



DATE: JANUARY 1, 2024

TO: CAHF MEMBERS

RE: CAHF PAF AND PAC CONTRIBUTIONS

California Association of Health Facilities (CAHF) is a trade association representing skilled-nursing facilities and intermediate-care facilities for people with intellectual disabilities. Its members operate 900 skilled nursing facilities and 420 intermediate care facilities.

Now more than ever, nursing homes need to join forces and advocate for their residents. Successful legislative advocacy depends upon an integrated approach, consisting of lobbying, grassroots activity and political action through the CAHF Political Action Fund (PAF) and the statewide Political Action Committee (PAC).

This memo provides information about how PAF dues are distributed and used to support CAHF’s advocacy priorities.

CAHF Political Action Fund (PAF)

The CAHF PAF is an administrative fund controlled by CAHF to support political and advocacy priorities. In 2023, the CAHF House of Delegates approved making financial contributions to the PAF a mandatory part of CAHF dues at an annual rate of \$10 per bed for SNF and ICF members and \$200 per year for Associate members.¹

Up to \$9,700 per calendar year of a CAHF member’s PAF dues will be deposited in the statewide CAHF PAC.² The next \$10,000 per calendar year of a member’s PAF dues will be deposited in a regional California Association of Health Facilities Political Action Committee. Any remaining PAF dues will be deposited in the California Association of Health Facilities Good Government

¹ The California Corporations Code provides that a nonprofit mutual benefit corporation such as CAHF has the power to levy dues, assessments, and admission and transfer fees. (Corp. Code § 7140(g).) Nothing in California law prohibits a nonprofit corporation from including a mandatory PAC contribution as part of its membership dues and assessments. Indeed, California’s Political Reform Act (Gov. Code §§ 81000 et seq.), its comprehensive campaign finance law, was amended in 2022 to impose new requirements for political action committees that raise funds through “recurring donations” (requires specific notices and opt-out procedures). (Gov. Code § 85701.5.) This new statute was amended during the legislative process to explicitly exclude “sponsored committees soliciting or accepting contributions from the sponsor’s members, affiliates, employees, or shareholders.” (Gov. Code § 85701.5(d).)

² California Association of Health Facilities Political Action Committee (ID#741816)

PAC.³ In general, most of the dues allocated to the PAF are transferred to one of CAHF's sponsored political action committees that contribute to candidate campaigns for elective public office.

For PAF dues paid by CAHF's nonprofit and public agency members, who are prohibited by law from contributing to campaign activities for political candidates, CAHF will not transfer the funds to the PAC and will instead allocate the PAF-portion to CAHF's legislative advocacy program. These funds will still be used to support allowable advocacy activities and used to:

- Mobilize CAHF members to make their voices heard in grassroots advocacy campaigns
- Educate legislators, the media, and the public about the needs of the long-term care sector
- Communicate about new policy proposals and how they will impact nursing homes
- Join stakeholder coalitions to advance shared policy goals
- Build strong relationships with staff and elected officials to allow us to share and advocate for our positions

100% of PAF dues are not tax deductible.

CAHF Political Action Committee (PAC)

Most of the PAF funds will be transferred to the PAC to fund political contributions to candidates for elected office. Contributing to political campaigns is the most effective way to build relationships with candidates that are likely to support CAHF's legislative priorities. PAC contributions allow CAHF to directly assist political campaigns and play a role in building a Legislature that supports a strong long-term care sector. While political contributions do not guarantee the support of the candidate on specific issues, they provide opportunities for CAHF to update legislators on the state of the long-term sector and needed policy reforms. The PAC focuses on supporting the election of individuals to elective public office who can be helpful in preventing legislation that is harmful to the mission and priorities of the long-term care sector.

Decisions about which candidates to support are made by the CAHF members of the CAHF PAC Board of Directors based on recommendations from CAHF staff and political consultants.

For more information, please contact Yvonne Choong, Vice President, Policy at ychoong@cahf.org.

³ California Association of Health Facilities Good Government PAC (ID# 1233935)