

IMPACT OF FEDERAL FUNDING CHANGES ON NEW MEXICO'S PHILANTHROPIC SECTOR

April 2025



Prepared by **The Grant Plant, Inc.**®

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Financial assistance programs are one of the U.S. government's crucial tools for meeting broad public and societal goals, ranging from public health to economic development. The local impact is broader than many realize, as shown by Fiscal Year 2024 data:

- New Mexico ranked highest among states for new and active federal grant awards on a per capita basis (\$5,874 and \$5,020 per resident, respectively).
- Funding to state, local, and tribal governments amounted to \$11.4 billion. This was \$5,371 per capita, which was the highest among states (12% higher than the next state).
- Grant funding secured by nonprofits totaled \$312.8 million (17th highest among states) with additional funds reaching nonprofits from regranting.¹

Federal awards, like grants and cooperative agreements, are typically large-scale and multi-year. They often fund major costs like staffing, significant direct services, and construction.

The federal government uses grants to partner with nonprofits and other entities to bridge the gap between policy and on-the-ground implementation. Federal agencies often lack the local presence, cultural competency, structure, or flexibility to address complex social issues effectively.

¹ USASpending data FY 2024, filtered by place of performance, grant instruments, and recipient entity types using per capita map and table tools.

37% of nonprofits in New Mexico receive government grants (local, state, federal). This proportion is tied for the 6th highest level among states.

Candid, 2025

Nonprofits and others step into that role, providing services and solutions that meet community needs in ways that government alone cannot.

This partnership is not peripheral. Nationally, at least 30% of nonprofits receive government grants, with about one-third of recipients reporting government grants as their *primary* source of revenue (50%+ of their budget).²

The second administration of President Donald J. Trump ("the administration") is bringing significant changes and uncertainty to federal assistance. This includes funding shifts, administrative orders, and changes to grant and payment processes.

Many critical initiatives across sectors, geographies, and entities are experiencing delays or losses to core funding. In this critical time, the philanthropic sector can collaborate with funder groups, donors, state and local government allies, and nonprofits to leverage funds toward key causes, build

² Clerkin, C., Koob, A., and Wolcheck, D. (2025, February 6). *How reliant are nonprofits on government grants?* Candid.

nonprofit capacity, and advocate to sustain current support in our communities while considering changes to grantmaking that can

support nonprofit resiliency given the extensive changes.

Status of Federal Funding and Policy Changes

Given the important role of federal financial assistance, many presidential administrations have used grants to support their agendas. Major changes are typically accomplished through collaboration with Congress on budgeting and key legislation while executive actions nudge changes within agencies and existing grant programs.

For example, administrations might instruct agencies to incorporate grantmaking consideration to support work combating the opioid epidemic, benefit rural areas, or address needs of underrepresented populations. The grant purpose remains the same, but the agency may then structure grant review to award bonus points to aligned projects or require applicants to detail a plan for priorities like community planning input.

The second Trump administration has ushered exceptional change to the federal funding landscape and executive strategies.

Donald Trump has issued more Executive Orders within the first 100 days of his term, than any other president. With a month remaining in that first 100 days, he has issued 110 EOs, already doubling the prior record of Harry Truman.

Federal Register, White House Presidential Actions

This is particularly visible in the issuing of expansive and numerous Executive Orders (EOs).^{3, 4}

The EOs themselves include attempts to change grantmaking in ways not used by prior administrations. This includes mass defunding of existing awards, closing offices and agencies that issue grants, blocking congressionally appropriated funds, and shaping federal investments through administrative levers, rather than legislative processes.

Some EOs revoke prior funding priorities. For example, EO 14148 rescinds the previous administration's actions around racial equity and diversity, accessibility and inclusion, COVID-19 response, gender identity and sexual orientation anti-discrimination, climate response, and "civil" immigration enforcement.⁵ Others withdraw federal support for certain non-governmental organizations, foreign aid, and education.⁶

In many cases, ongoing litigation is questioning the boundaries of executive power and the legality and constitutionality of orders. Several lawsuits are based on the administration not following established and required processes for canceling grants and contracts. A summary of key EOs to date is available in the full report. Please also reference the National Council of Nonprofits' resource document "[Executive Orders](#)"

³ Davis, E. (2025, January 29). *Charted: Trump's unprecedented executive order blitz*. Axios.

⁴ Federal Register. (n.d.). *Executive orders*. U.S. National Archives and Records Administration.

⁵ Exec. Order No. 14148, 3 CFR 8237 (2025, January 28).

⁶ Federal Register. (n.d.). *Executive orders*.

[Affecting Charitable Nonprofits](#),” which is updated regularly.

There are established mechanisms by which the federal government can de-obligate and/or recoup funding; however, these are not typically how the administration is approaching things. Similarly, grants are established by legislation and most require new legislation to be terminated or significantly changed in purpose and use.

Another approach the administration is using for grant changes is memoranda and supplemental guidance to agencies. For example, the administration instructed the National Institutes of Health to cap indirect

costs for grants at 15%. This is several times lower than the federally negotiated rates many research institutions have secured (levels that are arduously established to accurately capture essential overhead). Caps on indirect rates have previously only been enacted through legislation specific to the agency or grant program.

Caps on indirect cost rates may seem minor or like a good way to save taxpayer dollars; however, they will likely result in strained budgets, significant loss of scientific talent, cuts in services and critical research, and compromise of the nation’s competitiveness by narrowing and clogging innovation pipelines on which private industry depends.⁷

Potential Effects of Executive Actions on New Mexico’s Funding

Federal funding cuts may disproportionately affect New Mexico, an economically disadvantaged state where federal dollars have historically helped fill gaps in private giving.⁸ The last 18 months saw \$22 billion in active federal awards issued in New Mexico, providing substantial support across government, nonprofits, education, and industry.⁹

In addition to having high per capita grant awards to local, state, and tribal governments in New Mexico, much of those funds then flow to additional entities via regranting. For example, “block grants” comprise the largest share of federal grants into New Mexico, accounting for \$11.6 billion in FY24. These are generally subawarded or used to contract with local governments,

education institutions, nonprofits, health care facilities, and others.

Subawards made to New Mexico recipients in FY2024 through February of 2025 amounted to \$430 million (all types of grants). These “pass-through” grants are important sources

\$17.3 billion in total grant payments to NM in FY2024:

\$11.3 B	Block grant payments
\$3.6 B	Project grant, cooperative agreement payments
\$2.4 B	Formula grant payments

USASpending, award transaction data for FY2024

⁷ Hinchliffe, L. (2025, February 10). *NIH cuts ICR: Implications for research institutions and scholarly publishing*. The Scholarly Kitchen.

⁸ McCann, A. (2024, November 11). *Most charitable states*. WalletHub.

⁹ Based on The Grant Plant’s analyses of Federal awards data to NM from USASpending.gov.

of federal support for smaller entities and collaborative partners, including nonprofits.

Other types of grants include project grants and cooperative agreements, which accounted for \$5.1 billion in active grant awards in New Mexico. These are discretionary and typically competitive, unlike block and formula grants, which usually have predetermined awardees and specific levels.

Another lens for understanding the impact of grants to New Mexico is the flow of actual payments, or “outlays” made to awardees. Most federal grant monies are provided through reimbursement, with the committed funds paid out over the grant lifecycle. In Fiscal Year 2024, \$17.3 billion in grant payments flowed to awardees in New Mexico (excludes subawards). The box above breaks these payments down by award type.

Impact on Key Sectors and Projects in New Mexico

The state’s dependence on federal funds extends to New Mexico’s nonprofit sector. In 2025, the Thornburg Foundation, Anchorum Health Foundation, and Santa Fe Community Foundation conducted a survey of grantees, applicants, and other partners (referred to hereafter as the “TAS survey”). Responses from over 200 participants revealed that a concerning 20% of organizations derive at least half their funding from federal grants.

The TAS survey revealed that education,

youth and family services, housing, and environmental organizations are among the most likely to be reliant on federal funds. Most of these organizations also serve specific communities affected by administrative orders (e.g., Hispanic, Indigenous, LGBTQ+, immigrant).

Respondents describe potential impacts like mass evictions and increased homelessness, interruptions to specific health services such as gender-affirming care, immigrant deportations, and increased discrimination.

Much of the future funding picture for grant programs is unclear; however, a key concern for all types of recipients is the payout of already obligated funds from existing awards. In New Mexico, only 54% of committed federal funding for active awards has been paid out, leaving 46% at potential risk.¹⁰

Areas with more exposure include \$4.5 billion in unused funds for Health and Human Services projects, followed by the Department of Transportation, which includes many high-dollar capital projects and totals \$942 billion in unspent funds. The Departments of Commerce, Homeland Security, Agriculture, and Education come

Active Federal Grants and New Mexico Nonprofits

\$1.1 B in obligated awards to NM nonprofits, with about half of amounts paid out

488 separate awards going to about 200 nonprofits

\$74.4 M in additional funds via subawards to 178 nonprofits

¹⁰ Ibid.

next, each with at least half-a-billion in unspent obligations.

New Mexico may have higher vulnerability to funding cuts in areas the administration views as related to diversity, equity, and inclusion (DEI) and support for refugees, asylees, and immigrants, given the state's population, 23 Indigenous tribes, and status as a border state. Based on grant program analysis of awards in New Mexico, the areas at risk of the largest levels of DEI disinvestment are infrastructure projects, health services, and education/business programs serving minority populations.

Likewise, climate-focused funding cuts threaten the large-scale wind and solar projects awarded within New Mexico. There is not a clear definition of climate-related projects or a list of programs under scrutiny for defunding. Keyword searches of grant program titles for climate and clean energy related awards in New Mexico reveals about \$285 million in active grants. Concerningly, only \$18 million, or 6%, is disbursed as many awards are more recent and for large multi-year projects.¹¹

Other administrative actions are pursuing controversial changes to environmental protections. The Presidential Transition "Project 2025" governing agenda, which appears to be serving as an executive blueprint, takes issue with the Environmental Protection Agency's (EPA's) \$30 billion annual budget with \$500 million for discretionary awards.¹² Project 2025 recommends pausing EPA awards over a

certain threshold, facilitating review by a political appointee, and capping the volume of awards and amounts. The administration is also quickly opening up and expanding uses of federal land resources. This includes lifting mineral mining protections for the Upper Pecos watershed in New Mexico.

The Project 2025 document recommends reducing the scope of the Federal Highway Administration (FHA) grants to discontinue funding for green transportation and climate justice. The administration has also instructed the Department of Transportation to begin prioritizing grant funding for geographies with higher birth rates, marriage rates, and policies and practices aligned with the Trump administration's views on immigration, vaccination, and masking. Overall, New Mexico ranks 10th lowest among states for fertility and 2nd lowest for marriage rates.¹³

During the first Trump administration, improved grant competitiveness was enjoyed by coal mining affected areas, projects addressing the opioid epidemic, certain border and law enforcement activities, vocational and on-the-job training programs, and applicants serving veterans, rural areas, and small businesses.

It is unclear at this point where there may be increased grant funding opportunities. The administration is establishing The White House Faith Office (which includes a purpose of helping grant applicants) and will likely increase grant resources for border and drug interdiction efforts.

¹¹ Ibid.

¹² Steven, eds. (2023). "Mandate for Leadership: The Conservative Promise." Washington, D.C.: The Heritage Foundation. ISBN 978-0-89195-174-2.

¹³ CDC, National Center for Health Statistics, Fertility Rates by State: 2022; Marriage Rates by State: 2019-2022.

Implications for Philanthropy

Federal funding cuts are likely to place greater attention on private philanthropy as nonprofits seek to maintain their mission-driven commitment to the most affected communities. Private foundations should anticipate a surge of funding requests, especially in key issue areas targeted by the administration including DEI, immigration, LGBTQ+/gender equality, reproductive healthcare, immigration, foreign aid, climate action, and education.

Nonprofits may have a greater need for unrestricted, operational, and bridge funding to maintain flexibility within a rapidly changing funding landscape. Grant defunding/reductions, temporary delays in payments, and caps on indirect cost rates will fuel these needs.

Private philanthropy can never replace federal funding, but well applied investments can make a significant difference. Data analysis by the platform Candid estimates that, nationally, private foundations would

Nationally, private foundations would have to increase giving 282% to match/replace nonprofit funding from government grants.

Candid, 2025

have to increase and sustain their grantmaking by 282% to replace government grants to nonprofits.¹⁴

Looking locally, Candid data reveals that about 64% of grants by New Mexico foundations went to in-state recipients in 2023.¹⁵ Foundations with discretionary grant dollars going outside the state should consider increasing their locally directed grantmaking. This could have major impacts in helping New Mexico nonprofits weather federal funding gaps. Consideration of a temporary shift in geographic distributions is warranted given New Mexico's resource availability relative to other states. The state has low overall foundation assets and grantmaking coupled with low per capita charitable donations by individuals.^{16, 17}

It is important to note that corporate philanthropy and large foundations (with assets over \$500 million) are themselves under public scrutiny.^{18,19} This includes potential limitations by EO 14173 "Ending Illegal Discrimination and Restoring Merit-Based Opportunity," which promises to identify and potentially take legal action against the "most egregious and discriminatory DEI practitioners."²⁰

As after the 2016 election—when 88% of the nation's 645 largest foundations reported no politically motivated changes in operations²¹—we are likely to see large

¹⁴ Clerkin, C., Koob, A., and Wolcheck, D. (2025).

¹⁵ Groundworks New Mexico, Foundation Dashboard, 2023 data year. Data reflects all grants currently available from Candid's Foundation Maps database of publishable grants sourced from IRS returns and information provided directly to Candid's Electronic Reporting Program by grantmaking foundations.

¹⁶ McCoy, Wendy, Grantmaking Capacity of New Mexico Foundations in Comparison to Other Southwestern States. Grassroots Planted. (2017, August 9).

¹⁷ Rahman, Billal, *Map Shows States That Give the Most Money to Charity*. Newsweek.com (2024, November 12).

¹⁸ Daniels, A. (2025, January 27). *Trump DEI investigations could target large foundations*. The Chronicle of Philanthropy.

¹⁹ Judish, J., et. al. (2025, January 28). *Trump administration Executive Orders take aim at DEI in government and private sector*. Pillsbury.

²⁰ Exec. Order No. 14173, 3 CFR 8633 (2025, January 21).

²¹ McGill, L. (2020, January 7). *Few large U.S. foundations changed giving priorities after 2016 presidential election*. Candid.

philanthropic entities avoid taking a public political stance, even if quietly allocating dollars to support key issue areas in disfavor with the administration.

The rise in giving from Donor Advised Funds (DAFs) creates opportunities for the philanthropic sector to raise funding supporting certain issues and areas affected by changes in federal grants, with the added advantage of making grants through anonymous giving.

Smaller foundations may, by comparison, use their agility to take a bolder stance in mitigating the most acute effects of federal funding cuts for the most affected communities. This will require funders to act with creativity to allocate funding quickly and with the least possible burden to nonprofits as they adapt to avoid interruptions in service to vulnerable communities.

Examples of such innovation include “surging” support via rapid response funds and scholarships; adjustments to focus areas and geographic allocations; increasing grant payouts beyond the statutory or internal thresholds; pooling funding; front-loading multi-year grants to support cashflow; and using trust-based philanthropy approaches to reduce the burden on nonprofits. Beyond grant dollars, foundations can support trainings, disseminate toolkits, and subsidize the cost of consultants to fill capacity gaps and support nonprofits’ ability to adapt and compete in the new funding landscape.

If federal dollars become scarcer, organizations will need to build their capacity to successfully compete. Without intervention or adaptation, there is a high likelihood that New Mexico’s historically under-resourced communities will bear the brunt of the impact of Federal funding cuts.

Organizations will need to be up to date with quickly changing Federal regulations, policies, and supplemental guidance. For example, training about the Federal Equal Employment Opportunity Commission (EEOC) and anti-discrimination regulations would help organizations navigate principles enforced in EO 14173, especially where expectations differ by organization size and funding sources.

Current federal awardees will need to ensure excellence in award management and compliance as the administration will likely proactively seek out any signs of performance issues or risk, fraud, or misuse to use as grounds for award termination.

Some awardees may require accounting and financial planning support as they seek to shift budgets away from federal funds. Others may need to hire lawyers, policy experts, grant writers and grant managers, or other

Federal grantees will need to have much stronger grant delivery practices to manage the dual forces of increased scrutiny, used as a method to defund grants, and rapidly changing expectations from agencies and related to EOs.

external consultants to help compete for and manage funding.

Organizations also need support combatting general fear, anxiety, and poor morale in response to federal changes and their potential impact on organizations, jobs, and communities.

Finally, philanthropy can be a driving force in mobilizing funding partners, donors, government allies, and the public. For example, evidence suggests that political

events, such as elections, often result in gifts from activist donors.

Foundations could work with national funder groups to connect grantees to other mission-aligned sources of support. Foundations

should continue to use their significant platforms to learn more about effects on their grantees, to bring awareness to the impacts of executive actions, and to advocate for change with local leaders and the public.

Conclusion: Resilience and Recalibration

Recent executive actions have significantly altered the federal funding landscape, posing risks to a wide range of sectors, including government, nonprofits, education, and healthcare.

New Mexico-based organizations are rapidly adapting, with 89% of TAS survey respondents actively planning for change and developing contingencies to operate without federal grants.

Many are exploring alternative funding streams, drawing down federal funds quickly, applying lines of credit to manage cash flow, restructuring, and cutting non-essential expenses. Others have adapted programming, invested in collaboration, or paused new projects to focus on maintenance. Many are turning to advocacy and legal counsel to support vulnerable communities, such as offering immigrant “know your rights” training and contacting legislators to communicate the impact of the federal actions.

New Mexico is heavily – and disproportionately – dependent on federal funds. Shifts in federal funding policies could directly impact New Mexico residents by affecting essential services, educational programs, infrastructure projects, and community initiatives that rely on sustained support. Surveys paint a picture of a nonprofit

sector that is resilient yet deeply concerned about federal funding cuts.

The philanthropic sector has a unique opportunity to buffer the impact of federal funding disruptions by partnering with funder groups, businesses, donors, government allies, and nonprofits. Foundations can play a vital role in mitigating harm by increasing flexible, rapid-response, and capacity-building support, particularly in areas most targeted by funding reductions.

Funders should anticipate increased need for unrestricted and operational funding, and act creatively and collaboratively. Options include front-loading multi-year grants, exceeding payout requirements/policies, pooling resources, and adopting trust-based granting approaches that reduce administrative burdens.

Beyond grantmaking, funders can offer training, assistance, and capacity-building resources to help nonprofits adapt funding strategies, comply with shifting federal regulations, and remain competitive for public and private dollars.

Without strategic intervention from philanthropy, New Mexico, and particularly our state’s rural, tribal, and historically under-resourced communities risk bearing the brunt of unprecedented federal funding cuts.

Impact of Federal Funding
Changes on New Mexico's
Philanthropic Sector

INTRODUCTION



Image Credit: Free ABQ Images

2 | INTRODUCTION

Federal financial assistance is a cornerstone of the U.S. government's investment in social services, public health, education, and infrastructure. With each new administration, priorities shift, and federal funding patterns adjust accordingly. The Donald J. Trump Administration's second term ("the administration") has brought sweeping policy changes, focusing on fiscal conservatism, deregulation, and the reduction of federal spending on programs deemed inconsistent with its ideological stance.

This report aims to inform New Mexico funders, policymakers, and stakeholders about the current federal funding landscape, highlighting the risks, opportunities, and potential actions they can take in response to recent policy changes. By analyzing shifts in funding priorities and their impacts on various sectors, this report provides insights and strategic recommendations for navigating the evolving landscape.

Federal grants are typically large-scale, highly regulated funding mechanisms designed to achieve broad public policy goals, such as scientific research, infrastructure development, and social services. These grants often require strict compliance, reporting, and accountability measures to ensure funds are used effectively and align with government objectives. In New Mexico, federal grants play a critical role in sustaining essential programs across state and local governments, nonprofits, and research institutions. These grants are crucial for maintaining various public health, education, infrastructure, and economic development initiatives.

