



Election 2026: Policy Platform to Support the Nonprofit Sector

California Communities Thrive when Nonprofits Succeed

Nonprofits are indispensable to California's success—employing more than 1.4 million Californians and securing the health, safety, and vibrancy of every zip code across the state. From frontline disaster response to long-term food security, nonprofits deliver the essential services that keep our state strong.

- **California's nonprofits are a statewide force with deep reach.** California has the largest nonprofit sector in the nation with approximately 110,000 registered 501(c)(3) public charities.
- **The sector is growing.** Over the past decade, the number of public charities has increased by 22% (2014-2025), signaling expanding demand and the sector's capacity to respond.
- **The sector stands as one of California's largest industries.** Nonprofits now rank as the third-largest employer among major industries statewide.

California needs a governor ready to invest in the impact, equity, and long-term sustainability of the nonprofit sector. As the leading voice for the sector, CalNonprofits presents this policy platform to ensure the organizations anchoring our communities have the structural support to thrive. **We invite our new governor to partner with us in strengthening the very sector that strengthens California. This platform outlines the path to better partnership.**

Strengthen Government-Nonprofit Partnerships

California relies on nonprofits to deliver essential public services that the private sector overlooks and the public sector cannot meet alone. Yet outdated contracting and administrative practices limit our ability to meet community needs. **The next governor can fortify this partnership by advancing:**

- **Prompt Payment:** Ensure the state pays nonprofits on time for services rendered to prevent cash-flow crises that lead to staff departures and service disruptions.
- **Advance Payments:** Implement wide-scale access to advance payments (up to 25% of contracted funds) to allow nonprofits, especially those in underserved communities, to begin critical work without floating debt for the state.
- **Full Indirect Cost Coverage:** Guarantee that grants and contracts cover the true costs of operations, including essential functions like finance, legal, IT, and HR.
- **Contract Flexibility in Emergencies:** Allow nonprofits to adjust service delivery during state emergencies to meet changing community needs while still fulfilling the purpose of their contracts.
- **Streamlined Administration:** Reduce unnecessary administrative hurdles and duplicative reporting so organizations can focus on community impact, not "red tape."
- **Centralized Institutional Support:** Support a centralized state office to coordinate policy, reduce barriers, and provide technical assistance, as proposed in CalNonprofits' sponsored bill, SB 1240 (McNerney), establishing the [Office of Nonprofit Empowerment \(ONE\)](#).

- **Little Hoover Commission's Recommendations:** Implement the [Little Hoover Commission's policy recommendations](#) to modernize state grants and contracts and create a more responsive, effective government–nonprofit infrastructure.

Protect Nonprofits and Communities from Federal Threats

Nonprofits are on the front lines protecting California's values and most vulnerable residents when federal actions create intentional instability. **The state can further safeguard the sector from destabilizing federal policy shifts and funding cuts by:**

- **Protecting Against Political Targeting:** Support additional protections that build on AB 1318 (Bonta), which ensures nonprofits remain eligible for state resources even when facing politically motivated threats to their federal tax-exempt status.
- **Countering Federal Funding Cuts:** Mitigate the impact of federal funding cuts or grant eliminations that strain the nonprofit safety net.
- **Building Nonprofit Resilience:** Invest in cybersecurity and safety resources to ensure nonprofits can operate securely amid heightened scrutiny and growing digital threats, including sustained funding for the Nonprofit Security Grant Program.
- **Safeguarding Charitable Giving:** Oppose federal tax policies that disincentivize charitable giving and reduce resources for the sector.

Invest in the Economic Strength of the Nonprofit Workforce

As a major state employer and economic engine, the new governor can support the nonprofit workforce through:

- **Equitable Workforce Policies:** Advance policies for a sustainable nonprofit workforce, including fair compensation, healthcare, student debt relief, and retirement benefits.
- **Accessible Insurance Coverage Solutions:** Support affordable insurance solutions that protect nonprofit assets and prevent prohibitive premiums from disrupting essential services.
- **Volunteer Engagement:** Facilitate safe, meaningful volunteer opportunities for Californians, recognizing that a strong volunteer workforce is essential for most nonprofit missions.
- **Inclusive Economic Planning:** Include nonprofit leaders in state budget and economic planning, and support fiscal policies that provide sufficient, equitable resources to meet community needs, especially for vulnerable populations..
- **Data-Driven Advocacy:** Utilize and support sector-wide research, such as the *Causes Count* report, to inform policy decision-making that supports nonprofits.

CalNonprofits looks forward to partnering with the next Governor to champion these priorities and advance the health, stability, and effectiveness of California's nonprofit sector.

About us: [CalNonprofits](#), a statewide policy alliance of more than 10,000 organizations, is the voice for California's nonprofit community. Through our advocacy, we protect and enhance the ability of nonprofits to serve our local communities, our state, the nation, and the world.

Learn more about our longstanding policy priorities and the criteria we use to guide our advocacy efforts [here](#).