

Letter from Our CEO



Jan Masaoka
CalNonprofits CEO

Friends and Members!

California's nonprofits have shown the world that nonprofits step into every crisis with sleeves rolled up and ready to work. Our health clinics, food banks, community music centers, preschools, civil rights organizations, animal rescues, water quality organizations . . . everyone has been ready to serve.

At the same time, our losses have been profound. A recent national study showed job losses as an indicator:

Arts & culture: 37% jobs lost
Human services: 9% jobs lost
Healthcare: 3% jobs lost
Overall: 7% jobs lost

Citation: Johns Hopkins University report 1/21/21

We nonprofits are also turning over every stone in search of funding. Tens of thousands of us applied for, obtained, and sought forgiveness for PPP (Paycheck Protection Program) loans. Our webinars about PPP 2.0 and the California Small Business Grant Program have each drawn 2,000+ participants (we scaled up our Zoom account twice!) We are trying everything.

And sometimes it's hard for us to hear advice like "nonprofits need to pivot and reimagine themselves" when – as one CalNonprofits member told me: "Our model is 100 kids in a gym afterschool. Tell me what pivoting means to us."

Nonprofits still face hurdles we should not have to face:

- Nonprofits are often overlooked: We have to advocate for the inclusion of nonprofits in every single relief bill.
- Nonprofits are often excluded: Some California cities have explicitly excluded nonprofits from receiving CARES Act funds.
- Nonprofits are often afterthoughts: Even when we've won inclusion (example: Small Business Grant Program), we're "square pegs trying to squeeze into round holes" trying to answer off-the-mark questions like "Who is your organization's owner?"

And we've learned a lot:

- Nonprofits are ferocious. No one's strategic plan had "triple the number of families served without any additional money," but lots of nonprofits did just that. Countless nonprofits that never considered government funding applied for government loans and grants – and got them.

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Letter from CalNonprofits' CEO *continued from page 1*

- Only government has the huge dollars a crisis like this demands. Philanthropic support and individual donations are crucial, but only government can quickly fund tens of thousands of nonprofits at substantial levels. As just one example, the CFO of a CalNonprofits member health clinic told me that their bill for masks and other protective gear quadrupled to \$100,000 *per month*.

Nationally, 182,000 nonprofits obtained PPP loans totaling \$42 *billion*. I'm reminded of an old adage: One law is worth a hundred grant proposals.

And just one more thing we've learned: Short articles are better than long ones.

Take care, everyone. Let me know how you are doing: janm@calnonprofits.org.

Jan Masaoka
CEO, CalNonprofits

CalNonprofits' 2021 State Policy Priorities



Lucy Salcido
Carter, MA, JD
CalNonprofits
Policy Director

Given the ongoing effects of the pandemic on nonprofits and our communities, we will stay focused this year on state policies that bring relief and resources to our sector. Our advocacy at the legislative, budgetary, and administrative levels pushes for relief programs for nonprofits that are comparable to relief programs for for-profit organizations.

Our efforts last year helped ensure that nonprofits are included in the new **CA Small Business COVID-19 Relief Grant Program**. And as an application partner for that program, we helped thousands of nonprofits apply for these grants.

Through written comments, testimony, and informal conversations, we are also speaking up in support of proposals for new state relief funding, such as the **\$575 million in the Governor's January budget**, and are sharing information with legislative leaders about fair and equitable ways to include nonprofits.

\$2.6 billion in relief grants for nonprofits and small businesses: **Senate Bill 74** (Borgeas/Caballero/Petrie-Norris) is one example of a relief bill we are supporting this year; it acknowledges the impact of the pandemic on nonprofits and recognizes the state's obligation to address that impact.

We are at the policy table again this year to help shape regulations of online charitable fundraising platforms (like GoFundMe, for example). Last year, we supported **Assembly Bill 2208** (Irwin), which did not pass out of the State Senate Appropriations Committee. But so much good work was done on that bill that the author is planning to introduce a similar bill in 2021; it will provide **fee disclosures and other protections for donors** using these platforms and for nonprofits getting the funds.

We continue to work to bring **accountability to donor-advised funds (DAF) and sponsors** so that more DAF resources can be available to nonprofits. We are also hoping to organize legislative hearings on nonprofit responses to the pandemic, relief programs needed, and the role of nonprofits in California's economic recovery. We continue to seek more accountability for donor-advised funds and ways to bring philanthropic resources to nonprofits and communities. *— continued on next page*

In addition, we are drafting language for a possible bill that would establish a designated nonprofit liaisons in state agencies, similar to the liaisons established for small businesses.¹

We are still at the start of the budget season and the new 2021-22 legislative session, with many opportunities yet to come for advocacy on behalf of our nonprofit community.

Through our policy work, we protect and enhance the ability of California's nonprofits to serve our communities. We educate policymakers about the contributions nonprofits make and engage legislators and other leaders in developing policies that help our sector thrive. To be effective in Sacramento, we need many nonprofit voices; **join us** in supporting these and other crucial policies!

