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Nonprofit Champion | March 10, 2025

Free National Webinar



Multiple lawsuits are underway to protect charitable nonprofits from blocks to federal funding they have earned, and to challenge attacks on diversity, equity, and inclusion initiatives. The National Council of Nonprofits is hosting this informational webinar to explain the current legal landscape and to highlight how philanthropic leaders are acting with urgency in supporting nonprofits during this difficult period. We'll conclude with actionable steps nonprofits and all who support the charitable sector can take.

Because we expect overwhelming interest for this webinar, please only click the link to register for the live event if you plan to view it live. All registrants will receive a link to the recording the day after the webinar.

- [Register to attend live](#)
- [Register to receive the recording only](#)

Newly Released Continuing Resolution (CR) Attempts to Avoid Government Shutdown

Over the weekend, House Republicans [released a stopgap bill](#) to fund the government through Sept. 30 and avoid a government shutdown scheduled to start this Friday, Mar. 14 at midnight. The “clean” continuing resolution (CR) fully funds government services, maintains operations at current levels, and provides funding for veterans, firefighters, social security, Medicare, Medicaid, and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). Facing the shutdown deadline, Congress [signaled approving a “clean CR”](#) along party lines last week when the White House and Republican reached an agreement on a “clean CR” to keep existing funding levels in place.

Executive Orders Update:

Second Judge Blocks Funding Freeze: Last week, a federal judge in Rhode Island issued a [preliminary injunction](#) blocking the federal funding freeze. This is a separate case from the NCN case which also has a preliminary injunction against the funding freeze. This case, brought by 23 state attorneys general and the District of Columbia, is broad and stops the Administration from “reissuing, adopting, implementing, or giving effect to, or reinstating under a different name the directives of the OMB Memo with respect to disbursement and transmission of appropriated federal funds to the States under awarded grants, executed contracts, or other executed financial obligations.” In the order, the judge addressed separation of powers, appropriations and spending, the Impoundment Act, and other constitutional and federal claims as well as outlined many examples of harms caused by the freeze ranging from childcare to education to public safety and emergency preparedness.

- *What is a preliminary injunction and why does it matter?* Find out this and more in our updated [Frequently Asked Questions on Executive Actions Impacting Nonprofits](#).
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Worth Watching

On how the executive orders affect the states

Remote video URL

- Kelley Kuhn, President and CEO, **Michigan Nonprofit Association**, [Testimony before the Michigan Senate Oversight Committee](#), Mar. 5, 2025, stating how “losing federal funds hinders their ability to continue to serve their communities and sustain vital programs.”
- Remote video URL

GP McLeer, Director of Public Policy & Community Engagement, **Together SC**, [Testimony before the House Education & Public Works Committee](#), Mar. 4, 2025, discussing how [proposed legislation](#) mirroring the DEI executive orders would overreach into nonprofit operations and regulate speech.

Worth Reading

- [Judge orders Trump administration to speed payment of USAID and State Dept. debts](#), Ellen Knickmeyer and Michael Kunzelman, *Associated Press*, Mar. 6, 2025.
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Federal FastView

- **EO Proposing Restrictions to PSLF:** On Friday, President Trump signed an [executive order](#) directing the Department of Education to propose changes to the [Public Service Loan Forgiveness](#) (PSLF) program to exclude organizations that “engage in activities that have a substantial illegal purpose,” including organizations that advance illegal immigration or support “terrorism”, “child abuse”, “illegal discrimination”, or “disorderly conduct”. PSLF, signed into law by President Bush in 2007, provides forgiveness for eligible borrowers, including those working at any 501(c)(3) charitable nonprofits regardless of service area, after making 120 eligible payments.
- **Census Advisory Committees Eliminated:** Last week the Department of Commerce [terminated the 2030 Census Advisory Committee](#), Census Scientific

Advisory Committee, and National Advisory Committee on Racial, Ethnic, and Other Populations, claiming the purposes of the committees had been fulfilled. The Census Bureau created the committees in the past few years to advise on how to create a more fair, accurate, and complete count for the 2030 census and allowed for expert public input on operations, strategies, and mission.

- **Bond Request:** Last week, President Trump [signed a memorandum](#) requiring all federal agencies to request plaintiffs seeking an injunction to post a bond equal to the federal government's potential costs and damages. Prior to this year there was little to no precedent for the federal government to request bonds in these types of cases. The judge in NCN's case to block the federal funding freeze denied a bond request when [issuing the preliminary injunction](#) stating, "In a case where the government is alleged to have unlawfully withheld trillions of dollars of previously committed funds to countless recipients, it would defy logic - and contravene the very basis of this opinion - to hold Plaintiffs hostage for the resulting harm." A [separate judge awarded](#) a "nominal bond of zero dollars" when ordering a preliminary injunction to block the termination of equity-related contracts or grants.
- **Proposed Changes to Amicus Brief Disclosure Requirements:** The Judicial Conference of the United States proposed changes to increase the disclosure requirements for parties filing "amicus curiae" or "friends of the court" briefs in federal litigation. The [proposed changes](#) would require the disclosure of persons that contributed more than \$100 to the preparation, drafting, or submission of the amicus brief, with exceptions. The conference serves as the policymaking body for federal courts and considers administrative and policy issues affecting the federal court system. In 2021, NCN filed an [amicus curiae brief](#) arguing for greater transparency in the disclosure of donors to a Section 501(c)(4) organization.

