



June 10, 2022

The Honorable Gavin Newsom
Governor, State of California
State Capitol
Sacramento, CA 95814

RE: Request for Administration Support of Legislative Budget Proposal for \$250 million in State Relief Associated with COVID-19 Supplemental Paid Sick Leave

Dear Governor Newsom,

On behalf of the undersigned nonprofit employers and our member organizations across California, we write to express our support for the \$250 million legislative proposal for a new supplemental paid sick leave relief grant program to help support small business and nonprofit compliance with Senate Bill 114's provisions. We deeply appreciate this approach's inclusivity of nonprofit employers.

COVID exposures and illnesses have created significant challenges for employees and their families. In these emergency circumstances, Californians need additional financial support to fully recover or care for family members before returning to the workplace. As employers of more than 1.2 million Californians, nonprofits support the requirement for employers with more than 25 employees to provide the additional leave included in Senate Bill 114.

But we need the state's help to ensure we continue to survive and thrive. Nonprofits are already struggling to absorb increased programmatic expenses because of the pandemic. The sector has stepped up during the pandemic, as nonprofits always do, to serve our communities. Nonprofits have had to adapt programs and provide often-costly safety protections to staff and to recipients of services to continue services.

To ensure uninterrupted services critical to meeting the needs of many vulnerable Californians, nonprofits are complying with SB 114, not only by covering the supplemental leave costs for the employees who need it, but also by paying replacement staff to provide the essential services while other employees are out sick or caring for family members.

But the new law added to the already significant financial burdens of the pandemic on the nonprofit sector. Cost offsets or relief measures are needed to help nonprofits of all sizes cover

the additional costs of compliance with SB 114. These relief measures will help ensure that vital services continue to be available to Californians during this ongoing crisis.

We appreciate the relief grant approach rather than a relief mechanism that nonprofits cannot access (e.g., income tax deductions or credits, etc.). We also urge you to approve the eligibility of **any nonprofit required to comply with SB 114, regardless of organization size.**

We welcome the opportunity to engage further about strategies for supporting nonprofits as key employers and service providers in the state. Thank you.

Sincerely,

Jan Masaoka
CEO
California Association of Nonprofits

Ashley McCumber
President, Board of Directors
Meals on Wheels California

Kaylon E. Hammond
CFO, Director of Operations
Leadership Counsel for Justice and
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