1 See [CA Government Code section 11148.5](#).

Getting Small Business Grants to Nonprofits



Christina Dragonetti
CalNonprofits
Outreach and
Communications
Director

If you've been applying for government funding from the CARES Act, from PPP, from the **Small Business Relief Grants Program**, or others, it's worth knowing something from behind the scenes.

First, nonprofits have been included in these crucial funding programs because nonprofit advocates – like CalNonprofits and so many of you – have been at the table and made sure it happened. With the California Small Business Relief Grants (CSBG), funded by the California Office of the Small Business Advocate (CalOSBA), we at CalNonprofits and our friends in the legislature kept insisting and insisting that nonprofits should get comparable treatment with small businesses. **After all, nonprofits also create jobs, drive local economies, and are part of the community supply chain.**

And once the California Small Business Relief Grant program was launched, we discovered that none of the “application partners” – chosen to help various small businesses apply – were oriented toward nonprofits. We immediately began advocating to add two or three partners that could reach nonprofits, and CalOSBA responded by adding CalNonprofits as an application partner.

But advocacy for nonprofits was still needed. The application had been designed for small businesses, without input from nonprofits. As a result, thousands of nonprofits found themselves looking at questions like “Who is the owner?” when of course, nonprofits don't have owners. Or “What percentage of the business does the owner own?”

As another example, the application required the social security number of the “owner.” Small businesses are used to providing that and know to expect a credit check; that makes sense when a small, one-owner business is applying for a loan. But for nonprofits, it felt inappropriate to ask for the “owner's” personal information rather than about the organization.

Nonprofits worked for hours fitting our square pegs into round holes. We at CalNonprofits were proud to help. We held three webinars with more than 6,000 total participants. We created nonprofit-specific FAQs and updated them constantly. We talked to 700 nonprofits on the phone. We answered more than 1,200 emails from individual nonprofits.

We're proud to have helped so many. Still, we know that the design of the application (along with technical problems on the administrator's site) resulted in many nonprofits deciding not to apply or simply giving up.

At the end of the day, having nonprofits try to qualify for funding on an application that's not relevant to nonprofits means that nonprofits are disadvantaged in the process.

Nonprofit advocacy helps get nonprofits included in COVID-19 relief programs, and ongoing advocacy is needed to be sure that we are truly included.



Student Debt and the Public Service Loan Forgiveness Program – New Updates!

By Cody Hounanian, Program Director, Student Debt Crisis

On his first day in office, President Joe Biden **extended COVID-19 relief** for federal student loan borrowers until September 30, 2021. That gives millions of people a little breathing room as we all continue to shoulder the impacts of the pandemic.

The extension of relief began in March 2020 which means federal student loan borrowers will have had payments and interest suspended for a total of 19 months by the end of September. This is particularly good news for public and nonprofit employees who are on track to have their loans forgiven through the Public Service Loan Forgiveness (PSLF) program. As a reminder, PSLF requires that a borrower make 120 monthly payments while meeting several other requirements. After that, a borrower's remaining student debt is completely forgiven. So, many people will collect 19 of their 120 monthly payments at no cost to them by the time federal relief ends in September.

Other important updates come with the new administration. Biden nominated Dr. Miguel Cardona to be his Secretary of Education who, unlike the controversial Betsy DeVos, has indicated that student debt relief is a **top priority**. Biden also picked Rohit Chopra to head the Consumer Financial Protection Bureau (CFPB). In his previous role as Student Loan Ombudsman, Chopra **took on** predatory student loan servicing companies and for-profit colleges.

Even more encouraging is the progress made in the movement to cancel student debt. The call for permanent student debt relief has gone from a fringe issue to a policy priority for Congress and the President alike. Our organization, Student Debt Crisis, joined over 325 groups to **send a letter** to President Biden urging him to cancel student debt immediately with an executive action.

We know that student loan policies are rapidly changing and it can be hard to keep up. You can learn more about COVID-19-related relief at the [Department of Education website](#). Or, you can watch our [Student Loan Help Session workshop on YouTube](#).



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Nonprofit Risk Management and COVID-19



Colleen Lazanich,
CEO, CalNonprofits
Insurance Services)

California laws – including laws related to human resources – have been changing at a rapid pace since the first stay-at-home orders were announced in March of 2020. **With so many rapid-fire changes, it's even more imperative for all of us to keep up.**

The Governor's executive orders in March 2020 put into place some temporary actions that have since been replaced by legislation such as **SB 1159** and **AB 685**.

These new laws included reference to paid sick leave under the **Families First Coronavirus Response Act (FFCRA)** – federal legislation that included paid sick

leave for employers with fewer than 500 employees. California added a similar requirement for organizations with more than 500 employees. Then the FFCRA paid leave requirements expired on 12/31/2020.

New legislation – SB 1159 and AB 685 – codified parts of previous COVID-19 related executive orders and added new reporting requirements for employers and were signed into law in September 2020.

