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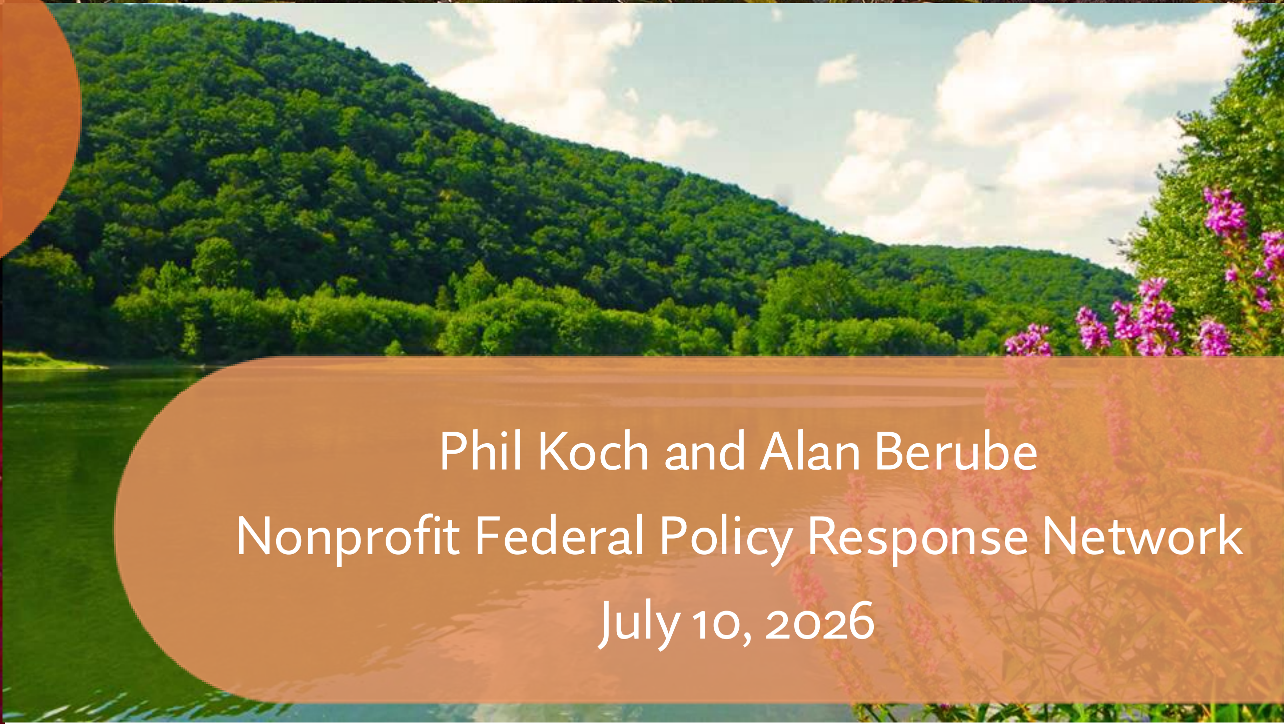
Call to Action: Understanding and responding to federal policy risks



Phil Koch and Alan Berube

Nonprofit Federal Policy Response Network

July 10, 2026

The Call to Action at The Pittsburgh Foundation

- Supply data & analysis to inform advocacy to restore basic needs funding.
- Increase $ out the door to basic needs.
- Build nonprofit resilience beyond the grant dollar.

The Call to Action at The Pittsburgh Foundation

Supply data & analysis to inform advocacy to restore basic needs funding.

Learn – Understand key federal changes and their community impacts.

Adapt – Develop strategies to respond and plan effectively.

Advocate – Be inspired and prepared to speak up for your community.

Outline

National context: Why the moment matters

Local impact: How federal changes are felt on the ground

Call to Action: How stakeholders can respond

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CPAC
SIDE QUESTS

Reciprocal Tariffs
Country
Tariffs Charged to the U.S.A.
U.S.A. Discounted Reciprocal Tariffs
China 67% 34%
39% 20%
90% 46%
64% 32%
Japan 46% 24%
India 52% 26%
50% 25%
Thailand 72% 36%
Switzerland 61% 31%
Indonesia 64% 32%
Malaysia 47% 24%
Cambodia 97% 49%
10% 10%
SEAL OF THE PRESIDENT OF THE UNITED STATES

POLICE
POLICE
FEDERAL OFFICER

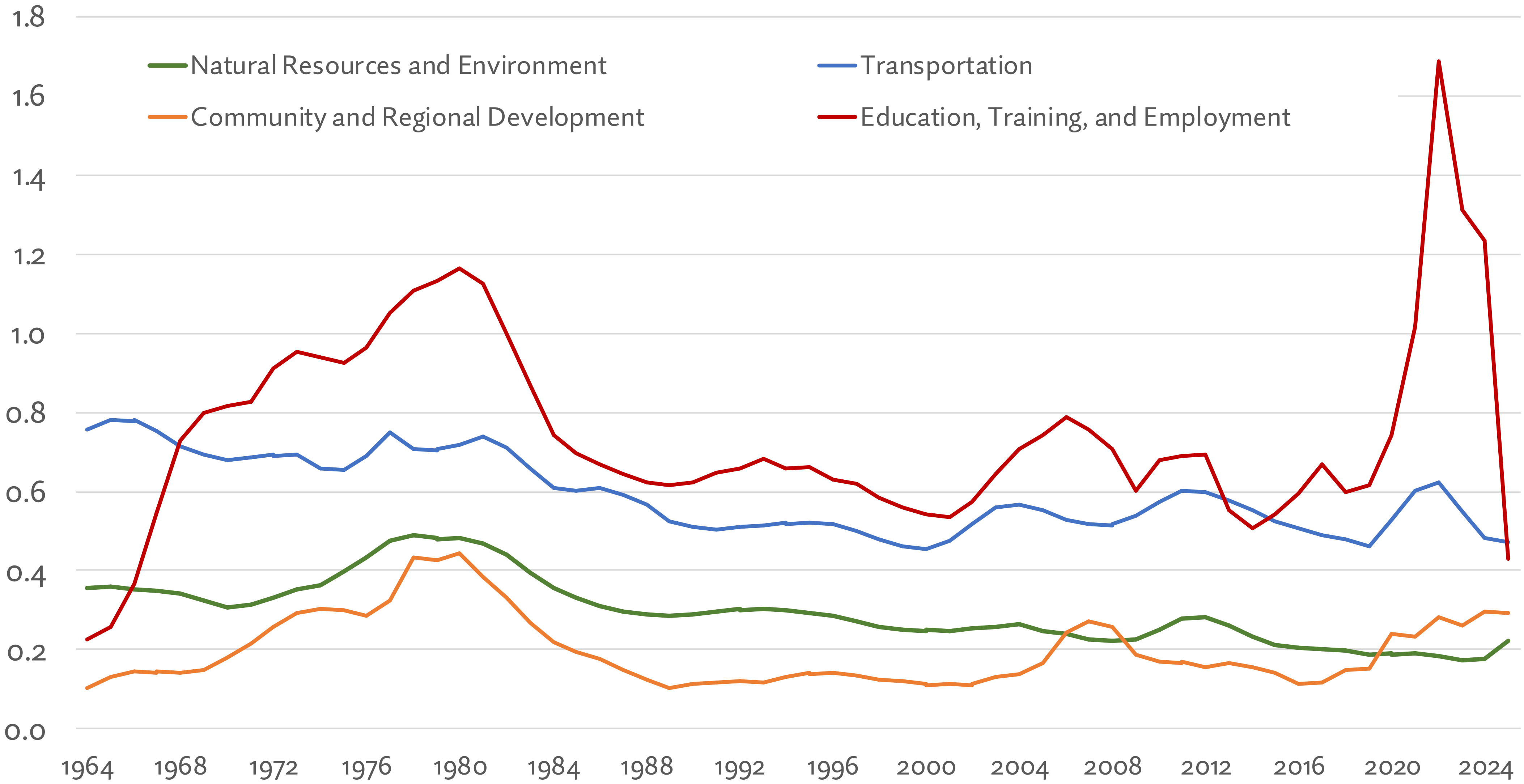
ONE BIG
BEAUTIFUL

DO YOUR
JOB
SO I CAN
DO MINE

NATIONAL ARCHIVES
FEDERAL REGISTER
The Daily Journal of the United States Government
Proposed Rule
Regulation for Federal Financial Assistance
A Proposed Rule by the Management and Budget Office, the Health and Human Services Department, the Agriculture Department, the State Department, the Agency for International Development, the Veterans Affairs Department, the Energy Department, the Treasury Department, the Defense Department, the Transportation Department, the Commerce Department, the Interior Department, the Environmental Protection Agency, the U.S. International Development Finance Corporation, the National Aeronautics and Space Administration, the United States Agency for Global Media, the Nuclear Regulatory Commission, the Corporation for National and Community Service, the Social Security Administration, the Housing and Urban Development Department, the National Science Foundation, the National Archives and Records Administration, the Small Business Administration, the Justice Department, the Labor Department, the Homeland Security Department, the Institute of Museum and Library Services, the National Endowment for the Arts, the National Endowment for the Humanities, the Education Department, the Export-Import Bank, the Office of National Drug Control Policy, the Peace Corps, the Election Assistance Commission, the Gulf Coast Ecosystem Restoration Council, the Federal Communications Commission, the Consumer Product

