

Item 3: Department of Administrative Services

Oregon Cares Fund for Black Relief and Resiliency

Analyst: Theresa McHugh

Request: Increase the Federal Funds expenditure limitation established for the Department of Administrative Services established at the April 23, 2020 meeting of the Emergency Board by \$62,000,000 from funding made available to states through the Coronavirus Relief Fund (CRF) for a grant to The Contingent, an organization with pre-existing state contract relationships, in partnership with the Black United Fund, to be used for Black relief and resiliency.

Description: National and state data show that the Black community is one of the communities experiencing a disproportionate share of negative economic and health effects due to COVID-19. The National Bureau of Economic Research reported that African-American businesses have been hit the hardest by the pandemic. The Contingent (formerly known as the Portland Leadership Foundation), which serves all 36 counties in Oregon, is a nonprofit organization that will, in partnership with the Black United Fund, work with community based organizations to provide relief to the Black community.

Work has begun to establish the application and award processes, as well as to comply with CRF spending and reporting requirements. It is anticipated the majority of the funds will be used to provide economic relief to Black individuals and businesses; the Black United Fund will take the lead on grants to individuals and families and The Contingent will take the lead on grants to businesses. The Contingent has data systems in place to track grants awarded and to provide information on how the funds are spent and the resulting effect on people and businesses receiving the funds.

Initial information indicates that the application process will be online, and grants will be issued in amounts of \$500 to \$3,000 for individuals and families and \$2,000 to \$100,000 for businesses and community based nonprofit organizations. Specific requirements for individuals, families, and businesses include:

- Must live in, be a resident of, or be a business based in Oregon
- Must self-identify as Black
- Must demonstrate employment, economic, or business interruptions due to COVID-19

Specific requirements for community-based nonprofits include:

- 501(c)3 in good standing
- Significant percentage of clients are from the Black community
- Organizational environment is Black-focused and recognized by the community served as a Black-serving organization
- Full-time staff must be at least 33% Black, and organization leadership is majority Black
- Must demonstrate business interruption due to COVID-19 and/or administer Oregon Cares Fund grants

The Black United Fund and The Contingent will review applications and make recommendations to a Council of Trust, which will be composed of Black leaders from across Oregon. The Council of Trust

must approve all funding decisions. Council members will serve until the funds are expended or for a one-year term if additional funding opportunities become available.

The Department of Administrative Services will be the state agency responsible for transmitting the funds and working with The Contingent on ensuring that federal spending, reporting, and other legal requirements are met, including that the funds are expended by December 30, 2020.

Recommendation: The Co-Chairs of the Emergency Board recommend increasing the Federal Funds expenditure limitation established for the Department of Administrative Services established at the April 23, 2020 meeting of the Emergency Board by \$62,000,000 from funding made available to states through the Coronavirus Relief Fund (CRF) for a grant to The Contingent, an organization with pre-existing state contract relationships, in partnership with the Black United Fund, to be used for Black relief and resiliency.