

Serving Nebraska & Western Iowa

Nonprofit Executive Institute Public Policy Updates

AUGUST 25, 2025

Executive Orders

After the January 20th inauguration, the President signed dozens of Executive Orders (EOs) covering a broad range of issues. Some of the EOs didn't take effect immediately, and many are being challenged in court.

- The Impacts of the Resent Executive Orders on Nonprofits
- Chart of Executive Orders Affecting Charitable Nonprofits
- General FAQ
- The Legal Landscape and Path Ahead for Nonprofits and Philanthropy (1:02:23) <u>recording</u> and <u>slides</u>.

Executive Order - Federal Government

Nonprofits partnering with federal government agencies or receiving federal funding, especially through government grants and contracts, may experience longer wait times, slower processing, loss of points of contacts or difficulty reaching them, and increased strain on relationships.

Nonprofits will no longer have direct White House connections through the Office of Faith-Based and Neighborhood Partnerships.

Should advocate for and talk with government partners about government grants and contracting reform and provide specific examples of how processes and reporting requirements could be streamlined.

Executive Order - Federal Government

Implications

- States that "[i]t is the policy of the Administration to stop funding NGOs that undermine the national interest."
- Does not define "nongovernmental organizations (NGOs).
- Directs the heads of executive departments and agencies to "review all funding that agencies provide to NGOs."
- Requires agencies to "align future funding decisions with the interests of the United States and with the goals and priorities of my Administration, as expressed in executive actions...

Executive Orders - Diversity, Equity & Inclusion

Diversity, Equity, and Inclusion (DEI)

Federal government DEI programs and trainings, often provided by or in partnership with nonprofits, will be eliminated. In addition, President Trump has signed EOs extending "anti-DEI" efforts to the private sector.

Executive Orders - Diversity, Equity & Inclusion

Implications

Recent actions by the federal administration in the form of executive orders are creating confusion by implying that long-standing, legally compliant DEI practices might somehow be unlawful.

EOs don't alter the underlying civil rights laws or legal protections for equal opportunity, but they send mixed signals that leave nonprofits questioning what is legal and what might trigger scrutiny. The lines between legal and political have been blurred.

Executive Orders - Immigration

Nonprofits working with immigrant populations, Providing legal assistance or training, or delivering humanitarian or other direct aid, may see the need for services increase, may lose funding, and could be targeted by law enforcement.

Human services and social services could also be targeted.

Executive Orders - Immigration

Implications

Directs relevant federal agencies to take action to remove undocumented immigrants from the country.

Terminates agreements determined to be in violation and initiates clawback or recoupment.

Directs the creation of statewide Homeland Security Taskforces and detention centers.

Requires all federal agencies to ensure undocumented immigrants do not receive any public benefits.

Executive Orders - LGBTQ+

Charitable nonprofits serving LGBTQ+ communities, and providing gender-affirming care and other services, may experience loss of federal funding, increase in demand for services, and strained relationships with government partners.

Executive Orders - LGBTQ+

Implications

Revokes previous executive order (<u>EO 13988</u>) preventing and combating discrimination on the basis of gender identity or sexual orientation.

Executive Orders - Environment

Nonprofits receiving or expecting funding from Elective Pay (sometimes known as "Direct Pay"), Inflation Reduction Act, or other Infrastructure Investment and Jobs Act programs may have the programs and funds terminated.

Charitable nonprofits may also be contacted to comment on their experience before, during, and after natural disasters.

Executive Orders - Environment

Implications

Creates a Federal Emergency Management Agency (FEMA) Review Council that shall meet regularly and "solicit information and ideas from a broad range of stakeholders, including... nonprofit organizations.

https://nebraskaexaminer.com/2025/09/05/repub/fema-would-be-a-cabinet-level-agency-under-bipartisan-bill-approved-by-us-house-panel/

Executive Orders - Census

Lays the groundwork for legislation and other actions to Exclude noncitizens from future Censuses.

The National Council of Nonprofits submitted an amicus brief when this issue was heard by the U.S. Supreme Court for the 2020 Census.

Executive Orders - Census

Implications

Rescinds previous Biden Executive Order that required all persons, regardless of citizenship or immigration status, to be counted in the Census.

Rescinds previous Biden Executive Order directing federal agencies to provide access to voter information.

Executive Orders - Civic Engagement

Restricts voting access and nonprofit advocacy rights.

