

March 20, 2020

The Honorable Gavin Newsom
Governor, State of California
State Capitol, First Floor
Sacramento, CA 95814

The Honorable Holly J. Mitchell
Budget Committee Chair, State Senate
State Capitol, Room 5050
Sacramento, CA 95814

The Honorable Toni G. Atkins
President pro Tempore, State Senate
State Capitol, Room 205
Sacramento, CA 95814

The Honorable Philip Y. Ting
Budget Committee Chair, State Assembly
State Capitol, Room 6026
Sacramento, CA 95814

The Honorable Anthony Rendon
Speaker, California State Assembly
State Capitol, Room 219
Sacramento, CA 95814

RE: Support for California's nonprofits during the COVID-19 crisis

Dear Governor Newsom, Pro Tem Atkins, Speaker Rendon, Senator Mitchell, and Assemblymember Ting:

Thank you for your bold leadership during this harrowing time. We have abundant confidence in your decision-making and are doing all we can to encourage compliance with issued guidance and to support our communities. We were heartened by the inclusion of nonprofit organizations in Senate Bill 89 and are here to engage meaningfully in developing strategies to assist individuals and organizations experiencing hardship caused by this crisis.

You all deeply appreciate the need for emergency and recovery responses to the COVID-19 pandemic to recognize the vital role that nonprofit organizations play in the California economy and in providing essential services.

In response to COVID-19, California's nonprofits are stepping up without hesitation to serve their communities, to protect public health, and to support their own employees. Nonprofits need immediate contracting, budget, staffing, and programming flexibility and timely resources from the state, local governments, and philanthropy to be able to continue this work through the months ahead.

We ask that you implement policies to support nonprofits in the following ways:

- All California government agencies should continue to pay on contracts and grants with nonprofits if they are underperforming due to temporary closures and suspension or reduction of services associated with COVID-19. Some examples include senior meal sites that cannot accommodate as many guests, dental clinics that have closed, and services that are being curtailed for people with disabilities.
- An expedited or automatic approval process for budget modifications that do not increase the contract total should be instituted to allow nonprofits to move budget-line items associated with existing contracts to new COVID-19 related priorities such as the cost of

disinfecting facilities.

- New and immediate emergency funds should be available to address increased COVID-19 related costs to nonprofits to support the uninterrupted delivery of essential services that affect public health, such as stepped-up sanitation, take-out meals for the homeless, and pre-packaged food at food banks.
- Programs aimed at assisting employers, tenants, utility rate-payers, etc. through the COVID-19 crisis should be equally available and beneficial to nonprofit and for-profit entities.
- State agencies should be allowed to waive certain certification procedures to let nonprofits provide COVID-19 related emergency and essential services as needed.

Nonprofits affect the lives of every Californian every day. There are more than 92,000 active nonprofits in the state, of which about 37,000 have paid staff. The nonprofit sector is the fourth largest employer by number of jobs among key California industries and employs more than 1.2 million Californians. Nonprofit economic activity generates about 15 percent or one-sixth of California's Gross State Product. Nonprofits mobilize volunteers who contribute the equivalent of 331,000 full-time jobs in service to communities.

California government agencies partner closely with nonprofit organizations to provide essential services throughout the state. Government relies on nonprofits to provide 32 percent of Medi-Cal services, one example of nonprofits delivering services for government. California nonprofits rely on government funding for 30 percent of the sector's total revenue.

As California's nonprofits step up, we count on the government to step with us. Thank you for your leadership in this crisis and for your consideration of these recommendations.

If we can provide you with any additional information or help you communicate with the nonprofit community, please do not hesitate to contact the California Association for Nonprofits' Sacramento-based advocate Jennifer Fearing at jenniferf@calnonprofits.org or 916-992-3667.

Sincerely,

Jan Masaoka, CEO
California Association of Nonprofits

Additional signatories to be added