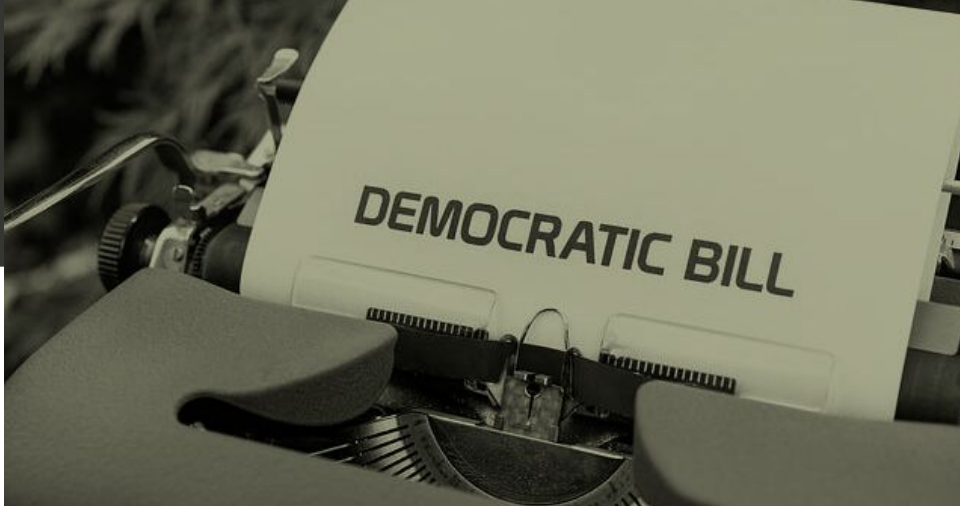


## Final Roundup of CA Nonprofit Legislation 2022

10.03.22 | Linda J. Rosenthal, JD



On Friday, September 30, 2022, California's Governor Gavin Newsom completed his duties for the year in connection with the state's legislative activity.

Almost 1,000 bills made it to his desk after action by the California Assembly and Senate, both of which have Democratic supermajorities. The Democratic chief executive often approves these matters, but exercises his veto on some occasions.

Last week, we reported on one such veto on a controversial but closely watched measure of interest to the nonprofit community. See [Insurrection-Group Revocation?: Newsom Veto May Be Overridden](#) (September 27, 2022). State Senator Scott Wiener had introduced, [Senate Bill 834](#), a "first-in-the-nation bill revoking the state tax-exempt status of any organization that the Attorney General determines has actively engaged in or incited treason, ... seditious conspiracy, .... [or similar illegal acts]."

On that measure, the California Association of Nonprofits [CalNonprofits] early in 2022 had taken a "watch" position because of a number of concerns – not with the general aim of the proposed legislation but because of the specific procedure and details. See CalNonprofits's [California Legislation Tracker](#).

Citing an "old Sacramento adage" using "baseball imagery to explain the power of California's chief executive at the end of the legislative process: 'The governor bats last.'" A Los Angeles Times reporter explained in a 2018 article that "...a vote to override is 'seen as a significant insult to the governor and major disruption to the balance of power relationship between the three branches.'" ]

The Legislature has 60 days to vote to override the veto or let it stand; the [California Legislation Tracker](#) includes this notation: "9/22/2022-Vetoed by the Governor. In Senate. Consideration of Governor's veto pending."

Since Governor Newsom's widely reported action on SB 834, there have been two more vetoes of measures in which CalNonprofits took a position. We'll take a quick look at them and also summarize the action on the remaining legislative matters of interest to the nonprofit sector.

### ***Legislative Process***

A quick word, first, on the California legislative process which is decidedly *not* the same as the "how a bill becomes a law" that generations of high school students studied about the workings of Congress.

There are two helpful official guides.

- [Legislative Process: California State Senate](#)
- [Overview of California Legislative Process](#): counties.org, 24 pages, including a flow chart and definitions of (many unfamiliar) terms

As one progressive interest group explained a few years ago: "Unfortunately, the legislative process in California is confusing and the average resident doesn't know how to get involved, so state legislators face few demands for accountability from their constituents." That leaves a lot of space for lobbyists and special interest groups. It also explains why not all bills introduced by Democratic legislators in the Democratic-controlled Assembly or Senate enjoy smooth sailing through to the end of the legislative session. It also accounts for what some – perhaps many – of the states' left-leaning voters see as perplexing outcomes.

Of course, that's also all the more reason why the organized nonprofit community strives to make its voice heard amid the stampede to grab legislators' ears. The California Association of Nonprofits, which represents some 10,000 member organizations, explains on its [Policy Advocacy Framework](#) website page how it decides what to support and oppose. "Each year, CalNonprofits board and staff review budgetary and legislative activity through the lens of our policy goals, and with a focus on addressing inequities and supporting efforts to bring a more equitable distribution of resources to our communities and to our sector."

### ***Two More Vetoes***

The [California Legislation Tracker](#) offers an easy-to-follow and comprehensive spreadsheet format. It includes all of the pertinent details of the positions and actions of CalNonprofits in several categories including: "Sponsor," "Support," and "Watch."

