

California Nonprofit Equity Initiative Bills

[AB 880 \(Bennet/Limón/Umberg\)](#) : This legislation combines two bills from the last legislative session (SB 336 and SB 1246, both vetoed by Gov. Newsom) to continue our push for two key objectives: 1) remove a long-standing exemption in the state's Prompt Payment Act and require timely payments for services rendered by nonprofits; 2) improve coverage of nonprofits' indirect costs, consistent with the federal government's approach.

Bill Position: SPONSOR

[AB 1039 \(Hart\)](#) : This legislation builds on the state's existing advance payment practices for state grants and contracts with nonprofits by requiring all new grants and contracts administered by state agencies, beginning January 1, 2026, to provide advance payment to nonprofits. The bill also requires state agencies to include whether advance pay is available and at what rate in any notices about grants and contracts, including on the [state's grants portal](#).

Bill Position: SPONSOR

[AB 944 \(Macedo\)](#) : This bill provides nonprofits the flexibility to adjust how they deliver services during a state of emergency, as long as they still fulfill the purpose of their contract. Read the [fact sheet here](#).

Bill Position: SUPPORT

Sustainable Participation of Nonprofits in CalAim

[AB 324 \(Menjivar\)](#) : This bill strengthens participation of community-based organizations (CBOs) as essential Medi-Cal providers through adequate funding and red tape reductions. [Learn more](#) about the current challenges for CBOs and the CBO Medi-Cal Coalition that CalNonprofits has joined to support this legislation. Read the [bill fact sheet](#) and the [coalition support letter](#).

Bill Position: SPONSOR

Protect Funding Eligibility for Targeted Nonprofits

[AB 1318 \(Bonta\)](#) : This bill protects funding access for nonprofits at a time when the federal administration is targeting organizations with funding cuts and criminal prosecution, as well as threats of revocation of their federal tax-exempt status, if they provide social services to immigrants, vulnerable noncitizens, refugees, and asylum seekers. This legislation would allow nonprofit organizations to remain eligible for contract and grant opportunities by expanding the definition of a "qualified nonprofit organization" to include *either* federal 501(c)(3) tax-exempt status *or* state tax-exempt

status. Stay tuned for more details about this bill.

Bill Position: SPONSOR

CalNonprofits will continue to work together to support and prepare our sector from future threats to undermine the basic services so many people rely on!

Keep tabs on our [CalNonprofits Legislation Tracker](#) for ongoing updates and to monitor bills we're watching.