



Published on National Council of Nonprofits (<https://www.councilofnonprofits.org>)

Original URL: <https://www.councilofnonprofits.org/nonprofit-champion-april-21-2025>

## Nonprofit Champion | April 21, 2025

### Federal

## NCN Wins Preliminary Injunction Against IRA, IIJA Funding Freezes

Last Tuesday, a federal judge issued a nationwide [preliminary injunction](#) preventing the Administration from freezing, halting, or broadly pausing payments for funding awarded under the Inflation Reduction Act (IRA) or the Infrastructure Investment and Jobs Act (IIJA). The National Council of Nonprofits, together with NCN members Woonasquackett River Watershed Council, Eastern Rhode Island Conservation District, Green Infrastructure Center, and Codman Square Neighborhood Redevelopment Corporation, filed the lawsuit in response to the Administration freezing funding appropriated by Congress under the IRA and IIJA. This funding is used to reduce lead in water fountains in schools and daycares, weatherize homes and lower utility bills of low-income Americans, maintain green spaces in disadvantaged communities, reduce the risk of wildfires through land management, and much more. This is the second nationwide preliminary injunction in place due to litigation brought by NCN.

---

# Concerted Attacks on the Nonprofit Sector

The Trump Administration continues to increase actions against the charitable nonprofit sector and civil society. Last week, it announced an intent to [strip Harvard University](#) of its tax-exempt status on ideological grounds and attempted to [assign a team of Department of Government Efficiency \(DOGE\) staff to Vera Institute](#) of Justice, an independent nonprofit organization. NCN responded to both actions in support of maintaining the vital importance of charitable nonprofits to a strong civil society and clear independence from government. Additional executive orders and responses to previous orders, such as targeting and compiling [lists of nonprofits, foundations, and other organizations for investigations](#) are expected soon. In the coming hours, days, and weeks, we will monitor, update, and provide resources through this newsletter and our website.

- [Joint Statement by the Council on Foundations, Independent Sector, National Council of Nonprofits, and United Philanthropy Forum on Threats to Civil Society and the Independence of the Charitable Sector](#), Apr. 17, 2025.
- [Statement in response to DOGE attempt to assign a team to the nonprofit Vera Institute](#), Apr. 16, 2025.

[Read about Chart of Executive Orders](#)

## Chart of Executive Orders

In an effort to aid the swift analysis of the recent executive orders, we have crafted a chart of the most pertinent executive orders, expected impacts, and related actions that we will be updating regularly.

[Read about A Nonprofit Checklist: Conducting a Risk Assessment for Federal Funding](#)

## A Nonprofit Checklist: Conducting a Risk Assessment for Federal Funding

How nonprofits can conduct a risk assessment as the Administration targets federal grants and contracts for termination.

[Read about Myth v. Reality: Executive Branch Lacks Authority to Target Nonprofit Organizations](#)

# Myth v. Reality: Executive Branch Lacks Authority to Target Nonprofit Organizations

The truth behind what the Executive Branch can and can not do to targeted nonprofit organizations.

## ***Worth Watching***

- Remote video URL

[‘We are all afraid’: Speaking to Alaska nonprofit leaders, Murkowski gets candid on upheaval in federal government](#) (4:05), *Anchorage Daily News*, Apr. 14, 2025, highlighting the importance of speaking out during a conversation with Laurie Wolf, President and CEO of [The Foraker Group](#), the state association of nonprofits in **Alaska**.

---

## **Regulatory Changes Affecting Nonprofit Partnerships**

This month, President Trump issued four executive orders on regulatory processes, making changes to grant administration that affect grants and contracts with nonprofit partners. The first executive order requires review and repeal of “[unlawful regulations](#)” and, notably, appears to direct agencies to [skip the typical public notice](#) and public review process when changing or repealing federal regulations. The second executive order requires agencies to [identify regulations](#) that are anti-competitive, create unnecessary barriers, or add unnecessary burdens to the procurement process, among other things. The third executive order requires agencies to amend the Federal Acquisition Regulation (FAR) to only contain [provisions required by statute](#) or are otherwise necessary. The last executive order requires agency contracting officers to [conduct a review](#) of all open agency solicitations and notices for non-commercial products or services and consolidate them into a proposed application requesting approval for the agency’s approval authority. While these orders are mostly focused on for-profit businesses, these proposed changes to the procurement process and corresponding regulations could

affect nonprofit operations, grants programming and administration, and funding streams.