The two gubernatorial vetoes this session of interest to the nonprofit sector are: (1) [SB 543](#): State agencies: Nonprofit Liaison, Senator Monique Limon (D-Santa Barbara); and (2) [AB 2222](#): Nonprofit Workforce Development: Student Financial Aid, Assembly Member Eloise Gomez Reyes (D-San Bernardino).

#### ***SB 543: State agencies: Nonprofit Liaison***

Introduced by Senator [Monique Limon](#) (D-Santa Barbara), a valued friend and ally of the nonprofit community, this bill was carried over from last year. It would have required "state agencies that regulate or impact nonprofits to have a designated nonprofit liaison to address nonprofit concerns,

support compliance with agency regulations, and strengthen procurement and contracting policies with nonprofits. CalNonprofits sponsored this bill.

See [FACT SHEET](#) as of [Feb. 26 2021](#) by Senator Limon's office; SPONSOR letters by CalNonprofits as of [March 2, 2021](#) and [June 3, 2022](#); and [SPONSOR RFS Letter to Governor as of Sept 6 2022](#).

The Governor's required official veto statement dated September 27, 2022, in pertinent part, explains his reasons: "Improving how our government engages with nonprofits is a worthy concept, but DGS [... the Department of General Services...] is not the appropriate place to house this new position. The department has very few contracts with nonprofits, and procurement and execution of contracts and agreements is managed separately by each individual state entity."]

Although the California Legislation Tracker notes in its daily update that this measure is "In Senate. Consideration of Governor's veto pending," there is a Twitter message from Jan Masaoka, CEO, CalNonprofits on September 28, 2022. She writes: "We [applaud] [@MoniqueLimonCA](#) for her ongoing efforts to improve how CA state govt works with [#nonprofits](#). While disappointed that [@GavinNewsom](#) vetoed [#SB543](#), we will continue to work toward meaningful policy solutions that support nonprofits and the communities they serve .... But recognition of the critical role nonprofits play in California continues to grow and we look forward to working in partnership with the state to implement policy solutions that allow nonprofits to flourish."

**AB 2222: Nonprofit Workforce Development: Student Financial Aid**

Introduced by Assembly Member [Eloise Gomez Reyes](#) (D-San Bernardino), this bill which would have established "the Golden State Social Opportunities Program, reducing financial barriers for students to become licensed mental health professionals, thereby helping to address the workforce shortage that California mental health nonprofits are experiencing....This bill will strengthen the mental health workforce, currently in crisis, and increase the ability of nonprofits to serve California communities." CalNonprofits supported this bill.

See [FACT SHEET](#) as of [March 28, 2022](#), by Assembly Member Reyes's office; Support Letters by CalNonprofits as of [April 12 2022](#), [May 16, 2022](#), and [June 3, 2022](#) and [RFS Letter to Governor as of Sept 6 2022](#).

See also Governor Newsom's official [Veto Statement](#) dated September 25, 2022, explaining, in pertinent part: "I share the author's goal of expanding the number of mental health professionals, and the 2022 Budget Act appropriated \$10 million for an identical program, championed by the author." However, he adds: "The budget agreement allocated one-time funds for this purpose, but this bill codifies an ongoing commitment not provided for in the budget."

"With our state facing lower-than-expected revenues over the first few months of this fiscal year," the Governor continues: "it is important to remain disciplined when it comes to spending. We must prioritize existing obligations and priorities, including education, health care, public safety and safety-net programs. The Legislature sent measures with potential costs of well over \$20 billion in one-time spending commitments and more than \$10 billion in ongoing commitments not accounted for in the state budget. Bills with cost pressure, such as this measure, should be considered and accounted for in the annual budget process."

There is no indication on the [California Legislation Tracker](#) so far of any post-veto consideration in the Senate.

### ***Successful Bills***

Among the successful bills supported by the California Association of Nonprofits are:

- [AB 1664](#) Assembly Member Jesse Gabriel (D-Woodland Hills): ***CA State Nonprofit Security Grant Program***. “This program provides grants to nonprofits that are at high security risks for violent attacks or hate crimes, so that they can increase security”; extends current scheduled 1/1/25 expiration. Approved by Governor Newsom on September 18, 2022.
- [SB 963](#) Senator John Laird (D-Santa Cruz): ***Equitable Distribution of Funds – Museum Grant Program***. “This bill prioritizes Museum Grant Program funding for projects that serve underserved communities, protect at-risk cultural resources, support ethical stewardship of sensitive art and artifacts, and educate the public about critical California issues.” Approved by Governor Newsom on September 13, 2022.
- [AB 2669](#) Assembly Member Adrian Azarian (D-Van Nuys): ***Youth Service Organizations – Volunteers***. “This bill creates an exception, for one-on-one mentoring programs with strict policies to ensure screening and training of volunteers, from the requirement for two mandated reporters to be present whenever an adult interacts with a youth.” Approved by Governor Newsom on September 6, 2022.

### ***Conclusion***

Several measures – including SB 1069 (State Grant Programs – Indirect Cost Reimbursement Rates) and SB 1123 (Access to State Grants – Resilience Navigator Program) – didn’t quite make it through to the finish line.

Their entries on the California Legislation Tracker indicate that as of August they “failed deadline pursuant to Rule 61(b)(15).” The last location was “Suspense File.” For the meaning of these uniquely California Legislature notations, check out the handy legislative guides linked above.

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