



For Immediate Release

November 17, 2016

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Task force makes final recommendation on streamlining state government contracts with nonprofits; agrees work must continue

LEXINGTON, Ky. – The task force created to examine ways to streamline state government contracts with nonprofit organizations issued its final recommendation Nov. 15. But its work is far from over.

Danielle Clore, executive director of Kentucky Nonprofit Network and member of the task force, said members unanimously recommended ongoing collaboration between state agencies and the nonprofit organizations contracting with them is necessary to create specific solutions to address the costly and often duplicative contracting practices. The task force recommended the Finance and Administration Cabinet serve as lead agency for collaboration efforts and identified four key issues that need to be addressed to improve contracting and better meet the needs of Kentuckians, including: the gaps between state and federal indirect cost reimbursement rates for services; mirroring federal contracting laws in Kentucky to avoid confusion; and streamlining application, reporting and auditing processes.

“The issues identified by the task force are wasting time and dollars of both state agencies and the nonprofits contracting with them to serve our citizens. Kentuckians deserve better, and I’m encouraged that the task force unanimously recognized the importance of the work ahead and didn’t simply rubber stamp generic recommendations,” Clore said.

The Government Nonprofit Contracting Task Force is the result of House Concurrent Resolution 89, co-sponsored by Rep. Addia Wuchner (R-Florence) and Rep. Arnold Simpson (D-Covington) and unanimously passed by the Kentucky General Assembly in 2015. The resolution was spearheaded by KNN, the state’s association of nonprofit organizations.

“I co-sponsored the legislation to ensure the effective and transparent use of tax dollars when the commonwealth contracts with nonprofit organizations,” Wuchner said. “The solutions identified by the task force, along with the scope of recommendations we put forth, will develop process standardizations that will improve not only effective collaboration but also services provided across Kentucky communities.”

“The task force learned a great deal about the unnecessary red tape facing our state agencies and their nonprofit partners in delivering services. The critical issues identified are complex and will require further study to develop concrete solutions that will ultimately benefit all Kentuckians,” said Sen. Max Wise, (R-Campbellsville), co-chair of the Task Force.

“The task force was unanimous in its support of furthering efforts to streamline contracting processes, because whether you are a direct or indirect recipient of services the state contracts with nonprofits to provide on its behalf, the issue is important to all taxpayers. Tax dollars need to be spent wisely and efficiently, and the next phase of this work will specifically address how this should occur,” said Rep. Russ Meyer (D-Nicholasville).

Clore said Kentucky Nonprofit Network will work in conjunction with legislators on the task force to identify the next steps for moving forward, which could include legislation in the upcoming session.

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About the Kentucky Nonprofit Network: Kentucky Nonprofit Network is the state association of nonprofits, existing to strengthen and advance Kentucky’s nonprofit community. The association serves as a resource for nonprofit leaders, board members and other volunteers, an information center on effective nonprofit organizational practices, and an advocate for the nonprofit sector. For more information about the Kentucky Nonprofit Network, visit <http://www.kynonprofits.org>.