



## Federal Funds Update Call

Avery Prine & Sam Rockwell | Federal Funds Implementation Team

# August 14, 2025 Agenda

## **Presentation (15 minutes)**

1. Introduction: Team & Purpose
2. Updates: Federal Developments, Resources, Funding Opportunities
3. Topic Area Spotlight: Overview of Federal Appropriations from Federal Funds Information for States (FFIS)

## **Questions and Group Discussion (15 minutes)**

# Team Intro & Overview

**Mission:** Partner with Minnesota entities to access and deploy federal funds to accelerate state goals.



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## Our Focus Areas

1. Monitor the federal landscape
2. Advance the resourcing of strategically significant projects
3. Monitor and evaluate federal funds deployment
4. Curate, develop & share federal funding technical assistance

# Purpose of this call

**While we can't provide clarity right now, we can:**

- Share information to facilitate risk analyses
  - Tracking reimbursement blockages
  - Tracking cancellations
  - Tracking NOFOs
  - Tracking guidance and EOs
- Provide a space for others to share information and strategies
- Build a support network of people working through similar problems

## Upcoming

- **Wednesday, August 20** – Clinics at the Capitol: State Grants (Free, in-person)
  - 9am – 12pm in the Capitol Rotunda; [register for free here](#).
  - Event will include a panel on equity, a workshop for state grant seekers, a presentation on strengthening the Nonprofit-State partnership in grant making, and an overview of the current federal funding landscape's impact on Minnesota. You can see [the full agenda here](#).

## Ongoing

- Disruption Trackers: [Temporary Disruptions, Permanent Cancellations, and Court Ordered Reversals](#)
  - Solar for All funding terminated on 8/7/25—roughly \$62M cancelled
- Lawyers for Good Government: [Fund Protection Clinic](#)
- MN TA Collaborative: [Technical Assistance Provider Directory](#)
- Environmental Protection Network: [Federal Funding Management Webinars and Office Hours](#)
- Impala Ecosystem: [Minnesota Philanthropic Hub](#) (for MN-based nonprofits, foundations and members of the Minnesota Council of Foundations)
- MCN Legal Services Initiative: [Nonprofit Legal Help Desk, Legal Resource Library, Compliance Support and Webinars](#)
- Federal Funds Information for States (FFIS): [Deciphering Federal Budgetspeak](#)

# Federal Developments

- There are a [variety of new restrictions](#) on wind and solar developments, including new political reviews, bird-death investigations, and permit withdrawals.
- Chuck Grassley (R-Iowa) [placed a hold](#) blocking U.S. Department of Treasury nominees in response to the administration's efforts to rewrite "begun construction" rules, as directed in a recent executive order.
- The [VA](#) and [FEMA](#) terminated most of their collective bargaining agreements.
- The [Bureau of Labor Statistics secretary](#) was fired after the most recent BLS jobs report was released; the President's new nominee for the position recommended [suspending the monthly reports](#).
- There is continuing news about administration/university conflicts and negotiations, including new news about a [Brown University](#) settlement and [UCLA](#) frozen funds (and a court order unfreezing some of those funds, consistent with an existing preliminary injunction).

