



PANO

Pennsylvania Association of
Nonprofit Organizations

High Level Overview: Federal Issues & Nonprofits in Southwest PA

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Never doubt that a small group
of thoughtful, committed
citizens can change the world.
Indeed, it's the only thing that
ever has.

--Margaret Mead



Nonprofits in Southwest Pennsylvania

Directly generated \$18.5 billion in gross regional product

Please see The Pittsburgh Foundation's [Economic Impact of Nonprofits in Southwestern Pennsylvania Dashboard](https://pittsburghfoundation.org/economic-impact-pa):
<https://pittsburghfoundation.org/economic-impact-pa>



4,720 nonprofits actively work to benefit neighborhoods in Pennsylvania



Provide services to at least **33%** - or **over 1.4 Million** of the region's residents, and



Employing 176,500 individuals or 17.5% of the region's workforce.



Pennsylvania Association of
Nonprofit Organizations

Information
Avalanche

Dread

Intentional
Malice

Our Collective "Overwhelm"

Usual
Life
Events

Uncertainty

Institutional
Chaos

Since January 2025...

- ❑ The President signed 235 Executive Orders (EOs).
- ❑ At least 54 EOs have directly/indirectly impacted nonprofits, those we serve, and those who work for us.
- ❑ Critical funds have been cancelled, restarted, delayed, rescinded.
- ❑ Federal guidance has been confusing at best and sometimes life threatening.
- ❑ Congressional bills have been introduced and sometimes signed into law including measures that are further pulling apart the safety net that supports all of us in one way or another.
- ❑ The judicial system sometimes stands strong – and sometimes it caves.

And at the state level...

- ❑ Our general assembly couldn't get the state budget passed – for five (5) months.
- ❑ In a small sample of 228 organizations:
 - ❑ Over 244,000 Pennsylvania lost or saw a reduced level of services (n = 66)
 - ❑ 1,865 staff were laid off, furloughed, worked for no pay or with eliminated/reduced benefits (n = 141)
 - ❑ **Monthly** financing required = \$128.5 Million – for a collective \$2.2 Million in interest that now needs to be paid to those whose offered financing (n = 196)
- ❑ Federal government shut-down



Department of Homeland Security Funding

- ❑ Early Thursday morning, a budget resolution was adopted to fund DHS which has been shut down since mid February
- ❑ Puts in motion a process to vote on a reconciliation package
- ❑ Two GOP Senators voted with Democrats against the package

Reconciliation 2.0

- ❑ This votes kicks off an incredibly procedural heavy process, all with a hard deadline of June 1, but GOP leadership wants it on the floor by end of April
- ❑ Senator Lindsey Graham and Senator John Barasso are leading this party line package to fund ICE and CBP
- ❑ It is crucial for Republicans to ensure the president sticks with this plan, and even then, there is still the House

Johnson Amendment

- ❑ A provision in the federal tax code adopted in 1954 that governs political activity by charitable nonprofits
- ❑ Under the rule, organizations with tax-exempt status cannot endorse or oppose political candidates or participate in campaign activity on behalf of a candidate
- ❑ A federal court recently dismissed a case challenging the Johnson Amendment, meaning the rule remains in place for now

GSA Grant Certification Update

- ❑ The General Services Administration (GSA) recently proposed changes to the System for Award Management (SAM), the federal system nonprofits must use to register for and receive federal grants and contracts
- ❑ Would require organizations to certify compliance with new conditions tied to federal funding
- ❑ A second public comment period is likely

Allegations of Fraud

- ❑ Increased scrutiny on nonprofits driven by political narratives, enforcement actions, and high-profile cases
- ❑ Fraud is rare, oversight is strong, and most nonprofits operate with high accountability
- ❑ New messaging tools available to help nonprofits respond to allegations and defend lawful, nonpartisan civic engagement

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AND...just consider what would happen in
Pennsylvania IF...

the **176,500** individuals working for
nonprofits + our board members would rally
together to:

- Identify solutions to the current challenges facing the region
- Tell our collective story of how we benefit our communities
- Start building an infrastructure where every person can actually thrive