As of April 16, 2025 (the first 86 days in office), the administration has issued 129 Executive Orders,²² many of which directly impact the nonprofit sector, health systems, and human services agencies. Key orders include the elimination of funding for diversity, equity, and inclusion (DEI)-related programs, increased scrutiny on nonprofit organizations receiving federal funds, and reductions in environmental and clean energy investments. In addition, the Office of Management and Budget (OMB) issued Memorandum M-25-13 to suspend federal funding distributions while federal agencies reviewed their assistance programs for compliance with Executive Orders.

The results of the administration's executive actions have affected thousands of grant programs and lead to uncertainty for organizations reliant on federal support.

Though rescinded two days later, the memorandum initiated what has been widely described as a functional "federal funding freeze," as many agencies have reevaluated, altered, suspended, or altogether canceled assistance programs in accordance with executive intent. For example, the National Institutes of Health (NIH) implemented a significant reduction in allowable indirect cost rates²³ that are used to fund critical research overhead—placing financial strain on research

²² Federal Register. (n.d.). *Executive orders*. U.S. National Archives and Records Administration. <https://www.federalregister.gov/presidential-documents/executive-orders>

The White House (n.d.). *Presidential Actions*. <https://www.whitehouse.gov/presidential-actions/>

²³ National Institutes of Health, Office of The Director. (2025, February 7). *Supplemental guidance to the 2024 NIH grants policy statement: Indirect cost rates* (Notice No. NOT-OD-25-068). NIH Grants Policy Statement. <https://grants.nih.gov/grants/guide/notice-files/NOT-OD-25-068.html>

institutions and potentially resulting in cutting services, higher tuition, staff layoffs, halted research projects, and long-term damage to the nation’s scientific and medical innovation pipeline.

Legal challenges have emerged as states and advocacy groups contest the legitimacy of these funding restrictions. Temporary restraining orders have halted some of the most aggressive changes, but the overall trajectory suggests continued efforts to reshape federal funding priorities. New Mexico, which receives substantial federal support, is among the states most affected by these changes. With \$22 billion in active Federal grants allocated across government, nonprofit, and education sectors in the past 18 months,²⁴ the potential for financial instability is high. Programs supporting marginalized communities, environmental conservation, and healthcare access face particularly acute risks.

As federal funding priorities shift, the philanthropic sector will play a crucial role in mitigating financial shortfalls. Corporate philanthropy, foundations, and individual donors must evaluate strategies to sustain critical social programs, lessen funding gaps, and support organizations navigating the evolving federal landscape. This report examines the implications of federal funding changes, identifies key risks, and offers insights on how the nonprofit and philanthropic sectors—alongside other partners—can adapt to ensure continued service delivery and program sustainability.

²⁴ USASpending data FY 2024, filtered by place of performance, grant instruments, and recipient entity types using per capita map and table tools.

Impact of Federal Funding
Changes on New Mexico's
Philanthropic Sector

STATUS OF FEDERAL FUNDING & POLICY CHANGES



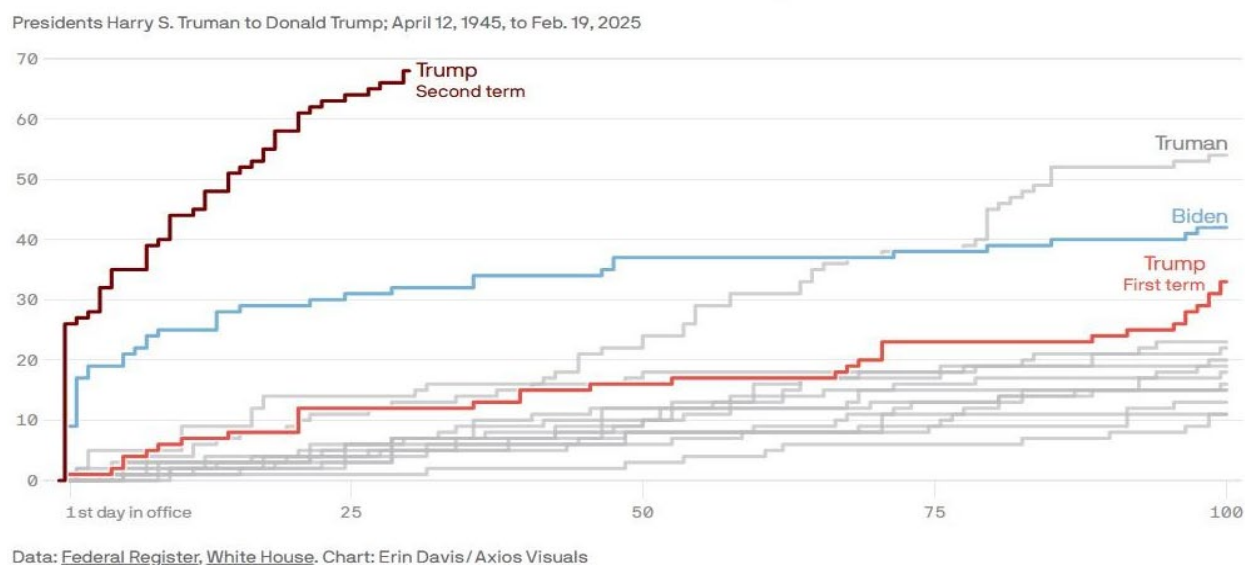
3 | STATUS OF FEDERAL FUNDING & POLICY CHANGES

The administration's historic surge of Executive Orders, Presidential Memoranda, and departmental directives are likely to affect funding for the nonprofit sector, health systems, and human service agencies. Key areas targeted include immigration, healthcare, LGBTQ+ communities, education, environmental policy, and DEI initiatives. These executive actions face ongoing legal challenges, including demands to lift federal funding freezes and restore indirect cost rates that adequately cover research institutions' project overhead. While the legal outcomes and full impact of these executive actions are still unknown, the statutes that govern federal financial assistance programs provide some insight into established pathways through which the administration may implement its priorities. This section provides an overview of these policy developments, with implications for the philanthropic sector discussed in later sections.

Executive Orders & Other Presidential Actions

As of April 16, 2025, President Trump has issued 129 Executive Orders (EOs) in his second term as President. While it is not unusual for presidents to release a flurry of EOs upon entry into office, this administration has more than doubled the next highest number of EOs in the first 100 days (topping President Harry S. Truman's former record of 52 EOs). The chart below shows this administration's pace as of February 19th (first 30 days). Looking more expansively at this volume, the prior Biden administration issued 162 EOs over the full four year term and Trump issued 220 in his first term.

Figure 1: Executive Orders Issued in the First 100 Days in Office²⁵



²⁵ Davis, E. (2025, January 29). Charted: Trump's unprecedented executive order blitz. <https://www.axios.com/2025/01/29/trump-executive-orders-first-100-days-history>

While production of EOs is record-breaking, the passing of laws has been notably low. Trump has signed fewer bills in the first 100 days of this term (five) than any president in at least 70 years.²⁶

Table 1 below reflects those EOs signed between January 20, 2025, and April 16, 2025, which could potentially have a significant impact in the nonprofit sector, to health systems, and/or in the sectors serving people via local, county, and Tribal governments or other agencies. Briefly, these EOs impact the sectors of immigration, health care, LGBTQ+ communities, education, environment, faith-based groups, non-governmental organizations, and anything that might espouse diversity, equity, and inclusion (DEI). A more detailed summary of how EOs could impact particular sectors can be found below in the section “Federal Funding Impact on Key Sectors.” Please also reference the National Council of Nonprofits’ regularly updated “Executive Orders Affecting Charitable Nonprofits.”²⁷

Table 1. Presidential Executive Orders Impacting Nonprofits, Schools, Healthcare, and Human Services

Order and Title	Relevant Content
EO 14253 Restoring Truth and Sanity to American History ²⁸	Orders changes at Federal museums, art galleries, and scholarly institutions; other such non-Federal entities should monitor this situation for changes in Federal grants in the same vein, particularly to prevent “divisive, race-centered ideology” or “gender ideology.”
EO 14242 Improving Education Outcomes by Empowering Parents, States, and Communities ²⁹	Requires the Secretary to develop a plan to close the Department of Education “to the maximum extent appropriate and permitted by law,” while ensuring any Department of Education funds comply with previous EOs prohibiting DEI and gender ideology.
EO 14238 Continuing the Reduction of the Federal Bureaucracy ³⁰	Reduces the performance of statutory functions and personnel of the Institute of Museum & Library Services, U.S. Interagency Council on Homelessness, Community Development Financial Institutions Fund, and Minority Business Development Agency, among others, “to the minimum presence and function required by law.”
EO 14218 Ending Taxpayer Subsidization of Open Borders ³¹	Orders agency heads to identify and enhance eligibility verification systems for federally funded programs that provide benefit to unqualified aliens or “facilitate the subsidization or promotion of illegal immigration” and empowers agencies and the Departments of Justice and Homeland Security to take “appropriate action.”

²⁶ Federal Register. (n.d.). *Executive orders*. U.S. National Archives and Records Administration.

²⁷ National Council of Nonprofits. (2025, April 16). *Executive orders affecting charitable nonprofits* [PDF]. <https://www.councilofnonprofits.org/files/media/documents/2025/chart-executive-orders.pdf>

²⁸ Exec. Order No. 14253, 90 FR 14563. (2025, March 27). <https://www.whitehouse.gov/presidential-actions/2025/03/restoring-truth-and-sanity-to-american-history/>

²⁹ Exec. Order No. 14242, 90 FR 13679. (2025, March 20). <https://www.whitehouse.gov/presidential-actions/2025/03/improving-education-outcomes-by-empowering-parents-states-and-communities/>

³⁰ Exec. Order No. 14238, 90 FR 13043 (2025, March 14). <https://www.whitehouse.gov/presidential-actions/2025/03/continuing-the-reduction-of-the-federal-bureaucracy/>

³¹ Exec. Order No. 14218, 90 FR 10581 (2025, February 19). <https://www.whitehouse.gov/presidential-actions/2025/02/ending-taxpayer-subsidization-of-open-borders/>

Order and Title	Relevant Content
EO 14215 Ensuring Accountability for All Agencies ³²	Increases regulatory supervision of federal agencies by establishing performance standards and management objectives for agency heads, to be reviewed by the Office of Management and Budget and establishes rules guiding federal employees' interpretation of the law.
EO 14212 Establishing the President's Make America Healthy Again Commission ³³	Establishes a Commission to manage Federally funded health research, work with farmers to support healthy foods, expand treatment options under health insurance, and address childhood chronic disease.
EO 14205 Establishment of The White House Faith Office ³⁴	Replaces previous Office of Faith-Based & Community Initiatives to establish an executive office "to empower faith-based entities, community organizations, and houses of worship to serve families and communities," including advising on policy implementation and ensuring faith-based organizations have a level playing field in competing for federal financial assistance.
EO 14201 Keeping Men Out of Women's Sports ³⁵	Requires the development of a plan to eliminate Federal funding or support for K-12 schools which practice "indoctrination" of "gender ideology and discriminatory equity ideology," or which interferes with parental rights regarding a child's expression of gender identity.
EO 14190 Ending Radical Indoctrination in K-12 Schooling ³⁶	Requires the development of a plan to eliminate Federal funding or support for K-12 schools which practice "indoctrination" of "gender ideology and discriminatory equity ideology," or which interferes with parental rights regarding a child's expression of gender identity.
EO 14182 Enforcing the Hyde Amendment ³⁷	Revokes previous EOs in order to "end the forced use of Federal taxpayer dollars to fund or promote elective abortion."

³² Exec. Order No. 14215, 90 FR 10447. (2025, February 18). <https://www.whitehouse.gov/presidential-actions/2025/02/ensuring-accountability-for-all-agencies/>

³³ Exec. Order No. 14212, 90 FR 9833. (2025, February 13). <https://www.whitehouse.gov/presidential-actions/2025/02/establishing-the-presidents-make-america-healthy-again-commission/>

³⁴ Exec. Order No. 14205, 90 FR 9499 (2025, February 7). <https://www.whitehouse.gov/presidential-actions/2025/02/establishment-of-the-white-house-faith-office/>

³⁵ Exec. Order No. 14201, 90 FR 9279 (2025, February 5). <https://www.whitehouse.gov/presidential-actions/2025/02/keeping-men-out-of-womens-sports/>

³⁶ Exec. Order No. 14190, 90 FR 8853 (2025, January 29). <https://www.whitehouse.gov/presidential-actions/2025/01/ending-radical-indoctrination-in-k-12-schooling/>

³⁷ Exec. Order No. 14182, 90 FR 8751 (2025, January 24). <https://www.whitehouse.gov/presidential-actions/2025/01/enforcing-the-hyde-amendment/>

Order and Title	Relevant Content
EO 14173 Ending Illegal Discrimination and Restoring Merit-Based Opportunity ³⁸	Orders executive departments and agencies to terminate and enforce “discriminatory and illegal preferences” under the auspices of diversity, equity, and inclusion (DEI). Empowers each agency to identify “the most egregious and discriminatory DEI practitioners in each sector of concern” and “identify up to nine potential civil compliance investigations of publicly traded corporations, large non-profit [sic] corporations or associations, foundations with assets of 500 million dollars or more, State and local bar and medical associations, and institutions of higher education with endowments over 1 billion dollars.”
EO 14169 Reevaluating and Realigning United States Foreign Aid ³⁹	Orders a 90-day pause in U.S. foreign development assistance, reviews of foreign aid programs, and reviews of foreign aid assistance programs to assess efficiencies and consistency with U.S. foreign policy and decide “whether to continue, modify, or cease each foreign assistance program.”
EO 14168 Defending Women From Gender Ideology Extremism and Restoring Biological Truth to the Federal Government ⁴⁰	Provides definitions for the sexes, gender ideology, and gender identity and requires the Executive Branch to enforce sex-protective laws as recognizing only two sexes— male and female. Prohibits the use of federal funds for gender ideology and orders agencies to remove references that promote gender ideology.
EO 14162 Putting America First in International Environmental Agreements ⁴¹	Withdraws the U.S. from the Paris Climate Agreement, revokes the U.S. International Climate Finance Plan, and orders officials who plan or coordinate international energy agreements to “prioritize economic efficiency, the promotion of American prosperity, consumer choice, and fiscal restraint in all foreign engagements that concern energy policy.”
EO 14154 Unleashing American Energy ⁴²	Orders review and any necessary suspension, revision, or rescission of federal agency actions to ensure they encourage energy exploration and production on Federal lands and waters, establish the U.S. position as the leading producer and processor of non-fuel minerals, ensure abundant reliable energy, ensure all regulatory requirements are founded in law, eliminate the electric vehicle mandate, and enable choice in goods and appliances.

³⁸ Exec. Order No. 14173, 90 FR 8633 (2025, January 21). <https://www.whitehouse.gov/presidential-actions/2025/01/ending-illegal-discrimination-and-restoring-merit-based-opportunity/>

³⁹ Exec. Order No. 14169, 90 FR 8619 (2025, January 20). <https://www.whitehouse.gov/presidential-actions/2025/01/reevaluating-and-realigning-united-states-foreign-aid/>

⁴⁰ Exec. Order No. 14168, 90 FR 8615 (2025, January 20). <https://www.whitehouse.gov/presidential-actions/2025/01/defending-women-from-gender-ideology-extremism-and-restoring-biological-truth-to-the-federal-government/>

⁴¹ Exec. Order No. 14162, 90 FR 8455 (2025, January 20). <https://www.whitehouse.gov/presidential-actions/2025/01/putting-america-first-in-international-environmental-agreements/>

⁴² Exec. Order No. 14154, 90 FR 8353 (2025, January 20). <https://www.whitehouse.gov/presidential-actions/2025/01/unleashing-american-energy/>

Order and Title	Relevant Content
EO 14159 Protecting the American People Against Invasion ⁴³	Orders the enforcement of immigration laws “against all inadmissible and removable aliens,” including via identification, deportation, detention, prosecution, fines and penalties, and a Federal Homeland Security Task Force to address issues such as cartels, foreign gangs, human trafficking.
EO 14151 Ending Radical and Wasteful Government DEI Programs and Preferencing ⁴⁴	Terminates all DEI and environmental justice programs—including federal grants and contracts—under the federal government under whatever name they appear.
EO 14148 Initial Rescissions of Harmful Executive Orders and Actions ⁴⁵	Rescinds the previous administration’s actions around racial equity and DEI, Covid-19 response, gender and sexual orientation anti-discrimination, climate response, and immigration enforcement.

Additionally, two other Presidential Actions, in the form of Memoranda, were published on the White House website. The first was a Memorandum for the Heads of Executive Departments and Agencies signed on February 6, 2025, with the subject of “Advancing United States Interests When Funding Nongovernmental Organizations,” which reads in its entirety (underline added for emphasis):

The United States Government has provided significant taxpayer dollars to Nongovernmental Organizations (NGOs), many of which are engaged in actions that actively undermine the security, prosperity, and safety of the American people. It is the policy of my Administration to stop funding NGOs that undermine the national interest.

I therefore direct the heads of executive departments and agencies (agencies) to review all funding that agencies provide to NGOs. The heads of agencies shall 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; as otherwise determined in the judgment of the heads of agencies; and on the basis of applicable authorizing statutes, regulations, and terms.⁴⁶

The other Memorandum for the Heads of Executive Departments and Agencies was signed on February 18, 2025, on the subject of “Radical Transparency About Wasteful Spending” (underline added for emphasis of the relevant passages):

The United States Government spends too much money on programs, contracts, and grants that do not promote the interests of the American people. For too long, taxpayers have subsidized ideological projects overseas and domestic organizations engaged in actions that undermine the national interest. The American people have seen their tax dollars used to fund the passion

⁴³ Exec. Order No. 14159, 90 FR 8443. (2025, January 20). <https://www.whitehouse.gov/presidential-actions/2025/01/protecting-the-american-people-against-invasion/>

⁴⁴ Exec. Order No. 14151, 90 FR 8339 (2025, January 20). <https://www.whitehouse.gov/presidential-actions/2025/01/ending-radical-and-wasteful-government-dei-programs-and-preferencing/>

⁴⁵ Exec. Order No. 14148, 90 FR 8237 (2025, January 28). <https://www.whitehouse.gov/presidential-actions/2025/01/initial-rescissions-of-harmful-executive-orders-and-actions/>

⁴⁶ The White House. (2025, February 6). Memorandum for the Heads of Executive Departments and Agencies: Advancing United States Interests When Funding Nongovernmental Organizations. <https://www.whitehouse.gov/presidential-actions/2025/02/memorandum-for-the-heads-of-executive-departments-and-agencies/>

projects of unelected bureaucrats rather than to advance the national interest. The American people have a right to see how the Federal Government has wasted their hard-earned wages.

I therefore direct the heads of executive departments and agencies (agencies) to take all appropriate actions to make public, to the maximum extent permitted by law and as the heads of agencies deem appropriate to promote the policies of my Administration, the complete details of every terminated program, cancelled contract, terminated grant, or any other discontinued obligation of federal funds. Agencies shall ensure that such publication occurs in accordance with all applicable laws, regulations, and the terms and conditions of the underlying contract, grant, or other award.⁴⁷

On February 26, Executive Order 14222, “Implementing the President’s ‘Department of Government Efficiency’ Cost Efficiency Initiative,” ordered that within 30 days each agency head:

...shall review all existing covered contracts and grants and, where appropriate and consistent with applicable law, terminate or modify (including through renegotiation) such covered contracts and grants to reduce overall Federal spending or reallocate spending to promote efficiency and advance the policies of my Administration. This process shall commence immediately and shall prioritize the review of funds disbursed under covered contracts and grants to educational institutions and foreign entities for waste, fraud, and abuse.

