VINCE FONG MEMBER FOR THE 32ND ASSEMBLY DISTRICT



FACT SHEET

AB 619 – Nonprofit Flexibility

IN BRIEF

When a State of Emergency is declared, nonprofits who contract with the State do not have the flexibility needed to be able to pivot their programs to handling the crisis event. The State's response to emergency situations is bolstered through its partnership with our nonprofit community leaders. AB 619 will afford nonprofits who have state contracts the ability to modify programs and program budgets to flexibly respond to immediate needs. The State must allow for ongoing payment on contracts during emergencies so that vital services can continue during dire circumstances.

BACKGROUND & ISSUE

California nonprofits are deeply engaged in our communities and provide essential services both independently from the State and through government-contracted projects. Nonprofits are often specialized and employ community members who have experience in the nonprofit's field. They have the potential to assist the state's boots-on-theground response to emergency situations, but their contractual budget restrictions with the State often limit their abilities to adequately pivot their resources and programs to fit the needs of an unpredictable situation. Contract modifications can take many months, and nonprofits need to be able to act flexibly to respond appropriately and quickly in emergencies.

Fluidity during a state of emergency is essential. Many times, these emergencies cannot be predicted nor prepared for, and the response requires adaptation from the state and their contracted partners to deftly service the communities they are responsible for. As seen at the beginning of the pandemic, emergencies often required immediate changes to contracted programs, including modifications to the contract budget, to respond as soon as possible to continue delivering the most needed services for our communities. Resources were bottlenecked and nonprofits did not have the ability to reprioritize their state funds to provide the much-needed services to their communities.

In 2021, Senator Glazer authored a similar bill, SB 784, to allow nonprofits this flexibility. Although the bill received unanimous support, it did not get signed into law due to procedural technicalities. Clearly, there is legislative support of these flexibilities.

SOLUTION

Greater contract flexibility will allow these nonprofits to successfully implement and engage our communities during crisis responses relating to future emergencies relating to health, wildfires, or other natural disasters.

State-contracted programs need the ability to adapt and reprioritize disaster response and mitigation for the betterment of the communities affected. Flexibility on the contract would only be needed until the state agency and the nonprofit have the opportunity to modify the contract to meet changing programmatic needs. AB 619 supports the swift action of nonprofits and provides the needed flexibility to adapt properly to future crises.

SUPPORT

CalNonprofits – Sponsor Los Angeles Area Chamber of Commerce California Council of Community Behavioral Health Agencies (CBHA) California Partnership to End Domestic Violence

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Koreatown Youth & Community Center Sacramento Urban Forest Council

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