Reagan-era cuts had lasting impacts on domestic policy

Outlays as % of GDP, selected budget functions, 1964-2025 (3-year rolling average)



Source: Office of Management and Budget

Outline

National context: Why the moment matters

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Federal spending accounts for 25% of PA GDP

Federal spending by category, Commonwealth of PA, FY2024

Direct payments
(Social Security, Medicare, SNAP)
$190 billion

Grants
(Medicaid, NIH, Education)
$52 billion

Contracts
(Defense, energy, food)
$27 billion

Employment
(Civilian and military)
$16 billion

Source: USASpending.gov

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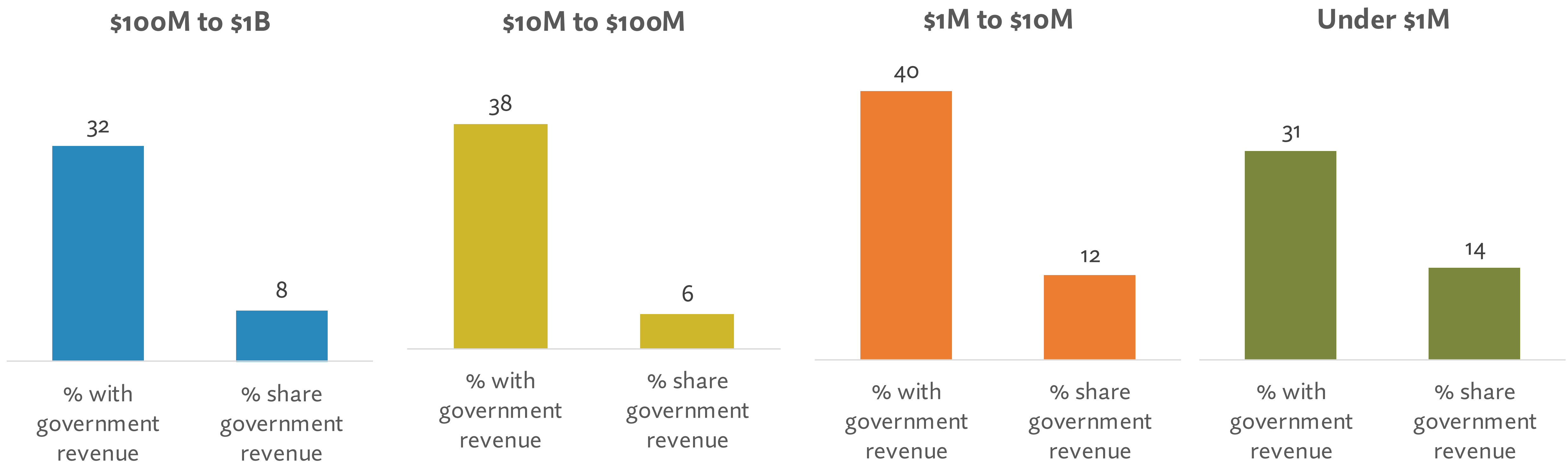
30-40% of PA nonprofits receive government funds

Share of nonprofits with government dollars and government share of total revenue, by total revenue, 2023



Source: IRS 990 data

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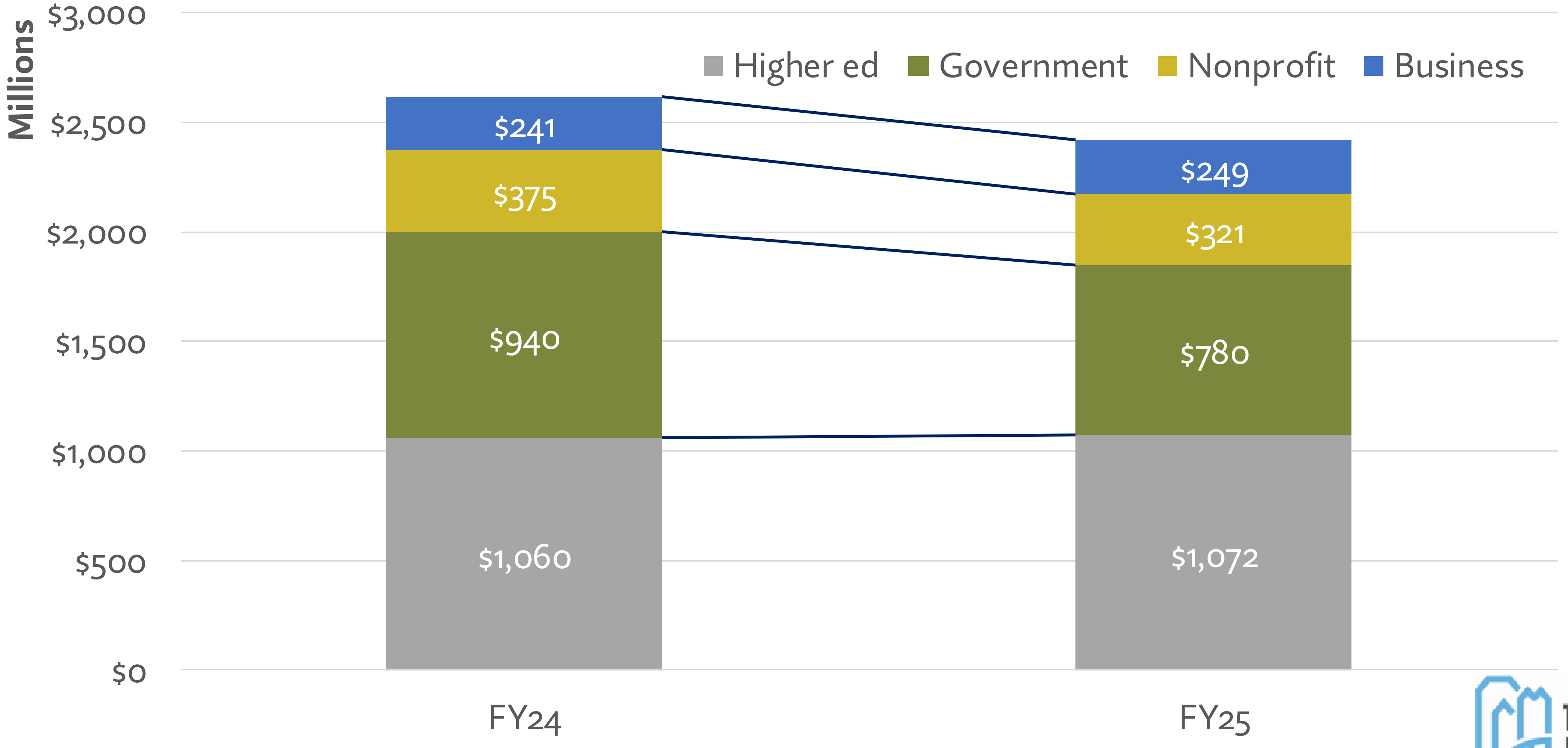
Federal grants to local nonprofits and governments declined in FY25

