

THIRD READING

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Bill No: SB 1240  
Author: McNerney (D), et al.  
Amended: 3/25/26  
Vote: 21

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SENATE GOVERNMENTAL ORG. COMMITTEE: 14-0, 3/24/26

AYES: Rubio, Valladares, Alvarado-Gil, Archuleta, Blakespear, Cervantes,  
Dahle, Hurtado, Ochoa Bogh, Padilla, Richardson, Smallwood-Cuevas, Wahab,  
Weber Pierson

NO VOTE RECORDED: Ashby

SENATE APPROPRIATIONS COMMITTEE: 7-0, 5/14/26

AYES: Cervantes, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

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**SUBJECT:** Office of Nonprofit Empowerment

**SOURCE:** California Association of Nonprofits

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**DIGEST:** This bill creates the Office of Nonprofit Empowerment (ONE) with the primary responsibility of overseeing and coordinating state policy in support of California's nonprofit organizations, as specified.

**ANALYSIS:**

Existing law:

- 1) Establishes the Department of General Services (DGS) to provide centralized services, including, but not limited to, planning, acquisition, construction, and maintenance of state buildings and property, purchasing, printing, architectural services, administrative hearings, and accounting services.

This bill:

- 1) Establishes, upon appropriation of the Legislature, ONE with the primary responsibility of overseeing and coordinating state-level policies and strategies that support California's nonprofit organizations.
- 2) Establishes the Director of ONE, appointed by, and serving at the pleasure of the Governor, as specified, and requires the Director to be responsible for managing the affairs of the office and performing all duties, exercising all powers and jurisdiction, and assuming and discharging all responsibilities to carry out the purposes of this bill, as specified.
- 3) Specifies the duties and functions of ONE, as defined.
- 4) Requires the Director to hire staff to assist in the fulfillment of the duties and responsibilities of ONE.
- 5) Authorizes ONE to create, update, or publish, in consultation with the appropriate control agency, policies, standards, and procedures for state entities in the State Administrative Manual (SAM) or State Contracting Manual (SCM).
- 6) Authorizes ONE, subject to available resources and consistent with applicable laws and regulations, contract and consult with nonprofit organizations, external entities, and vendors to develop training, curricula, and other resources as determined by the office.
- 7) Requires ONE, on or before July 1, 2028, to post on its internet website opportunities to improve the ways nonprofits and the state partner together while maintaining accountability to Californians and public resources. After the initial posting, the office shall review and update the information on the internet website regularly to ensure the contents remain current and reflective of evolving best practices. This internet website shall include, but not be limited to, policy recommendations, potential statutory and regulatory changes, as specified.
- 8) Includes a sunset date for ONE of January 1, 2037, and of that date is repealed.
- 9) Includes related Legislative findings and declarations, as specified.

## Background

*Author Statement.* According to the author’s office, “California nonprofits play a vital role in our economy, providing essential services and programs in education, health care, social services, the arts, the environment, public safety, and more. But with significant cuts coming from the federal government, nonprofits are fighting for their survival. SB 1240 will provide a much-needed tool to ensure that nonprofit organizations thrive in our State.”

*California Department of General Services.* DGS serves as the business manager for the State, with nearly 4,500 employees and a budget of \$1.3 billion. DGS serves the public by providing a variety of services to state agencies through procurement and acquisition solutions; real estate management and design; environmentally friendly transportation; professional printing, design and web services; administrative hearings; legal services; building standards; oversight of structural safety, fire/life safety and accessibility for the design and construction of K-12 public schools and community colleges; funding for school construction; and disability access.

*California’s Nonprofit Organizations.* According to California Association of Nonprofits (CalNonprofits), an association of nonprofits in the state, one in every 14 California jobs is at a nonprofit, and nonprofits generate 15% of California’s Gross State Product. Further, CalNonprofits notes that California’s state, county, and city governments rely heavily on nonprofits to deliver services.

California is home to a wide range of nonprofit organizations that serve various community needs. Many of these organizations focus on social services, healthcare, housing, and disaster relief – and play a vital role in providing immediate and long-term assistance during emergencies. Wildfires and other emergencies (such as earthquakes or floods) often trigger a rapid response from both local and national nonprofit organizations. In California, nonprofits adapt their operations quickly to meet the urgent needs of affected communities. Some of the roles they play include: immediate relief efforts; long-term recovery programs; volunteer coordination; and advocacy and policy work.