# IMPROVING OVERSIGHT OF FEDERAL GRANTMAKING

Executive Orders

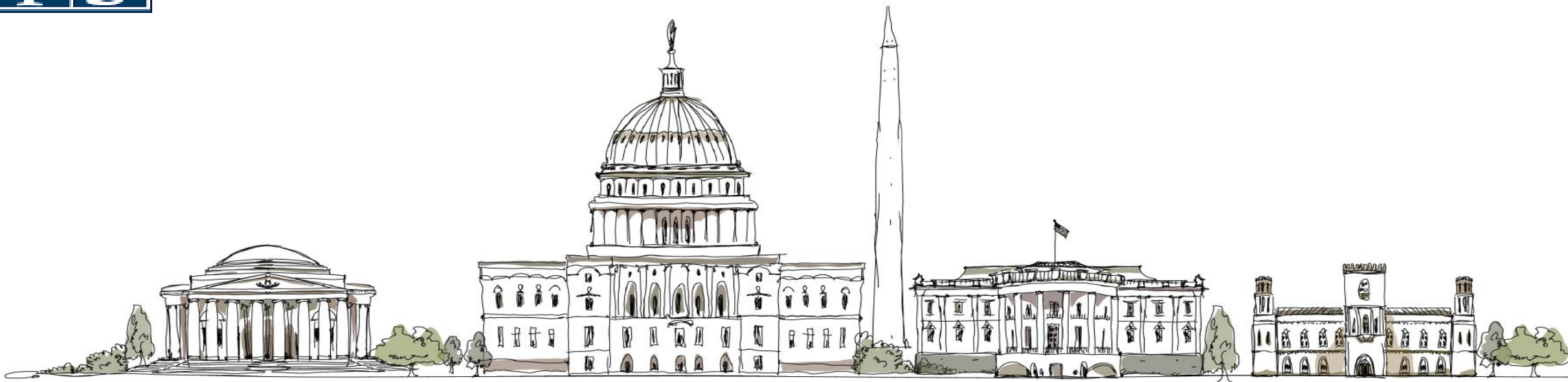
August 7, 2025

## Federal Developments Continued

- “Senior appointees” (defined as political appointees) will review all discretionary grants. They will be held personally responsible for their reviews.
- Discretionary awards must, where applicable, demonstrably advance the President’s policy priorities. No:
  - “Racial preferences,” including “intentional proxies for race.”
  - Denial of “sex binary in humans”
  - “illegal immigration”
  - There will be a preference for discretionary awards should be given to institutions with lower indirect cost rates.
- A variety of commitments to “rigorous scholarship” and “achieving Gold Standard Science.”
- New Terms and Conditions will allow “termination for convenience, including when the award no longer advances agency priorities.”
- “To the maximum extent permitted by law, [agency heads shall] take steps to *revise* the terms and conditions of existing discretionary grants to permit immediate termination for convenience.”

# Overview of Federal Appropriations

Trinity Tomsic | Federal Funds Information for States (FFIS)



