

Overview of Federal Funding and Impact to Nonprofit Sector

Presented for the Joint Meeting of the
Assembly and Senate Committees on
Health and Human Services

United Ways of Nevada
February 26th, 2025

The United Ways of Nevada Role

United Way is a community convener and serves as a facilitator to the nonprofit sector and community-based organizations. The information presented today is representative of our state-wide coordination and collaboration.

Who We Are

In Southern Nevada

- Samuel Rudd, President and CEO
- Janet Quintero, Vice President of External Affairs
- Henry Rosas, External Affairs Manager

In Northern Nevada

- Blake Pang, President and CEO

What We Know

- Nonprofit sector plays a pivotal role in the delivery of social services in Nevada
- There is a spectrum of impact to the social service sector and local communities
- Nonprofits are experiencing uncertainty in the way they manage their programs
- Short-term effects of the OMB funding freeze, although rescinded, are significant

What We Do Not Know

- Long-term impact of federal funding changes to the nonprofit sector and the communities they serve
- Severity of impact to the social service sector and the communities they serve
- The overview is not a statistical analysis, this is self-reported real time data from nonprofit organizations

State of the Nonprofit Sector in Nevada

- **Federal Dollars Impact to Nevada**

- 1/3 of the state budget comes from federal funding
- Nonprofits receive a portion of these funds through grants, subgrants, contracts, direct billing, and other methods to provide vital services in every corner of our state.

Overview provided by National Council of Nonprofits

- **Nonprofit Sector Partnership with Government Agencies**

- Nonprofits know their sector and the communities they serve
- Government would have to increase direct services to fulfill the needs that are being met by the nonprofit sector
- Foundations and individual giving cannot fill in gaps if there are cuts in government funding. Nationwide 31% of the nonprofit sector's revenues come from funds earned under government grants and contracts. Only about 13% of revenues come from foundations, individuals, and corporations

Overview provided by Nevada GrantLab – Nonprofit Sector Analysis (2023)

- **Nonprofit Sector Impact in Nevada**

- Nonprofits employ over 46,000 people in Nevada
- There are about 625 actively operating nonprofits in the state providing more than \$2.4 billion in programs and services for our community
- According to a 2023 study commissioned by Nevada GrantLab, the sector remains much smaller by workforce and assets compared to similar regions

Timeline for Nonprofit Sector Coordination

- **1/27/25** - Office of Management and Budget (OMB) released a memo that required "Federal agencies to identify and review all Federal financial assistance programs and supporting activities consistent with the President's policies and requirements," and to suspend distribution of this funding while the review was underway.
- **1/28/25 & 1/29/25** - United Ways of Nevada hosted a rapid response call in partnership with Nevada GrantLab with over 350 nonprofits and community leaders.
- **1/28/25** - United Ways of Nevada launched the first survey to understand the impacts of the sector in a rapidly changing environment and received responses from 28 organizations from across the state.
- **1/29/25** - OMB memo rescinded, but federal funding review continues.
- **2/6/25** - During UWSN's February Nonprofit Sector call, we learned nonprofits were cautious about sharing information and they requested to have the option to submit information anonymously.
- **2/12/25** - Legal Aid Center of Southern Nevada, Nevada GrantLab, and United Ways of Nevada partnering together to continue to provide communication, technical support, and legal insights to the nonprofit sector.
- **2/21/25** - UWSN met with the Office of Federal Assistance (OFA) to collaborate on data gathering to gain a full understanding of the impact of federal funds to State Agencies & Nonprofit Sector staffing, and individuals impacted by services.
- **2/21/25** - United Ways of Nevada launched a second survey and received 160 entries, each representative of a federal funding program.