Executive Orders - Civic Engagement

Implications

Requires:

- Mail voter registration form to require proof of citizenship.
- Recording of the type of document an applicant uses as proof of citizenship.
- Identification of "unqualified voters registered in the States".
- Information on foreign nationals who have registered or have voted.
- Assessment of citizenship prior to providing voter registration forms for public assistance programs.

Executive Orders – House of Worship/Faith Based Groups

Houses of worship and faith-based groups and community organizations may be now eligible to receive or access federal grants, contracts, programs, and other federal funding opportunities.

Executive Orders – House of Worship/Faith Based Groups

Implications

Establishes the White House Faith Office to "empower faith-based entities, community organizations, and houses of worship to serve families and communities."

Replaces the former White House Office of Faith-Based and Community Initiatives.

Executive Orders - Other

Nonprofits working on specific issues and from various subsectors seen as and providing information contrary to the Administration may be targeted.

Arts and culture nonprofits, museums, and libraries will no longer be "integrated into strategies, policies, and programs that advance the economic development, well-being, and resilience of all.

Executive Orders - Other

Implications

Claims combatting "misinformation", "disinformation", and "malinformation" are infringements on First Amendment freedom of speech.

Rescinds previous Order promoting the arts, humanities, and museum and library services.

Directs the Attorney General and Secretaries of Health and Human Services, Housing and Urban Development, and Transportation to immediately assess their discretionary grant programs to prioritize States and municipalities with stricter laws on homelessness.

Directs the elimination of funding for "housing first", "harm reduction", and "safe consumption" programs.

Current Lawsuits

National Council of Nonprofits et al. v. Office of Management and Budget

On January 27, 2025, the Office of Management of Budget (OMB) issued an memo in response to some of the executive orders, including Executive Order Ending Illegal Discrimination and Restoring Merit-Based Opportunity, that called for the pausing of all OMB grants and loans. The National Council of Nonprofits, American Public Health Association, Main Street Alliance, and SAGE, represented by Democracy Forward, filed to stop the memo from going into effect (see the Complaint)

Current Lawsuits

Woonasquatucket et. al. v. Department of Agriculture

On March 13, 2025, Woonasquatucket River Watershed Council, National Council of Nonprofits, Eastern Rhode Island Conservation District and Green Infrastructure Center filed a <u>lawsuit</u> challenging the Administration's freeze on funding from the Inflation Reduction Act (IRA) and the Infrastructure Investment and Jobs Act (IIJA), known also as the Bipartisan Infrastructure Law.

Federal Funding

A Nonprofit Checklist: Conducting a Risk Assessment for Federal Funding

A Nonprofit Checklist: What to do When Your Federal Grant or Contract is Terminated

Do I have to worry about these actions if my organization doesn't receive federal funding?

Yes. While some of these directives are specifically tied to what is being done with federal funds, including federal funds that pass through other entities like states, the federal government can also enforce some of the new directives for all entities that are required to follow federal laws, even if they do not have direct funding. And, as charitable nonprofit organizations, they can impact your 501(c)(3) status.

2025 Tax Bill Impacts on Nonprofits - Good

Effective advocacy of nonprofits the final bill includes a new universal charitable deduction to encourage charitable giving among the approximately 90% of taxpayers who do not itemize their deductions. Individuals could receive a tax incentive up to \$1,000 and married couples could receive up to \$2,000. The universal deduction could help incentivize greater giving to the work of nonprofits in communities, encourage taxpayers to give more to the missions they support, and help reduce demands on governments. This provision is estimated to generate \$74 billion over 10 years for nonprofit organizations.

2025 Tax Bill Impacts on Nonprofits - Bad

The final bill includes several other provisions that:

Decreases the value of the charitable deduction for high-income taxpayers by capping itemized deductions; sets a new 0.5% floor for the itemized charitable deduction

Discourages corporate giving by creating a 1% floor for charitable contributions by corporations.

2025 Tax Bill Impacts on Nonprofits

INCLUDES

Disincentives to charitable giving by individuals through a cap on itemized deductions and a new 0.5% floor.

Disincentives to corporate giving by creating a 1% floor for charitable contributions by corporations.

The largest cuts to Medicaid and SNAP in history, which will lead to millions of people losing access to these resources.

DOES NOT INCLUDE

Proposed tax on foundations.

Proposed tax on nonprofit employers and the transportation benefits they provide to their employees.

Proposed 10% administrative fee on contributions to the Combined Federal Campaign.

