



## Focusing Together on Health

2008 Third Street, Suite A, La Grande, OR 97850

Office: (541) 624-5101 Fax: (541) 624-5105

Website: [www.neonoregon.org](http://www.neonoregon.org)

April 7, 2025

The Honorable Senator Todd Nash  
The Honorable Representative Bobby Levy  
Oregon Legislature  
900 Court Street NE  
Salem Oregon 97301

Dear Senator Nash and Representative Levy:

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

Northeast Oregon Network (NEON) 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.

NEON is a community-based organization that provides health insurance enrollment, Community Health Worker services, healthcare interpretation, fiscal sponsorship, and a statewide training and certification program. Our mission is to support individuals, communities, and systems to collectively promote equity, health, and wellbeing at home and beyond. The majority of our work focuses on supporting critical services in small and rural communities.

Our organization has experienced significant challenges with state grants and contracts, including challenges with indirect costs, data collection, and expense reporting. Each Oregon state grant or contract has its own data collection system, indirect costs practices, metrics stated in different ways requiring different data collection, and expense reporting invoices that don't match each other or typical nonprofit accounting practices. Often, this means that staff time is spent on data collection and submittal into multiple online systems, or recalculating personnel fringe rates in multiple different ways for different reports, rather than on service provision. These challenges cause a significant administrative burden to contract with the state of Oregon, despite the incredible value of these funding sources to our organization. A streamlined process for nonprofit contracting with sufficient indirect costs to support our organizational infrastructure would allow us to focus on providing the critical services in our rural community.

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 initiating 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. It also 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).

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,

Liberty Avila, NEON Executive Director

Cc Senate Rules Committee