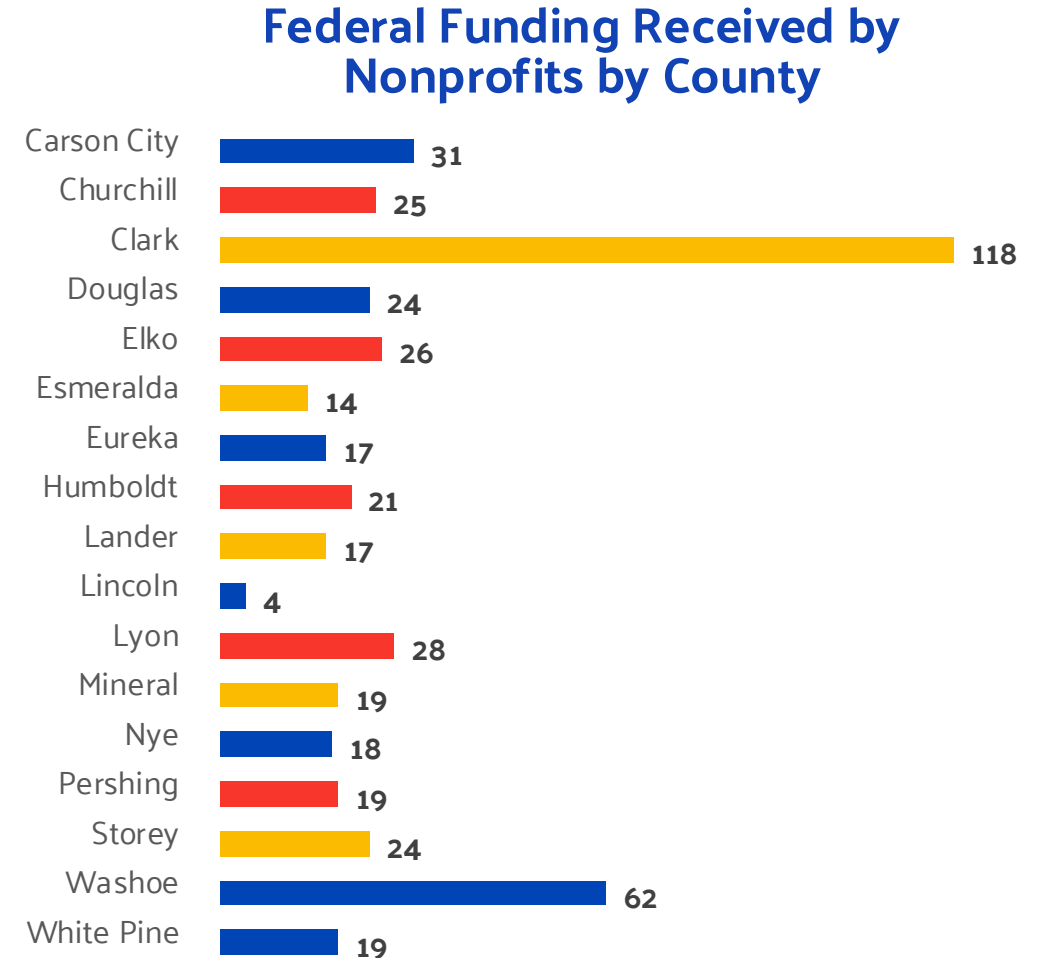
Noted Concerns about Short-Term Impact of Federal Funding Freeze:

- Operations Concerns (inability to make payroll, reimbursement challenges with programs)
- Exacerbating uncertainties for community members depending on nonprofits for basic needs (food assistance, housing, health care, etc.)
- Uncertainty with current or future applications for federal grants
- Even small pauses and potential reductions have a devastating impact on nonprofits that are already stretched thin, potentially causing immediate cuts to vital services. Critical business decisions to continue programming while waiting for reimbursement become even more difficult when committed and contractual funds may not be honored