# Federal Budget Update

# Current federal priorities

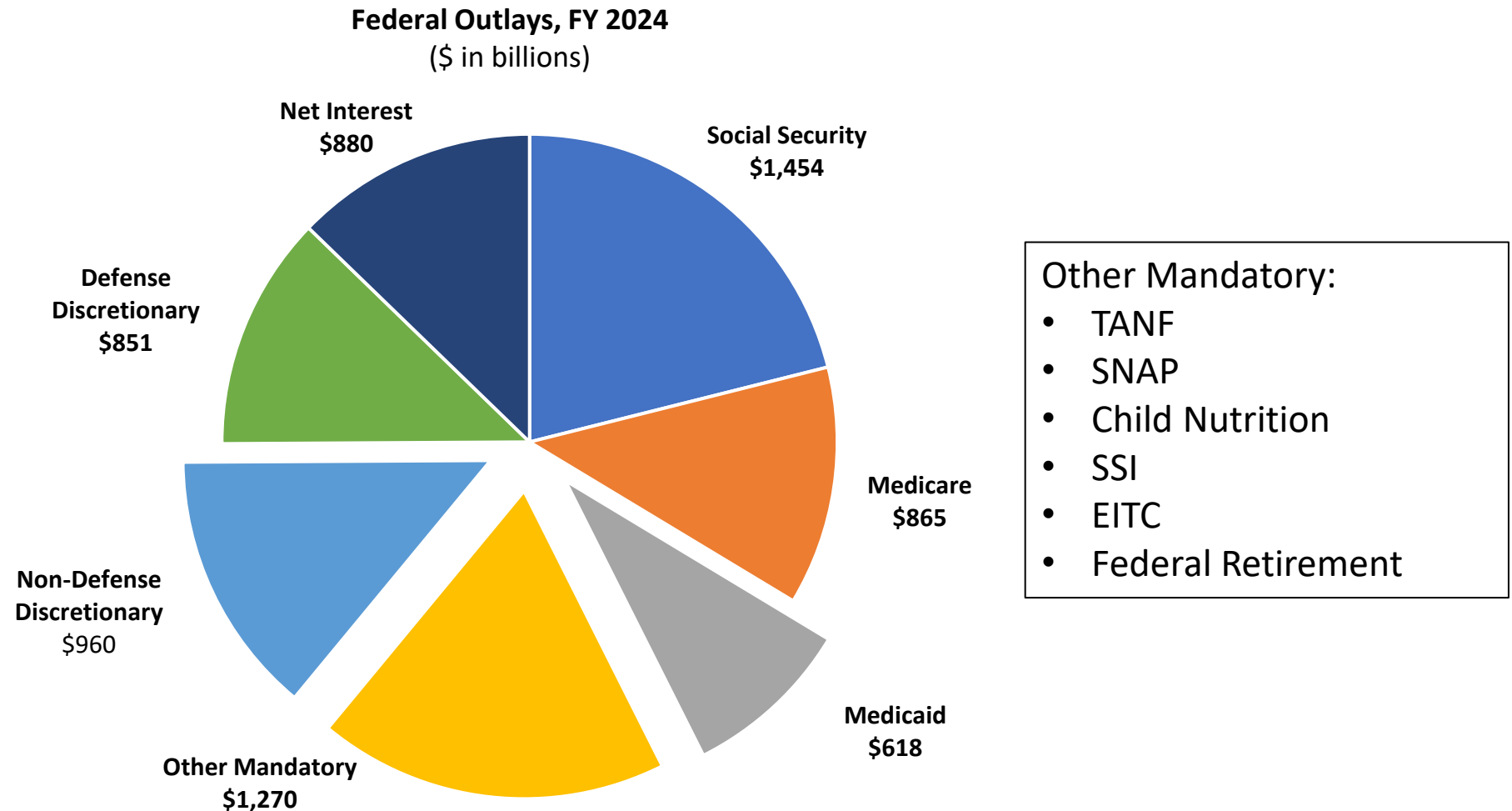
Cut federal taxes

Scale back mandatory programs

Reduce or eliminate discretionary grants

Shrink the federal footprint

Current activity targets three areas, all of which provide S/L, nonprofit grants



Source: President's Budget, FY 2026

# Two processes in play

## Reconciliation

- Limited to mandatory programs
- Medicaid, SNAP, student loans, tax policy
- More to come?

## FY 2026 Budget

- President's budget released in June
- FFIS appropriations tracker discretionary grants: -20% from FY 2025
- Congress advancing individual bills

# How do these processes differ?

## Regular Process

- Can be used for **anything**: appropriate, authorize, change mandatory and discretionary programs, raise or suspend debt limit, amend Social Security
- Requires **bipartisan** support because of Senate filibuster (60 votes)

## Reconciliation

- Powerful but **limited** in scope
- Can be used only to address mandatory spending (but not Social Security), taxes, and the debt limit
- Expedited process permits up or down vote with **simple majority** and no Senate filibuster

# Loose ends in FY 2025

## Unsettled funding outlook

- Funds frozen, paused, cancelled, disappeared
- When finally released, application periods are truncated
- No final allocations for several grants
- In fact, no final funding levels!
- The fiscal year is almost over!
- Don't even ask about 50-state numbers

# The budget calendar, in fact

**First Monday in February**

- Budget is rarely released in February; more often in **March**

**April 15**

- Congress seldom adopts a budget resolution

**May 15**

- House “deems” top-line discretionary spending, allocates amounts to 12 appropriations subcommittees; House and Senate proceed with different topline amounts

**October 1**

- Fiscal year begins with few or no appropriation bills enacted; a continuing resolution (CR) maintains funding at prior-year levels

**Sometime after October 1**

- House and Senate agree to topline amounts and enact an omnibus/minibus bill that bundles all/several appropriations bills; may include non-budget legislation

# FY 2026 budget outlook

## President's budget

- Topline: FY 2026 budget increases defense discretionary by 13%; **cuts non-defense discretionary by 23%**
- 193 grants (\$107B) identified for elimination

## House

- Topline: Level funding for defense, **~6% cut to nondefense**
- Most committee work complete, but early August recess forced a pause

## Senate

- No topline agreement, but committee is approving **bipartisan bills**
- More funding compared to House; **roughly FY 2025 level**

Enacting final appropriations will be a challenge—bipartisan support needed in Senate

