

To: California's mayors, county supervisors, and city councilmembers

From: Jan Masaoka  
CEO California Association of Nonprofits (CalNonprofits)

Date: March 25, 2021

Re: Open Letter to California local governments on investing in nonprofits

As a leader in California's nonprofit sector, I write this open memo to you – the leaders of nearly 500 cities and 58 counties – as you consider how to allocate the more than \$16 billion that Congress and President Biden have sent to California's local governments.

**I urge you to invest significantly in your community's nonprofit organizations.**

There are lots of reasons (and here's a link to a [handy one-pager](#)), but I will lead with this:

Compared with all other sectors, investments in California's nonprofits can be counted on to ensure spending and hiring in low-wealth communities, keep funds in the region, employ more women and people of color, bring in more dollars from out-of-state, and provide more services to communities.

**You want a California For All? We do too. And strong California nonprofits will get us there.**

- Nonprofits bring in more than \$40 Billion into California each year
- Nonprofits don't move jobs overseas, or even out-of-county: 95% of nonprofits focus on the counties where they are located and hire all local staff
- Nonprofits leverage economic resources, bringing the equivalent of 331,000 full-time workers to community services through volunteerism

We serve your communities, employ your residents, partner with you to provide critical services, and are the lifeblood of your arts and culture scene. Try to imagine your community without your nonprofits. And then imagine what your community could be if you could put them on course to thrive.

**Nonprofits must be at the forefront of your investment priorities.**

To start, people turn to nonprofits as efficient, effective, and accountable distributors of relief funds to vulnerable individuals and families. They know and trust us. They seek healing in our health clinics; they learn in our after-school programs. They are fed by our nutrition initiatives. They find safety in our homeless shelters and trust us to watch their children while they work. We can get funds to those who need them quickly, in their neighborhoods, and in their languages.

Next, ensure our ongoing viability by providing direct relief to nonprofits to pay bills, hire more staff, and ramp up services to your community members. You know you can count on nonprofits to keep pitching in, no matter how long this crisis lasts and as long as its aftermath is felt. That's what we do in

your area: at your food banks, your domestic violence shelters, your 211 centers, your community health clinics, your Meals on Wheels, and your animal shelters. And for those nonprofits that have been shuttered for more than a year? They, probably most of all, need you to act on their behalf. Direct relief to performing arts programs, indoor museums, zoos, after-school programs, community music centers, and small business incubators is critical to pull these devastated nonprofits back from the brink.

### **Be like Long Beach!**

Mayor Robert Garcia and the Long Beach City Council were [hot out of the gate approving a recovery plan](#) on March 16 that earmarks significant direct relief funds for nonprofits rooted in that community. The plan also ensures Long Beach nonprofits are supported with COVID-19 protection, technical assistance, and fee waivers. And Long Beach nonprofits will help deliver the economic recovery the city and their residents need. Grants will support nonprofit outreach to community members: housing more of the city's homeless, providing mental health assistance, improving digital literacy, and bridging the digital divide.

### **CARES Act Investments – let's do it again**

When CARES Act funds went out last year, [leaders in Stanislaus County](#) distributed \$4 million of their \$15 million in federal relief to their nonprofits. The [City of Sacramento](#) prioritized funding for their burgeoning creative economy – with \$14.2 million of their total \$89 million in CARES funding to grants to artists, nonprofit organizations, creative businesses, and partners. Sacramento also explicitly included nonprofits as eligible grantees in their \$19.1 million small business and nonprofit relief grant program. And in Orange County, 39 percent of nearly \$250 million in CARES Act funds went to what local leaders describe as “social services and community needs” and 30 percent to “small business financial assistance,” including grants to arts organizations.

A Davis City Council member is proposing that \$1 million of that city's anticipated \$18.5 million in federal recovery plan funding go to direct relief for nonprofits. Boom! Great start.

Leaders! Your community not only needs your nonprofits but also cherishes them. Nonprofits are the vehicles through which Californians take care of one another. With the federal (and pass-through state) funds coming, make sure those funds get to nonprofits – who not only use the money quickly and spend it all locally – but whose work every one of us depends on.

Sincerely,  
Jan Masaoka  
CEO, California Association of Nonprofits (CalNonprofits)

P.S. To nonprofits: pass this letter along to members of your county board of supervisors and city council!