*Shared Priorities, Strained Systems.* In January of this year, the Little Hoover Commission (Commission) released a report titled “[Shared Priorities, Strained Systems: Modernizing State Grants and Contracts with Nonprofits](#).” The report notes that California relies on nonprofit organizations to deliver public services, ranging from healthcare to environmental protection programs with more than

109,000 nonprofits employing 1.7 million Californians. However, after the Commission surveyed the California Association of Nonprofits, participated in hearings, and conducted research, the commission found that the state's grant and contract administration has not kept up with the environment in which the state's nonprofits operate.

Specifically, the Commissions found "that cash flow instability is one of the most persistent strains on the state's nonprofit partners. Because state awards often rely on reimbursement rather than advance payment of grant funds, nonprofits must front operational costs before receiving their grant funding. Less-resourced organizations serving disadvantaged communities, which recent legislation has mandated state agencies to prioritize, are the least-equipped to carry these financial burdens." Among the 12 recommendations of the Commission in the report, is a recommendation that the Legislature establish a nonprofit liaison office within the Office of the Governor.

*Office of Nonprofit Empowerment.* This bill establishes ONE, within an unspecified entity, with the primary responsibility of overseeing and coordinating state policy in support of California's nonprofit organizations. This bill specifies various duties and functions of the office, including providing guidance, resources, and technical assistance to nonprofits organizations on procurement and grantmaking laws, regulations, and best practices. This bill also requires ONE to develop and administer training and materials to state entities on advance payment and other strategies to reduce hurdles for nonprofit organizations to access state funding and implement state projects, as specified.

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee, unknown, one-time and ongoing annual General Fund costs ranging into the low millions of dollars to establish and operate the office. Costs would include staff (a director and support staff), office space, IT resources, and other operating expenses for policy development and contracting.

**SUPPORT:** (Verified 5/14/26)

California Association of Nonprofits (Source)

1 Click Consultants

24 Hour Oakland Parent Teacher Children Center INC.

24th Street Theatre

3rd Street Youth Center & Clinic

AAPI Equity Alliance

ABC INC  
Abled  
Abrazar, INC.  
Advanced Manufacturing Institute San Diego  
Advent Group Ministries  
Agudath Israel of California  
Almaden Valley Counseling Service  
Alternative Technologies Cooperative  
America on Track  
An Elderly Wish Foundation  
Angels Gate Cultural Center  
Association for Environmental and Outdoor Education  
Association of Behavior Consultants INC  
Association of California Community and Energy Services  
Association of California Symphony Orchestras  
Basic  
BBBS of Northern Sierra  
Bet Tzedek Legal Services  
Beverly Hills Synagogue  
Big Brothers Big Sisters of San Luis Obispo County  
Books by Rachel  
Boys & Girls Club of Laguna Beach  
Boys & Girls Clubs of Mid Central Coast  
Build Advisory Corporation  
Caceren Sf  
Cactustocloud Institute  
CakeCutter Institute  
California 211 Providers Network (dba 211 Ca)  
California Advocates for Nursing Home Reform  
California Alliance of Child and Family Services  
California Arts Advocates  
California Behavioral Health Association  
California Community Action Partnership Association  
California In-home Supportive Services Consumer Alliance  
California Partnership to End Domestic Violence  
California Product Stewardship Council  
California Releaf  
California Urban Forests Council  
Calpride  
Cambodia Town INC.  
Cameo Network  
Camp Fire Inland Southern California

Cancer Support Community San Francisco Bay Area  
Casa Familiar  
Celiac Disease Foundation  
Center for Caregiver Advancement  
Center for Environmental Health  
Center for Nonprofit Leadership of the Sierra  
Center of Vision Enhancement  
Centinela Youth Services  
Chicano Park Museum and Cultural Center  
Chicas Mom, INC.  
Chicostart  
Child Care Resource Center  
Child Parent Institute  
Children's Fund  
Children's Institute  
Common Good Community  
Community (formerly Community Action Commission of Santa Barbara County)  
Community Alliance With Family Farmers  
Community Bridge Housing Corp  
Community Environmental Council  
Community Foundation of the Valleys  
Community Media Access Collaborative  
Community Partners  
Community Resource Project, INC.  
Concerned Off-road Bicyclists Association  
Confronting Domestic Violence  
Connerly & Associates, INC.  
Corazón Tlalli  
Court Appointed Special Advocates of Sacramento County  
Create Now  
Cycle Advisors  
Democrats for Israel Los Angeles  
Disability Media Alliance  
Diy Girls  
Doggie Does Good, INC.  
Domestic Violence Solutions for Santa Barbara County  
Doves of Big Bear Valley, INC.  
Earth Island Institute  
Ecologistics  
Education and Leadership Foundation  
Education Francaise De Sacramento  
Efficiency First California