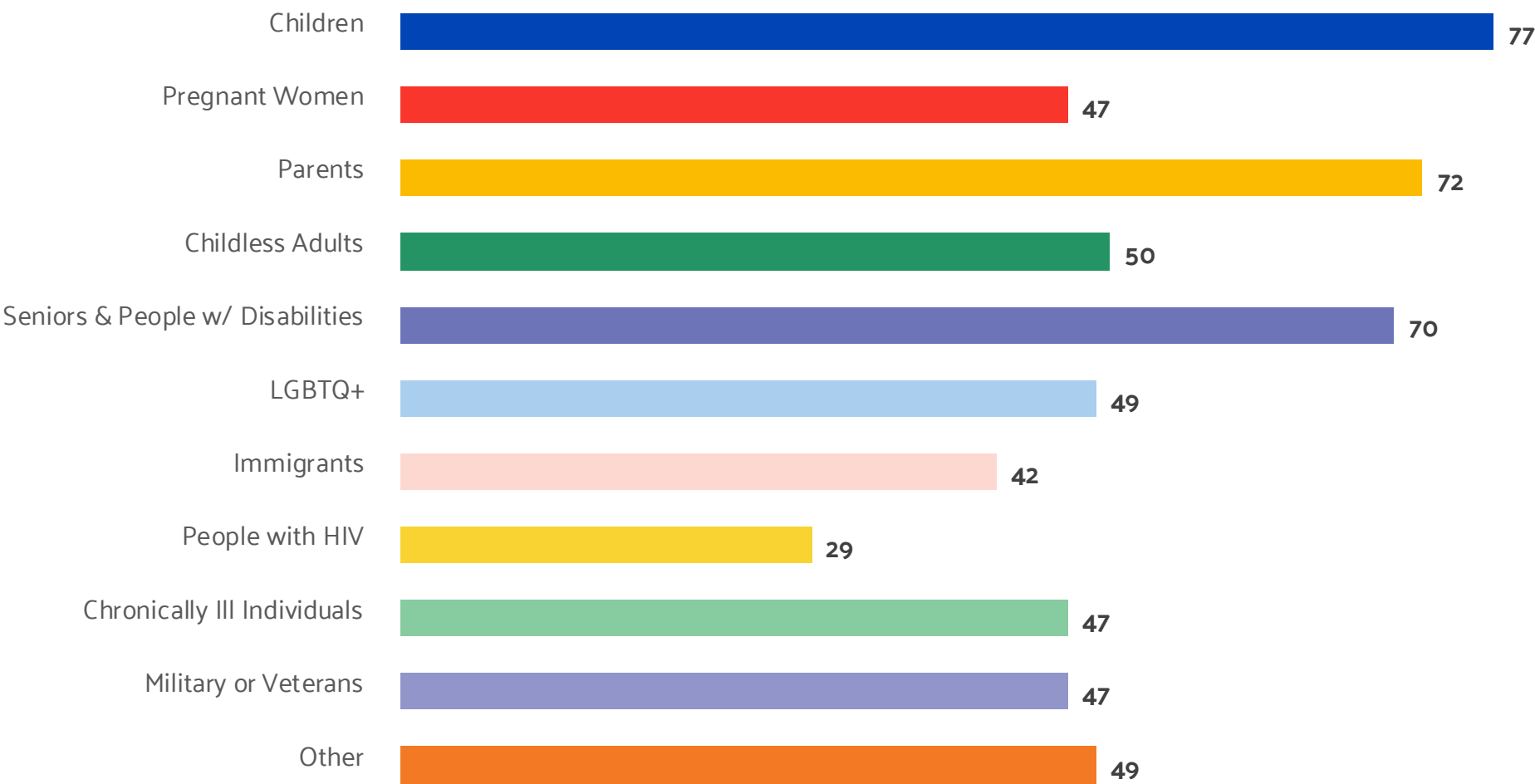
Federal Changes and Data from the Nonprofit Sector

Survey Overview: Impact by County

- **We received 160 responses**
 - We asked organizations to submit data for every individual grant received from the federal government
- **Highlights from self-reported data:**
 - From the reported \$214 Million in Federal Programs (direct or pass-through)
 - Directly impacting over one hundred thousand Nevadans
 - Serve every single county in our state