2025 Nonprofit Finance Fund State of the Sector Survey - Deadline Extended to March 14

Fill out and share this one-of-a-kind survey on the nonprofit sector's health and challenges across a variety of subsectors and geographies. Data are used to advocate for the policies needed to secure nonprofits' long-term resilience.

[Ensure Your Organization Is Heard](#)

Budgets and Nonprofits

Several states are considering budget proposals involving charitable nonprofits.

- **California:** A bill would establish a \$100 million appropriation for the [Small Business Recovery Fund](#) to provide competitive grants between \$2,500 to \$100,000 to small businesses and nonprofits directly impacted by a state of emergency.
 - **Missouri:** Similar bills ([H.B. 134](#)/ [S.B. 173](#)) seek to establish the Missouri Task Force on Nonprofit Safety and Security to study the security needs of nonprofits that are at an elevated risk of terrorist attacks. The task force would be required to make recommendations on administration, federal funding, and outreach and education, and include the executive director of a statewide association of nonprofits and other nonprofit representatives. The bills would also establish the Supplemental Nonprofit Safety and Security Fund for security enhancement measures.
 - **Tennessee:** A newly enacted law ([S.B. 6003](#)) establishes the Hurricane Helene interest payment fund to pay local governments' interest costs for up to 3 years on money borrowed to pay eligible disaster recovery costs related to Hurricane Helene.
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Worth Quoting

On the funding freeze

- “The threatened loss of federal funding shouldn’t deter **Connecticut** from properly funding nonprofits. On the contrary, this is the time when state leaders most need to step up. The General Assembly has the opportunity to make our state a model of how states should respond to federal budget-slashing. In years past, Connecticut has differed from many other states, giving bipartisan support for programs to help lift those in need. That caring quality is needed now more than ever.”

— Gian-Carl Casa, President and CEO of the **CT Community Nonprofit Alliance**, in [Opinion: Community nonprofits are in crisis; CT must increase funding](#), *CT Insider*, Mar. 7, 2025.

Taxes, Fees, and PILOTs

State and local governments continue to consider applying taxes, fees, and payments in lieu of taxes (PILOTs) on charitable nonprofits to raise revenues.

- **Property Tax:** In late February, the **Indiana** Board of Tax Review [determined](#) that a religious organization’s property was wrongly denied an exemption. The building was used for day care and educational programs, and other charitable activities.
 - **Transaction Fees:** Pending legislation in **Oklahoma** would prohibit interchange transaction fees and network fees for [transactions for donations](#) to 501(c)(3) charitable nonprofits.
 - **Property:** Despite vowing to [challenge nonprofit property tax](#) exemption, the City of Pittsburgh, **Pennsylvania** has won few challenges to large nonprofits’, according to new findings. The City argued that some hospital and university properties “did not meet state requirements for so-called purely public charities.” However, the city has only won challenges for “just \$11.7 million” of the \$877 million assessed.
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Worth Studying

Data and Research from State Associations of Nonprofits

- [Alaska Nonprofits - Essential to Our Way of Life](#), The Foraker Group, Feb. 24, 2025.
- [Connecticut's Nonprofit Crisis: Why CT Must Rethink the Fiscal Guardrails to Protect Essential Services and Support Its Most Vulnerable Residents](#), CT Community Nonprofit Alliance, Feb. 2025.
- [New Jersey Nonprofits Trends and Outlook 2025](#), New Jersey Center for Nonprofits, Mar. 2025.
- [2025 State of the Sector](#), New York Council of Nonprofits, Mar. 3, 2025.
- [Utah Nonprofit Sector Report](#), Utah Nonprofits Association, Feb. 2025.

Worth Listening

- [Listen to Envision Radio Episode 162 With Guest Mariane Doyle](#) (1:03:54), United Way of Greater Charlottesville, Mar. 5, 2025, featuring Dr. Mariane Asad Doyle, Executive Director of the **Center for Nonprofit Excellence**.
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Numbers in the News

1.36 million

The number of **New Yorkers** who work for nonprofits, “more than any other state,” according to the New York Council of Nonprofits’ State of the Sector Report. The report also showed that the biggest challenge for the state’s nonprofits is finding new revenue sources.

Source: [2025 State of the Sector](#), New York Council of Nonprofits, Mar. 3, 2025.

Nonprofit Advocacy Events

March is

- [American Red Cross Month](#)
- [National Developmental Disability Awareness Month](#)
- [Women’s History Month](#)

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