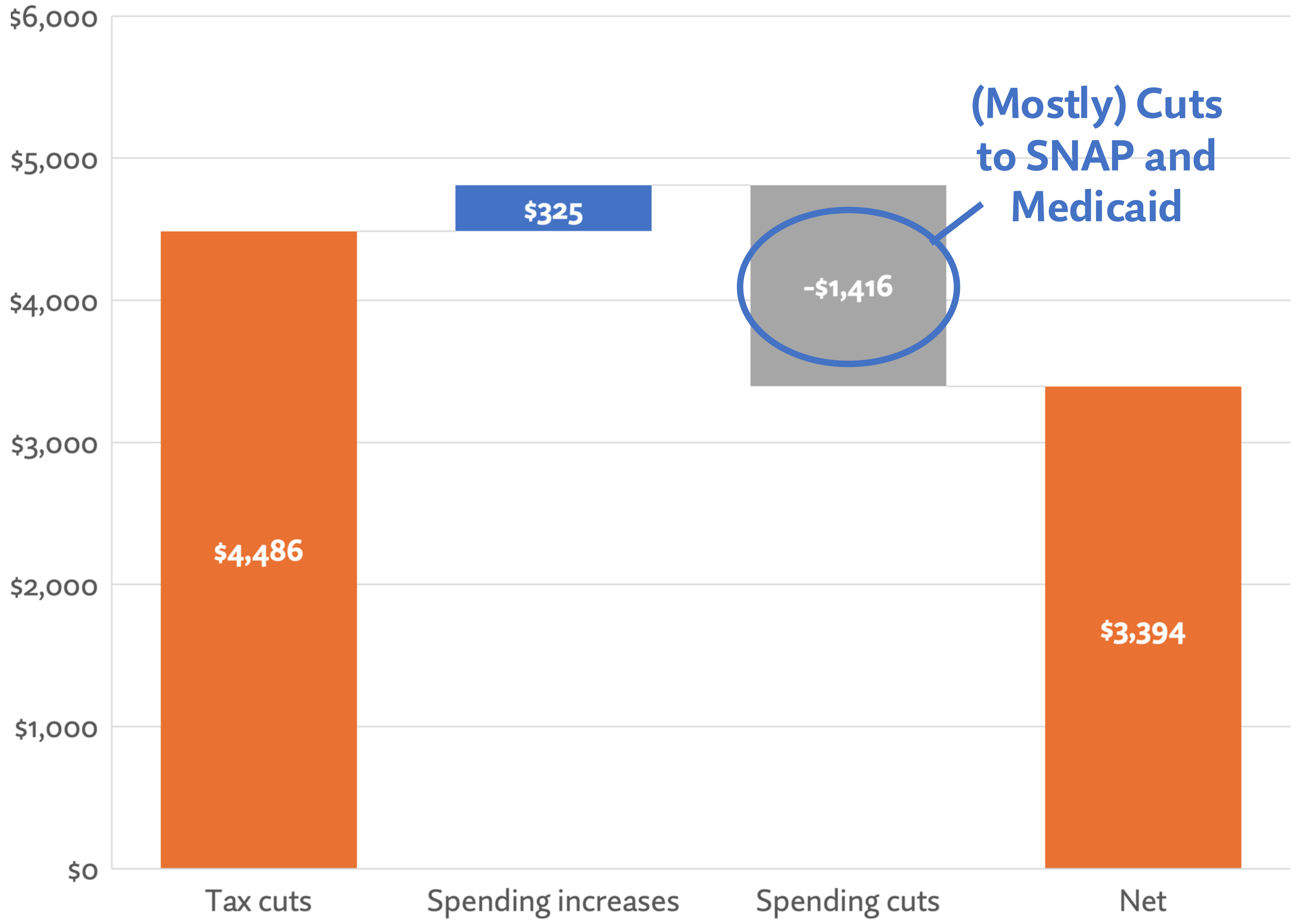
Federal grant dollars by recipient type, Southwestern PA, FY2024 and FY2025



Source: USASpending.gov. Includes subgrants in each year through February, due to incomplete data for FY25.

H.R. 1 extended tax cuts and shrank safety net programs

10-year costs of major components of H.R. 1 ($B)



Important aspects of H.R. 1 will come into effect through 2028

July 2025
- H.R. 1 adopted
- Many immigrants lose SNAP eligibility
- LIHTC expanded

Oct-Nov 2025
- SNAP work requirements expand
- SNAP benefit reductions begin

(thru 2027)

Jan-Feb 2026
- Enhanced ACA subsidies expire
- Public housing fund reduced

Jun 2026
- HUD restricts support for Housing First approaches

Oct 2026
- Many immigrants lose Medicaid eligibility

Jan 2027
- Expanded Medicaid recertification requirements begin
- Medicaid work requirements begin

Oct 2027
- Feds halve reimbursement for SNAP administrative costs
- Restrictions on Medicaid provider taxes begin

(thru 2032)

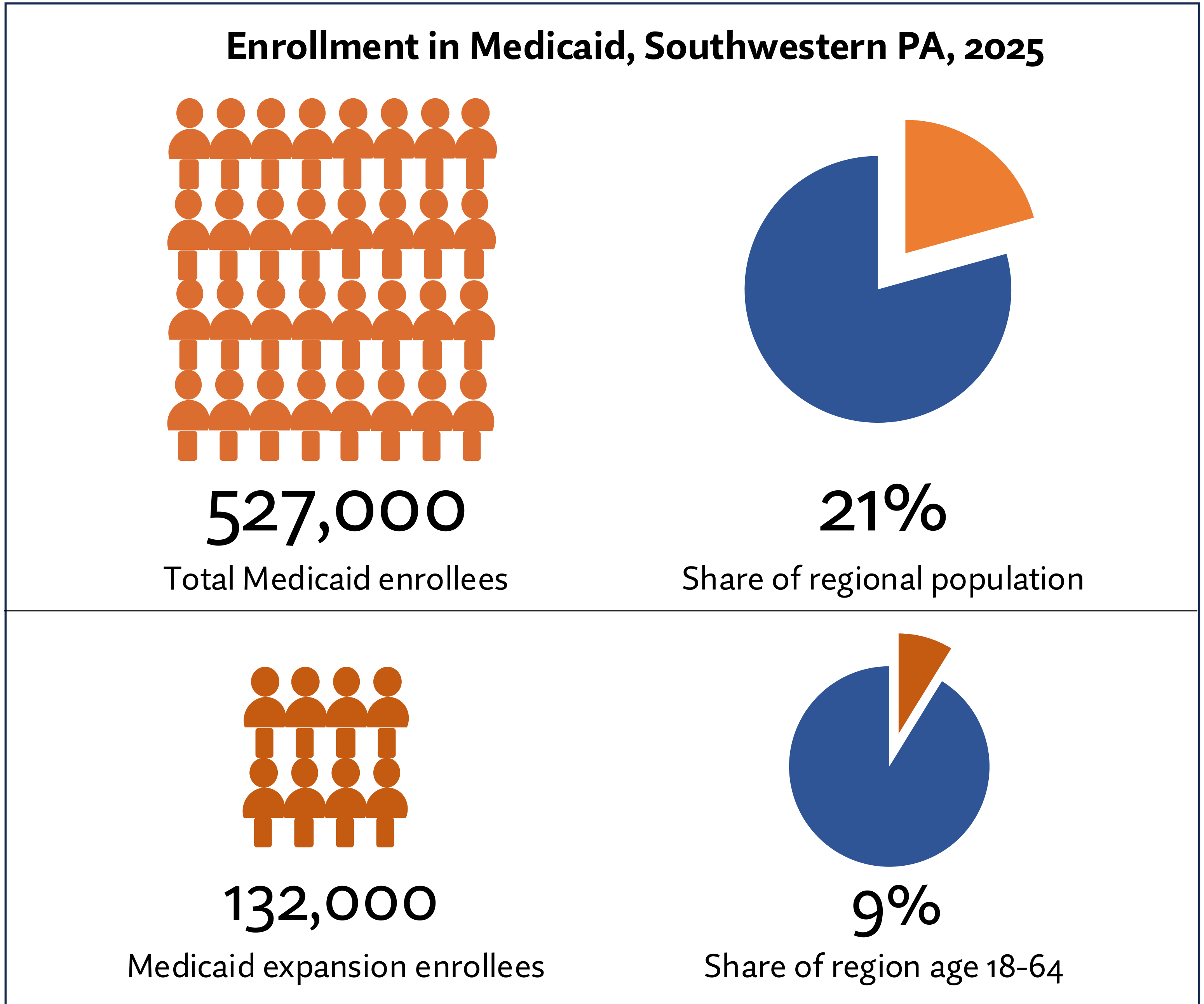
Oct 2028
- States must begin to pay share of SNAP benefit costs if payment error rate is too high

PA Health Law Project

THE PITTSBURGH FOUNDATION

Medicaid in Southwestern PA

- About **3 million** Pennsylvanians, and **527,000** Pittsburgh-area residents—more than one in five region-wide—received health insurance through Medicaid in 2025.
- Of these, about **750,000** statewide, and **132,000** in Southwestern PA, were adults covered through the Medicaid expansion created by the Affordable Care Act.
- Medicaid is jointly financed by federal and state governments, with the state share varying depending on measures of economic need and fiscal capacity. The Commonwealth of Pennsylvania pays approximately 40% of statewide Medicaid program costs (KFF, 2024).