This Executive Order also orders an inventory of all real property and real property leases and to terminate any leases, if prudent, and sell off as much real property as would be prudent. This Executive Order reinforces the paradigm of severing out undesirable aspects of grant programs or canceling them altogether, if the grant does not align (in part or in its entirety) with the administration’s priorities.

At least four other recent EOs order changes to the Federal contracting and payment systems, including reduction of non-statutory Federal Acquisition Regulations (FAR) regulations in the Code of Federal Regulations⁴⁸ (which may also have impacts on grants and cooperative agreements), mandates on Federal procurement and the execution of Federal contracts,⁴⁹ as well as requirements on how future payments (no more paper checks),⁵⁰ and fund transfers must be conducted (all payments must go through a pre-award and pre-certification process, which will slow down receipt of advances and reimbursement requests for Federal financial assistance).⁵¹ These changes will require staff training for Federal award recipients and internal capacity building efforts.

Getting paid from federal grants will likely include additional delays, justifications, and requirements. This will require capacity and training from grantees and likely greater ability to bridge cashflow issues from reimbursement payment delays.

⁴⁷ The White House. (2025, February 18). Memorandum for the Heads of Executive Departments and Agencies: Radical Transparency About Wasteful Spending. <https://www.whitehouse.gov/presidential-actions/2025/02/memorandum-for-the-heads-of-executive-departments-and-agencies-7c05/>

⁴⁸ Exec. Order No. 14275, 90 FR 16447 (2025, April 15). “Restoring Common Sense to Federal Procurement.” <https://www.whitehouse.gov/presidential-actions/2025/04/restoring-common-sense-to-federal-procurement/>

⁴⁹ Exec. Order No. 14271, 90 FR 16433 (2025, April 15). “Ensuring Commercial, Cost-Effective Solutions in Federal Contracts.” <https://www.whitehouse.gov/presidential-actions/2025/04/ensuring-commercial-cost-effective-solutions-in-federal-contracts/>

⁵⁰ Exec. Order No. 14247, 90 FR 14001 (2025, March 25). <https://www.whitehouse.gov/presidential-actions/2025/03/modernizing-payments-to-and-from-americas-bank-account/>

⁵¹ Exec. Order No. 14249, 90 FR 14011 (2025, March 25). <https://www.whitehouse.gov/presidential-actions/2025/03/protecting-americas-bank-account-against-fraud-waste-and-abuse/>

Federal Departmental Memoranda & Directives

The aforementioned presidential memoranda, “Advancing United States Interests When Funding Nongovernmental Organizations” and “Radical Transparency About Wasteful Spending,” combined with the language on the now-rescinded Office of Management & Budget (OMB) Memorandum M-25-13⁵² and its associated Q&A⁵³ show a marked focus on increased scrutiny on non-governmental organizations. Per the OMB Memo (underline added for emphasis of the relevant passages):

To implement these orders, each agency must complete a comprehensive analysis of all of their Federal financial assistance programs to identify programs, projects, and activities that may be implicated by any of the President’s executive orders. In the interim, to the extent permissible under applicable law, Federal agencies must temporarily pause all activities related to obligation or disbursement of all Federal financial assistance, and other relevant agency activities that may be implicated by the executive orders, including, but not limited to, financial assistance for foreign aid, nongovernmental organizations, DEI, woke gender ideology, and the green new deal.

The Q&A also affirmed this focus, stating: “No, the pause does not apply across-the-board. It is expressly limited to programs, projects, and activities implicated by the President’s Executive Orders, such as ending DEI, the green new deal, and funding non-governmental organizations that undermine the national interest.”

While OMB Memo M-25-13 was rescinded by OMB Memo M-25-14,⁵⁴ it has been argued in at least two U.S. District Court cases (e.g., National Council of Nonprofits, et al v. Office of Management and Budget and Matthew Vaeth⁵⁵ and State of New York, et al v. Donald Trump⁵⁶) that the OMB is still effectuating both the “Federal funding freeze” ordered by OMB M-25-13 and the order within that same memo that “each agency must complete a comprehensive analysis of all of their federal financial assistance programs to identify programs, projects, and activities that may be implicated by any of the President’s executive orders” via the Instructions for Federal Financial Assistance Program Analysis in Support of M-25-13.⁵⁷ Those instructions order each agency to answer 14 questions (see Appendix A) about each of approximately 2,600 avenues of federal financial assistance (e.g., grants and cooperative agreements).

Additionally, on January 29, 2025, the Office of Personnel Management (OPM) released a Memorandum entitled, “Initial Guidance Regarding President Trump’s Executive Order *Defending*

⁵² U.S. Office of Management & Budget. (2025, January 27). Memorandum for the Heads of Executive Departments and Agencies: Temporary Pause of Agency Grant, Loan, and Other Financial Assistance Programs, M-25-13. <https://perma.cc/69QB-VFG8>

⁵³ U.S. Office of Management & Budget. (2025, January 28). White House Fact Sheet: Q&A Regarding Memorandum M-25-13. <https://www.presidency.ucsb.edu/node/376067>

⁵⁴ U.S. Office of Management & Budget. (2025, January 29). Memorandum for the heads of executive departments and agencies: Rescission of M-25-13; M-25-14. <https://www.ngma.org/assets/docs/Rescission-of-M-25-13-1.29.25.pdf>

⁵⁵ National Council of Nonprofits, et al v. Office of Management and Budget and Matthew Vaeth. (Filed 2025, January 28). U.S. District Court for the District of Columbia, Civil Action No. 25 - 239 (#25-cv-00239). <https://democracyforward.org/wp-content/uploads/2025/01/Final-OMB-Freeze-Memo-Complaint-1.28.25-1.pdf>

⁵⁶ State of New York, et al v. Donald Trump, et al. (Filed 2025, January 28). U.S. District Court for Rhode Island, Civil Action No. 25 - 039 (#25-cv-00039). <https://oag.ca.gov/system/files/attachments/press-docs/New%20York%20et%20al.%20v.%20Trump%20et%20al.%20Compl.pdf>

⁵⁷ U.S. Office of Management & Budget. (2025). Instructions for Federal Financial Assistance Program Analysis in Support of M-25-13. https://www.heinrich.senate.gov/imo/media/doc/instructions_for_federal_financial_assistance_program_analysis_in_support_of_m-25-13.pdf

Women.”⁵⁸ Despite an existing Administrative Stay and Temporary Restraining Order against implementing a broad federal funding freeze (see next section), this memo instructs Heads and Acting Heads of Departments and Agencies to “Review all agency programs, contracts, and grants, and terminate any that promote or inculcate gender ideology.”

Furthermore, on February 7, 2025, the Office of the Director of the National Institutes of Health (NIH) released “Supplemental Guidance to the 2024 NIH Grants Policy Statement: Indirect Cost Rates” Notice Number NOT-OD-25-068.⁵⁹ This Supplemental Guidance declared,

For any new grant issued, and for all existing grants to [Institutions of Higher Education (IHEs)] retroactive to the date of issuance of this Supplemental Guidance, award recipients are subject to a 15 percent indirect cost rate. This rate will allow grant recipients a reasonable and realistic recovery of indirect costs while helping NIH ensure that grant funds are, to the maximum extent possible, spent on furthering its mission. This policy shall be applied to all current grants for go forward expenses from February 10, 2025 forward as well as for all new grants issued. We will not be applying this cap retroactively back to the initial date of issuance of current grants to IHEs, although we believe we would have the authority to do so under 45 CFR 75.414(c).

Pending Lawsuits & Current Court Orders

There are multiple lawsuits against the administration and various federal agencies to challenge the legality of various EOs, Presidential Actions, and other directives from federal departments and their subunits. A brief summary of two major cases follows; however, there is also a more detailed and thorough litigation tracker for all of the known legal challenges to this administration’s actions being maintained by Just Security.⁶⁰ For more details on the cases addressed herein, please reference Appendix B.

Federal Funding Freeze Court Cases

Regarding the federal funding freeze, clawing back funds from award recipients without cause, and the mandated comprehensive analysis of federal financial assistance to terminate any assistance that does not align with existing EOs, there are two primary court cases— one in the U.S. District Court for the District of Columbia and one in the U.S. District Court for Rhode Island:

National Council of Nonprofits, American Public Health Association, Main Street Alliance, and SAGE v. Office of Management and Budget and Matthew Vaeth. On February 3, 2025, the U.S. District Court for the District of Columbia issued a Temporary Restraining Order (TRO) with the following key provisions:

- The administration is prohibited from implementing, giving effect to, or reinstating the directives in OMB Memorandum M-25-13 under any name.

⁵⁸ U.S. Office of Personnel Management. (2025, January 29). Initial guidance regarding President Trump’s Executive Order ‘Defending Women.’ <https://www.chcoc.gov/content/initial-guidance-regarding-president-trump%E2%80%99s-executive-order-defending-women>

⁵⁹ National Institutes of Health Office of the Director. (2025, February 7). Supplemental Guidance to the 2024 NIH Grants Policy Statement: Indirect Cost Rates, NOT-OD-25-068. <https://bit.ly/NIH2025>

⁶⁰ Just Security. (2025, January 29). Litigation Tracker: Legal Challenges to Trump Administration Actions. <https://www.justsecurity.org/107087/tracker-litigation-legal-challenges-trump-administration/>

- Federal agencies must release any paused disbursements under open federal awards that were affected by OMB Memorandum M-25-13.
- The administration was required to report its compliance with the TRO by February 7, 2025.

On February 25, 2025, the U.S. District Court for the District of Columbia issued a Preliminary Injunction, enjoining the administration from implementing, giving effect to, or reinstating a broad-scale “federal funding freeze” of the disbursement of funds via federal financial assistance. Further hearings are expected to conclude the case.

State of New York, et al v. Donald Trump, et al Complaint for Declaratory and Injunctive Relief.

On January 31, 2025, the court issued a TRO. However, this order permits the defendants to limit access to funds based on applicable statutes, regulations, and terms, without requiring prior approval (“preclearance”) from the district court. On February 12, 2025, the judge ruled that since the defendants sought to terminate funding based on applicable authorizing statutes, regulations, and terms, the U.S. government could proceed with reclaiming funds from the City of New York via the Environmental Protection Agency (EPA). However, the defendants’ motions to appeal the TRO and their emergency motion requesting permission to continue withholding Federal Emergency Management Agency (FEMA) and other funding were denied. On March 6, 2025, the U.S. District Court for the District of Rhode Island also issued a Preliminary Injunction to enjoin the administration from impeding the disbursement of appropriated federal funds to the states listed as Plaintiffs in the case. Further hearings are expected to conclude the case.

There is a third case that was filed on February 13, 2025 in the U.S. District Court of Pennsylvania, **Shapiro, et al v. Department of Interior, et al**,⁶¹ that claims it has received communications from several federal agencies (e.g., EPA, HHS, DOE) to reaffirm implementation of the federal funding freeze after the January 28, 2025 Administrative Stay and February 3, 2025 TRO from the U.S. District Court for the District of Columbia—and the January 31, 2025 TRO from the U.S. District of Rhode Island. Pennsylvania Governor Josh Shapiro alleges that \$5.5 billion in funding from the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA) has been committed to the State of Pennsylvania (through four different state departments) and that, as of February 13, 2025, more than \$1.2 billion had already been suspended and an additional \$900,000 has been marked as requiring further unidentified or undescribed “further agency review” before being approved and distributed. Summons have been issued and notices of appearances are being filed, but nothing has been ordered or scheduled for this case yet.

Indirect Cost Rate Court Cases

Regarding the Indirect Cost rate changes announced by the NIH, there are three court cases that were each filed in the U.S. District of Massachusetts on February 10, 2025: (1) **Association of American Medical Colleges v. National Institutes of Health** (25-cv-10340-AK),⁶² (2) **Association**

⁶¹ Shapiro, et al v. Department of Interior, et al. (Filed 2025, February 13). U.S. District Court for Pennsylvania, Civil Action No. 25 - 763 (#25-cv-00763). <https://storage.courtlistener.com/recap/gov.uscourts.paed.633426/gov.uscourts.paed.633426.1.0.pdf>

⁶² Association of American Medical Colleges, et al v. National Institutes of Health, et al, No. 1:25-cv-10340-AK (D. Mass. Feb. 10, 2025). <https://storage.courtlistener.com/recap/gov.uscourts.mad.280609/gov.uscourts.mad.280609.1.0.pdf>

of American Universities v. Department of Health & Human Services (25-cv-10346-AK),⁶³ and the following case, in which Judge Angel Kelley has granted the Plaintiffs in all three of these cases leave to file a single, consolidated reply brief to the Defendant(s).

Commonwealth of Massachusetts, et al v. National Institutes of Health.⁶⁴ The plaintiffs, comprising the Commonwealth of Massachusetts and 21 other states, filed a Complaint for Declaratory and Injunctive Relief against the NIH, its Acting Director Matthew Memoli, the U.S. Department of Health and Human Services (HHS), and its Acting Secretary Dorothy Fink. The lawsuit challenges the NIH's "Supplemental Guidance to the 2024 NIH Grants Policy Statement: Indirect Cost Rates" (NOT-OD-25-068), issued on February 7, 2025, which mandates a uniform reduction of indirect cost rates to 15% for all NIH grants. The plaintiffs allege that this policy violates the Administrative Procedure Act and threatens to severely impact the research infrastructure and scientific advancements in their states.

On February 10, the plaintiffs filed an *Ex Parte* Emergency Motion for Temporary Restraining Order (TRO) to prevent the implementation of the rate change. Judge Angel Kelley granted the TRO the same day, enjoining the defendants from enforcing the Rate Change Notice within the plaintiff states until further notice. On March 5, 2025, the U.S. District Court of Massachusetts issued a Preliminary Injunction to prevent implementation of the NIH Supplemental Guidance "in any form with respect to institutions nationwide." Further hearings are expected to conclude the case.

Relevant Federal Statutes

As the recent presidential actions and subsequent legal cases test the limits of executive power within federal financial assistance programs, it is important to understand existing statute and areas that remain undefined.

First, if and when conflicting instructions are discovered during the administration of a grant, cooperative agreement, and/or contract, the order of priority and precedence has been clearly defined and can be visually depicted in Figure 2.

As can be interpreted from this figure, the administration's EOs do not take precedence over the statutes governing each program of federal financial assistance, nor does it supersede other federal regulations, such as the 2 CFR 200 (commonly referred to as the Uniform Grant Guidance or, simply, Uniform Guidance)⁶⁵ and 48 CFR Parts 1-53 (FAR).⁶⁶ However, the President's EOs *do* take precedence over OMB policies, agency and other specific guidance, and an awardee's grant or cooperative agreement.

⁶³ Association of American Universities, et al v. Department of Health & Human Services, et al, No. 1:25-cv-10346-AK (D. Mass. Feb. 10, 2025). <https://storage.courtlistener.com/recap/gov.uscourts.mad.280623/gov.uscourts.mad.280623.1.0.pdf>

⁶⁴ Commonwealth of Massachusetts, et al v. National Institutes of Health, et al, No. 1:25-cv-10338-AK (D. Mass. Feb. 10, 2025). <https://storage.courtlistener.com/recap/gov.uscourts.mad.280590/gov.uscourts.mad.280590.1.0.pdf>

⁶⁵ Office of Management and Budget. (n.d.). *Uniform administrative requirements, cost principles, and audit requirements for federal awards*, 2 C.F.R. Part 200. Electronic Code of Federal Regulations. Retrieved April 16, 2025, from <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200>

⁶⁶ Federal Acquisition Regulation. (n.d.). *Federal Acquisition Regulations System*, 48 C.F.R. Part 1. Electronic Code of Federal Regulations. Retrieved April 16, 2025, from <https://www.ecfr.gov/current/title-48/chapter-1/subchapter-A/part-1>

Yet it is hotly contested whether a newly-issued EO can immediately sever parts of these instruments— or even terminate these agreements without cause, advance notice, or the ability to appeal.

Several federal regulations are particularly relevant to this conversation. Please note that the 2024 revised language of the Uniform Guidance is quoted herein; there is only one substantive difference, noted below, from the 2020 language (underline added for emphasis of the relevant passages).

Aside from standard conditions for terminating a contract (e.g., breach of contract, material failure to comply, underperformance, or mutual agreement), 2 CFR § 200.340(a)(4) ("Termination") outlines that a grant could be terminated "(b)y the Federal agency or pass-through entity pursuant to the terms and conditions of the Federal award, including, to the extent authorized by law, if an award no longer effectuates the program goals or agency priorities." It should be noted that the last part of this clause is a new addition to the Uniform Guidance language and therefore, it could be argued that it only applies to grants issued after October 1, 2024, when the revised language went into effect. (The current practice is that all grants issued before October 1, 2024, are subject to the 2020 language of the Uniform Guidance.)

Furthermore, per 2 CFR § 200.341(a) "Notification of termination requirement," "The Federal agency or pass-through entity must provide written notice of termination to the recipient or subrecipient. The written notice of termination should include the reasons for termination, the effective date, and the portion of the Federal award to be terminated, if applicable." To date, there is no evidence demonstrating that this clause has been followed when the termination is related to the new administration's change in policy priorities. If a grant is terminated—for any reason—the federal agency must report such to the federal Funding Accountability and Transparency Act (FFATA), SAM.gov, and USASpending.gov, per 2 CFR § 200.341(c).

Figure 2. Order of Priority & Precedence Governing Federal Financial Assistance



While the administration has terminated grants due to its allegations of “fraud” and “misuse”⁶⁷ (stemming from ideological differences than the prior administration, rather than actual findings based on performance evaluations, site visits, and audit results), such termination would typically be a last resort and follow a progressive enforcement process guided by 2 CFR 200.340-200.344 in which grantees have (limited) ability to appeal the process if it feels the decision is unfair.

Per 2 CFR § 200.206, “Federal agency review of risk posed by applicants,” such termination entries in any of those (or other) reporting systems could be during a risk review to justify refusal to issue future grants or cooperative agreements to those same entities. Unfortunately, the only possible recourse that an awardee (who was reported in those systems) may have is outlined in 2 CFR § 200.213(c)(4)-(5) “Reporting a determination that an applicant is not qualified for a federal award:” “The applicant may review the responsibility and qualification records accessible in SAM.gov and comment on any information the system contains about the applicant; and Federal agencies must consider the applicant's comments in determining whether the applicant is qualified for a future Federal award.” Since these decisions are made behind the scenes by Program Officers and review boards, there is very little oversight about whether these comments will be considered judiciously.

Finally, relevant to the topic of Indirect Costs, there are two statutes that are noteworthy to consider for this discussion. Per 2 CFR § 200.110(b) “Effective date,”

Existing negotiated indirect cost rates will remain in place until they expire. The effective date of changes to indirect cost rates must be based upon the date a newly re-negotiated rate goes into effect for the recipient’s or subrecipient’s fiscal year. Therefore, for indirect cost rates and cost allocation plans, the revisions to this part (as of the publication date for revisions to this guidance) become effective in generating proposals and negotiating a new rate (when the rate is re-negotiated).

Additionally, per 2 CFR § 200 Appendix III(C)(7) “Fixed Rates for the Life of the Sponsored Agreement,” “Federal agencies must use the negotiated rates in effect at the time of the initial award throughout the life of the Federal award. Award levels for Federal awards may not be adjusted in future years as a result of changes in negotiated rates.”

Forecasted Changes in Federal Funding & Policy Changes

Whether or not the administration is successful in their current legal battles to implement the President’s EOs and actions, as well as Federal agency guidance to Program Officers, there are established means by which the administration could possibly terminate programs that are not in alignment the administration’s priorities, outlined in Table 2.

⁶⁷ Catenacci, T. (2025, March 12). Trump admin terminates \$20B in Biden climate funding over fraud, waste, and abuse concerns. The Washington Free Beacon. <https://freebeacon.com/energy/trump-admin-terminates-20b-in-biden-climate-funding-over-fraud-waste-and-abuse-concerns/>

Table 2: Methods of Terminating Grants

In addition to attempts to cut awards by EO and agency directives, there are means the administration may be able to terminate or defund awarded projects.

