



****P R E S S R E L E A S E****

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FOR IMMEDIATE RELEASE

Nonprofit and Legislative Leaders React to Governor Newsom's Commitment to Working with California's Nonprofits

SACRAMENTO – Today CalNonprofits CEO Jan Masaoka and the chairs of the legislative Select Committees on the Nonprofit Sector, Assemblymember Luz Rivas (D-San Fernando Valley) and Senator Monique Limon (D-Santa Barbara), reacted to language included in Governor Gavin Newsom's proposed 2023-24 budget acknowledging the call from more than 550 nonprofit and community leaders to improve state contracting with nonprofit partners:

Jan Masaoka:

"Sometimes the first step is being heard. With a few simple words in his budget, Governor Newsom affirmed an important request from hundreds of nonprofits across the state that want to continue to play the crucial roles that California needs them to play: as the backbone of services for the state's most vulnerable communities.

The Governor's remarkable, explicit commitment to work toward improving how government and nonprofits work together demonstrates his administration's awareness that the Governor's ambitious goals for California lean heavily on nonprofits to provide their services and their hearts. Alongside our partners across the nonprofit community, we look forward to the rigorous and detailed work ahead in collaboration with the Governor's administration and the legislature to ensure we are collectively able to effectively and equitably support the needs of millions of Californians."

Assemblywoman Luz Rivas:

"Nonprofits are the pillars of our communities. They work around the clock to support the needs of families and provide critical services to Californians. As Chair of the Select Committee on the Nonprofit Sector and founder of a nonprofit, I understand the challenges that exist. I look forward to working with CalNonprofits and the administration

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to ensure that our nonprofits are provided with the necessary resources to serve our communities.”

Senator Monique Limón:

“As the chair of the Senate Select Committee on the Nonprofit Sector, I look forward to continuing my work to ensure that nonprofits have the ability to deliver much needed services to Californians. Nonprofits are the backbone of our communities, providing resources to our constituents in every sector from homelessness, to food insecurity, to child care. It is my hope that my colleagues in the legislature, the Governor and I can work collaboratively to uplift the work of our nonprofits.”

Background:

- The two legislative select committees on the nonprofit sector held [a joint hearing](#) last February to explore ways for the state to ensure nonprofits continue to thrive as partners to the state in the delivery of services to millions of Californians.
- Led by CalNonprofits, and in conjunction with the California Contracting Coalition, more than 550 nonprofit and community leaders [wrote to Governor Newsom and legislative leaders](#) detailing the ways state contracting issues are impeding nonprofits’ abilities to hire and retain a qualified workforce, secure grant and contract dollars in a prompt manner, cover critical costs associated with achieving grant and service outcomes, and generate meaningful access to state funding for organizations led by and serving BIPOC and vulnerable communities.
- Among the priority changes that the California Contracting Coalition is requesting are: incorporating upfront payments and startup costs into contracts and grants; offering multi-year contracts that keep pace with costs; funding living/competitive wages for nonprofit staff; assuring prompt and electronic payment; reimbursing the full costs associated with operating programs and projects for the state; contract flexibility in emergencies (and continuing those flexibilities that were granted during the pandemic and proved to work); and ensuring access to state grants and services contracts for small and BIPOC-led nonprofits, and rural nonprofits.
- CalNonprofits and nonprofit leaders with the California Contracting Coalition have met with numerous Administration officials to discuss these imperatives in great detail.
- This work is recognized with the following sentence (page 110 of the Governor’s Budget Summary 2023-24): “The Administration will consider changes to address issues within the nonprofit sector to support the sector’s ability to deliver on meeting goals in state programs.”
- The California Contracting Coalition is already working with several legislators to develop a legislative package that will propose statutory changes to address these issues.