Source: PA Department of Human Services

H.R. 1 makes several changes to Medicaid that will reduce enrollment

- The Congressional Budget Office, projects that H.R. 1's changes to the Medicaid program will reduce nationwide program enrollment by **7.5M** over the next several years, relative to current law
- Most of these changes will take effect in the next 1-2 years
- Financing changes will reduce state flexibility gradually over a 5-year period
- States can take steps to mitigate the impact of H.R. 1's changes on enrollment, and/or can use own-source revenues to fill the resulting coverage gaps

Source: KFF, PA Health Law Project

Immigrants: H.R. 1 makes several categories of legal immigrant adults (e.g., refugees, asylees, humanitarian parole) ineligible for Medicaid
Effective: October 1, 2026

Work requirements: H.R. 1 establishes work requirements for adults age 19-64 receiving Medicaid expansion (80 hours/month)
Effective: January 1, 2027

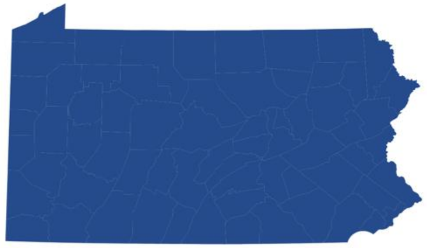
Recertification: H.R. 1 obligates adults receiving Medicaid expansion to undergo eligibility renewals every 6 months (up from 1x/year)
Effective: December 31, 2026

Financing: H.R. 1 limits states' use of provider taxes and state-directed payments to finance their share of Medicaid spending
Effective: October 1, 2027—September 30, 2032

H.R. 1 will cut eligibility and enrollment for Medicaid statewide and in Southwestern PA

- Pennsylvania DHS projects that H.R. 1's changes to the Medicaid program will reduce program enrollment in PA by **310k** over the next several years, relative to current law
- Most of the changes will impact low-income adults in the Medicaid expansion group
- Pennsylvania DHS estimates suggest that **54,000** fewer Pittsburgh-area residents would be covered under Medicaid as a result of H.R. 1 implementation
- Based on federal data showing $7,600 in annual per-enrollee federal spending for PA's Medicaid expansion population, this would mean **$2.4 billion** in statewide cuts, and **$413 million** in Southwestern PA cuts

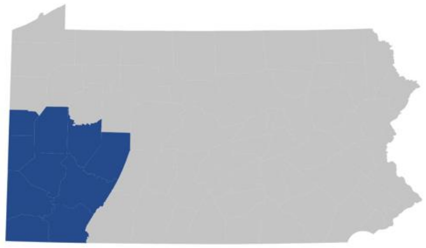
Impacts of H.R. 1 Medicaid cuts on enrollment and spending, Pennsylvania and Southwestern PA



Pennsylvania-wide

310,000 people
Projected to lose coverage

$2.3 billion
Estimated annual federal subsidies



Southwestern PA

54,000 people
Projected to lose coverage

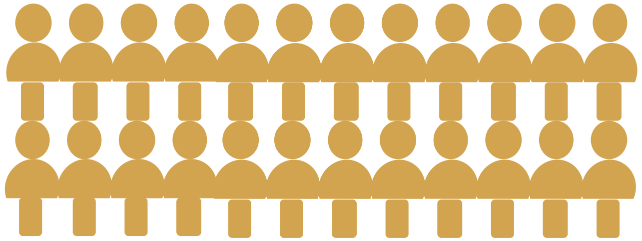
$413 million
Estimated annual federal subsidies

Source: Pennsylvania DHS, Centers for Medicare and Medicaid Services

SNAP in Southwestern PA

- About **2 million** Pennsylvanians, and **360,000** Pittsburgh-area residents—about one in seven region-wide—participated in the Supplemental Nutrition Assistance Program (SNAP) in 2025.
- The average SNAP household receives **$310** per month in benefits toward the purchase of food for consumption at home. That equates to roughly **$740 million** annually for Southwestern PA participants.
- SNAP benefits are fully funded by the federal government, and federal and state governments split the administrative costs. Recipient households generally have incomes below 130% of the poverty line, or about $35,000/year for a family of three.

SNAP recipients and benefits in Southwestern PA, 2025



360,000

Total persons receiving SNAP

14%

Share of regional population

$740 million

Total annual SNAP benefits

$310

Average monthly SNAP benefit

Source: U.S. Department of Agriculture

H.R. 1 makes several changes to SNAP similar to those impacting Medicaid

- The Congressional Budget Office, projects that H.R. 1's changes to the Medicaid program will reduce nationwide program enrollment by **7.5M** over the next several years, relative to current law
- Some of the program changes have already happened (immigrant eligibility, work requirements), while others will take effect in the next 1-2 years
- States can take steps to mitigate the impact of H.R. 1's changes on enrollment, and/or can use own-source revenues to fill the resulting coverage gaps

Immigrants: H.R. 1 makes several categories of legal immigrant adults (e.g., refugees, asylees, humanitarian parole) ineligible for SNAP
Effective date: July 4, 2025

Work requirements: H.R. 1 expands the range of able-bodied adults without dependents who must meet work requirements (80 hours/month) to receive SNAP
Effective date: November 1, 2025

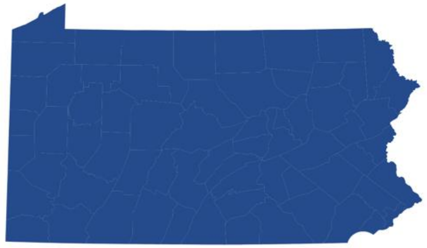
Benefit cuts: H.R. 1 eliminates certain allowances and adjusts food price calculations in ways that trim SNAP benefits for many households
Effective date: October 1, 2025—October 1, 2027

Financing: H.R. 1 halves the share of SNAP administrative costs paid by the federal government, and obligates states to pay a share of benefit costs if they fail to reduce payment error
Effective dates: October 1, 2027 and October 1, 2028

H.R. 1 will cut eligibility and enrollment for SNAP statewide and in Southwestern PA

- Pennsylvania DHS estimates that H.R. 1 will reduce SNAP enrollment statewide by **144,000** individuals
- Most of the initial changes will impact adults without younger dependent children (**PEERs**—Pennsylvanians with Employment and Engagement Requirements)
- Pennsylvania DHS estimates suggest that **29,000** fewer Southwestern PA residents would receive SNAP as a result of H.R. 1 implementation
- Based on federal data showing $2,335 in annual per-participant benefits for PA's SNAP enrollees, this would mean **$336 million** in statewide cuts, and **$68 million** in Southwestern PA cuts

Impacts of H.R. 1 SNAP cuts on enrollment and spending, Pennsylvania and Southwestern PA



Pennsylvania-wide

144,000 people
Projected to lose benefits

$336 million
Estimated annual federal subsidies

Southwestern PA

29,000 people
Projected to lose benefits

$68 million
Estimated annual federal benefits

Source: Pennsylvania DHS, USDA

H.R. 1 could modestly expand local affordable housing supply

- H.R. 1 will expand access to valuable 9% Low Income Housing Tax Credits (LIHTC) to stimulate affordable housing construction
- Housing advisor Novogradac projects that this will lead to 26,400 additional affordable units built in Pennsylvania over the next decade
- If Southwestern PA received its share of projected additional units based on its share of 2025 PA-wide applications, that would equate to **900 added units/year**
- If Southwestern PA received its share of projected additional units based on its shared of 2025 PA-wide awards, that would equate to **1,000 added units/year**

LIHTC applications to Pennsylvania HFA, 2025

Geography/Type	Applied	Awarded*	Not awarded
Pennsylvania: Low-income units	3,107	1,854	1,253
Pennsylvania: LIHTC	$125M	$65M	$60M
Southwestern PA: Low-income units	1,078	714	364
Southwestern PA: LIHTC	$38M	$23M	$15M

Source: Analysis of PA HFA and Novogradac data
**Includes "conditional" awards*

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Federal housing grants have kept pace so far despite challenges at HUD