---

## **Worth Quoting**

*On federal funding for nonprofits*

- “This funding freeze has already caused serious harm in communities, as nonprofits that provide critical services to our country’s most vulnerable have been forced to scale back operations, cancel projects, and consider laying off staff. This injunction offers much-needed relief and a path forward.”

— Diane Yentel, President & CEO of the **National Council of Nonprofits**, [Judge orders federal agencies to release billions of dollars from two Biden-era initiatives](#), Michael Casey, *Associated Press*, Apr. 15, 2025.

- “Every organization that receives federal dollars is nervous...I just know that part of my job is to support these sectors...This is an incredibly resilient sector. I know that nonprofits have always found the good inside the bad.”

— Marnie Taylor, President and CEO of the **Oklahoma Center for Nonprofits**, [Oklahoma nonprofits face uncertainty amid potential federal funding cuts](#), Carla Hinton, *The Oklahoman*, Apr. 10, 2025.

---

## **Grant Administration Changes Affecting Nonprofit Partnerships**

Nonprofits seeking to access or apply for grants may now be subjected to DOGE review and approval after it took control of the federal website [www.grants.gov](http://www.grants.gov). The portal is the [primary access point](#) to find and apply for federal grants, estimated at more than 1,000 grants and more than \$500 billion in awards. Additionally, earlier this month, the Department of Health and Human Services closed the Northeastern and Western [CAS Field Offices](#), which help grantees, including nonprofits, with the negotiated indirect cost rate process and setting a rate for federal grants awarded. Only two offices now remain to review indirect cost rates. Charitable nonprofits

seeking a higher rate than the *de minimis* can anticipate a longer process.

---

## **Worth Reading**

- [Kentucky nonprofits worried about their future as cuts continue to come from Washington D.C.](#), Stan Ingold, *WEKU*, Apr. 16, 2025.
  - [State-level DOGE work gather speed](#), Chris Teale, *Route Fifty*, Apr. 15, 2025.
  - [The SAVE Act is the Wrong Solution for a Non-Problem](#), Nonprofit VOTE, Apr. 15, 2025.
  - [Tax reform shouldn't be a backdoor attack on nonprofits](#), *The Minnesota Star Tribune*, Apr. 12, 2025.
- 

## **Federal FastView**

- **Cut to AmeriCorps Office and Programs:** Recently, AmeriCorps National Civilian Community Corps (NCCC) members reportedly [received notice](#) that their service term would end early “due to programmatic circumstances beyond your control.” Additionally, approximately 75% of full-time AmeriCorps staff were reportedly [placed on administrative leave](#). Many NCCC members are placed in a nonprofit and are vital to natural disaster response and recovery, as well as many other programs. Members receive a stipend upon completion that can go towards specified education expenses.
- **Safeguarding Charity Act Reintroduced:** Earlier this month, Sen. Lankford (R-OK) and Rep. Steube (R-FL) reintroduced the [Safeguarding Charity Act \(S.1428/H.R.2896\)](#) that would clarify that tax-exempt organizations should not be treated as recipients of federal financial assistance. The legislation follows recent lower court decisions – later overturned by an appeals court - that found that a nonprofit’s “tax exemption” is a form of “federal financial assistance,” which could trigger the application of several federal statutes. The bill codifies the appeals court decision that held that 501(c)(3) tax-exempt status [did not constitute](#) federal financial assistance for purposes of Title IX of the Education Amendments of 1972 and provides greater protections for nonprofit independence.
- **Volunteer Driver Tax Appreciation Act:** Last month, Sens. Klobuchar (D-MN) and Budd (R-NC) and Reps. Stauber (R-MN) and Craig (D-MN) reintroduced

the bipartisan Volunteer Drive Tax Appreciation Act ([S.1177/H.R. 1582](#)) to increase the charitable reimbursement rate, set in statute at \$0.14 per mile, to at least the [standard mileage rate](#), currently \$0.70 per mileage. NCN [supports the change](#) to allow volunteers to defray one of the largest costs associated with volunteering.

- **House Budget Blueprint Bill Update:** The U.S. House of Representatives narrowly approved earlier this month the [Senate amendment](#) to the budget resolution, which now allows Congress to move forward with drafting the details for budget reconciliation. In the budget resolution, the House instructed the Ways and Means Committee to extend tax cuts by at most \$4.5 trillion. Other committees must cut at least \$1.5 trillion to help cover the costs. The Senate Finance Committee is instructed to produce a bill that increases the deficit by no more than \$1.5 trillion and [bypassed the Senate parliamentarian](#) to allow Congress to approve permanent tax cuts. A House vote is tentatively scheduled for the week of May 5. See [the Punchbowl News Markup Calendar](#) for a timeline.