Provision granting authority to the executive branch to revoke nonprofit status without due process.

State Funding

- According to <u>a report the Nebraska Department of Revenue</u> <u>released</u>, the Federal Tax Bill will cost Nebraska \$400 Million through the 2028-2029 Fiscal Year.
- \$216.54 million of that will come from the state's current two-year budget cycle, meaning the Legislature will have to cut more or raise taxes
- More Information in the <u>Nebraska Examiner Article</u>

Nonprofit Nonpartisanship – Johnson Amendment

- "A charitable nonprofit may "not participate in,or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office."
- Why It Matters Society is better today as charitable nonprofit organizations operate as safe havens from the caustic partisanship that is bedeviling our country places where people can come together to solve community problems. Repeal or revision of the law would damage the integrity and effectiveness of all charitable nonprofits and foundations.

Public Service Loan Forgiveness (PSLF)

 Employee of a nonprofit or unit of government & are one of the 34 million borrowers who have federal student loan debt, you may be eligible for loan forgiveness, cancellation, and/or consolidation under the Public Service Loan Forgiveness program (PSLF). Created under the College Cost Reduction and Access Act of 2007, PSLF allows borrowers who work full time for nonprofits and government agencies to have their outstanding debt forgiven tax-free on Federal Direct Loans, after making 120 qualifying monthly payments under a qualifying repayment plan.

Public Service Loan Forgiveness (PSLF)

Directs the Dep. of Ed to propose changes to the <u>Public</u> <u>Service Loan Forgiveness (PSLF) program</u> to exclude certain nonprofit organizations "whose activities have a substantial illegal purpose," including "terrorism", "child abuse," "illegal discrimination," or "disorderly conduct."

Public Service Loan Forgiveness (PSLF)

March 7, 2025, an executive order directing the Department of Education to consider changes to the Public Service Loan Forgiveness (PSLF) program that could exclude certain nonprofits, though it did not make immediate changes. By law, any revisions must go through a negotiated rulemaking process with public input. In June, the Department held hearings and began refining definitions of "qualifying employer," raising concerns about limiting charitable nonprofits. On August 19, the Department released proposed rule changes and opened public comments (due Sept. 17, 2025).

➤ Take Action – <u>Submit Public Comments until September</u> 17th

Combined Federal Campaign (CFC)

The Administration recently issued a "stop work order" for the Combined Federal Campaign (CFC), a source of significant funding for nonprofit organizations.

The CFC gives federal employees, contractors and retirees an opportunity to donate to nonprofits through payroll deductions.

The decision to halt the CFC came just days before it was set to launch its 2025 campaign and *after* local nonprofits spent limited resources on application fees and other expenses to get ready.

Combined Federal Campaign (CFC)

Since it was created in the 1960s, the CFC has raised nearly \$9 billion for nonprofits - last year alone, the CFC raised \$66m.

This will impact 27 nonprofits in Nebraska https://cfcgiving.opm.gov/offerings

Stay Informed

- Find Your Federal Delegation
 - Senator
 - Representative
- Nebraska Legislative Website
 - Main Page
 - Daily Agenda
 - Calendar
 - Search Bills
 - Find Your Senator
- Nebraska Public Media
 - https://nebraskapublicmedia.org/en/watch/live/

Nebraska Bill Trackers

- Nebraska Legislative Bill Tracker
 - Free
 - Oup to 15 bills
 - Email notifications when there is movement
 - <u>https://www.nebraska.gov/billtracker/</u>
- Coalition for a Strong Nebraska Bill Tracker
 - <u>https://strongnebraska.org/bill-tracker/</u>
 - Amazing resource in one spot

Nonprofit Advocacy Resources

- Nonprofit Association of the Midlands
 - Main Advocacy Page
 - 2025 Policy <u>Agenda</u> and <u>Criteria</u>
- Nonprofit Advocacy Pages
 - Nebraska Civic Engagement Table
 - Women's Fund of Omaha
 - Nebraska Appleseed
 - Out Nebraska

NAM Trainings

- Federal Policy Calls in Partnership with Nebraska Civic Engagement Table, OpenSky Policy Institute, Nebraska for Us, and Coalition for a Strong Nebraska
 - Every Tuesday at 8:30am <u>Sign up here</u>
- State Policy Calls in Partnership with Nebraska Civic Engagement Table and Coalition for a Strong Nebraska
 - Second Thursday of the month at 12:00pm until December, then weekly – <u>Sign up here</u>

Thank you!

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