Terminating Agreements Based on Terms & Conditions

Some Federal award or contract Terms & Conditions enable the Federal government to terminate grants at will “for cause or convenience.” If the award’s Terms & Conditions do not have that clause, the administration could invoke a separate termination clause in the Uniform Guidance that allows them to terminate grant “if an award no longer effectuates the program goals or agency priorities.”⁶⁸

Striking Initiatives Based on Reversed EOs

More than 500 grant announcements issued during the Biden administration added elements related to DEI and environmental justice.⁶⁹ These elements may or may not have been defined in each program’s original statute. By rescinding the last administration’s EOs and issuing new EOs to strike or reverse those programmatic elements, this administration may be able to “undo” what was “done” in the Executive Branch.

Refusing to Appropriate Future Funds for Multi-Year Awards

Some multi-year awards have budget periods that are shorter than the performance period; for example, a three-year grant may have funding obligated for the first year, but the Terms & Conditions state future funding is subject to the availability of funds. In these cases, the administration believes that it can work with a Republican-controlled Congress and/or simply instruct their Federal agencies to not appropriate or assign funds to financial assistance programs unaligned with the administration’s priorities.

Using Congressional Rescission Requests

Under the Impoundment Control Act of 1974, the President can submit a rescission request to Congress identifying specific grant program funds to be revoked. If Congress agrees, previously appropriated grant funding can be permanently canceled. This mechanism allows the administration and a cooperative Congress to target specific programs, particularly those established or expanded by prior administrations, and withdraw funds before they are awarded to recipients. This does not cover obligated (awarded) funds.

Conclusion

The shifting priorities of a new administration can have profound effects on federal grant availability, particularly for programs that do not align with its policy objectives. Whether through direct termination of grants via existing Terms & Conditions, the rescission of prior Executive Orders and policy directives, or the strategic withholding of future funding for multi-year awards, the administration has multiple pathways to reshape the federal funding landscape. These actions

⁶⁸ Federal Financial Assistance: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR § 200.340(a)(4). (2024).

⁶⁹ Harvard Law School Environmental & Energy Law Program. (2025, January 20). *Rollback: Trump rescinded Biden’s Executive Order 14008 establishing Justice40 initiative*. <https://bit.ly/Harvard01202025>

are likely to significantly impact programs that provide goods, services, and/or advocacy in or related to immigration, reproductive or gender-affirming health care, LGBTQ+ communities, education, environment, faith-based groups, non-governmental organizations, and DEI. In particular, funding for non-governmental organizations that the administration perceives to be operating in a fashion that “undermines the national interest” are particularly at risk. While legal challenges and legislative constraints may limit the administration’s ability to enact sweeping changes immediately, the ultimate effect of these policy shifts is expected to reduce financial support for programs that fall outside the administration’s stated priorities. Consequently, organizations and grant recipients reliant on federal funding in these areas should prepare for potential disruptions.

Impact of Federal Funding
Changes on New Mexico's
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FEDERAL FUNDING IN NEW MEXICO: SCALE & SCOPE



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4 | FEDERAL FUNDING IN NEW MEXICO: SCALE & SCOPE

Executive freezes on federal funding have outsized effects in New Mexico, which is highly reliant on federal support across various sectors and entities. This section contains information on the amount of federal funding currently allocated to New Mexico, the scale of such funding by federal agency, and the types of organizations in New Mexico that receive federal funds.

New Mexico and Federal Funding Streams

The White House Executive order directing agencies to freeze federal funding, OMB Memorandum M-25-13, stated “Federal agencies must temporarily pause all activities related to obligation or disbursement of all Federal financial assistance...” with footnotes excluding assistance provided directly to individuals such as Social Security payments. Agencies were also told to “complete a comprehensive analysis of all of their Federal financial assistance programs to identify programs, projects, and activities that may be implicated by any of the President’s executive orders.” Agencies were provided with guidance on this in an attachment “Instructions for Federal Financial Assistance Program Analysis in Support of M-25-13” which lists about 2,700 funding streams including, effectively, all federal grant programs (cross-checking the identification numbers against all awards in New Mexico revealed two grants not listed in the memo table).

Looking at this overall picture, the scale of grants and loans to New Mexico that may be affected is immense. Table 3 shows assistance totals by “obligations,” which is the committed award funding, and by “outlays,” which is the amount of that obligated award that has been paid out to the recipient. Active grants in FY 2024 through mid-February of FY 2025 amounted to \$22 billion to

Federal Terminology

Financial Assistance: Grants, cooperative agreements, contracts, loans, loan guarantees, property, direct assistance, and appropriations that non-federal entities receive or administer.

Direct Recipient/Prime: The entity receiving the federal award from the federal government.

Pass-Through: A direct recipient that distributes funds to other organizations providing services.

Subaward/Subgrant: Grant assistance received from a pass-through, instead of directly. The recipient is termed a subgrantee or subawardee.

Grant Authorization: Law establishing or continuing a grant (defines purpose, authority).

Grant Appropriations: Laws that give budgeting authority, enabling federal agencies to spend funding for an authorized grant program.

Pre-Encumbered Grants: Reserved (awarded) grant funds that are not yet contracted.

Grant Obligations: Legally binding spending commitment for a grant program, via a grant agreement or cooperative agreement.

Grant Outlays: Payments made by the federal government for an obligated grant. Most commonly these are reimbursement-based or annual up-front payments.

No-Competitive Grants: Block Grants and Categorical Grants are distributed to specific entities as a pot of funding for specific uses. Formula Grants are distributed to specific entities based on a calculation set by Congress (e.g., state population, number of students).

Discretionary Grants: Competitive grants are open to eligible entities and may have a set award amount or an allowable funding range. These include Project Grants, where the government is not directly involved in activities, or a Cooperative Agreements, which includes more involvement by the federal agency and its employees or designated third parties.

direct grantees in New Mexico. The most significant grant category is block grants, which are typically very large grants provided to states for work in a specific sector, and often are the source of sub-grants to other entities spread around the state. The next most significant are project grants at \$5.7 billion. These, with cooperative agreements (\$1.9 billion) describe much of what we think of in “applying for a grant”— discretionary and competitive awards. The other grant type is formula grants at \$3.3 billion and these are funds provided based on a formula, like a certain amount per student or per resident of a county, and are usually going to state or local governments to provide core/ongoing or emergency/disaster support. Loans accounted for another \$1.2 billion.

Table 3: Federal Grants and Loans to Recipients in New Mexico: FY 2024 and FY 2025 through February 12, 2025 (in millions)

Assistance Type	Count of Awards	Sum of Obligations (in millions)	Sum of Outlays (disbursements, in millions)	Remaining from Obligations (in millions)
Block Grants	129	\$11,581	\$8,527	\$3,054
Cooperative Agreements	549	\$1,891	\$708	\$1,184
Formula Grants	1,438	\$3,291	\$1,247	\$2,044
Project Grants	2,008	\$5,712	\$1,744	\$3,967
Total	4,124	\$22,474 M	\$12,226 M	\$10,248 M
Loans	Count of Loans: 7,489	Total Loans Value: \$1,170 M		

Grants often span multiple years, which is of special concern when it comes to the desire to pull back committed funds. This is especially true given that most discretionary awards are paid on a reimbursement basis. For the \$22.5 billion in grant awards active in FY 2024 to present, about 54% has been paid out with up to 46% yet to be disbursed.

Another lens of grant impact is funding received in a time period— such as the dollars coming into the state annually. This is available by looking at USA Spending’s transaction level data, which shows \$17.3 billion for FY 2024. (USASpending.gov is a federal website with database records of all federal grants, agreements, loans, and direct payments.)

Table 4: Federal Grants Payments to Prime Awardees in New Mexico: FY 2024 (in millions)

Assistance Type	Sum of Transactions (in millions)
Block Grants	\$11,312
Cooperative Agreements	\$546
Formula Grants	\$2,412
Project Grants	\$3,116
Total	\$17,386 M

Breakdown of Grantmaking Agencies to New Mexico

Table 5 shows the active grants to New Mexico recipients split by the awarding agency. As shown, the Department of Health and Human Services with over \$14 billion in obligations and over one thousand awards tops the list, followed by the Department of Transportation, which includes many high dollar capital projects, and totals \$1.5 B in committed funds. The Department of Education, Department of Homeland Security, and the Department of Commerce come next with close to a billion dollars each.

Table 5: Federal Grants to Recipients in New Mexico by Grantmaking Agency: FY 2024 and FY 2025 through February 12, 2025 (in millions)

Agency	Count of Awards	Sum of Obligations (in millions)	Sum of Outlays (in millions)	Remaining from Obligations (in millions)
Department of Health and Human Services	1,021	\$14,558	\$10,035	\$4,523
Department of Transportation	771	\$1,510	\$568	\$942
Department of Education	273	\$979	\$502	\$478
Department of Homeland Security	57	\$955	\$197	\$758
Department of Commerce	30	\$906	\$0.1	\$906
Department of Agriculture	346	\$785	\$282	\$503
Department of the Interior	328	\$596	\$129	\$466
Department of Energy	160	\$582	\$106	\$475
Environmental Protection Agency	137	\$394	\$47	\$347
Department of Housing and Urban Development	234	\$349	\$126	\$223
Department of Labor	90	\$285	\$111	\$173
Department of Defense	99	\$174	\$0.3	\$174
National Science Foundation	171	\$141	\$48	\$93
Department of Justice	148	\$113	\$29	\$84
Department of Veterans Affairs	19	\$52	\$3	\$50
National Aeronautics and Space Administration	56	\$32	\$19	\$12
Corporation for National and Community Service	60	\$19	\$9	\$10
Election Assistance Commission	1	\$11	\$3	\$8
Executive Office of the President	17	\$9	\$2	\$6
Department of the Treasury	9	\$8	\$6	\$3
Institute of Museum and Library Services	22	\$4	\$1	\$3
Small Business Administration	15	\$3	\$1	\$2
National Endowment for the Humanities	12	\$3	\$0.1	\$3
National Endowment for the Arts	26	\$3	\$2	\$2
Nuclear Regulatory Commission	5	\$3	\$0.5	\$2
National Archives and Records Administration	7	\$1	\$0	\$1
Social Security Administration	5	\$1	\$0.6	\$0.6
Agency for International Development	1	\$0.4	\$0	\$0.4
Department of State	4	\$0.08	\$0	\$0.08
Total	4,124	\$22,474 M	\$12,226 M	\$10,248 M

In all, the above grants total **22 billion, four hundred seventy-four million dollars** over the course of approximately 18 months, with **ten billion, two hundred forty-eight million dollars remaining outstanding**.

The Diversity of Entities Receiving Federal Funds

A common misperception is that federal grants go to a few types of projects and recipients, when the reality is that federal assistance is a significant source of support across entity types. Table 6 shows active grants for FY 2024 to present split by recipient type (tribal colleges are grouped with higher education; other tribal entities combined). State, local, and special district governments are the largest recipient type, with \$18 billion in active award obligations, partly due to block and formula grants. Higher education comes in second with \$1.6 billion and nonprofits are close behind with \$1.1 billion. Tribal governments and tribally authorized entities account for \$805 million then businesses come in at \$279 million. School districts had \$167 million. See the following report section, Federal Funding Impact on Key Sectors, for more details on select recipient types.

Table 6: Federal Grants and Loans to Recipients in New Mexico by Recipient Type: FY 2024 and FY 2025 through February 12, 2025 (in millions)

Recipient Type	Count of Awards	Sum of Obligations (in millions)	Sum of Outlays (in millions)	Remaining from Obligations (in millions)
Governments	1,709	\$18,354	\$10,589	\$7,765
Higher Education	875	\$1,555	\$557	\$997
Nonprofits	488	\$1,102	\$532	\$569
Tribal	717	\$805	\$257	\$547
Businesses	82	\$279	\$73	\$206
Other	75	\$212	\$36	\$176
K to 12 Education	129	\$167	\$180	\$(13)
Individuals	49	\$0.7	\$0.3	\$0.3
Total	4,124	\$22,474 M	\$12,226 M	\$10,248 M

Subawards

An important impact of federal grants comes from redistributed funds in the forms of sub-grants and contracts. Many state agency grants, for example, are federally funded and recipients are sub-grantees of a federal award. Subawards made in FY2024 through present total \$430 million to New Mexico recipients. Much of these originated in awards detailed in prior tables but many had prime recipients outside of the state, especially universities. In fact, universities subawarding to New Mexico entities included institutions in 32 states. The largest source, by far though, was the State of New Mexico, accounting for \$280 million in subawards (65%). Topping the list of state agencies is the New Mexico Public Education Department, which made \$108 million in subawards.

Conclusion

Federal funding plays a critical role in supporting New Mexico's economy, infrastructure, and public services, with over \$22.5 billion in active grant and loan obligations spanning diverse sectors. The freeze on federal financial assistance introduced through OMB Memorandum M-25-

13, combined with agency reviews of funding programs, has created an environment of uncertainty regarding future funding availability. Given that nearly 46% of currently obligated grant funds remain undistributed, policy shifts at the federal level could significantly impact ongoing and future projects in New Mexico.

The largest share of federal grants flows to state, local, and tribal governments, with additional funding directed toward higher education institutions, nonprofits, and businesses. Block and formula grants provide the backbone of funding for core governmental functions, while competitive project grants and cooperative agreements support innovation, research, and community-based initiatives. Additionally, subawards totaling \$430 million illustrate the importance of grant funding redistribution, particularly through state agencies and universities.

As federal funding policies evolve, New Mexico's recipients—including government agencies, educational institutions, nonprofits, and businesses—must remain vigilant and adaptable. Changes in federal priorities are not impacting only new grant opportunities, but also the distribution of funds from existing awards. These shifts in federal funding policies and departure from typical procedures could directly impact New Mexico residents by affecting essential services, educational programs, infrastructure projects, and community initiatives that rely on sustained financial support.

Impact of Federal Funding
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FEDERAL FUNDING IMPACT ON KEY SECTORS



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5 | FEDERAL FUNDING IMPACT ON KEY SECTORS

This section contains information on local active funding by sector, grant programs at potential risk of congressional defunding, and anticipated fiscal/policy goals as of analysis in February of 2025.

Funds for Underserved and Marginalized Populations

Executive Order 14151, titled “Ending Radical and Wasteful Government DEI Programs and Preferencing,” instructed federal agencies to terminate, to the extent allowed by law, all equity related grants and contracts and to align future funding in compliance with the administration’s stance on diversity, equity, and inclusion (DEI) as discriminatory, illegal, and immoral. All agencies, departments, and commissions were instructed to provide the Office of Management and Budget (OMB), by March 30, a list of federal grantees with funding “to provide or advance DEI, diversity, equity, inclusion, and accessibility (DEIA), or ‘environmental justice’ programs, services, or activities since January 20, 2021” and recommend actions to align future grants with the Administration’s stance.⁷⁰ Executive Order 14173, titled “Ending Illegal Discrimination and Restoring Merit-Based Opportunity,” included a “Certification Provision” requiring federal grants and contracts include terms requiring compliance with federal anti-discrimination laws and certification the non-federal entity “does not operate any programs promoting DEI that violate any applicable Federal anti-discrimination laws.”⁷¹

Notably, On February 21, a federal district judge in the United States District Court of Maryland issued a preliminary injunction against several elements of the cited executive orders and an accompanying detailed memorandum finding that the plaintiffs (the National Association of Diversity Officers in Higher Education, et. al.) are likely to prevail due to the EO’s infringement of First Amendment rights to free speech and due to a lack of specificity in the EO’s language being a violation of due process provisions of the Fifth Amendment.⁷²

While there is a lack of clarity on what is encompassed in these ideas, subsequent leaked lists and agency guidance as actions are implemented indicate identification of funding geared towards equity, diversity, inclusion, or focused on or providing services specific to racial and ethnic minorities, women, LGBTQ+, immigrant/refugee, and other populations. The following table identifies specific grant programs that may be considered, across awards, as subject to attempted award claw-backs or elimination in the future. The largest areas of investment potentially at risk for obligated funds are infrastructure projects, health services, and education/business programs serving minority populations.

⁷⁰ Exec. Order: 14151, 3 C.F.R. 8633 (2025). <https://www.govinfo.gov/content/pkg/FR-2025-01-31/pdf/2025-02097.pdf>.

⁷¹ Exec. Order: 1417, 3 C.F.R. 14173 (2025). <https://www.govinfo.gov/content/pkg/FR-2025-01-31/pdf/2025-02097.pdf>.

⁷² National Association of Diversity Officers in Higher Education, et al. v. Donald Trump, et al. Case 1:25-cv-00333-ABA Documents 44 and 45 (U.S. District Court of Maryland, 2/21/2025, https://www.littler.com/files/preliminary_injunction_-_nadohe_v._trump.pdf). Case No. 1:25-cv-00333-ABA

Table 7: Grants to New Mexico Prime Awardees with Explicit Focus on Areas Discussed as DEI Related: FY 2024 and FY 2025 through February 12, 2025

Agency and Grant Program	Count of Awards	Sum of Obligations	Sum of Outlays (disbursements)
Department of Agriculture	8	\$4,849,698	\$923,385
10.221: TRIBAL COLLEGES EDUCATION EQUITY GRANTS	3	\$1,688,568	\$274,412
10.223: HISPANIC SERVING INSTITUTIONS EDUCATION GRANTS	2	\$1,600,000	\$1,111
10.443: OUTREACH AND ASSISTANCE FOR SOCIALLY DISADVANTAGED AND VETERAN FARMERS AND RANCHERS	2	\$1,461,130	\$641,630
10.318: WOMEN AND MINORITIES IN SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS FIELDS	1	\$100,000	\$6,232
Department of Commerce	6	\$691,230,691	\$0
11.035: BROADBAND EQUITY, ACCESS, AND DEPLOYMENT PROGRAM	1	\$675,372,312	\$0
11.032: STATE DIGITAL EQUITY PLANNING AND CAPACITY GRANT	1	\$8,673,976	\$0
11.028: CONNECTING MINORITY COMMUNITIES PILOT PROGRAM	1	\$2,901,403	\$0
11.034: 2023 MBDA CAPITAL READINESS PROGRAM	1	\$2,000,000	\$0
11.805: MBDA BUSINESS CENTER	1	\$1,683,000	\$0
11.804: MBDA BUSINESS CENTER - AMERICAN INDIAN AND ALASKA NATIVE	1	\$600,000	\$0
Department of Energy	7	\$17,480,503	\$6,669,692
81.123: NATIONAL NUCLEAR SECURITY ADMINISTRATION (NNSA) MINORITY SERVING INSTITUTIONS (MSI) PROGRAM	5	\$12,553,406	\$5,975,560
81.137: MINORITY ECONOMIC IMPACT	2	\$4,927,097	\$694,132
Department of Health and Human Services	15	\$55,970,276	\$26,260,498
93.228: INDIAN HEALTH SERVICE, HEALTH MANAGEMENT DEVELOPMENT PROGRAM; 93.231: EPIDEMIOLOGY PROGRAM; 93.231: EPIDEMIOLOGY COOPERATIVE AGREEMENTS	1	\$23,464,513	\$8,227,277
93.925: SCHOLARSHIPS FOR HEALTH PROFESSIONS STUDENTS FROM DISADVANTAGED BACKGROUNDS	4	\$10,985,740	\$5,781,414
93.307: MINORITY HEALTH AND HEALTH DISPARITIES RESEARCH; 93.113: ENVIRONMENTAL HEALTH	1	\$6,783,689	\$3,548,490
93.307: MINORITY HEALTH AND HEALTH DISPARITIES RESEARCH	3	\$5,733,504	\$2,637,066
93.137: COMMUNITY PROGRAMS TO IMPROVE MINORITY HEALTH; 93.137: COMMUNITY PROGRAMS TO IMPROVE MINORITY HEALTH GRANT PROGRAM	2	\$2,675,000	\$1,838,909
93.859: BIOMEDICAL RESEARCH AND RESEARCH TRAINING; 93.307: MINORITY HEALTH AND HEALTH DISPARITIES RESEARCH	1	\$2,358,973	\$1,462,132
93.304: RACIAL AND ETHNIC APPROACHES TO COMMUNITY HEALTH	1	\$1,924,158	\$985,211

Agency and Grant Program	Count of Awards	Sum of Obligations	Sum of Outlays (disbursements)
93.342: HEALTH PROFESSIONS STUDENT LOANS, INCLUDING PRIMARY CARE LOANS AND LOANS FOR DISADVANTAGED STUDENTS	1	\$1,600,000	\$1,780,000
93.928: SPECIAL PROJECTS OF NATIONAL SIGNIFICANCE; 93.899: MINORITY HIV/AIDS FUND (MHAF)	1	\$444,699	\$0
Department of Justice	2	\$2,718,531	\$1,179,126
16.588: VIOLENCE AGAINST WOMEN FORMULA GRANTS	2	\$2,718,531	\$1,179,126
Department of Labor	4	\$7,890,340	\$2,384,795
17.235: SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM	4	\$7,890,340	\$2,384,795
Environmental Protection Agency	2	\$19,457,000	\$177,737
66.442: WATER INFRASTRUCTURE IMPROVEMENTS FOR THE NATION SMALL AND UNDERSERVED COMMUNITIES EMERGING CONTAMINANTS GRANT PROGRAM	1	\$18,914,000	\$0
66.442: ASSISTANCE FOR SMALL AND DISADVANTAGED COMMUNITIES DRINKING WATER GRANT PROGRAM (SDWA 1459A); 66.442: WATER INFRASTRUCTURE IMPROVEMENTS FOR THE NATION SMALL AND UNDERSERVED COMMUNITIES EMERGING CONTAMINANTS GRANT PROGRAM	1	\$543,000	\$177,737
Total	44	\$799,597,039	\$37,595,232

In addition to the programs above, there are numerous specific projects focused on targeted populations that may be at risk. A significant reason for this is certain agencies explicitly state priorities, strategies, or preferences for serving marginalized populations, expanding opportunities, broadening participation, and including diverse participants and representation. These include agencies like the National Science Foundation, Department of Education, National Endowment for the Arts, National Institutes of Health, and National Endowment for the Humanities. A much broader number of agencies and grant programs include review criteria and/or preference points that can be fulfilled through what may be considered diversity, equity, and inclusion.