# Appropriations status chart

FY 2026 Appropriations Progress		
Appropriations Subcommittee	House Approval Status	Senate Approval Status
Defense	P	C
Energy and Water	C	
<b>Labor/HHS/Education</b>		<b>C</b>
State/Foreign Operations	C	
Agriculture	C	P
Commerce/Justice/Science	S	C
Interior and Environment	C	C
Military Construction/Veterans	P	P
Transportation/HUD	C	C
Legislative Branch	C	P
Financial Services/General Gov.	S	
Homeland Security	C	
P=Full chamber; C=Committee; S=Subcommittee		

# CR likely, shutdown possible

## Continuing Resolution (CR)

- Enacted on or about October 1 absent full-year appropriations
- Maintains prior-year funding until specified date
- “Clean” CR has no extraneous policy or budget provisions
- Some years have several CRs
- Impedes long-term planning and effective budgeting

## Shutdown

- Occurs when funding for government operations expires because Congress has failed to enact a budget or CR
- Timing matters: a shutdown at the beginning of a FY usually has fewer negative impacts
- Duration is key: a week or two is manageable; beyond that, things get dicey
- Reimbursement of state spending guaranteed for some programs

# Where things stand

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<b>Reconciliation</b>	FY 2025; enactment complete, implementation underway
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	Can do again in FY 2026 (more cuts promised)
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<b>Appropriations</b>	FY 2025: the lost year?
	FY 2026 holds peril (rescissions, eliminations, consolidations, shutdown)
	Bipartisan support needed in Senate

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<b>Other Grant Actions</b>	More rescission packages to come?
	How will impoundment/court cases play out?
	Will actions continue?

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# FFIS contacts

- **Get the latest updates** by joining the email list.

Email [eableman@ffis.org](mailto:eableman@ffis.org) (Ethan Ableman)

- **View publications** at [ffis.org](http://ffis.org).

Contact [eableman@ffis.org](mailto:eableman@ffis.org) for login help



Thank you!!

Please share recommendations for future call topics: [Federal.investments.mmb@state.mn.us](mailto:Federal.investments.mmb@state.mn.us)

# Supplemental Info

# AI screening for words and themes

- Analysis has shown that words associated with themes in issued executive orders and federal agency guidance are being removed or replaced on federal websites.
- Federal agencies may be conducting AI screening for these or similar words in federal grant applications and reporting.
- Applications and reports that omit these words or themes may not trigger additional review.

The New York Times			
accessible	discriminated	inclusive	privilege
activism	discrimination	inclusive leadership	privileges
activists	discriminatory	inclusiveness	promote diversity
advocacy	disparity	inclusivity	promoting diversity
advocate	diverse	increase diversity	pronoun
advocates	diverse backgrounds	increase the diversity	pronouns
affirming care	diverse communities	indigenous community	prostitute
all-inclusive	diverse community	inequalities	race
allyship	diverse group	inequality	race and ethnicity
anti-racism	diverse groups	inequitable	racial
antiracist	diversified	inequities	racial diversity
assigned at birth	diversify	inequity	racial identity
assigned female at birth	diversifying	injustice	racial inequality
assigned male at birth	diversity	institutional	racial justice
at risk	enhance the diversity	intersectional	racially
barrier	enhancing diversity	intersectionality	racism
barriers	environmental quality	key groups	segregation
belong	equal opportunity	key people	sense of belonging
bias	equality	key populations	sex
biased	equitable	Latinx	sexual preferences
biased toward	equitableness	LGBT	sexuality
biases	equity	LGBTQ	social justice

# Reminders/Best Practices

- Grants with signed agreements appear to be somewhat stable for the time being
- Some grants may be terminated for convenience—check terms and conditions
  - **The standard terms and conditions are being amended by EPA to make grants easier to cancel for convenience**
  - Stay consistent with terms and conditions
- Get any directives in writing
- Know that calls may be recorded
  - **Folks from the federal government – and potentially DOGE in particular – are joining meetings.**
- Reporting and funding applications: anticipate use of AI screening for key words.
- Court cases continue: **Covid and FEMA fund cancellations were blocked; reductions in force blocked, then unblocked.**