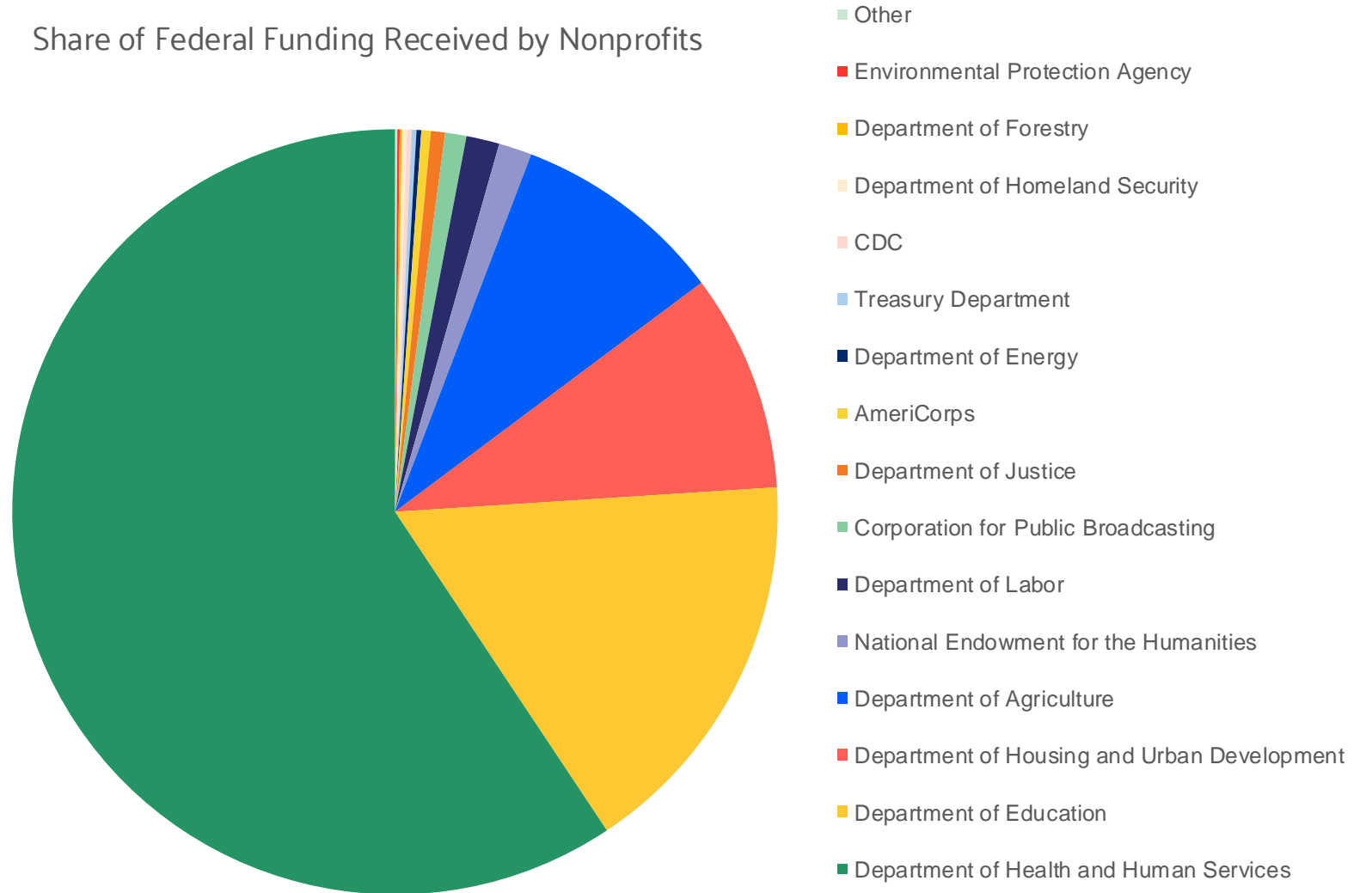
Survey Overview: Constituencies Most Impacted