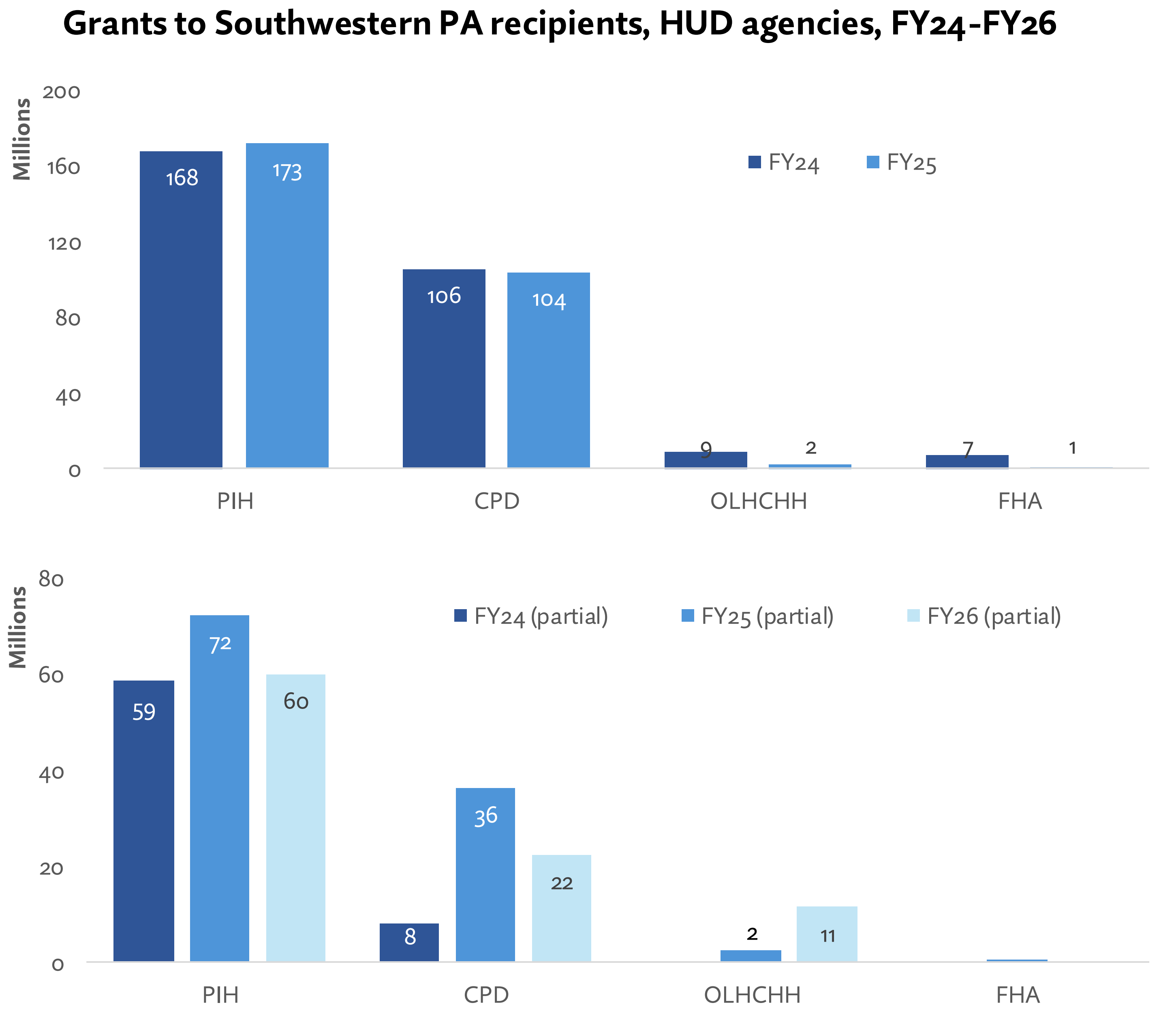
- While DOGE layoffs and administration-proposed budget cuts have targeted HUD, Congressional action has preserved most funding for vouchers, public housing, and community development

- Funding from HUD's Public & Indian Housing and Community Planning and Development divisions to Pittsburgh-area recipients was stable from FY24 to FY25

- Grant flows appear mostly stable in FY26, but FY26 appropriations reduce Public Housing Operating funds by about **10%**

- Smaller Federal Housing Administration (FHA) grants for green retrofits and housing counseling have not continued under the Trump administration

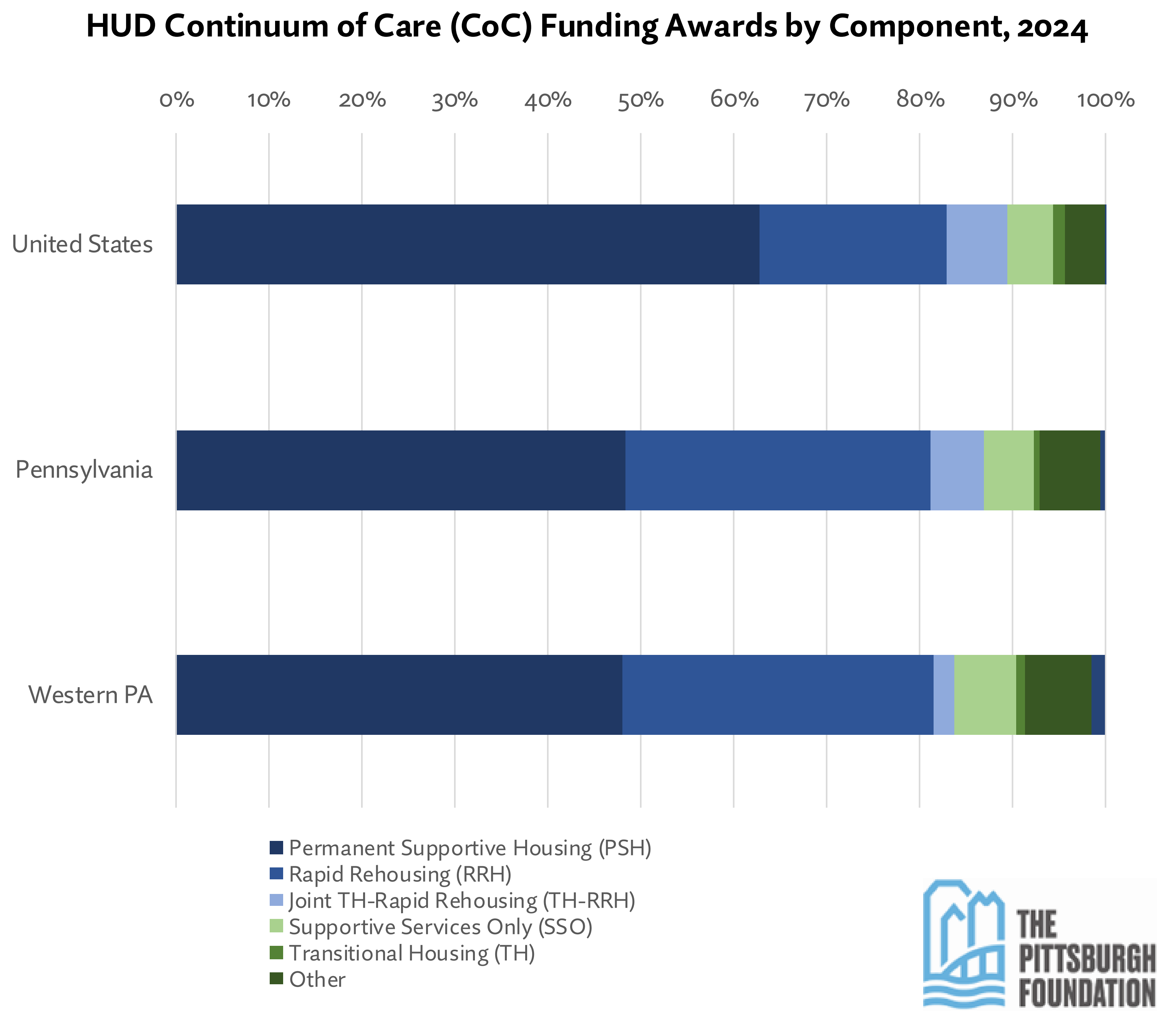
Source: Analysis of USASpending.gov
Partial years include grants and subgrants issued through 3/20



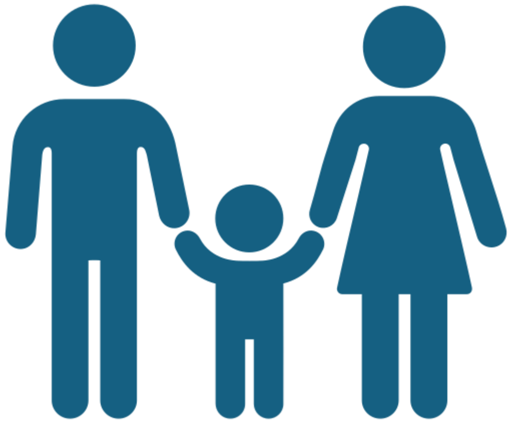
The Trump administration is seeking to overhaul anti-homelessness funding

- The administration does not support “Housing First” approaches to preventing and alleviating homelessness, preferring transitional housing tied to treatment and work requirements.
- Most grants made through HUD’s Continuum of Care (CoC) program—including to groups in SW PA—support evidence-based rapid rehousing and permanent supportive housing
- In June 2026, HUD issued a $4B CoC Notice of Funding Opportunity that would cap Housing First approaches to **60%** of dollars, down from nearly **90%** of awards in previous years. This could strip housing assistance from tens of thousands of formerly homeless people.
- The NOFO will likely face legal challenges and Congressional pushback in the coming months.