Environmental Sector

Major impacts affecting environmental projects include Executive Order (EO) 14154, "Unleashing American Energy," which revoked 12 prior EOs established to align and begin climate related efforts, consider environmental justice in funding decisions, guide agencies in financial and risk analysis, manage natural resources, and staff climate-related offices. It additionally ordered an end to AmeriCorps Climate Corps, termination of "Green New Deal" funding that was appropriated and disbursed through the Inflation Reduction Act of 2022 (including the National Electric Vehicle Infrastructure Formula Program and the Charging and Fueling Infrastructure Discretionary Grant Program). Attempts to recapture obligated funds and to rescind appropriated funding have numerous protections and procedures in place but rely on Congress in part to enforce challenges.

Legislatively established future funding commitments will depend on what was passed by law, the length of approved funding, and the actions needed to either rescind or end appropriations.

It is not clear which specific grant programs beyond the ones cited will be considered within scope of recommended defunding; however, USA Spending searches for grants with relevant keywords reveals about \$285 million in active grants (FY 2024 to present) with only \$18 million, or 6%, disbursed. Obligated funds are considered beyond the reach of rescission from Congress typically; however, the direct conflict of many of these programs with priorities of the Executive may create standing for challenge or significant project modifications. Ensuring the federal government fulfills these commitments will be critical to preserving significant amounts of federal funding and being able to complete a number of major infrastructure projects. See more on this in the section in the following Government and Public Sectors sub-section. Notably, this list includes a \$156 million dollar project to New Mexico Energy, Minerals, and Natural Resources to bring residential solar to low-income residents statewide.

Table 8: Grants with Explicit Climate, Environmental Justice, Clean Energy, Climate, Renewable Energy Focus: FY 2024 and FY 2025 through February 12, 2025

Agency and Grant Program	Count of Awards	Sum of Obligations	Sum of Outlays (disbursements)
Department of Agriculture	3	\$3,617,489	\$159,694
10.515: RENEWABLE RESOURCES EXTENSION ACT	2	\$81,603	\$10,040
10.937: PARTNERSHIPS FOR CLIMATE-SMART COMMODITIES	1	\$3,535,886	\$149,654
Department of Commerce	2	\$994,098	\$147,751
11.431: CLIMATE AND ATMOSPHERIC RESEARCH	2	\$994,098	\$147,751
Department of Energy	18	\$50,493,967	\$4,842,066
81.087: RENEWABLE ENERGY RESEARCH AND DEVELOPMENT	11	\$38,022,253	\$4,827,497
81.117: ENERGY EFFICIENCY AND RENEWABLE ENERGY INFORMATION DISSEMINATION, OUTREACH, TRAINING AND TECHNICAL ANALYSIS/ASSISTANCE	3	\$10,046,784	\$0
81.128: ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT PROGRAM (EECBG)	4	\$2,424,930	\$14,569
Department of Homeland Security	7	\$7,543,214	\$193,521
97.047: BRIC: BUILDING RESILIENT INFRASTRUCTURE AND COMMUNITIES	5	\$3,584,473	\$174,855
97.047: BRIC: BUILDING RESILIENT INFRASTRUCTURE AND COMMUNITIES; 97.047: PRE-DISASTER MITIGATION	2	\$3,958,741	\$18,666
Department of the Interior	5	\$6,588,546	\$1,737,114
15.507: WATERSMART (SUSTAIN AND MANAGE AMERICA'S RESOURCES FOR TOMORROW)	5	\$6,588,546	\$1,737,114
Department of Transportation	11	\$21,406,003	\$8,545,872
20.507: FEDERAL TRANSIT FORMULA GRANTS; 20.526: BUSES AND BUS FACILITIES FORMULA, COMPETITIVE, AND LOW OR NO EMISSIONS PROGRAMS; 20.526: BUS AND BUS FACILITIES FORMULA PROGRAM	1	\$8,277,196	\$8,277,196

Agency and Grant Program	Count of Awards	Sum of Obligations	Sum of Outlays (disbursements)
20.526: BUSES AND BUS FACILITIES FORMULA, COMPETITIVE, AND LOW OR NO EMISSIONS PROGRAMS	9	\$10,056,925	\$250,665
20.526: BUSES AND BUS FACILITIES FORMULA, COMPETITIVE, AND LOW OR NO EMISSIONS PROGRAMS; 20.500: FEDERAL TRANSIT CAPITAL INVESTMENT GRANTS	1	\$3,071,882	\$18,011
Environmental Protection Agency	16	\$194,788,790	\$2,253,965
66.040: DIESEL EMISSIONS REDUCTION ACT (DERA) STATE GRANTS	2	\$1,108,943	\$252,069
66.040: DIESEL EMISSIONS REDUCTION ACT (DERA) STATE GRANTS; 66.040: STATE CLEAN DIESEL GRANT PROGRAM	2	\$888,367	\$707,232
66.046: CLIMATE POLLUTION REDUCTION GRANTS	2	\$2,059,738	\$37,181
66.306: ENVIRONMENTAL JUSTICE COLLABORATIVE PROBLEM-SOLVING COOPERATIVE AGREEMENT PROGRAM	3	\$1,500,000	
66.309: SURVEYS, STUDIES, INVESTIGATIONS, TRAINING AND SPECIAL PURPOSE ACTIVITIES RELATING TO ENVIRONMENTAL JUSTICE	1	\$8,000,000	\$1,246,090
66.312: ENVIRONMENTAL JUSTICE GOVERNMENT-TO-GOVERNMENT (EJG2G) PROGRAM	2	\$1,539,452	\$4,566
66.616: ENVIRONMENTAL AND CLIMATE JUSTICE COMMUNITY CHANGE GRANTS PROGRAM	2	\$22,981,971	\$0
66.921: REDUCE, REUSE, RECYCLING EDUCATION AND OUTREACH GRANTS	1	\$590,319	\$0
66.959: GREENHOUSE GAS REDUCTION FUND: SECTION 134(A)(1) - ZERO EMISSION TECHNOLOGIES GRANT PROGRAM; 66.959: GREENHOUSE GAS REDUCTION FUND: SOLAR FOR ALL	1	\$156,120,000	\$6,827
Total	62	\$285,432,107	\$17,879,983

Less resilient are prior executive mandates and actions. These include the Justice40 Initiative, which instructed agencies to direct at least 40% of the benefits from federal assistance related to climate and clean energy to populations and communities disproportionately impacted by pollution or other environmental burdens. As Justice40 was established through executive order (Executive Order 14008), its termination and consideration in future funding, and ongoing operations and funding of offices established without related legislation are likely to stand. Specific to New Mexico, most of our geography qualified for preference points or consideration as fulfilling Justice40. The Justice40 Initiative included a long list of programs, including a number that aren't specifically climate or clean energy focused. The following table includes a preliminary identification of Justice40 covered active awards in New Mexico. This list includes grants awarded in FY 2021 or later, but active in FY2024/25 and programs known or likely to be in Justice40; however, there may be additional programs or missing ones due to time limitations, which did not permit identification of specific grants from the official, updated Justice40 Covered Programs List (August 2022).

Table 9: Grants likely Awarded under Justice40 Scoring to New Mexico Recipients: FY 2024 and FY 2025 through February 12, 2025

Agency and Grant Program	Count of Awards	Sum of Obligations	Sum of Outlays (disbursements)
Department of Energy	11	\$42,958,013	\$1,674,072
81.087: RENEWABLE ENERGY RESEARCH AND DEVELOPMENT	8	\$32,911,229	\$1,674,072
81.117: ENERGY EFFICIENCY AND RENEWABLE ENERGY INFORMATION DISSEMINATION, OUTREACH, TRAINING AND TECHNICAL ANALYSIS/ASSISTANCE	3	\$10,046,784	\$0
Department of the Interior	2	\$238,731	\$0
15.148: TRIBAL ENERGY DEVELOPMENT CAPACITY GRANTS	2	\$238,731	\$0
Environmental Protection Agency	31	\$39,232,193	\$3,991,696
66.616: ENVIRONMENTAL AND CLIMATE JUSTICE COMMUNITY CHANGE GRANTS PROGRAM	2	\$22,981,971	\$0
66.001: AIR POLLUTION CONTROL PROGRAM SUPPORT	4	\$4,599,708	\$1,989,952
66.419: WATER POLLUTION CONTROL STATE, INTERSTATE, AND TRIBAL PROGRAM SUPPORT	12	\$3,673,659	\$1,504,414
66.034: SURVEYS, STUDIES, RESEARCH, INVESTIGATIONS, DEMONSTRATIONS, AND SPECIAL PURPOSE ACTIVITIES RELATING TO THE CLEAN AIR ACT	6	\$2,586,917	\$1,331
66.046: CLIMATE POLLUTION REDUCTION GRANTS	2	\$2,059,738	\$37,181
66.436: SURVEYS, STUDIES, INVESTIGATIONS, DEMONSTRATIONS, AND TRAINING GRANTS AND COOPERATIVE AGREEMENTS - SECTION 104(B)(3) OF THE CLEAN WATER ACT	1	\$1,250,000	\$5,430
66.446: TECHNICAL ASSISTANCE FOR TREATMENT WORKS (CLEAN WATER ACT [CWA] SECTION 104(B)(8))	1	\$1,200,000	\$248,889
66.818: BROWNFIELDS MULTIPURPOSE, ASSESSMENT, REVOLVING LOAN FUND, AND CLEANUP COOPERATIVE AGREEMENTS	1	\$500,000	\$0
66.926: INDIAN ENVIRONMENTAL GENERAL ASSISTANCE PROGRAM (GAP); 66.419: WATER POLLUTION CONTROL STATE, INTERSTATE, AND TRIBAL PROGRAM SUPPORT	1	\$213,000	\$93,777
66.038: TRAINING, INVESTIGATIONS, AND SPECIAL PURPOSE ACTIVITIES OF FEDERALLY-RECOGNIZED INDIAN TRIBES CONSISTENT WITH THE CLEAN AIR ACT (CAA), TRIBAL SOVEREIGNTY AND THE PROTECTION AND MANAGEMENT OF AIR QUALITY	1	\$167,200	\$110,722
Total	44	\$82,428,937	\$5,665,768

In addition to the assistance programs listed prior there is a larger potential effort to remake key departments including grantmaking and regulatory frameworks that would have much larger impacts. The administration appears to largely be instituting recommendations included in Project 2025 Presidential Transition Project as detailed in its guiding governing agenda document, Mandate

for Leadership: The Conservative Promise.⁷³ This document includes recommendations related to environmental funding with a specific section on Grant Reform (pps. 443-444) that takes issue with EPA's grant budget of \$30 billion annually with \$500 million for discretionary awards. Specifically mentioned is issuance of many small grants going to a large number of awardees and larger grants going often to academic institutions for environmental research. Actions include:

- Pause and review of all awards over a certain threshold;
- Having a political appointee in charge of the grants office to prioritize selection and distribution of awards; and
- Capping the volume of awards and amounts obligated by EPA's Office of Research and Development and requiring review by the Administrator's office.

During the Biden administration, Federal Highway Administration funding included grants and preferences considering carbon/carbon dioxide production, alternative transportation modes, and equity/justice. Project 2025 rejects that use and recommends a narrowing of project scope, funding mechanism, and decision making. Recommendations (p. 629) include:

- Discontinuing funding for non-motor vehicle and non-highway projects (e.g., bike lanes, sidewalks);
- Limiting support to maintenance and improvement of the interstate highway system; and
- Reducing federal involvement in local infrastructure decisions and reducing related regulation and rules for states.

Additionally, the Secretary of Transportation issued a DOT Order memo challenging consideration of social costs of carbon in grantmaking and other activities; only funding projects with federal interest/benefit; and changing preference points away from environmental, underserved, justice considerations (and towards communities with higher than average marriage and birth rates); and only funding projects in jurisdictions that do not practice vaccine or mask mandates and that do comply and cooperate with immigration enforcement and "other objectives specified by the President of the United States or the Secretary."⁷⁴

Social Service Sector

Social services are a key focus area for federal assistance, including block and formula grants as well as competitive program grants and cooperative agreements. Obligated funds in social services aligned agencies and subagencies amount to \$15.7 billion for FY2024 to present in New Mexico, with the following breakdown by subagency and award type.

⁷³ Steven, eds. (2023). *Mandate for Leadership: The Conservative Promise*. Washington, D.C.: The Heritage Foundation. ISBN 978-0-89195-174-2.

⁷⁴ DOT Order, Subject: Ensuring Reliance Upon Sound Economic Analysis in Department of Transportation Policies Programs and Activities, US Department of Transportation, Office of the Secretary of Transportation. January 29, 2025.

Table 10: Obligated Funds by Social Service-Focused Agencies and Sub-Agencies to New Mexico Recipients, by Type: FY 2024 and FY 2025 through February 12, 2025

Awarding Sub-Agency	Block Grants & Cooperative Agreements (in millions)	Formula Grants (in millions)	Project Grants (in millions)	Total (in millions)
Administration for Children and Families	\$506.9	\$132.8	\$427.2	\$1,066.9
Administration for Community Living	\$10.2	\$31.1	\$3.1	\$44.4
Agency for Healthcare Research and Quality	\$0	\$0	\$0.3	\$0.3
Agency for International Development	\$0	\$0	\$0.4	\$0.4
Assistant Secretary for Community Planning and Development	\$0	\$34.4	\$27.0	\$61.3
Assistant Secretary for Public and Indian Housing	\$0	\$261.5	\$24.7	\$286.2
Centers for Disease Control and Prevention	\$567.8	\$0	\$79.2	\$646.9
Centers for Medicare and Medicaid Services	\$11,041.6	\$0	\$0.6	\$11,042.2
Department of Education	\$0	\$488.7	\$490.8	\$979.4
Health Resources and Services Administration	\$0	\$0	\$653.4	\$653.4
Indian Health Service	\$51.1	\$0	\$18.7	\$69.7
National Institutes of Health	\$162.9	\$0	\$546.2	\$709.1
Office of Assistant Secretary for Health	\$2.7	\$0	\$11.8	\$14.5
Substance Abuse and Mental Health Services Administration	\$33.4	\$1.4	\$150.8	\$185.6
Total	\$12,376.5 M	\$950 M	\$2,434.1 M	\$15,760.5 M

The top grants to nonprofits (by number of awards or total obligated amount) show how important federal grants are in providing key social services. Within the top 20 grant programs by volume or amount are numerous grants related to health/healthcare, education, and housing. These include:

- Housing: Continuum Of Care Program
- Education: Head Start; Trio Upward Bound
- Health: Community Health Centers; Grants For New And Expanded Services Under The Health Center Program; Basic [Health] Center Grant; Health Center Program (Community Health Centers, Migrant Health Centers, Health Care For The Homeless, and Public Housing Primary Care); Healthy Start Initiative; Technical And Non-Financial Assistance To Health Centers; Substance Abuse And Mental Health Services Projects Of Regional And National Significance

Nonprofit Sector

The nonprofit sector is a common recipient of both prime grant awards and subawards (especially program grants and cooperative agreements). The following tables show active grants to New Mexico nonprofit prime awardees by type of award and awarding agency. There are about 200 nonprofits receiving 488 awards, with obligated funds of over \$1 billion.

Table 11: Active Grants with New Mexico Nonprofit Primes by Type: FY 2024 - February 12, 2025

Grant Type	Count of Awards	Sum of Obligations	Sum of Outlays (disbursements)
Block Grants	2	\$3,835,886	\$149,654
Cooperative Agreements	90	\$117,034,351	\$19,073,626
Formula Grants	22	\$3,572,550	\$853,565
Project Grants	374	\$977,213,421	\$512,770,452
Total	488	\$1,101,656,208	\$532,847,297

Table 12: Active Grants with New Mexico Nonprofit Primes by Agency: FY 2024 - February 12, 2025

Agency	Count of Awards	Sum of Obligations	Sum of Outlays (disbursements)
Department of Health and Human Services	180	\$856,403,020	\$493,828,012
Department of the Interior	50	\$17,015,870	\$5,377,679
Department of Housing and Urban Development	39	\$14,179,808	\$4,047,131
Department of Agriculture	29	\$22,950,296	\$1,664,409
Department of Justice	29	\$15,810,714	\$3,310,285
Corporation for National and Community Service	27	\$4,163,584	\$2,746,646
National Endowment for the Arts	20	\$638,000	\$15,250
Department of Education	19	\$14,752,827	\$8,390,723
Department of Veterans Affairs	16	\$9,240,920	\$822,687
Department of Labor	12	\$18,739,101	\$3,233,978
Small Business Administration	9	\$1,489,513	\$450,000
Environmental Protection Agency	8	\$26,423,294	\$15,642
Department of Energy	8	\$72,842,933	\$2,503,611
Department of Defense	7	\$8,501,660	\$0
National Science Foundation	7	\$2,376,792	\$300,181
National Aeronautics and Space Administration	6	\$2,038,688	\$1,168,107
Social Security Administration	4	\$1,139,569	\$626,153
Department of the Treasury	4	\$4,446,220	\$4,019,270
Department of State	4	\$76,501	\$0
Department of Commerce	3	\$7,358,306	\$0
National Endowment for the Humanities	3	\$198,666	\$0
Institute of Museum and Library Services	2	\$299,927	\$246,396
Agency for International Development	1	\$395,000	\$0
Executive Office of the President	1	\$175,000	\$81,135
Total	488	\$1,101,656,208	\$532,847,297

Importantly, nonprofits are often the recipients of subawards from federal funds either as part of a collaborative effort or via regranting from state or other agencies. In addition to the awards detailed in the above table, about 175 nonprofits were subawardees in FY 2024 and FY 2025 to date with awards totaling \$74.4 million.

