



Multnomah County Board of Commissioners
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Senate Bill 606 established the Modernizing Grant Funding and Contracting Task Force to examine how the state's granting and public procurement practices limit the wages of nonprofit organizations.

Focus Areas established in SB 606

Payment models that prioritize full cost recovery



Uniform application procedures for grant moneys

Standard contracting language that permits flexibility in contract terms and conditions and multiyear contract terms

Sufficient reporting requirements that are commensurate with funding levels and allow for adequate lead time for changes to reporting required within the term of a contract

Changes to state procurement practices that will support living wages for employees of nonprofit organizations



A mechanism for ongoing review and evaluation of grantmaking and procurement processes

Recommendations: Payment Models

- ❑ Require state agencies to follow federal OMB guidelines - honor 15% de minimis or Negotiated Indirect Cost Rate Agreement (NICRA)
- ❑ Require state agencies to track rates of on-time payment, and institute a 5% penalty (5% is what the state charges the public for late payments)
- ❑ Contracts and grant agreements should offer advance payment equivalent to one-quarter of the annual contract value at the start of each new contract period

Recommendations: Standard Contract Language

- ❑ Require contract language that:
 - ❑ Clarifies which terms are negotiable and which are not
 - ❑ Allocate funds to cover insurance requirements
 - ❑ Include the conditions that will allow advance payment
 - ❑ Reduce participant or program restrictions for contracts that use reimbursement only and do not cover the full cost
- ❑ Engage nonprofit stakeholders to review current templates and training materials to better align with nonprofit business practices

Recommendations: Sufficient Reporting

- ❑ Cost out reporting requirements in contracts and grant agreements, confirm that either the indirect rate/NICRA sufficiently covers the desired report or set aside additional funds in the approved budget.
- ❑ Programs designed to demonstrate participant outcome changes must have an investment commitment of three to five years (unless explicitly a pilot program) and include annual COLA and inflation adjustments.

Recommendations: Support Living Wages

- ❑ Require agencies to use prospective budgeting for ongoing bodies of work:
 - ❑ Contract managers should obtain estimates for future service costs and then anticipate how much they can afford to spend on nonprofit services under various constraints or investment scenarios.
 - ❑ Include this information in the budgeting development process.

Thank you!

Questions?