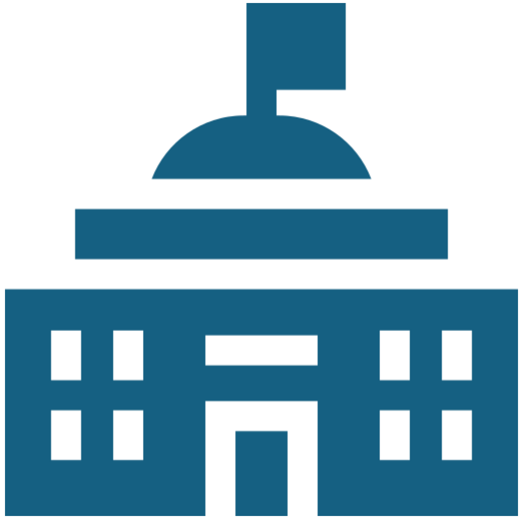
Source: HUD, Center on Budget and Policy Priorities



These cuts will have wider community impacts



Vulnerable individuals, families, and households



Local governments and taxpayers

Providers: hospitals, clinics, grocery stores, food banks

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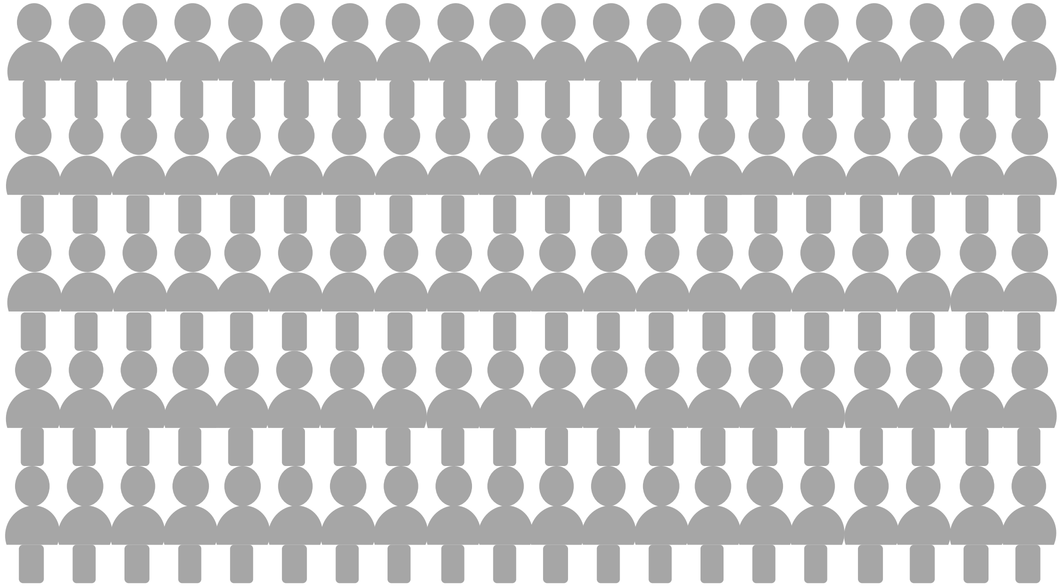
The needs of vulnerable communities overlap



2,500,000 people
in Southwestern Pennsylvania

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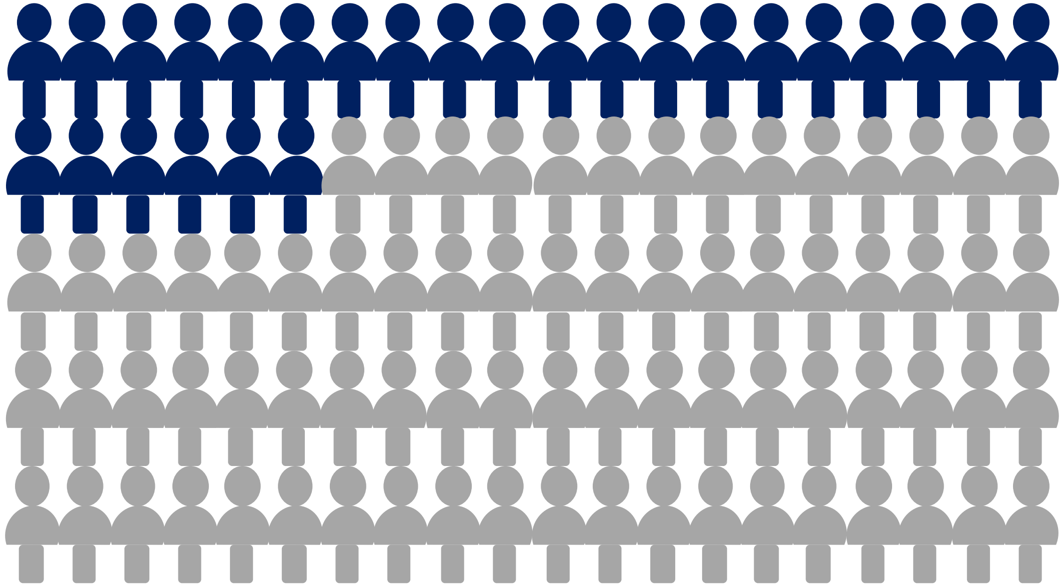
The needs of vulnerable communities overlap



25%
receive Medicaid/SCHIP

625,000 people
in Southwestern Pennsylvania*

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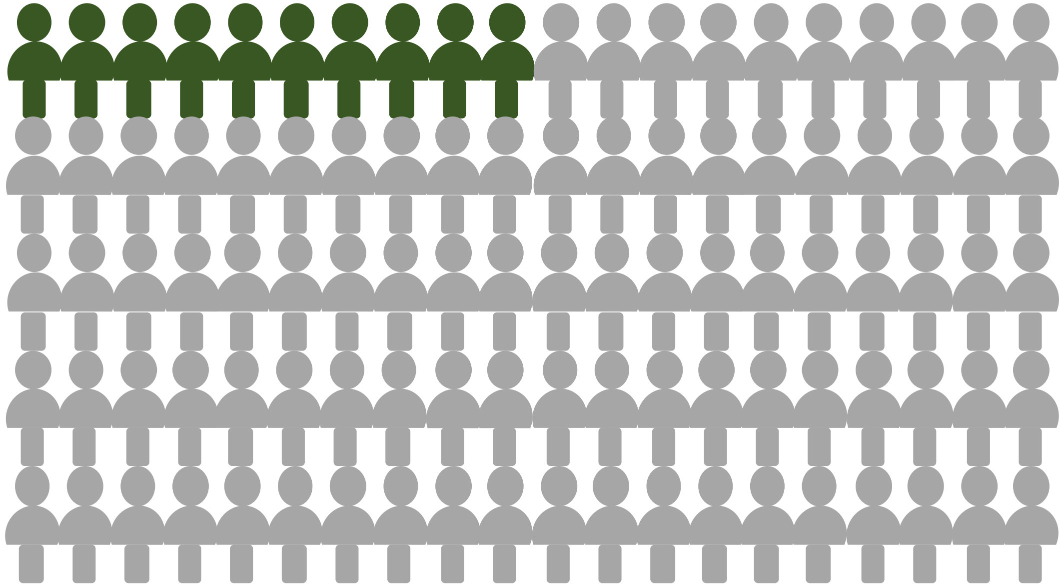
** Based on estimates from U.S. Census Bureau, "Who is Receiving Social Safety Net Benefits?" (2024)*

The needs of vulnerable communities overlap



250,000 people
in Southwestern Pennsylvania*

25%
receive Medicaid/SCHIP

40% of them
also receive SNAP

** Based on estimates from U.S. Census Bureau, "Who is Receiving Social Safety Net Benefits?" (2024)*

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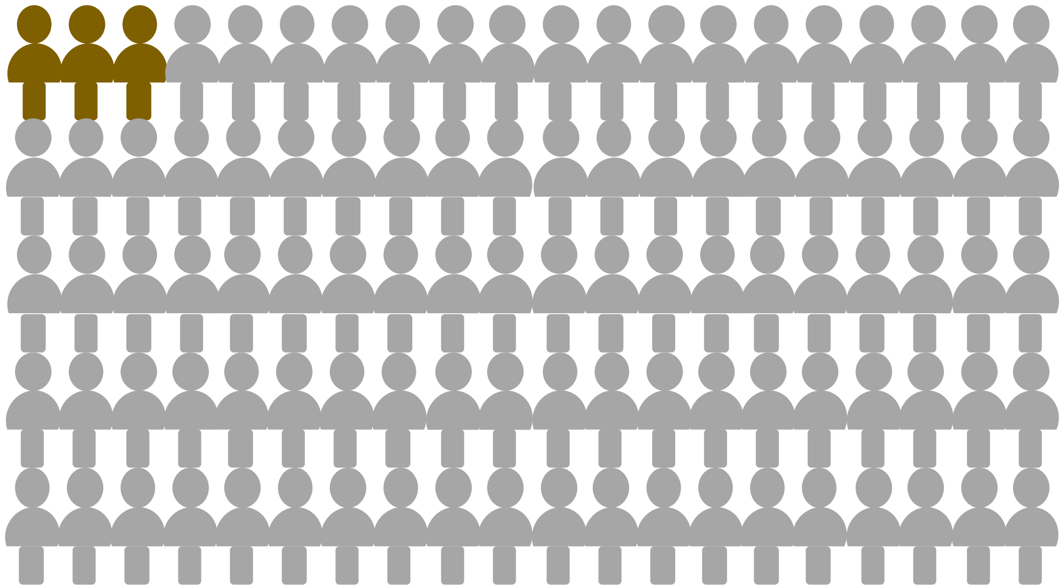
The needs of vulnerable communities overlap



