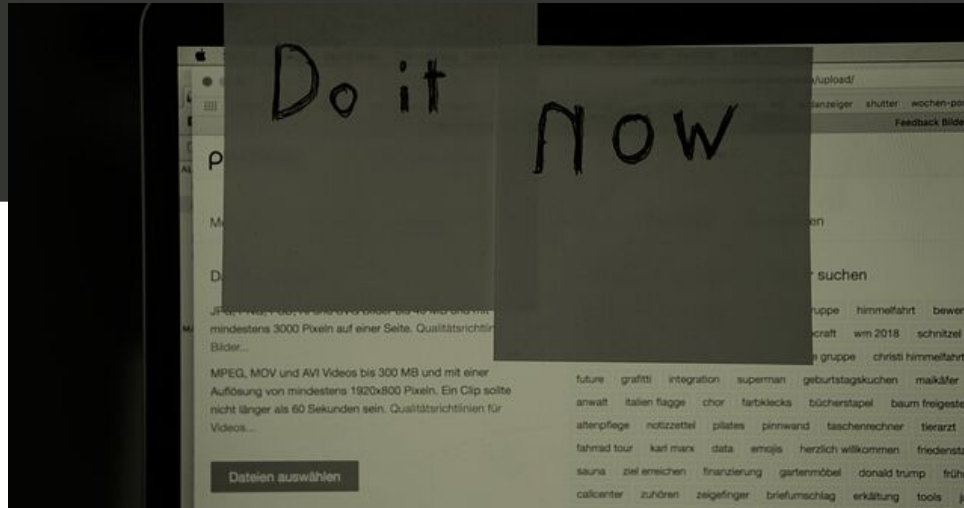


# Urgent Action Item on Nonprofit Legislation Pending in CA

07.17.24 | Linda J. Rosenthal, JD



“For years, reform of the state’s grantmaking policies and procedures has been high on the wish list of California’s nonprofit community.”

In the fall of 2022, the California Association of Nonprofits and an informal group calling itself the California Nonprofit Contracting Coalition spearheaded a massive advocacy campaign to urge trusted state lawmakers to introduce a major legislative package for the 2023 segment of the 2023-24 Legislative Session.

The seven-bill package was called the California Nonprofit Equity Initiative. By last October – at the end of that session – there was exciting news about the partial success on that wish list. Governor Newsom signed into law AB 590, “...paving the way to advance payments for nonprofits with state grants and contracts.”

A renewed effort began in earnest early this year to complete the work on this important reform package. Lawmakers are about to reconvene from the summer recess for the wrap up of the 2023-24 Session by the legislative deadline of August 31, 2024.

Once again, it’s crunch time for the California nonprofit sector to step up and join together, urging passage of key bills. CalNonprofits and the California Nonprofit Contracting Coalition have issued a letter dated July 15, 2024, to legislators. They want nonprofit organizations to sign on to show support. See “SUPPORT for Senate Bill 1246 (Limón), AB 2322 (Hart/Bennett), and SB 336 (Umberg) to advance the California Nonprofit Equity Initiative.”

They explain, in an accompanying message, the urgency of concerted action. See “Three Key Equity Bills Need Your Support; Sign On by July 26”: “CalNonprofits continues our push to improve government-nonprofit partnerships through the California Nonprofit Equity Initiative, and we need

your support to keep three bills moving forward when the legislature reconvenes on August 5th. Let's show key legislators the might of the nonprofit sector and our strong collective support for the following bills:

- [SB 1246 \(Limon\)](#) California Prompt Payment Act: Incentivizes the state to make timely payments and prevents very small discrepancies from holding up reimbursements.
- [AB 2322 \(Hart and Bennett\)](#) Streamline small grant programs: Reduces application and reporting requirements for small grants.
- [SB 336 \(Umberg\)](#) Standardize indirect cost coverage: Creates a streamlined and fair framework for compensating nonprofit partners for their indirect costs.

### ***Background Recap***

We've covered this story extensively over the last eighteen months or so. See: [Major Legislative Push in CA To Reform Grantmaking](#) (February 27, 2023); [Formal Launch of CA Grantmaking-Reform Legislation](#) (March 22, 2023); [Important Update on CA Nonprofit Legislation](#) (October 12, 2023); [Upfront Grant Money in CA To Start Soon](#) (October 16, 2023); and [Gov't Contract Reform in CA, Revisited](#) (February 28, 2024).

See also, recent information from the California Association of Nonprofits:

- [Assembly Bill 2489 \(Ward\) and Assembly Bill 2557 \(Ortega\) – CONCERNS](#) (April 18, 2024) Letter to Chair, Assembly Judiciary Committee from CalNonprofits CEO, Geoff Green, and 15 nonprofit sector leaders in California.
- [Policy Update: Equity Bills](#) (May 23, 2024)

### ***Conclusion***

"Will you [sign this new letter](#)," CalNonprofits urges, "to help us advance fairness, efficiency, and stability for California's nonprofits? You'll join hundreds of other nonprofits who have already voiced their support for these three measures."

Time is critical: Please respond on or before close of business July 26, 2024. And keep track of developments at the daily updates at CalNonprofits's [Legislation Tracker](#).

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