



Testimony in support of SB602
Senate Rules Committee: April 9, 2025

Chair Jama and members of the committee –

My name is Cindy Fletcher. I am deputy director at Northwest Family Services, and I urge you to support Senate Bill 602.

For over 40 years, Northwest Family Services has supported family stability, child well-being, and victims of crime by addressing the social determinants of health. Last year, our team served over 20,000 people in Clackamas, Multnomah, Washington, Marion, and Polk Counties through programs centered on behavioral health, health & systems navigation, supportive housing, youth empowerment, and connecting people to basic needs. We have 140 staff working in the community and in schools, and have offices in Portland, Milwaukie, and Gresham, as well as at the Gladstone Food Pantry and Casa Esperanza, which is the only culturally and linguistically specific domestic violence shelter in Oregon that serves Latinas and their children.

We are in favor of Senate Bill 602. It is a first step for state agencies to consistently approach their contracting process, and it encourages conversation and negotiation. This landmark bill would allow uniformity so the state and nonprofits can truly work in partnership to serve the people of Oregon.

Most of our funding comes from grants and contracts, with about 36% coming directly from the state of Oregon. Our contracting experience varies greatly, depending on the agency. We have programs that are pre-funded, those funded using a cost-reimbursement model, and fee for service programs. We have funding that increases annually based on the actual costs of running the program and funding that remains flat each year. We have programs that do not allow an indirect rate and those that allow the federal rate of 15%. We have multi-year contracts that allow us to be strategic and annual contracts that make that more difficult.

We finished 2024 with \$2.2 million in contract receivables owed to us by various state, county, and local agencies. This amount has increased each year and is not sustainable. It means that instead of focusing on our core competencies in the community, we also must fundraise to ensure we are fiscally healthy and around to serve our participants.

Our staff work with folks who are at the worst point in their lives. Our staff walk alongside their clients and empower them to improve their situation. When different contracts for similar programs have different terms, the onus is on the nonprofit to find the funds to make up the programmatic differences needed to retain our highly trained workforce.

I could go on and on but will stop here and urge you to pass Senate Bill 602. Thank you!