Elkhorn Slough Foundation  
Emdad  
Emilio Nares Foundation  
Eth-noh-tec  
Executive Service Corps of Southern California  
Fairlight Advisors  
Families in Transition of Santa Cruz County, INC.  
Family Resource Center  
Family Service Agency of Santa Barbara County  
Fire Service Psychology Association  
First Mother Farms  
Fiscory  
Food Literacy Center  
Foodbank of Santa Barbara County  
Foothill Family Shelter  
Fossil Free California  
Friends of Harbors, Beaches and Parks  
Friends of the Lost Coast  
Full Circle Health Network  
Ganas Community Organization  
Genuinely Me  
Girl Scouts of California's Central Coast  
Girls on the Run Inland Empire  
Giving 365  
Good Seed Community Development Corporation  
Goodwill Southern California  
Grace Fisher Foundation  
Greeninfo Network  
Hadassah, the Women's Zionist of America, INC.  
Hanaeleh  
Harmony Barn 501c3 Non Profit  
Healing Los Angeles Together INC  
Healing Together  
Healy Senior Center of Southern Humboldt  
Heart of the Valley Services for Seniors, INC.  
Helpgood  
Helpline Youth Counseling, INC.  
Hillel of San Diego  
Hispanic Foundation of Silicon Valley  
Hiv+aging Research Project-palm Springs  
Holden High School  
Holocaust Museum LA

Homeschool Association of California  
Honeybee Discovery Center  
Human Agenda  
Ican California Abilities Network  
Iehp Foundation  
Ikigai Sanctuary  
Imaca  
Ink People  
Inland Empire Community Collaborative  
Inland Empire Health Plan Foundation  
Instituto De Educacion Popular Del Sur De California  
Jacl Pacific Southwest District  
Janet S Cohen Consulting  
Jcc/federation of San Luis Obispo  
Jcrc Bay Area  
Jcrc Santa Barbara County  
Jewish California (formerly Jpac)  
Jewish Center for Justice  
Jewish Council for Public Affairs  
Jewish Democratic Club of Marin  
Jewish Family Service LA  
Jewish Family Service of San Diego  
Jewish Family Services of Silicon Valley  
Jewish Federation Bay Area  
Jewish Federation of Greater Santa Barbara  
Jewish Federation of Orange County  
Jewish Federation of the Desert  
Jewish Federation of the Greater San Gabriel and Pomona Valleys  
Jewish Partisan Educational Foundation  
Jewish Silicon Valley  
Jfcs East Bay  
Jfcs Long Beach and Orange County  
Jodi & Associate's LLC  
Kid City Hope Place  
Kindling Communications  
Kitty's Wildlife Refuge & ResCue 501 (C)3  
Kreatown Youth and Community Center  
LA Jolla Playhouse  
Lake Links, INC  
Lamps of Light Project  
Latino Community Foundtion  
League of Women Voters - Humboldt County

Legal Aid Association of California  
Lifewell Learning Institute Los Angeles  
Little Hoover Commission  
Little Seeds Matter  
Long Beach Gives  
Los Angeles Emergency Preparedness Foundation  
Los Angeles Urban Foundation  
Making Hope Happen Foundation  
Media Alliance  
Mend-meet Each Need With Dignity  
Mendocino Private Industry Council, INC.  
Mental Health America of California  
Mental Health Hookup  
Mexicayotl  
Microenterprise Collaborative of Inland Southern California  
Mid-city Can  
Mockingbird Incubator  
Mofundamentals  
Moses House Ministries  
Mothers' Helpers  
Movement Strategy Center  
Music Changing Lives  
Mynd Vibes, INC  
Nami Solano County  
National Council of Jewish Women -sf  
Native Animal Rescue  
Neighborworks Sacramento  
Nevada City Chamber of Commerce  
Nonprofit Finance Fund  
North Coast Opportunities  
Northern California Community Development Corporation  
Northern California Outrigger Canoe Association  
Oc Bred INC.  
Operation Freedom Paws  
Orange County United Way  
Orangewood Foundation  
Outreach Uganda  
Pacific Arts Movement  
Para Los Niños  
Parentz@work  
Partnerships  
Passports for Ataxians Foundation