Survey Overview: Source of Funding by Federal Agency

- 65% of reported grants are received through a state department or municipality
- The largest funder is the Department of Health and Human Services followed by the Departments of Agriculture and Education

Share of Federal Funding Received by Nonprofits



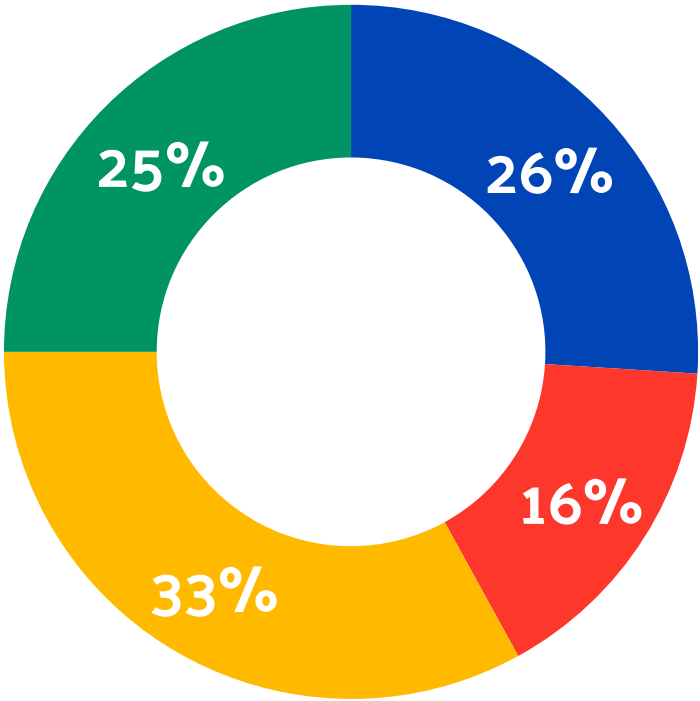
Survey Overview: Administrative Impacts to Nonprofits

- In the days following the release of the OMB Memo:
 - **38% of self-reported responses had their reimbursement portal temporarily shut down and their funding frozen**
- In the weeks following federal funding review directives:
 - **6% of self-reported responses** have received compliance notices or requests to modify their budget to align with the President's Executive Orders or lose funding
 - **8% of responses reported** an immediate impact on full-time staff
 - Some nonprofits have also reported longer reimbursement times or lack of communication from grant managers.
- Why this is important:
 - **Many nonprofits do not have the cash-on-hand to sustain prolonged periods of delays in reimbursement without missing payroll or reducing services.**
 - Even 24 or 48 hours in withholding payment translates into the same delay in giving families rental, food, or health care assistance.

Survey Overview: Services Provided to Communities

What kind of services do you provide through this funding?

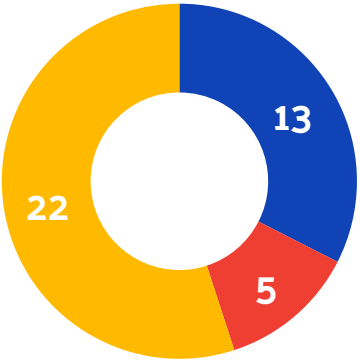
<div></div> Housing (Rent, Mortgage, Transitional Housing - shelter, hotel, motel) Food, Utilities	41
<div></div> Healthcare & Education that impact income potential or hard costs for individuals served	26
<div></div> Supportive services the DO impact income potential or hard costs for individuals served	53
<div></div> Supportive Services that DO NOT have an immediate impact on income or hard costs for individuals	40



Survey Overview: Federal Funding Sustainability

Long-term sustainability of the funding. Do you anticipate this funding to be at risk?