Government and Public Sectors

All forms of federal assistance are important to state and local governments, with formula and block grants providing large and consistent budget support for activities and grants and cooperative agreements supporting local priorities and needs. The following tables show overall government funding for non-Tribal entities.

Table 13: Active Grants to New Mexico Government Sector (Non-Tribal) Prime Awardees by Assistance Type: FY 2024 - February 12, 2025

Non-Tribal Government Assistance Type	Count of Awards	Sum of Obligations (in millions)	Sum of Outlays (disbursements, in millions)	Remaining from Obligations (in millions)
Block Grants	46	\$11,544	\$8,520	\$3,023
Cooperative Agreements	165	\$1,108	\$468	\$640
Formula Grants	1,037	\$2,947	\$1,122	\$1,824
Project Grants	461	\$2,755	\$478	\$2,277
Total	1,709	\$18,354 M	\$10,589 M	\$7,765 M

Table 14: Active Grants to New Mexico Government Sector (Non-Tribal) Prime Awardees by Entity Type: FY 2024 - February 12, 2025

Non-Tribal Government Assistance Type	Count of Awards	Sum of Obligations (in millions)	Sum of Outlays (disbursement, in millions)	Remaining from Obligations (in millions)
CITY OR TOWNSHIP GOVERNMENT	162	\$201	\$ 42	\$159
COUNTY GOVERNMENT	100	\$130	\$32	\$98
REGIONAL ORGANIZATION	1	\$0.3	\$0.3	\$0.08
SPECIAL DISTRICT GOVERNMENT	140	\$406	\$104	\$302
STATE GOVERNMENT	1,306	\$17,617	\$10,411	\$7,207
Total	1,709	\$18,354 M	\$10,589 M	\$7,765 M

Prime awardee funding obligations for Tribal entities is reflected in the following tables, including tribally-authorized entities.

Table 15: Active Grants to New Mexico Tribal Governments and Tribally Designated Organizations Prime Awardees by Funding Type: FY 2024 - February 12, 2025

Tribal Assistance Type	Count of Awards	Sum of Obligations (in millions)	Sum of Outlays (disbursement, in millions)	Remaining from Obligations (in millions)
Block Grants	76	\$31.9	\$6.5	\$25.3
Cooperative Agreements	77	\$78.7	\$43.3	\$35.4
Formula Grants	287	\$288.6	\$111.5	\$177.1
Project Grants	277	\$405.6	\$96.0	\$309.5
Total	717	\$804.7 M	\$257.4 M	\$547.3 M

Table 16: Active Grants to New Mexico Tribal Governments and Tribally Designated Organizations Prime Awardees by Awarding Agency: FY 2024 - February 12, 2025

Agency	Count of Awards	Sum of Obligations	Sum of Outlays (disbursements)
Corporation for National and Community Service	2	\$317,363	\$170,223
Department of Agriculture	49	\$12,342,007	\$16,256,178
Department of Commerce	18	\$164,400,894	\$0
Department of Defense	2	\$1,174,172	\$0
Department of Education	13	\$30,550,753	\$14,711,135
Department of Energy	25	\$39,577,563	\$6,833,493
Department of Health and Human Services	363	\$235,279,725	\$105,617,226
Department of Homeland Security	4	\$8,523,410	\$319,632
Department of Housing and Urban Development	34	\$249,759,045	\$100,627,416
Department of Justice	39	\$18,132,147	\$1,744,517
Department of Labor	23	\$3,360,757	\$1,059,922
Department of the Interior	32	\$8,629,954	\$1,354,482
Department of Transportation	41	\$8,464,226	\$1,758,554
Environmental Protection Agency	56	\$20,712,080	\$5,458,253
Institute of Museum and Library Services	11	\$600,572	\$50,929
National Aeronautics and Space Administration	3	\$2,673,759	\$1,401,044
National Endowment for the Humanities	1	\$149,998	\$0
Social Security Administration	1	\$74,245	\$16,700
Total	717	\$804,722,672	\$257,379,703

Businesses and Economic Development

Businesses receive grant awards and subawards as well as grant-originated contracts and loans. This is in addition to indirect impacts and job creation from federal assistance to other sectors. In New Mexico, this is generally via competitive grants (project grants and cooperative agreements) issued for agriculture, energy, and health and human services. Prime awardees of FY 2024 to present total 62 entities in New Mexico and currently obligated funds exceed \$279 million. Another \$34.5 million is obligated to businesses as subawardees.

Table 17: Active Grants to New Mexico Business Sector Prime Awardees by Agency: FY 2024 - February 12, 2025

Agency	Count of Awards	Sum of Obligations	Sum of Outlays (disbursements)
Department of Agriculture	18	\$3,376,837	\$564,902
Department of Commerce	4	\$44,967,903	\$0
Department of Defense	2	\$15,499,548	\$0
Department of Energy	27	\$86,449,690	\$13,107,642
Department of Health and Human Services	15	\$122,533,407	\$57,824,088
Department of Justice	2	\$508,611	\$360,899
Department of the Interior	3	\$370,400	\$5,150
Department of the Treasury	2	\$1,140,000	\$30,000
National Aeronautics and Space Administration	1	\$622,713	\$253,645
National Science Foundation	8	\$3,863,969	\$1,197,440
Total	82	\$279,333,078	\$73,343,766

Federal assistance in the form of loans to business are a critical resource, as well, with \$624.6 million in loans and loan guarantees made in FY 2024 to present, with loan programs as follows.

Table 18: Loans to New Mexico Business Sector Awardees by Agency and Program: FY 2024 - February 12, 2025

Agency and Award	Count of Loans	Sum of Face Value of Loans
Department of Housing and Urban Development	1,350	\$367,510,659
14.117: MORTGAGE INSURANCE HOMES	1,312	\$345,211,398
14.183: HOME EQUITY CONVERSION MORTGAGES	35	\$21,335,750
14.865: PUBLIC AND INDIAN HOUSING INDIAN LOAN GUARANTEE PROGRAM	3	\$963,511
Export-Import Bank of the United States	3	\$3,500,000
31.007: EXPORT - LOAN GUARANTEE/INSURED LOANS	3	\$3,500,000
Small Business Administration	529	\$253,547,302
59.008: DISASTER ASSISTANCE LOANS	36	\$5,278,718
59.012: 7(A) LOAN GUARANTEES	339	\$159,698,458
59.016: SURETY BOND GUARANTEES	112	\$45,398,126
59.041: 504 CERTIFIED DEVELOPMENT LOANS	39	\$36,401,000
59.054: 7(A)EXPORT LOAN GUARANTEES	3	\$6,771,000
Total	1,882	\$624,557,961

Conclusion

Federal assistance is a critical and substantial form of support for a variety of entity types and sectors of work for the state. Federal funding plays a critical role in supporting New Mexico's nonprofits, with about 200 nonprofits as direct award recipients for over \$1 billion in active awards

and about 175 nonprofits as subawardees for nearly \$75 million in obligated funds. Governments are highly reliant on federal assistance, including block and formula grants that create stable and core funding for basic services. Of \$18.3 billion in active obligations with prime (non-tribal) government recipients, block grants account for \$11.5 billion. The state is the largest recipient of grants, with more than 1,300 active awards totaling over \$17 billion in obligated funds. These block grants are often subawarded through competitive or formula awards to local governments, nonprofits, and educational institutions. Tribal governments and entities are also significant recipients of prime awards, with over \$800 million in active obligations to New Mexico recipients.

In a state like New Mexico, the federal targeting of funding associated in some way with population or community diversity, equity, or inclusion creates a significant concern for awarded funds and for future funding programs. Preliminary analysis identified nearly \$800 million obligated in these types of award programs, including significant infrastructure and health investments. Committed infrastructure funding is also at risk in the federal attempt to claw back climate-related and “green new deal” grants. Identified programs that may fall under this energy policy shift include \$285 million for prime awardees in New Mexico and less than 7% has been outlaid. Social services are a core function of governments at all levels and often a focus for nonprofits. In New Mexico, sub-agencies with general focus areas like health, housing, education, and other social services account for \$15.8 billion in obligated funds.

The eventual extent of effect for those specific sectors are hard to predict at this point, with challenges to appropriated and obligated funding playing out in courts and future funding subject to congressional negotiations to fund the remainder of the fiscal year when the current continuing budget resolution runs out in March and for subsequent fiscal years. However, if these funds are rescinded or significantly reduced, New Mexico could face major setbacks in critical infrastructure projects, including environmental and agricultural projects, healthcare access, and economic development, disproportionately impacting rural and historically underserved communities that rely on these investments for long-term stability and growth.

Impact of Federal Funding
Changes on New Mexico's
Philanthropic Sector

RESULTS FROM NEW MEXICO NONPROFIT STAKEHOLDER SURVEY



Image Credit: Free ABQ Images

6 | RESULTS FROM NEW MEXICO NONPROFIT STAKEHOLDER SURVEY

In order to better understand potential and impacts and impressions of Executive Orders, the Thornburg Foundation, Anchorum Health Foundation, and Santa Fe Community Foundation issued a survey for local grantees and applicants. The 10-question instrument was offered and completed via Google Sheets and consisted of respondent/agency identification questions, yes/no selection (Y/N) and open-ended question about receiving federal assistance, two open-ended questions on anticipated impacts of executive orders, Y/N question about federal grantee communications and open-ended descriptor, three questions about potential assistance needed, and a multiselect selection on whether the respondent is a current grantee of the above mentioned foundations or Albuquerque Community Foundation.

Survey Data Analysis and Limitations

Initial survey handling consisted of data cleaning, some additional coding, deduplication, and splitting of multipart open-ended questions by response area. The cleaned data set was used for analysis of open-ended responses (qualitative) and closed-ended responses, which included quantitative and effectively quantitative information. Analysis was exploratory, with basic descriptive statistics and approaches planned prior to data work but without a formal predetermined analysis process. Closed-ended questions were analyzed alone and in combination with other questions. Due to time, data field structure, and question types, analysis was limited to descriptive characteristics (no statistical analysis of significance or formal analysis of correlation). Analysis of qualitative responses included use of AI support to identify themes and trends, direct searching/review and descriptions of responses, and reviewing specific responses for further precision or insight after initial AI processing.

The survey did not have any required questions (responses could be submitted without answering any questions or specific questions). Some closed-ended questions included “not applicable” or “none” type options, in addition to non-responses. When information from surrounding questions allowed for the reasonable conclusion to a closed-ended question, that was added in data cleaning (e.g., no answer about receiving funding coded to Yes if the open-ended question describes active funding). Similarly, the survey did not have question dependencies/conditional questions, meaning every respondent could answer every question, whether it was applicable based on prior responses or not. When there were “conflicting” responses, closed-ended questions were updated during data cleaning if and when a reasonable inference could be made to align the information.

The survey was and appears to still be open to the public, which could mean respondents outside the desired audiences of interest participated and that more surveys were completed after the data set used in analysis. The data set provided lacks timestamps for responses but was provided on March 2, which included 208 responses. Among responses there were two people who completed the survey twice for the same organization, which were consolidated. There were several

anonymous responses; however, the answers to questions were distinct enough to assume they were from different individuals. The survey did not ask participants to identify their tax classifications and several appear to be businesses but with service to or support of providers aligned with funder group grantee areas of work. Based on the provided data set and the original survey, interest areas/sectors were added post-submission (e.g. “animal services”). Those were reviewed in data cleaning with a few updates to selections.

The survey assured respondents that participation is voluntary and that participation and responses would not influence any funding decisions, though several responses were anonymous. The survey description also assured respondents that “all responses will remain internal, with aggregated and anonymized data potentially shared with philanthropic partners.” For this reason, individual responses are not included though representative details of specific responses are provided as helpful. The survey received a healthy participation level in general, for analysis purposes. The response rate is unknown; however, exceeding 200 submissions is a fairly large data set for the speed and purposes of the survey. This likely benefited from the limited number of questions, which meant most respondents were likely to have completed the survey in under 10 minutes.

Respondent Characteristics

Unduplicated Respondents: 204

Sectors of Work: Table 18 shows program area categories assigned to responding agencies. The most common focus areas were youth and family, environment, education, arts, and healthcare, and housing. All responses were assigned a category.

Table 19. Primary Program Area for Agency Affiliated with Respondent (N=204)

Program Area	Count	Percent	Program Area	Count	Percent
Youth and Family	41	20.1%	Media	6	2.9%
Environment	29	14.2%	Capacity	5	2.5%
Education	28	13.7%	Good Governance	5	2.5%
Arts	21	10.3%	Other	4	2.0%
Healthcare	19	9.3%	Tribal/Native Services	3	1.5%
Housing	15	7.4%	Wellness	3	1.5%
Community Funding	13	6.4%	Business	2	1.0%
Animal Services	9	4.4%	Women's Services	1	0.5%

Grantee Status: The survey included a multi-select list of the four funders and the question “Are you a current grantee of one of our foundations? Please select all that apply.” There were 167 responses to this question. Of responses, 27.5% indicated they were not a current grantee of any of the four funders. Respondents most frequently indicated just one of the funders is a current grantor (44.3%); however, there was significant crossover, with more than 28% selecting two to four funders (see Figure 3).

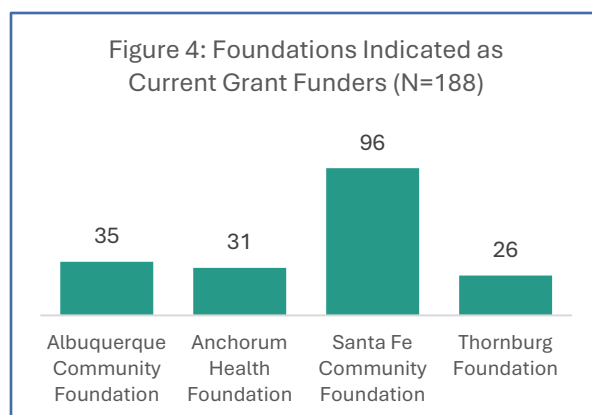
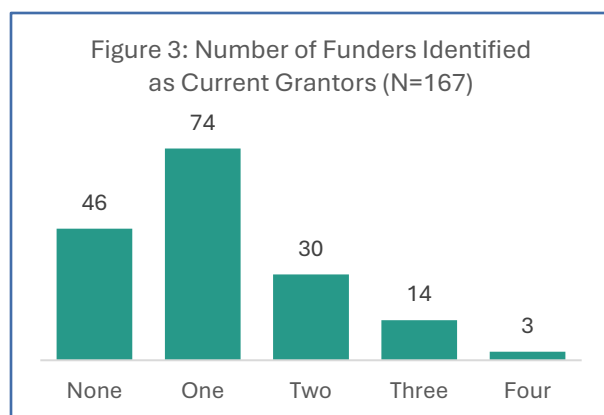


Figure 4 shows counts by funder (total exceeds responses since many respondents selected more than one funder). As shown, Santa Fe Community Foundation (SFCF) has especially high representation. Among those currently funded by SFCF, about half were also funded by one or more peers.

Current Federal Assistance Status and Reliance

Federal Assistance Status

Respondents were asked to select “Yes” or “No” to the following: Do you receive federal funding through grants, cooperative agreements, subawards, contracts, or other means? Among respondents (N=204), 65.5% selected “yes” and 34.5% selected “no.” Table 20 shows the proportion of respondents answering “yes” for each program area classification. Entries formatted in italics and with the note “(low)” indicate program areas with five or fewer total respondents and should not be considered representative, given the relatively low numbers of survey takers. Among agencies with more than five respondents, federal funding is especially common for the areas of Environment, Housing, Youth and Family, and Community Funding.

Table 20. Proportion of Respondents in a Program Area Receiving Federal Assistance





















Program Area	Percent Federally Funded
<i>Business</i>	<i>100% (low)</i>
<i>Tribal/Native Services</i>	<i>100% (low)</i>
Environment	93%
Housing	87%
<i>Capacity</i>	<i>80% (low)</i>
<i>Other</i>	<i>75% (low)</i>
Youth and Family	75%
Community funding	69%

Program Area	Percent Federally Funded
Arts	67%
Education	57%
Healthcare	53%
<i>Good governance</i>	<i>20% (low)</i>
Media	17%
Animal Services	0%
<i>Wellness</i>	<i>0% (low)</i>
<i>Women Services</i>	<i>0% (low)</i>

Federal Assistance Reliance

An open-ended question included several parts with a component question: “What percentage of your budget is federal funding.” Among those with a response or ability to derive the proportion relative reliance broke down as follows in Table 20. This table shows the reported portion of budget from federal funding for all respondents; several of the surveys had “no” to the question on whether they received federal funds but reported a proportion of income from those sources. As shown in Table 21, most respondents receive 0% to 10% from federal sources. Concerningly, 29% receive at least 30% of their budgets from federal sources and 20% derive at least half federally.

Table 21. Respondents by Reliance on Federal Funding.

% of Budget from Federal Funding	Visual % Budget Reliance	Proportion of Respondents	Visual Proportion of Respondents
> 10%		52%	
10%-20%		10%	
20%-30%		10%	
30%-40%		6%	
40%-50%		2%	
50%-60%		8%	
60%-70%		4%	
70%-80%		2%	
80%-90%		2%	
90%-100%		4%	

Respondents indicating half or more of their budget comes from federal sources (N=41) were concentrated in program areas like Environment, Education, Youth and Family, Healthcare, and Housing. These are shown in Table 22, which also shows the overall representation of a program area among all responses/respondents. As indicated, Environment and Housing are overrepresented among agencies heavily reliant on federal funds compared to their overall representation.

Table 22: Agencies Heavily Reliant on Federal Grants (50%+ of budget) by Program Area versus Program Area Proportion of Survey Takers

Program Area	High Federal Reliance Organizations by Program Area	Program Area's % of Total Respondents
Environment	24%	14%
Education	17%	14%
Youth and Family	15%	20%
Healthcare	12%	9%
Housing	12%	7%
Community funding	10%	6%
Other	7%	2%
Business	2%	1%
Total	100%	74%

Contact with Federal Agencies: The survey included a Yes/No question about whether “your federal point of contact communicated with you about pausing work on your federal grant or contract?” Among those with federal funding (N=130), just over 30% answered yes. Unfortunately, this proportion was higher (35%) for the subset of respondents with 50%+ of their budget from federal sources.