55,000 people
in Southwestern Pennsylvania*

25%
receive Medicaid/SCHIP

40% of them
also receive SNAP

22% of them
also receive rental subsidies

* *Based on estimates from U.S. Census Bureau, "Who is Receiving Social Safety Net Benefits?" (2024)*

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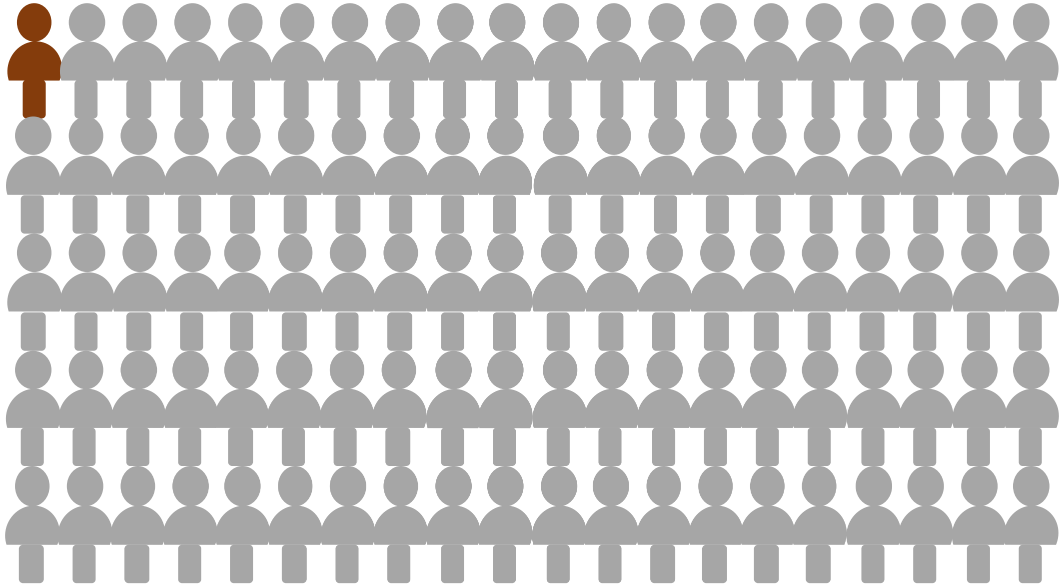
The needs of vulnerable communities overlap



18,700 people
in Southwestern Pennsylvania*

25%
receive Medicaid/SCHIP

40% of them
also receive SNAP

22% of them
also receive rental subsidies

34% of them
also receive energy assistance

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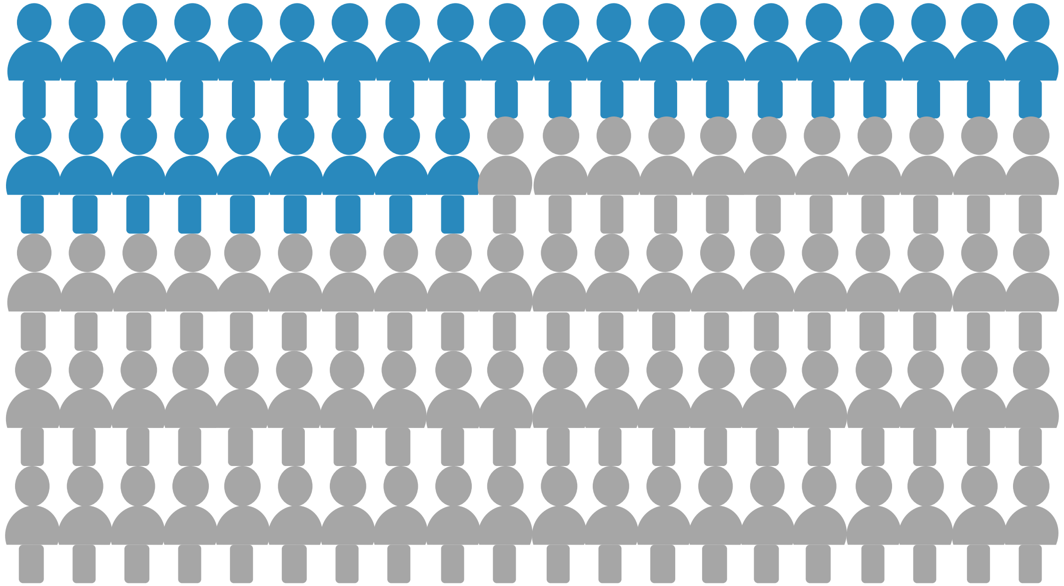
* *Based on estimates from U.S. Census Bureau, "Who is Receiving Social Safety Net Benefits?" (2024)*

The needs of vulnerable communities overlap



724,000 people
in Southwestern Pennsylvania*

29%
receive Medicaid/SCHIP

OR
receive SNAP

OR
receive rental subsidies

OR
receive energy assistance

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** Based on estimates from U.S. Census Bureau, "Who is Receiving Social Safety Net Benefits?" (2024)*

Outline

National context: Why the moment matters

Local impact: How federal changes are felt on the ground

Call to Action: How stakeholders can respond

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Classifying the range of federal policy risks

Larger

Unpredictable

Predictable

Administration actions
(e.g., new EOs, impoundment, grant language)

H.R. 1 spending cuts
(e.g., Medicaid, SNAP, grad education)

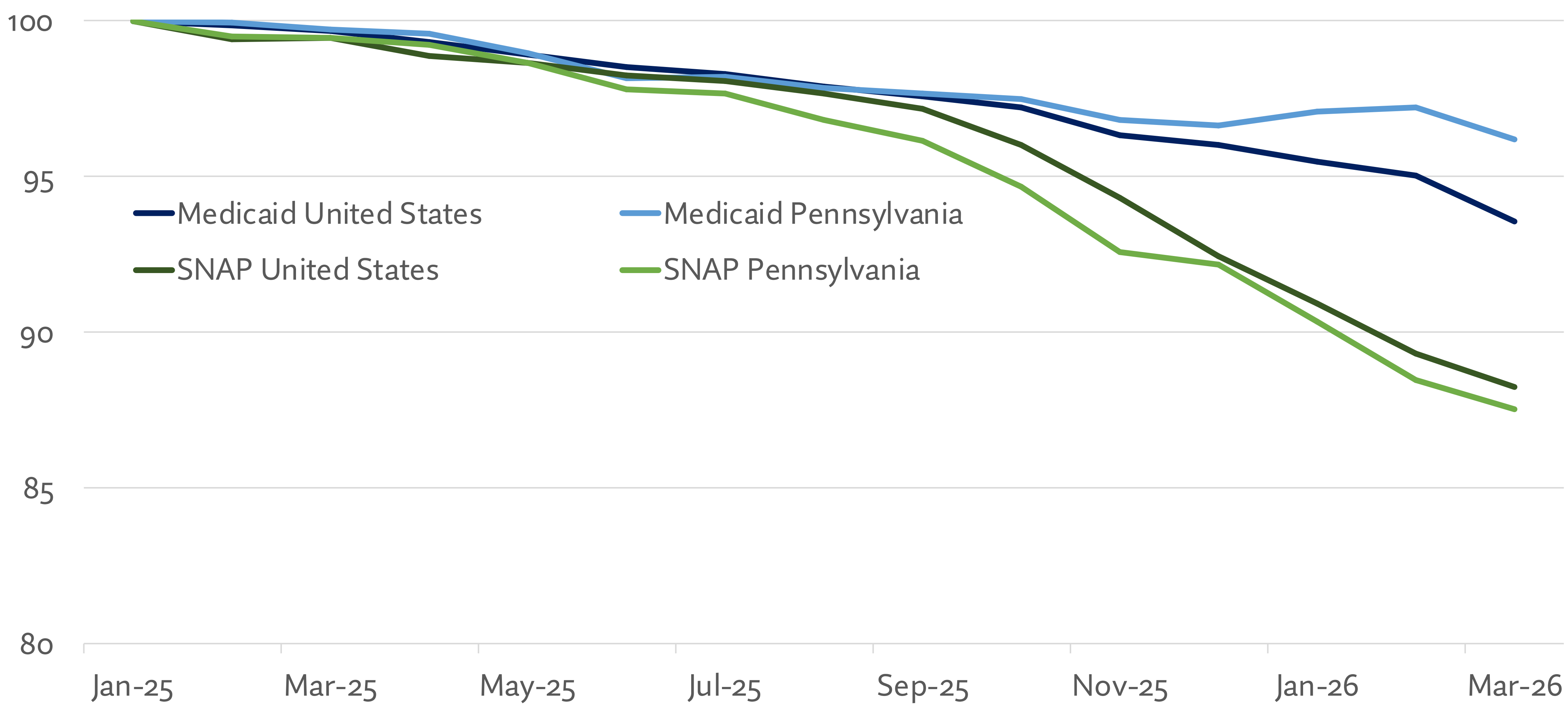
Agency capacity constraints
(esp. ED, HUD, USDA, HHS)