---

## Worth Quoting

### *On AmeriCorps*

- “For me, AmeriCorps was not merely a volunteer opportunity; it was a crucible that forged my commitment to service and community development... Witnessing the power of collective action and the dedication of individuals committed to a common good was profoundly impactful.”

— Kevin Dean, President & CEO of the **Tennessee Nonprofit Network**, in [Investing in Service, Not Dismantling It: A Personal Plea for AmeriCorps](#), Tennessee Nonprofit Network, Apr. 17, 2025.

---



Click to download the PDF.

## ***Worth Studying***

- [2025 Public Policy Agenda](#), National Council of Nonprofits, Apr. 2024, addressing public policy priorities at the federal, state, and local levels in the executive, legislative, and judicial branches.

## **Trend Spotting: Encroaching Nonprofit Independence**

Several states are considering and enacting a range of regulatory measures that would treat independent nonprofits as government. The National Council of Nonprofits [rejects any presumption](#) that charitable nonprofit organizations, by virtue of their sources of funds, are “quasi-governmental” or “government-sponsored” entities.

- **Arkansas:** Lawmakers passed a measure ([H.B. 1382](#)) to require the Protection and Advocacy Agency, an independent charitable nonprofit, to submit biannual reports on efforts to advocate for all individuals with development disabilities, expenditures, contracts, and other information upon request. The measure requires attendance at legislative meetings and further makes the nonprofit's documents subject to the state Freedom of Information Act, putting their clients' sensitive information at risk.
- **Oregon:** Lawmakers are considering two bills that would subject nonprofits to certain public records law. The first ([H.B. 3213](#)) would include public university foundations in the definition of "public body," making them subject to certain public records laws. Another bill ([H.B. 2848](#)) would require certain nonprofits that receive public funds to obey open meetings and public records laws, publicly post their proposed annual budget, and require the nonprofit's directors, officers, and employees to comply with government ethics standards, among other things.
- **Rhode Island:** Pending companion bills ([H.B. 5454](#)/ [S.B. 579](#)) would require nonprofits, as a condition for requesting state funds from the general assembly, to submit and post on their website a list of their 10 highest-paid director, officer, and employee salaries and benefits. It would also require disclosure of any other sources of funding including fundraising, endowments, trusts, giving,

and other activities.

---

## Advancing Government Grants and Contracting Reforms

Addressing challenges in the grants and contracting process at the state level is a priority for charitable nonprofits. **Maryland** companion bills ([S.B. 127/H.B. 300](#)), introduced by long-time nonprofit champion Sen. Kagan, have been sent to the Governor's desk for his signature. They would increase the indirect cost rate for grants and contracts with nonprofits from 10% to the higher of the *de minimis* rate established under the [OMB Uniform Guidance](#) or 15%. The measures would also re-enact the Maryland Efficient Grant Application (MEGA) Council and direct it to study and make recommendations on adopting the OMB Uniform Guidance. A comprehensive grants reform bill in **Nevada** ([AB 442](#)) would clarify definitions, require payments to be within 30 calendar days, and apply interest, among other things. The bill would provide exceptions and limitations and clarify requirements to receive or approve an advance.

---

## Pending Tax Legislation

Tax bills that may affect charitable nonprofits are moving in the states. A bill in **Nevada** would attempt to clarify religious, charitable, or educational purposes for [exemption from sales tax](#). In **North Carolina**, pending legislation would establish a [tax exemption registration process](#) for nonprofits, provide penalties for abuse of an exemption certificate, and require a sales tax exemption number. A bill in **Oregon** would authorize the Department of Revenue to electronically [collect voter signatures](#) in support of listing a nonprofit on the charitable checkoff list on state income tax forms.

---

Remote video URL

## Worth Watching

- [The ABQ Accent | Ep 29](#) (35:40), *One Albuquerque Media*, Apr. 4, 2025, featuring Tsiporah Nephesh, Executive Director of **New Mexico Thrives**.



---

## Numbers in the News

### 10,000

The estimated number of full-time jobs the nonprofit sector has lost since January 20, 2025.

**Source:** [10,000 Job Cuts in 70 Days. Introducing the Nonprofit Layoff Tracker](#), *Chronicle of Philanthropy*, Apr. 10, 2025.

## Stay in the Loop

Want to be the first to know policy developments and operational trends affecting nonprofits? Sign-up to receive our free newsletters, Nonprofit Champion and Nonprofit Essentials, and browse the archive of past editions.

[Sign-up](#)