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Employer Notification Requirements (AB 685)

The employer notification requirement mandates employers to notify employees of:

- Potential exposure to COVID-19 - if an employee at a worksite tests positive, you must notify all employees that were at the same worksite within the infectious period - within 1 day of learning of the positive test result
- Provide notification of COVID-19 related benefits and protections to affected employees
- Provide notification to local public health agency with 48 hours of an “outbreak” including names, number, occupation, and worksite location of individuals related to the “outbreak”
- Provide notification of the disinfection and safety standards that will be implemented by the employer upon potential exposure to COVID-19 at the worksite

For AB 685, an “outbreak” is defined by the **California Department of Public Health** as three or more laboratory confirmed cases of COVID-19 within a two-week period. If two employees who live together contract COVID-19 within a two week time period, and it is laboratory confirmed, this would count as one case.

AB 685 gives the California Division of Occupational Safety and Health (Cal/OSHA) **three types of authority**.

Workers' Compensation Reporting Requirements (SB 1159)

SB 1159 created a “rebuttable presumption” starting July 6th for first responders and frontline healthcare workers. For all other employers with five (5) or more employees, there is a rebuttable presumption following an “outbreak.” This means that if an employee contracts COVID-19 and fits the presumptions, it will be assumed they contracted the illness on the job. The employer can rebut the presumption if they have evidence that shows otherwise.

Failure to report can result in a penalties of up to \$10,000. Therefore, nonprofit employers should become familiar with the required forms and timeframes for filing reports and claims.

You can [watch the recording](#) of a CalNonprofits-CNIS webinar on workers comp.

Have a Business Continuity Plan and a COVID-19 Prevention Plan?

A COVID-19 Prevention Plan will help to minimize potential citations or fines given under Cal/OSHA's new authorities. If a worksite is shut down, a **Business Continuity Plan** will help leaders execute the closure and communications with staff in a more expedient and effective manner. The COVID-19 Prevention Plan will aid

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with addressing the steps to you need to take in order to reopen the worksite after the risk of exposure has passed so that employees can return to the worksite.

Work From Home Risk

And if all that wasn't enough, **working from home increases the risks** to the organization, especially around cybersecurity. Using personal devices for work, accessing the internet through home networks, conducting meetings via videoconferencing software like Zoom or GoToMeeting, and accessing organizational and client data from home are all inherently risky from a cybersecurity standpoint. Cyber criminals have been quick to jump on these vulnerabilities.

Now that it appears that the shift to remote work may be a permanent situation, even on a part-time basis, nonprofits will need to establish more substantial security solutions for their remote teams. Work with your IT vendors or departments to secure your organization's data and systems.

Don't forget: There are two important ways to reduce risk for nonprofits. One is **risk management plans and processes**, such as those outlined above. Another is having insurance. Both are crucial. If you are looking for a new insurance broker, please consider us at CalNonprofits Insurance Services.

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2020 Membership Reflections: Not even a global pandemic could stop the force of our coalition



Karina Paredes-Arzola
CalNonprofits
Program Manager

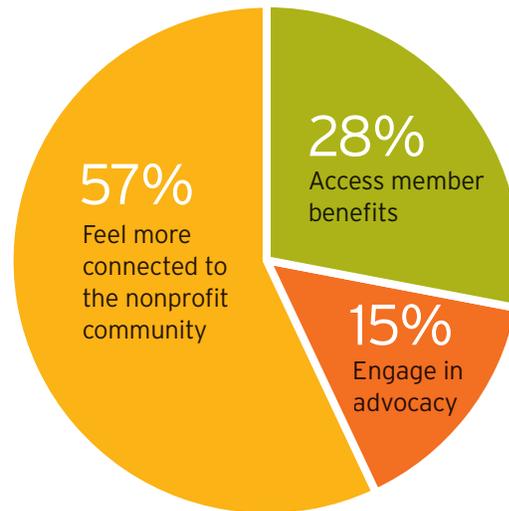
As the point person for CalNonprofits members, I get to connect with so many nonprofits – of all sizes, types, and locations! Whether I'm helping a new member join, helping a longtime member sign up for ThinkHR (free for members), or connecting them to others in the CalNonprofits' network, it means I learn something new every day. Not yet a member? Learn **how and why** to join today.

Coalition Growth

In 2020, our new member rate more than doubled.



Why did new members find it important to join?



Taking advantage of our collective power and member benefits

During this time of crisis, it is more crucial than ever for nonprofits to have a “seat at the table” of power. Membership dues constitute more than 1/3 of our revenue, letting us lead efforts to meet nonprofit needs. Our coalition has been able to share our experiences through direct contact with elected and department officials – in the more than twenty Town Halls with legislators, Policy Forums, our What's Next?! Policy Convention, and educational webinars. And, more and more members are taking advantage of the wide array of special programs like insurance, free webinars, and discounts on everyday products.

If you have questions about membership, or want to join us, contact me – Karina Paredes-Arzola, Program Manager – at karinap@calnonprofits.org or 415-710-4332.



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