Anticipated Impacts of Executive Orders

The vast majority of respondents expected their organization and the communities they serve to be impacted by recent executive orders. Responses by sector (“Program Area”) are as follows:

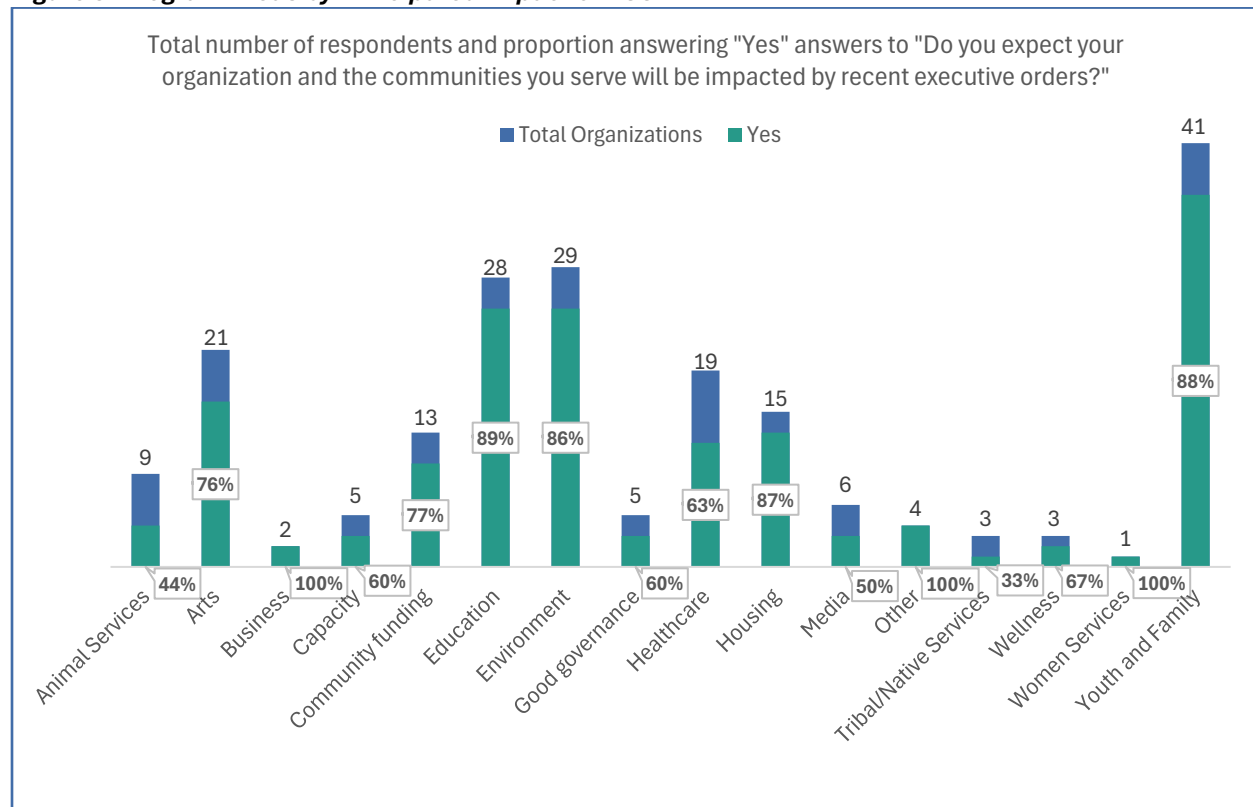
Table 23: Respondents Anticipation of Impact from EOs, by Program Area

Program Area	# Total Participants (%)	Response to whether they anticipate impact from EOs			
		# Yes (%)	# No	# Maybe	Did not Answer
Animal Services	9 (4%)	4 (44%)	3	2	0
Arts	21 (10%)	16 (76%)	0	4	1
Business	2 (1%)	2 (100%)	0	0	0
Capacity	5 (2%)	3 (60%)	1	1	0
Community Funding	13 (6%)	10 (77%)	0	2	1
Education	28 (14%)	25 (89%)	1	2	0
Environment	29 (14%)	25 (86%)	1	3	0
Good Governance	5 (2%)	3 (60%)	0	2	0
Healthcare	19 (9%)	12 (63%)	1	6	0
Housing	15 (7%)	13 (87%)	1	1	0
Media	6 (3%)	3 (50%)	3	0	0
Other	4 (2%)	4 (100%)	0	0	0
Tribal/Native Services	3 (1%)	1 (33%)	2	0	0
Wellness	3 (1%)	2 (67%)	1	0	0
Women Services	1 (<1%)	1 (100%)	0	0	0
Youth and Family	41 (20%)	36 (88%)	0	3	2
Total	204 (100%)	160 (78%)	14	26	4

The top 5 program areas we had responses for were (in order): Youth and Family (broad category encompassing organizations that provide immigration support, youth development, food services, outdoor programs, etc.); Environment; Education; Arts; and Healthcare.

While there is a slight tendency for program areas with a higher percentage of respondents to also report a higher impact, the relationship is not particularly strong. The relatively low correlation value suggests that the proportion of responses from a particular program area does not strongly determine whether that area perceives an impact from the executive orders.

Figure 5: Program Areas by Anticipated Impact of EOs



Of program areas where the survey garnered at least 10 respondents, the following percentages demonstrate anticipated impact: Education (89%), Youth & Family Services (88%), Housing (87%), Environment (86%), Community Funding (77%), Arts (76%), and Healthcare (63%). Arts organizations appear to rely less on federal funding and thus expected less impact than other organizations with relatively high response rates. Some program areas, like Business (100%), and Women Services (100%), show higher levels of perceived impact, but there was a low response rate. Other sectors, such as Animal Services (44%) and Tribal/Native Services (33%) anticipated a lower impact rate, but had few responses so should be viewed with caution. The overarching themes identified in the detailed responses are as follows.

Financial Impact and Funding Uncertainty:

- Nonprofits are concerned about the loss of funding for specific programs, especially those related to arts, education, the environment, housing, and social services.
- Organizations that serve specific communities, such as Indigenous, LGBTQ+, immigrant, and low-income populations, are particularly vulnerable to funding cuts.
- The competitive landscape for private funding is expected to become more challenging as more organizations shift their focus to non-federal funding sources.
- A handful of respondents indicated that their federal liaison for funding was laid off.

Impact on Services and Programs:

- Many organizations anticipate pausing or canceling programs, particularly those related to education, cultural initiatives, and public health.
- Programs that support vulnerable populations, including food assistance (SNAP, school meals), housing, healthcare (Medicaid, mental health services), and education (Title I, special education) are at risk.
- Delayed or canceled projects, including environmental conservation, workforce development, and public lands initiatives, could have long-term consequences. Some respondents have already cited programs being delayed and funds canceled.

Community Anxiety and Fear:

- Executive orders targeting immigration, DEI initiatives, and specific minority groups have generated significant fear within communities.
- Immigrant populations, in particular, are experiencing heightened anxiety about deportation and harassment, leading to decreased participation in programs and services.
- Organizations are concerned about the mental health and safety of their staff and the communities they serve, with some reporting incidents of harassment and intimidation.

Operational Challenges:

- Executive orders have not only created financial gaps but also operational hurdles, such as the need to lay off staff, reduce services, and shift to alternative strategies.
- Organizations are planning potential modifications or halts to their programs, impacting communities across the spectrum, including education, arts, agriculture, LGBTQ+, veterans, and more.
- The administrative burden of navigating the changing funding landscape and compliance with new regulations is a growing challenge.

Strategic Adaptation:

- Many organizations are exploring alternative funding strategies, including diversifying revenue streams, increasing private fundraising efforts, and collaborating with partners.
- Some nonprofits are adjusting their programming and messaging to align with changing funding criteria, while others are making a deliberate choice to transparently maintain their values, even if it means losing funding.
- Organizations are increasingly focusing on advocacy and preparing to support communities through legal and informational services, especially regarding rights and safety.

Notably, only one response of the 160 organizations that anticipate an impact felt that the effect would be positive, describing how executive orders aimed at increasing state influence over education could lead to states taking a more active role in addressing educational challenges.

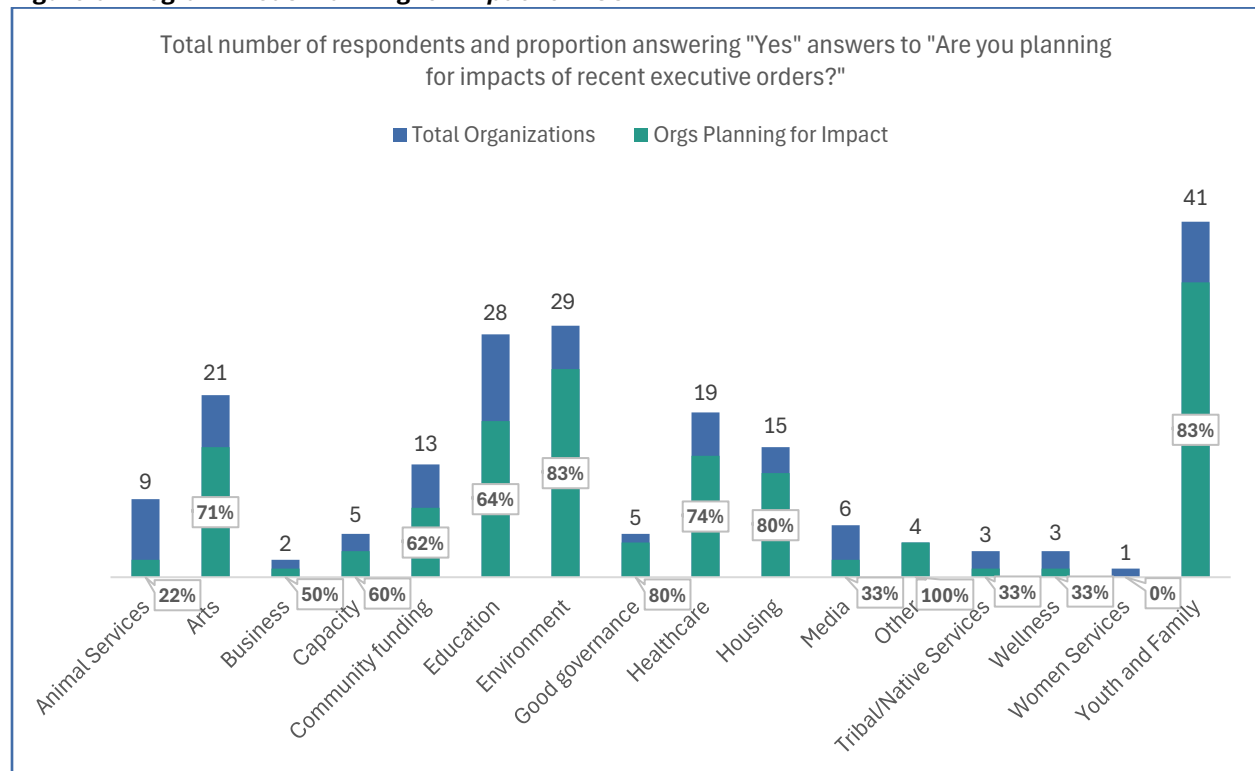
Sector-Specific Ideas about Perceived Impact:

- **Farmers and Ranchers:** An environmental organization highlighted that underserved farmers and ranchers will be disproportionately affected by the lack of Natural Resources Conservation Service (NRCS) funding, potentially leading to land sales and habitat loss.
- **General Concerns:** A good governance organization was worried about funding challenges for local groups; impacts on Diversity, Equity, and Inclusion (DEI) initiatives; immigration; LGBTQ+ communities; the Census; and investigations related to discrimination. They are also monitoring specific legislation.
- **Healthcare:** Healthcare organizations anticipate increased homelessness, funding cuts, compliance changes, workforce issues, auditing, deportations, discrimination, impacts on specific services like gender-affirming care and harm reduction, and reduced patient volume due to fear. Some organizations are also preparing for fewer grants from local organizations.
- **Housing:** A housing organization notes the threat of mass evictions and the lack of governmental emergency assistance. They emphasize the importance of community resilience and philanthropic support.
- **Youth and Family Services:** Youth and family services organizations express concern about immigrants being deported and clients losing access to SNAP, WIC, and other food programs. They will maintain client privacy. Another organization in a low-income region highlights the dependence on food support programs, Medicare, Medicaid, and Title I funding for schools, fearing the community will be brought to the brink of coping.

Table 24: Respondents Planning for Impacts by Program Areas

Program Area	# Total Participants (%)	# Believe there will be Impact	# Planning for Impact (% total)
Animal Services	9 (4%)	4	2 (22%)
Arts	21 (10%)	16	15 (71%)
Business	2 (1%)	2	1 (50%)
Capacity	5 (2%)	3	3 (60%)
Community funding	13 (6%)	10	8 (62%)
Education	28 (14%)	25	18 (64%)
Environment	29 (14%)	25	24 (83%)
Good governance	5 (2%)	3	4 (80%)
Healthcare	19 (9%)	12	14 (74%)
Housing	15 (7%)	13	12 (80%)
Media	6 (3%)	3	2 (33%)
Other	4 (2%)	4	4 (100%)
Tribal/Native Services	3 (1%)	1	1 (33%)
Wellness	3 (1%)	2	1 (33%)
Women Services	1 (<1%)	1	0 (0%)
Youth and Family	41 (20%)	36	34 (83%)
Total	204 (100%)	160	143 (70%)

Figure 6: Program Areas Planning for Impact of EOs



The overarching themes in how organizations are planning for the impacts of recent executive orders include:

Financial Planning and Budget Adjustments:

- Many organizations are diversifying their funding sources to reduce reliance on federal funding. This includes pursuing private grants, individual donors, and state or local funding.
- Some are creating contingency budgets, implementing hiring freezes, and cutting non-essential expenses.
- A few organizations are drawing down federal funds quickly or applying for lines of credit to manage cash flow.

Strategic Planning and Scenario Building:

- Several organizations are engaged in scenario planning, including best, moderate, and worst-case scenarios, especially around potential revenue cuts.
- Many are prioritizing financial sustainability and developing plans to continue operations with reduced or no federal funding.
- Some organizations are pausing new projects and focusing on maintaining current programs.

Programmatic Adjustments:

- Organizations are modifying programmatic strategies to align with new federal priorities or to avoid potential conflicts.
- Some are avoiding federal grants with compliance requirements that conflict with their mission or values.
- Programs targeting marginalized communities (e.g., DEI, LGBTQ+, and immigrant support) are adapting to maintain services amid reduced or uncertain funding.

Advocacy and Community Engagement:

- Many organizations are engaging in advocacy efforts, including contacting legislators, participating in coalitions, and promoting policy changes at the state level.
- A few are preparing for "call to action" campaigns to engage the public and maintain support for critical services.

Safety and Legal Preparations:

- Organizations serving immigrant populations are implementing "Know Your Rights" trainings and creating protocols for dealing with ICE raids or other federal interventions.
- Some are retaining legal counsel and preparing legal defenses for potential funding clawbacks or compliance issues.

Internal Communication and Morale:

- Many are communicating openly with staff about the potential impacts of federal orders and maintaining transparency in decision-making.
- Organizations are focusing on maintaining staff morale and ensuring employees are informed and prepared for potential changes.

Operational Shifts:

- Some organizations are restructuring operations to reduce costs, including furloughs, layoffs, and consolidating roles.
- A few are exploring alternative business models or partnerships to maintain service delivery without federal support.

Organizations that are not planning for the impacts of recent executive orders generally fall into three categories:

1. **Minimal Anticipated Impact:** These organizations believe they are not significantly affected due to limited reliance on federal funding or a focus on unaffected services.

2. "Wait and See" Approach: Some are cautious, choosing to monitor developments before taking action.
3. Niche or Smaller Organizations: Those with a limited focus and small operations may not expect direct effects from policy changes.

There is a chance these organizations might underestimate indirect impacts, such as increased competition for private funding or broader effects on their communities.

How Organizations are Planning for Impact

- **Youth & Family Services:** These organizations are seeking non-federal funding, freezing hiring, and feeling pressured to change language in reports, specifically removing DEI language. One organization is also avoiding applying for certain federal immigration grants due to conflicting conditions and is relying more on private funding.
- **Food Bank:** This organization is planning for "worst-case scenarios" and prioritizing food distribution. They anticipate needing a large public appeal for help and significant external funding and food donations to compensate for potential losses.
- **Tribal/Native Services:** They have calculated costs if grant funding is withdrawn and are planning to adjust or cut programs accordingly.
- **Media:** This organization is expecting attacks on their funding and licenses from various entities.
- **Housing:** They have created contingency plans including potential furloughs and layoffs, and are implementing safety plans due to fears that their clients could be targeted.

Of the 160 surveyed who believe there will be an impact to their organization and the communities they serve, 89% are actively planning for impacts.

Communications from federal agencies regarding executive orders and funding changes were inconsistent and often unclear. Organizations expressed challenges in planning, financial management, and program continuity. There is a need for more consistent, transparent, and actionable guidance from federal points of contact to help organizations navigate this period of uncertainty effectively.

The key points and trends from the survey responses about federal communication regarding the pausing of grants or contracts include:

- **Lack of communication:** Many organizations reported no communication or a lack of clear guidance from their federal points of contact.
- **Confusion and inconsistency:** Some organizations received mixed messages, including contradictory instructions to both pause and continue work, leading to uncertainty and operational challenges.

- Stop orders and pauses: Several organizations received direct stop-work orders, which were sometimes rescinded later. This created confusion and disrupted project timelines.
- Impact on reimbursement and payment systems: Many organizations reported issues with accessing reimbursement systems or receiving payments, causing cash flow challenges.
- DEI and compliance concerns: Some organizations were advised to remove DEI language from grants and communications to comply with new federal guidelines, raising concerns about mission alignment.
- Encouragement to draw down funds: Organizations were encouraged to draw down as much funding as possible before potential freezes or shutdowns.

Summary of Findings by Cited Agency

National Endowment for the Arts (NEA): The NEA communicated the cancellation of a grant program and the establishment of new criteria for future grants with updated submission dates. A separate grant communication indicated funding had been paused and advised grantees to delay reimbursement submissions due to potential insufficient funds.

U.S. Department of Agriculture (USDA): The USDA provided mixed messages. (1) A USDA representative voiced uncertainty about funding approval but did not advise stopping work. (2) An email indicated a temporary suspension on USDA grants, with conflicting guidance on continuing work and submitting reimbursement requests. A specific USDA program, the Grazing Lands Conservation Initiative (GLCI), was paused, with no clear guidance on resumption. The USDA-FS TFPA Ecosystem Restoration projects and NRCS CSP payments were paused. (3) Many payment portals were inaccessible, adding to confusion.

Corporation for National and Community Service (AmeriCorps VISTA): An email warned of potential VISTA program termination, prompting organizations to seek alternative funding to retain members. One organization was asked to certify they do not promote DEI or gender-conforming ideologies or to rewrite project descriptions accordingly. As of April 28, 2025, the administration ordered a stop of AmeriCorps Climate Corps, AmeriCorps National Civilian Community Corps, and massive cuts more broadly to AmeriCorps state commissions, staff, and state and national grants. New Mexico grantees funded through the Serve New Mexico Commission were notified of federal funding loss in late April. Notably, CNCS is an independent commission established by Congress that is not under the management of the Executive branch and that had funding approved at prior levels in budgeting through September of 2025, creating additional questions as to legality of cuts to staffing and programming.

Bureau of Reclamation (BOR): Funding for a large award remained uncertain as notice of award was provided just before the Executive Order was posted; no subsequent communication. Notices of funding opportunities were withdrawn indefinitely.

U.S. Forest Service (USFS) & National Forest Foundation (NFF): NFF issued a stop-order which was later lifted.

Example Grantee Experience

The following example provides a glimpse into the kind of challenges that many federal recipients are facing. In late January 2025, recipients of USDA's Partnerships for Climate-Smart Commodities grants were initially told to halt all grant-related activities.

This was quickly followed by clarification that work and payments could continue. However, a subsequent memo from the Office of Management and Budget, received through media outlets, caused further confusion and impacted numerous projects, including those funded by the PCSC grants.

Different organizations gave conflicting advice, and while there was an attempt to expedite payment requests based on legal advice, payment systems were briefly unavailable. After the memo was rescinded a few days later, contradictory instructions from various sources, including cease-and-desist orders and differing payment procedures, created significant uncertainty.

This lack of clarity has led to staff anxiety about job security, and despite leadership's efforts to provide clear communication, confusion has increased.

U.S. Department of Education (DOE): A program officer indicated funds were "secure and in statute," but the department itself was considered at risk. Congressional Directed Spending Funds were similarly noted as secure for now.

Environmental Protection Agency (EPA): A ~2-week stop order was issued and later lifted. There is ongoing uncertainty about future project status and reimbursements.

U.S. Department of Health and Human Services (HHS): HRSA contacts had no answers about executive orders and funding impacts.

Office of Violence Against Women (OVW): OVW grants for domestic violence programs were removed from their site, causing uncertainty about \$40 million in transitional housing funding. Grant managers recommended continuing work but advised caution in communications about the administration.

Federal Emergency Management Agency (FEMA): Emergency Food and Shelter Program (EFSP): Phase 42 allocated funds were frozen, preventing disbursement to states and counties.