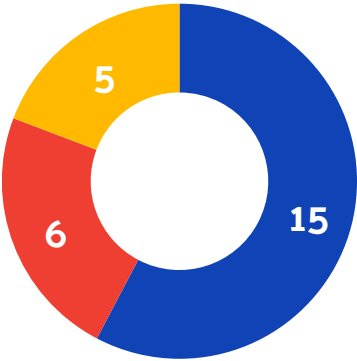
Housing, Food, and Utilities



■ Yes ■ No ■ Maybe

33% indicate 'yes'
55% indicate 'maybe'
to anticipated cuts

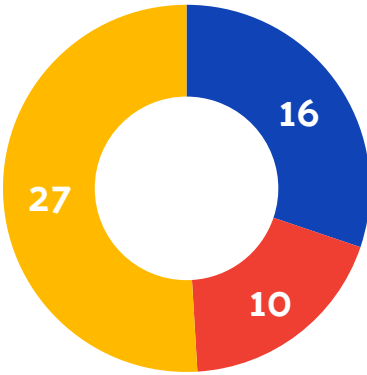
Healthcare & Education



■ Yes ■ No ■ Maybe

58% indicate 'yes'
19% indicate 'maybe'
to anticipated cuts

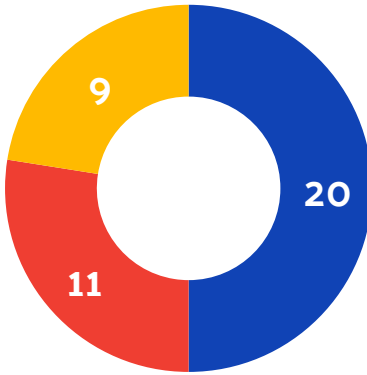
Supportive Services that
DO Impact Income Potential or
Hard Costs for Individuals
Served



■ Yes ■ No ■ Maybe

30% indicate 'yes'
51% indicate 'maybe'
to anticipated cuts

Supportive Services that
DO NOT Impact Income
Potential or Hard Costs for
Individuals Served



■ Yes ■ No ■ Maybe

50% indicate 'yes'
23% indicate 'maybe'
to anticipated cuts

Survey Overview: Potential Long-Term Impacts

When nonprofits were asked if they thought their funding was at risk and why, they responded:

- 41% - Yes, due to the federal funding freeze
- 39% - Yes, due to Congressional spending cuts
- 20% - No anticipated impact

Other impacts:

- 54% of nonprofits report the freeze could negatively impact full-time employee staffing, in the long-term
- 80% of respondents report feeling uncertain in the longevity of their federal funding
 - Nevada already ranks low in acquiring federal funding, putting strain on providers from seeking further funding.

Survey Overview: Feedback from the Nonprofit Sector

For those who believe funding may be at risk:

“Clark County has been awarded \$1,220,268 in EFSP funding for Phase, 42, a continuation of the pause has the potential to impact around 100,000 residents in Clark County with housing, food, and utility assistance”

“We serve some of the most vulnerable homeowners (low and very low income) by providing no cost safe and healthy home repairs so they can remain in their home”

“If our award is not executed, the agency will have incurred one month of expenses already that will have to be deducted from our operational funds. Our fear is that the award will not be executed and honored and we will be forced to exit clients from the program who will return to homelessness”

How Nonprofit Sector Is Responding

Building a Stronger, More Resilient Sector: Ongoing Efforts, Challenges, and Solutions

- **Data Driven Decisions**

- Making data-driven decisions and building a process in collaboration with the state to understand program-by-program impact
- Having conversations around how to develop frameworks and agreements to sustain the most essential services

- **Convening and Collaboration**

- Coordinating with the nonprofit sector, including Nevada Grant Lab and Legal Aid Center of Southern Nevada, and state agencies, including the Governor's Office of Federal Assistance, to share tools, best practices, and protocols to prepare for and weather an ever-changing federal landscape
- Resources and information sharing include guidance on how to respond to federal funding certifications in a timely manner and encouraging a review of programs and projections

Thank You!

For further questions, please don't
hesitate to contact us:

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