has caused us to:

- Delay the start of a new mental health home by over 6-months due to shifting government timelines.
- Lose a house we were under contract with due to a delay in government funds making it to us.
- Avoid opening badly needed additional houseless assistance programs because the government contract we've held for 16 years requires a match, resulting in over \$20,000 of annual losses.
- Spreadsheets upon spreadsheets, general ledger details hundreds of pages long, receipts by the bucketload, to track the various requirements of each grant. I am thankful for these grants, but the administrative work currently called for by both parties is extensive and perhaps unnecessary given the other methods of checks and balances already in place. For example, our **services are audited and licensed, our financials are audited and publicly shared. We are held accountable for the quality of services we provide.**

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 to 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 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.

- Encourages COLA/inflation adjustments for contracts or grants if the contract exceeds 12 months or longer.

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

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

Sincerely,  
Janet Yousey

**Janet Yousey**

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**Shangri-La**

*Helping individuals with disabilities or disadvantages recognize and achieve their potential.*

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