



April 9, 2025

Chair Jama, Vice Chair Bonham, and Committee Members, thank you for this opportunity to testify in support of Senate Bill 602. I was scheduled to provide virtual testimony at today's hearing but could not make myself heard when called upon. For the record, my name is Kelli McKnight; I am the CEO of Options Counseling and Family Services. Options provides mental health and family stabilization services in fourteen Oregon counties. I've worked at Options for over thirty years, starting as a direct service provider for families referred through ODHS/Child Welfare.

During my 30-year tenure at Options, I have been responsible for writing responses to requests for proposals (RFPs) issued by the State. I'd like to share an experience that will illustrate some of the challenges in the current system.

Several years ago, a key Child Welfare contract came up for renewal. As I mentioned, Options offers home- and community-based interventions in fourteen counties, represented by eight ODHS districts. To ensure that Options would be competitive and retain contracts that support families in these districts, I answered the same questions, adjusting for each county or district, eleven times. Each completed proposal was over 100 pages long. This arduous process resulted in Options maintaining its services in these districts and counties, but a more streamlined approach would have eliminated redundancies.

Another example was an RFP that was released in mid-December, with a due date of December 26th. Again, I carefully responded to the questions, citing Options' experience and presence in the rural county. Another agency was selected for the contract award, even though their proposal was extremely brief and lacked detail. When I met with the district manager to inquire about the decision, he told me that his branch was "looking for someone new."

I would like to emphasize the importance of including cost-of-living review and adjustments for multi-year contracts. While costs for mileage, rent, employee benefits, and wages have risen, contracts remain stubbornly constant through their five-year terms. Without cost-of-living increases built into the contracts, Options struggles to recruit and retain team members who deliver critical services to Oregon residents.

As an example, a starting salary of \$40,000 offered in 2020, would need to be adjusted to \$48,777.55¹ in 2025 to maintain the same earning power; that represents a cumulative increase of nearly 22%. Similarly, in 2020, the federal rate for mileage reimbursement was 57.5 cents per mile; it is currently 70 cents per mile². As many ODHS services are delivered in families' homes and communities, this represents a significant cost increase for agencies serving ODHS children, youth, adults, and families without a commensurate increase in funding.

Individuals working in agency settings are subject to the consequences of inflation that public and private sector employees experience. However, cost-of-living and step increases are difficult to offer in non-profit settings. As a result, those of us serving some of the most vulnerable Oregonians are struggling to support livable wages and comprehensive benefits for our team members.

Please make a clear statement that values these workers and those they serve by supporting this bill. This is deep heart work that shouldn't come at the expense of wage stagnation.

I hope to count on your leadership in guiding the passage of Senate Bill 602. Thank you.

¹ <https://www.in2013dollars.com/us/inflation/2020?amount=40000>

² <https://www.irs.gov/tax-professionals/standard-mileage-rates>