

# Formal Launch of CA Grantmaking-Reform Legislation

03.22.23 | Linda J. Rosenthal, JD



A few weeks ago, we reported on imminent plans for the California nonprofit community and legislative allies to kick-off a major initiative for changes to outdated and cumbersome grantmaking policies and procedures. See [Major Legislative Push in CA To Reform Grantmaking](#) (February 27, 2023), *FPLG Blog*.

Supporters said there are plans for a “big public launch” in mid-March because the next few months will be critical in moving along the pending legislative package of bills. See “[Legislation to Improve Government-Nonprofit Contracting Moving Forward](#),” (February 2023) California Association of Nonprofits.

As promised, sector leaders and lawmaker-sponsors yesterday [formally launched](#) the California Nonprofit Equity Initiative. They are hoping for a strong and united show of support – including a sign-on to the Initiative – by as many organizations as possible before the end of this month.

## ***Long-Awaited Initiative***

We had explained in the [February 27, 2023, post](#) that reform of California’s grantmaking system has been high on the wish list of this state’s large and influential nonprofit sector. With the introduction at the start of this year of a package of related bills, the stage has been set for a major legislative push to begin.

Early in the COVID-19 pandemic, the state initiated a number of temporary measures loosening the grantmaking process to facilitate the urgent flow of money to the many nonprofits that stepped up to provide emergency services. These changes were long overdue; they were lauded and highly successful.

As the crisis subsided considerably in the second half of 2022, the nonprofit community saw an opportunity to codify and make permanent some or all of the long-overdue reforms.

The effort now pending in the current legislative session springs from a collaboration of the California Association of Nonprofits (CalNonprofits) and an informal group calling itself the California Nonprofit Contracting Coalition. Last fall, they wrote an 8-page joint letter dated October 2022 to Governor Gavin Newsom and all of the state's legislative leaders. Titled "[Improving nonprofit government contracting will benefit communities across California](#)," it was co-signed by over 500 nonprofit organizations.

A major theme of this reform effort is reinforcing how government and the nonprofit sector are [interdependent in providing crucial services](#) to the people of California. This new legislative package, taken together, is meant to put into place reforms necessary to give nonprofits the resources they need to fulfill their role in this partnership. It is crafted also "to increase fairness and equity in state contracting."

### ***The Legislative Package***

In [late February](#), CalNonprofits explained on its website in "[Legislation to Improve Government-Nonprofit Contracting Moving Forward](#)," that, among the 2,632 new bills introduced in the California Legislature, there is a package of eight measures "springing from the collaborative effort of CalNonprofits and the California Nonprofit Contracting Coalition."

These bills closely track the policy recommendations outlined in the [October 2022 letter](#) to the governor and legislative leaders. They address "a number of issues, each of which is critical to strengthening nonprofits' ability to assist the state in working to improve the lives of vulnerable members of our communities. Each supports equity in contracting access, sustainability, and takes on racial, economic, and geographic disparities."

CalNonprofits notes that lawmakers from both parties in the Assembly as well as in the Senate "have stepped forward to champion various pieces of the contracting package."

On Tuesday, March 21, 2023, the formal launch of what is now called the California Nonprofit Equity Initiative began with a press briefing in Sacramento by the head of CalNonprofits, Jan Masaoka, as well as the by all of the legislative sponsors led by Assembly Member Luz Rivas (D-San Fernando). See [You Tube video](#) (under 5 minutes); see also the [Action Alert](#) by CalNonprofits.

From these sources, the specifics of the (now seven) bills are described. "The bills that make up the California Nonprofit Equity Initiative grew directly from [the letter we shared last year](#) with Governor Newsom and state legislators [detailing the numerous challenges](#) nonprofits face when doing business with the state. Prompt payments, coverage for full costs, modernized online processes, flexibility during emergencies, start-up payments, multi-year contracts, easing burdens around small grants, and increased access to public dollars for vulnerable communities – these needs are all addressed by this ambitious new package that is now before the legislature. Clearly, our voices were heard then, and they need to be heard again!"

### ***Action Steps***

“Today, a package of seven bills is being announced in Sacramento to change how state government contracts with nonprofits; our collective advocacy efforts are culminating in strong, sector-changing legislation that together will bring greater efficiency, fairness and stability to our partnerships with the state of California!

The nonprofit community proponents and the legislative allies urge as many nonprofits and other stakeholders and interested parties to sign on to this Initiative – [here](#) – and preferably by close of business on March 29, 2023.

### ***Conclusion***

These sponsors also urge all supporters to generate wider interest through their social media networks.

The California legislative process is different from the more well-known – federal, “how a bill becomes a law” – system. Proposed legislation [moves through a series of steps](#) that occur rapidly, particularly ahead of the summer months. See a helpful publication, “[Legislative Process](#),” produced by the State Senate.

Another valuable online resource for following the progress of this Initiative is the [California Legislation Tracker](#), prepared by CalNonprofits and updated daily with news and progress of bills of interest to the nonprofit community.

– Linda J. Rosenthal, J.D., FPLG Information & Research Director