Pathpoint  
Permission to Write  
Pesticide Action & Agroecology Network  
Popps Consulting  
Project Go, INC.  
Proteus INC.  
Providers Need Care  
Public Health Advocates  
Purpose Centered Coaching & Consulting  
Qmunity  
Quadruple Threats  
Reach Out  
Redondo Union High School Alumni Association  
Redwood City Parks and Arts Foundation  
Refugee Jumpstart Coaching  
Restore the Delta  
Riverside Area Rape Crisis Center  
Riverside Development Organization  
Rockin for the Arts  
Rodeo Youth Mentoring Program  
Rose Bowl Aquatics Center  
Rural Advancement Partners  
Rural Community Assistance Corporation  
Sacramento Fire Department and Community Foundation  
Sacramento Lgbt Community Center  
Sacramento Philharmonic & Opera  
Sacramento Splash  
Safe & Sound  
San Benito County Arts Council  
San Diego Automotive Museum  
San Diego Humane Society  
San Marcos Community Foundation  
Self-help Home Improvement Project  
Senior Advocacy Network  
Serene Wellness Solutions  
Service Center for Independent Life  
Serving People in Need  
Sewa-aifw  
Shasta Cascade Health Centers  
Sierra Business Council  
Sierra Dachshund Breeders Club of Los Angeles Co  
Sierra Nevada Alliance

Sierra State Parks Foundation  
Sierra Stem  
Silicon Valley Council of Nonprofits  
Simon Wiesenthal Center, INC.  
Siskiyou Community Food Bank  
Smokefree Air for Everyone  
SNAP CATS  
SNAP With Stepping Stones  
Social Water Babies  
Solano Dignity and Care Foundation, INC  
Sonoma Ecology Center  
South Bay Children United  
Southeast Los Angeles Collaborative  
Southern Trinity Area Rescue  
Sports and Social Change  
Springwave Studios  
Ssta Aware Foundation  
Starting Over, INC.  
Stay Arts  
Stinson/bolinas Community Fund  
Strengthunited  
Susan Swinburne Consulting  
Sustainable Claremont  
Sustainable Tahoe  
Switzer Learning Center  
Tahoe Youth and Family Services  
Teens 4 Teens Help  
Temple of Isis - Isis Oasis Sanctuary  
Ten Strands  
The Body Positive  
The Can Man  
The Emily Shane Foundation  
The Heart of Ida  
The Homemore Project  
The Living New Deal Project  
The Nonprofit Partnership  
The Oakland Public Education Fund  
The San Diego Lgbt Community Center  
The Society of St. Vincent De Paul of Contra Costa County  
The Source Lgbt+ Center  
The Stephan Center  
The Village Family Services

The Win Project  
The Women's List  
Therapy Dogs of Santa Barbara  
Thrive Alliance  
Tracy Community Connections Center  
Treepeople  
Tri-county Respite Care Service  
Tuleyome  
Ubique Adult Day Healthcare INC.  
Ultimate Restoration Unlimited  
United Parents  
United Way of Stanislaus County  
USA Outrigger Racing Canoe Association  
Valley Intercommunity Council  
Vantage Point  
Veras Open Arms INC.  
Vietnamese American Community Center of the East Bay  
Villages of San Mateo County  
Visit Tri Valley  
Vista Center for the Blind and Visually Impaired  
Waking the Village  
Watershed Research & Training Center  
We Care Services for Children  
Weave  
Women's Economic Ventures  
Working Wardrobes for a New Start  
Worksite Wellness LA  
Ww Consulting for Good  
Yolo County Children's Alliance  
Yolo Farm to Fork  
Your Children's Trees  
Youth Inspiration Nation INC  
Youth Mentoring Connection  
Zimnotes

**OPPOSITION:** (Verified 5/14/26)

None received

**ARGUMENTS IN SUPPORT:** In support of this bill, CalNonprofits write, in part, “CalNonprofits is pleased to sponsor Senate Bill 1240 by Senator Jerry McNerney to establish the Office of Nonprofit Empowerment (ONE), a new office within California’s state government to improve collaboration between the state and the nonprofit sector. This investment is necessary to bridge the divide between state government and the 109,000+ nonprofits that serve as the backbone of California’s economy and social fabric. Establishing ONE is a modest investment that will yield significant returns by improving the efficiency and effectiveness of the state’s multi-billion dollar contracting and grantmaking processes. With federal challenges mounting, California must lean into its partnership with nonprofits. Nonprofits aren’t just the state’s social lifeline; they are the most trusted voices in our communities, making support of the sector essential now more than ever.”

Prepared by: Brian Duke / G.O. / (916) 651-1530  
5/16/26 10:52:00

\*\*\*\* **END** \*\*\*\*