Annual budget changes
(e.g., health, education, labor)

Smaller

Enrollment in Medicaid and SNAP has already declined

Total enrollment, Medicaid/CHIP and SNAP, United States and Pennsylvania, Jan 2025-Mar 2026 (Jan 2025 = 100)



Source: Centers on Medicare and Medicaid Services; Center on Budget and Policy Priorities

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Washington isn't devolving to states—it's abandoning them

- H.R. 1 and agency cuts mark a break from past "New Federalism" episodes which paired funding cuts with new state authority
- Scholars refer to this round as **post-supremacy federalism:** states and localities are inheriting responsibilities but without money, staff, or legal cover to backfill
  - Example: DOE's Office of Civil Rights has been gutted, leaving states to enforce Title I and Title IX
- States are stepping unevenly into the gaps, shaped by fiscal capacity and political will
- The upshot: Outcomes for Southwestern PA communities will depend as much on state and local policy choices as on what Washington does next

Sources: Cato Institute, Georgetown Center on Children and Families

Selected state legislative responses to H.R. 1

Expanding

- **Virigina** budgeted $150M for state-level health marketplace subsidies
- **Maryland** passed legislation protecting individuals with intellectual disabilities from losing coverage due to procedural reasons

Partial

- **New York** boosted support for SNAP enrollment navigators, but not for emergency food providers

Constraining

- **Ohio** covered a portion of lost SNAP administrative funding, but spreads the dollars equally across all 88 counties rather than in proportion to caseloads
- **Indiana** codified the strictest allowed Medicaid work-reporting rules, including a 3-month lookback and quarterly compliance checks

Roles for local stakeholders

Nonprofits	Local lawmakers	Philanthropy
Assist clients in retaining supports	(Partially) fill funding gaps	Accelerate safety net innovation
Engage in coordinated policy education/advocacy	Strengthen shared service infrastructure	Facilitate strategic nonprofit collaboration

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Plan & Advocate!

Planning Matters!

Your mission remains constant… but your plans must shift.

Your Voice Matters!

Democracy calls us to lift our collective voice and be heard.

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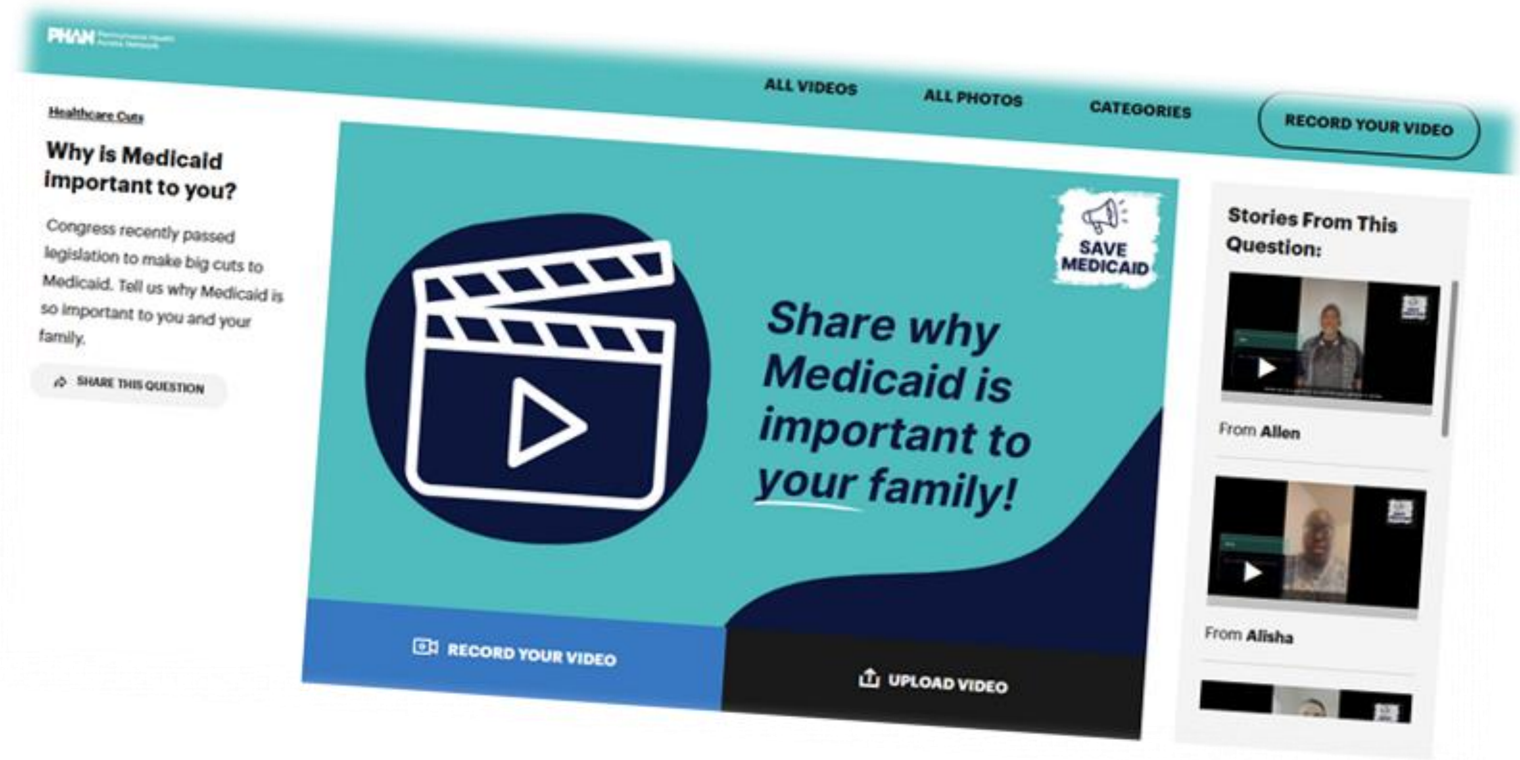
Plan and Be Prepared!

Scenario Planning Clinics

Nonprofit Federal Policy Response Network

Advocacy Opportunities & Ideas

PHAN Pennsylvania Health Access Network



Tell Your Medicaid Story on Soapboxx

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Advocacy Opportunities & Ideas

FEEDING AMERICA

Food Security – Advocate for the federal government to *__delay the implementation of the cost share__*.

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Advocacy Opportunities & Ideas

PACHC

Funding FQHC's in Sate Budget

Funding FQHCs in State Budget

Fiscal Year 2025-2026
Medical Assistance Programs, CHC Funding in State Budget
$50 Million Request

PENNSYLVANIA'S COMMUNITY HEALTH CENTERS

Pennsylvania's Community Health Centers (CHC), also known as Federally Qualified Health Centers (FQHC) and FQHC Look-Alikes, provide affordable quality care including primary health care, behavioral health care, dental care, vision services, pharmaceutical services, and other critical services. Their doctors, dentists, psychologists, nurses, and other providers put the community at the heart of everything they do, every day.

As the state primary care association (PCA), the Pennsylvania Association of Community Health Centers (PACHC) represents and supports CHCs, which are the largest network of primary healthcare providers in the commonwealth. This network of non-profit Community Health Centers includes 53 Community Health Centers with more than 475 locations in 55 of the 67 PA counties. Forty-eight percent of CHC locations are in rural communities. These critical providers serve more than 1,000,000 patients annually or 1 in 13 Pennsylvanians. The patients served include:

- 87.54% of the patients are at or below 200% of the Federal poverty level.
- 13.95% of patients are uninsured. This number is expected to grow as Pennsylvania and the country undergo the Medicaid Unwinding.
- 48.28% of patients are on Medicaid or CHIP.

CONNECTING COMMUNITIES WITH QUALITY, AFFORDABLE CARE

Community Health Centers are in their local communities, delivering care designed around those who need it most. CHCs ensure patients, that may face challenges accessing care due to various social determinants of health and issues of health equity, can

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