



California Association of Food Banks  
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May 1, 2019

Honorable Senator Anthony Portantino  
Chair, Senate Appropriations Committee  
State Capitol Building, Room 2206  
Sacramento, CA 95814

Re: SB 241 (Moorlach) - Oppose

Dear Chairman Portantino,

California Association of Food Banks (CAFB) represents the Los Angeles Regional Food Bank and the Community Action Partnership of San Bernardino County, as well as 39 other food banks across California. We write in opposition to SB 241, legislation that would modify the existing voluntary tax check-off system by establishing the California Voluntary Contribution Program, which would threaten the vital resources provided to emergency food providers and other charities through the proven, successful Voluntary Contribution Funds.

Food banks provide critical assistance to the more than 4 million Californians that face food insecurity every day, yet struggle to maintain the funding that enables them to keep up with need. Food banks throughout the state are experiencing particularly high demand exacerbated by the federal threats of public charge, unprecedented natural disasters and high housing costs that have families relying on food banks.

For more than two decades, the Emergency Food for Families tax check-off fund has been a critical source of support for food banks, allowing them to reduce food insecurity and support community health by serving more Californians. Last year, the Fund provided \$530,663, enabling food banks to use their purchasing power to provide more than 2 million meals – particularly the fresh produce and proteins that are not donated but vital to supporting the health of hungry Californians.

[The Fund brings meaningful resources to the providers who deliver emergency food relief to the 25<sup>th</sup> District, as last year the Los Angeles Regional Food Bank received \\$54,276, and the Community Action Partnership of San Bernardino County received \\$22,004.](#)

SB 241 would replace the existing, effective VCF process with the CVCP that would be cumbersome for taxpayers and administratively burdensome to operate, together diminishing this valuable resource for all charities. First, the construction of the CVCP is certain to substantially lower voluntary contributions. We know from experience that taxpayers want the donation process to be quick and simple, in order to complete their tax return. It is simply unrealistic to expect taxpayers to search a website with thousands of charities to find their preferred entity, locate their identification number, and then include that in their return. It is equally unlikely that a taxpayer would choose to make an unspecified donation, as the bill

allows, not knowing what their contribution would support. CAFB and the other nonprofit organizations participating in the tax check-off have worked collaboratively for years to promote the program through media campaigns designed to target taxpayers throughout the state who identify with the causes that the VCFs support. We have seen in the past that even small additional requirements from tax preparation services have affected donations, for example, and the barriers from the CVCP will be more than enough to cause taxpayers to skip this step and forego donation.

Furthermore, the CVCP would significantly hinder the capacity of the program to stimulate revenue for any one charitable organization, as the participation of thousands of organizations would likely dilute funding to such an extent that no organization would derive significant benefits from the program. In addition, the potential workload associated with adding, removing and maintaining thousands of additional charities could prove both costly and administratively burdensome, diverting funds from their intended use in the community. Indeed, the CVCP would require non-profits with limited resources to pay fees in order to apply, with no guarantee of receiving funding through the program.

Finally, SB 241 would undo the excellent work just done by the Governance & Finance Committee legislation in [SB 1476 \(2016\)](#) that rationalized and improved the VCF process for all charities who wish to participate in the program. SB 1476 ensured that all Funds can efficiently receive and distribute donations to dedicated causes in the community, a process that would become much more challenging, time-consuming and expensive for charities and the FTB under SB 241 and the CVCP.

For these reasons, California Association of Food Banks opposes SB 241. We appreciate the opportunity to express our position.

Sincerely,



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Andrew Cheyne

CC: Senate President Pro Tempore Toni Atkins  
Assembly Speaker Anthony Rendon  
Chief Deputy Legislative Affairs Secretary for Operations Che Salinas  
Franchise Tax Board Acting Legislative Director Jahna Carlson