Centers for Disease Control and Prevention (CDC): A stop work order was issued for CDC-funded outreach programs to prevent the spread of bird flu to farmworkers. In addition, at least one respondent is experiencing changes to federal subawards that are passed through by state entities (a number that is now likely higher due to executed and warned funding cuts to state Humanities, Arts, and Serve New Mexico Commissions):

New Mexico Crime Victims Reparation Commission (CVRC): CVRC is responding to questions about Memo M-25-13, which temporarily pauses grant programs, and how the agency is using federal grants. They want to assure everyone that they are following all federal rules to manage and spend grant money. CVRC is watching spending, trying to get as much grant funding as possible within the federal rules, and talking to federal grant managers for more information on the temporary pause. They will tell subgrantees about any problems immediately and are available to provide more details if needed.

Anticipated Support Needs

Based on the responses, the most commonly anticipated support needs are as follows.

Financial Support

- Emergency grants and bridge funding: Many organizations expressed a need for unrestricted funding to continue operations while navigating federal funding uncertainty.
- Temporary loans: Many respondents mentioned cash flow issues and the potential need for temporary loans to sustain programs.
- Private and philanthropic funding: Many are looking to private foundations, individual donors, and corporate sponsorships to fill funding gaps.

Legal Support

- Support for vulnerable populations: Groups working with immigrants, Indigenous communities, and DEI-focused programs anticipate needing legal counsel to ensure their clients' rights are protected.
- Nonprofit legal defense: Some expressed concerns about DOJ actions, funding clawbacks (recouping already outlaid funds), or other legal threats.

Advocacy & Policy Support

- Pushback against federal changes: Several organizations called for advocacy at the state and national levels to oppose policy shifts that threaten their work.
- Coalition-building: Many mentioned needing stronger networks with member associations, community coalitions, and national advocacy groups.
- Monitoring policy changes: Staying informed on executive orders and agency funding decisions is critical for adjusting strategies.

Operational & Capacity Support

- Staff retention and morale: Many organizations anticipate needing funding to keep staff employed and ensure well-being.
- Accounting and financial planning: Some groups need guidance on managing budgets under uncertain funding conditions.
- Technical and administrative support: Support for grant writing, fundraising, and strategic planning to diversify revenue sources.
- Assistance with federal grant compliance: Organizations need help understanding contractual obligations, potential terminations, and legal risks.

Alternative Revenue Strategies

- Fee-for-service models: Some nonprofits are looking at generating revenue through program fees or service contracts.

- Diversification of funding sources: Some organizations want to shift reliance from federal to state, local, and private funding.

Desired Local Grantmaking Adaptations



Increased transparency



Simplified applications



Streamlined reporting



General operating funding



Increased funding

Takeaways include that organizations highly dependent on federal funds (education, healthcare, housing, social services, environmental programs) are seeking diversified funding sources. Legal support is a growing concern, particularly for those in immigration services, DEI programming, and federally funded employment programs. Of all responses, 12 requested loans as a mitigation strategy, and 22 requested legal assistance.

Philanthropy is expected to play a critical role in mitigating funding gaps. Of responses, 38 requested philanthropy to intervene. For example, several respondents requested more transparency in grant making, less burdensome application and reporting requirements, and a pivot to general operating rather than restricted

funding. A few organizations urged the funders sponsoring this survey to consider giving to their organizations and touted their outcomes and cost effectiveness. Others requested increased payouts given the gravity of the anticipated impacts on their ability to continue to operate.

A handful of organizations responded that they have adequate support and do not anticipate needing additional funding.

Ideas about Types of Support Needed, by Priority Area

- **Education Organization:** Needs legal support, temporary loans (due to high interest on existing credit), and support from member associations. They have to halt expansion plans but want to continue their work.
- **Good Governance Organization:** Emphasizes the need for stable and flexible (general operating) funding, particularly from national foundations due to limited local resources. They also request local funders to help connect them with national foundations.
- **Healthcare Organization:** Anticipates challenges related to immigration policies and Medicaid funding changes. They need continued funding to sustain and expand services, especially for uninsured and undocumented families. Flexible, unrestricted funding is crucial, along with support in advocacy and community partnerships.
- **Housing Organization:** Stresses the need to double down on community organizing and power building, and to increase investments for justice. They urge community institutions and philanthropy to assess risks accurately, resist fear-mongering, and support community resilience. They will continue their critical work despite orders to stop.

- **"Other" Organization:** Requires legal support from federal grant/contract experts and funding/fundraising support to shift away from reliance on federal funds.
- **Youth and Family Services Organization:** Calls for private foundations and other funders to provide emergency funds, multi-year commitments, and unrestricted grants. They need resources and space to support their communities through the "chaos."

Respondent Sources of Information

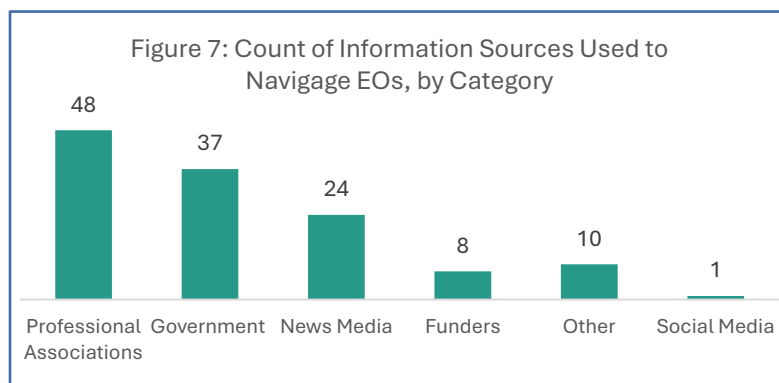
Respondents included two types of responses to the question, "What sources of information are you looking to for guidance and support related to understanding and navigating executive orders?": 1) the **type** of information they are seeking, and 2) the **sources** they are using or would like to see.

In regard to the first set of responses, the type of information, respondents most common needs included:

1. General updates – Keeping up with changes and news related to executive orders.
2. Impact analysis – Understanding the effects and ramifications of executive orders.
3. Resources and knowledge – Seeking guidance, resources, and general help.
4. Funding support – Looking for information specific to grants and financial assistance.
5. Legal guidance – Seeking information specific to legal interpretations and support.

Figure 7 shows information sources relied upon for guidance and support related to executive orders by category. Specific sources respondents most commonly cited are as follows:

1. News media – Newspapers, press, and online news sources.
2. Government agencies – Representatives, congressional offices, and federal/state agencies.
3. Professional associations and consultants – Nonprofit councils, advocacy groups, national and local partner organizations, consulting firms, and higher education organizations.
4. Funders – Local and national funding organizations.
5. Social Media – TikTok.



Interestingly, only one person cited social media. A handful of organizations cited an internal team that is conducting research and sharing findings (this constituted most "Other" responses shown above). Confusion and lack of information was a theme that continued into this question, with respondents sharing that while they are seeking guidance, because there are so many unknowns,

their typical sources for information are not able to provide concrete information (in particular federal agencies). The rapidity with which executive orders are coming was cited as a barrier to finding accurate information. Sources and representative samples of those **included by name** are as follows (in order of category most to least frequently cited, total of 100 named sources; many respondents cited multiple source examples).

Table 25: Sources of Information by Name

Source Type & Examples	Number	Percent
Professional Associations/Resources - Sector Specific	25	25%
<ul style="list-style-type: none"> National Immigration Law Center Feeding America Communities in Schools 		
Government Agencies	17	17%
<ul style="list-style-type: none"> New Mexico Department of Agriculture National Resources Conservation Service The White House U.S. Citizenship and Immigration Services (USCIS) 		
News Media	16	16%
<ul style="list-style-type: none"> Associated Press National Public Radio (NPR) Public Broadcasting Service (PBS) 		
Government - Elected Officials	11	11%
<ul style="list-style-type: none"> New Mexico Congressional Delegation, with both Senator Heinrich's and Representative Stansbury's offices being named specifically Alexandria Ocasio-Cortez New Mexico State Legislature 		
Professional Associations	10	10%
<ul style="list-style-type: none"> National Council of Nonprofits New Mexico Thrives Groundworks 		
Local Nonprofit Partners	8	8%
<ul style="list-style-type: none"> El Centro de Igualdad y Derechos New Mexico Center on Law and Poverty Somos Un Pueblo Unido 		
Consultancies	7	7%
<ul style="list-style-type: none"> The Grant Plant Bellwether Akin Gump Law Firm Lambda Legal 		
Funders	5	5%
<ul style="list-style-type: none"> Santa Fe Community Foundation Lever for Change Anchorum 		
Higher Education Agencies	2	2%
<ul style="list-style-type: none"> University of New Mexico Rapid Response Team Harvard Law School 		

Suggested Funder Actions

Key insights from analyzing these responses include financial support being the number one request, with other requests relating to capacity building, advocacy and policy work, information sharing, and emergency and legal assistance. Many of these overlap with the responses to the earlier question: “What type of support do you anticipate needing to ensure that your work can continue uninterrupted? For example, access to legal support, access to temporary loans, support from member associations, or other types of support.” Responses were broken down as follows:

Financial Support: Perhaps unsurprisingly, financial support was the most frequent request (35 responses). Of these, the following suggestions were provided:

- Increase funding availability (e.g., emergency grants, unrestricted and operational support).
- Multi-year funding commitments to ensure sustainability.
- Increase grant disbursement percentages to offset federal funding losses.
- Provide rapid response funding for urgent needs.
- Offer small grants (\$2,500–\$10K) to new organizations struggling to access funding.
- Support organizations affected by federal freezes and anticipated funding cuts.
- Organize a state-wide ‘Giving Day’ to collectively raise and distribute funds.
- Create pooled funding initiatives in collaboration with other foundations.
- Offer matching grants to encourage private donors to invest in nonprofits.
- Develop a rapid response grant application to speed up funding in crises.
- Consider increasing funding pools for rural and grassroots organizations.

Capacity Building & Infrastructure Support: These suggestions largely overlap with or complement the responses in the Financial Support category. Suggestions included:

- Fund operational costs (staffing, technology, rent, facilities).
- Provide funding for case management teams to handle increased service demands.
- Support training and professional development for nonprofit leaders.
- Help organizations secure fiscal sponsors to continue receiving funds.
- Expand grant eligibility criteria (e.g., allowing small orgs or blended mission orgs to apply).
- Invest in digital security & infrastructure for nonprofit operations.

Advocacy & Policy Support: A frequent request (9 responses) was for advocacy and policy support. Suggestions include:

- Advocate for continued state & federal funding for critical community services.
- Encourage collective action among nonprofits to push for policy changes.
- Work with policymakers to protect safety net programs and social services.
- Advocate for state-level funding solutions to replace federal grants at risk of being cut.
- Push for immigrant protections and legal aid through policy engagement.

Community & Nonprofit Networking and Information Sharing: Several responses (10) requested greater access to information through networking and collaboration opportunities, and focused updates on federal changes. Suggestions include:

- Facilitate collaboration among nonprofits, donors, and stakeholders.
- Create networking opportunities between fiscal sponsors and foundations.
- Host roundtables or forums to strategize responses to funding cuts.
- Provide an emergency nonprofit support coalition to share resources and strategies.
- Develop a mentorship network for smaller nonprofits to connect with established ones.
- Regularly update nonprofits on federal and state policy changes.
- Create an online resource hub with real-time funding & regulatory updates.
- Host webinars or town halls to keep organizations informed.
- Distribute bulletins on executive orders & policy shifts affecting nonprofits.
- Encourage funders to share insights and best practices across sectors.

Emergency & Legal Assistance: Given the often-cited concern for impacts to communities and stakeholders coupled with confusion on implementation of the orders, emergency and legal assistance were requested by five respondents, in addition to other funding requests noted above:

- Provide emergency funding for unexpected federal cuts or crisis situations.
- Fund legal aid programs to assist immigrants facing deportation.
- Support legal defense funds for marginalized groups affected by policy changes.
- Offer no-cost legal assistance for nonprofits navigating regulatory changes.
- Provide guidance on new laws and executive orders affecting nonprofit work.

Targeted Support for Specific Communities: Similarly, a handful of respondents (4) requested support for specific communities:

- Increase funding for Native American communities facing severe financial distress.

- Expand investment in immigrant communities disproportionately affected by federal policy.
- Fund rural organizations that struggle with access to major grants.
- Provide additional support for LGBTQ+ organizations facing funding threats.
- Ensure funding for environmental justice initiatives amid policy rollbacks.
- Support mental health services for populations affected by economic and social uncertainty.

Conclusion

The survey results highlight the significant challenges nonprofit organizations face in response to recent executive orders. Across all program areas, respondents anticipate substantial disruptions to their funding, operations, and service delivery, with organizations in Education, Youth and Family Services, Housing, Environment, and Healthcare among the most affected. While financial uncertainty is a dominant concern, organizations are grappling with legal risks, compliance burdens, and increased community anxiety, particularly among vulnerable populations such as immigrants, Indigenous communities, and those relying on social safety net programs.

A key theme throughout survey responses is the lack of clear information from federal agencies. Many organizations are actively seeking guidance on policy changes, funding availability, and legal implications, but are struggling to find reliable, timely updates. While nonprofits are turning to professional associations, government representatives, and sector-specific networks for insights, the rapid pace of executive orders and inconsistent communication from federal agencies have left many organizations confused. Strengthening information-sharing networks will be crucial in helping nonprofits adapt.

In response to these challenges, nonprofits are already taking proactive steps to secure alternative funding, adjust operational strategies, and engage in advocacy efforts. A high majority of affected organizations are actively planning for disruptions, with many exploring diversified funding sources, forming coalitions, and adapting programs to align with new federal priorities. However, these efforts are not enough—additional support from funders and policymakers will be critical in ensuring long-term nonprofit stability. Funders have an opportunity to help bridge these gaps by offering flexible, unrestricted funding, increasing rapid response grants, and providing operational support to organizations facing financial instability. Advocacy and policy engagement will also be essential to protect critical services and push for state-level funding solutions. Additionally, respondents emphasized the need for legal assistance, emergency support, and capacity-building investments, particularly in staffing, technology, and professional development.

The findings from this survey paint a picture of a resilient yet deeply concerned nonprofit sector that is working tirelessly to sustain its mission in the face of uncertainty. With coordinated action from funders, advocacy groups, and policymakers, organizations can better navigate these challenges and continue to serve their communities effectively. Addressing these urgent needs proactively—through funding, information-sharing, advocacy, and legal support—will be key to ensuring the long-term viability of the nonprofit sector in this evolving policy landscape.

Impact of Federal Funding
Changes on New Mexico's
Philanthropic Sector

IMPLICATIONS FOR PHILANTHROPY



Image Credit: Free ABQ Images

7 | IMPLICATIONS FOR PHILANTHROPY

This section contains information about the scope of federal funding and its role within the funding landscape, the likely effects of federal funding policy on corporate, foundation, and individual philanthropy, how private philanthropy may choose to make changes to its funding strategies, policies, and procedures to keep up with competing demands, and a SWOT analysis of New Mexico's ability to withstand federal funding and policy changes and philanthropy's potential role in that landscape.

Introduction

The Federal government has long recognized the essential role that nonprofit organizations play in delivering public services, addressing social challenges, and advancing policy goals that align with national priorities. Unlike purely philanthropic grants, federal partnerships with nonprofits are often structured to achieve broad public and societal aims—such as reducing poverty, improving public health, advancing scientific research, and responding to natural disasters. These partnerships take various forms, including cooperative agreements, grants, and contracts that provide funding and resources to nonprofits in exchange for their expertise, local networks, and ability to implement programs efficiently. In many cases, nonprofits serve as critical intermediaries, ensuring that federal initiatives reach the communities and populations that need them most.

One of the primary reasons the federal government partners with nonprofits is their unique ability to bridge the gap between policy and on-the-ground implementation. Government agencies often lack the local presence, cultural competency, or flexibility needed to address complex social issues effectively. By working with nonprofits—whether national organizations with specialized expertise or grassroots groups deeply embedded in communities—the government can extend its reach, enhance program effectiveness, and increase public trust. For example, the Department of Housing and Urban Development (HUD) collaborates with nonprofit housing organizations to provide affordable housing, while the Department of Health and Human Services (HHS) funds nonprofit community health centers to expand access to medical care in underserved areas. These partnerships are not just about financial support but also about leveraging nonprofit capabilities to achieve shared policy objectives and improve the well-being of society as a whole.

The Trump administration's Executive Orders signal an intent to significantly reduce the overall number and amount of federal awards, shift federal funding away from key areas that the administration views unfavorably, and implement cost-cutting policies such as lowering federal indirect cost allowances. All of these changes are likely to reduce the share of nonprofit funds covered by federal dollars, which will in turn place a greater burden on other sources of philanthropic funding as nonprofits seek to recoup costs and sustain programs with other resources.

Federal funding gaps—including funding that is “passed through” local governments on its way to nonprofits in the form of subawards—are likely to have a significant impact on the philanthropic

sector. Nationally, **at least 30% of nonprofits rely on government grants.**⁷⁵ The share of government grants is larger in New Mexico, at 37% (totaling more than \$22 billion over the course of approximately 18 months). While large nonprofits are more likely to receive a government grant, roughly a third of government grant recipients report government grants as their *primary* source of revenue (more than 50% of their operating budget). In fact, government grants are so significant that the nonprofit platform Candid estimates private foundations would have to increase their grantmaking by 282% if they were to replace government grants.⁷⁶ Note that this does not account for other forms of government funding, such as loans and contracts, or its feasibility in implementing funding at a scope congruent with that of the federal government.

37% of New Mexico nonprofits rely on government grants (federal, state, local).

Nationally, private foundations would have to increase giving 282% to match/replace nonprofit funding from government grants.

Candid, 2025

Within this context, federal funding gaps are likely to be more pronounced within key issue areas targeted by the administration, including diversity, equity, and inclusion (DEI), immigration, foreign aid, climate action, and LGBTQ+/gender equality. New federal policies may also create a greater need for indirect or operational funding and investment in capacity building to adapt to a new federal grantseeking, programmatic, and award management landscape.

For example, those who do successfully receive a federal award are likely to experience delays as federal agencies' staff are slimmed down and policies are shifted to comply with the Executive Orders. Savvy awardees will need to strive for perfection in federal grant management in order to reduce delays in payouts and mitigate risk of incompliance, which could be used by the administration as a reason to cut funding. (See the discussion on Relevant Federal Statutes in Section 2.)

Beyond regulating federal agencies, Executive Orders directly target corporations (including corporate philanthropy), government contractors, universities with large endowments, and large foundations who are engaged in DEI principles.⁷⁷ The result may include decreased funding or adjusted funding priorities from these sources.

With Executive Orders likely to create seismic shifts in the nonprofit landscape, philanthropic stakeholders will need to be proactive to mitigate effects on their communities.

Federal grantees will need to have much stronger grant delivery practices to manage the dual forces of increased scrutiny, used as a method to defund grants, and rapidly changing expectations from agencies and related to EOs.

⁷⁵ Clerkin, C., Koob, A., and Wolcheck, D. (2025, February 6). *How reliant are nonprofits on government grants?* Candid. <https://bit.ly/Clerkin2025>

⁷⁶ Ibid.

⁷⁷ Daniels, A. (2025, January 27). *Trump DEI investigations could target large foundations.* The Chronicle of Philanthropy. <https://bit.ly/Daniels2025>

Specific Effects of the Executive Orders on Philanthropy

Corporate Philanthropy

Corporate philanthropy will likely change the most. The Trump administration's January 21, 2025 Executive Order, titled "Ending Illegal Discrimination and Restoring Merit-Based Opportunity" (EO 14173) seeks to characterize all private-sector DEI initiatives—including in employment and contracting—as unlawfully permitting preferences based on demographics.⁷⁸ The Executive Order outlines protocols for the Attorney General to submit a report within 120 days containing recommendations for the private sector to end DEI practices, including identifying the "most egregious and discriminatory DEI practitioners" within each sector to target with potential federal litigation or regulatory action. Seeking to balance the competing priorities of profit, stakeholder interests, and corporate responsibility with the threat of federal investigation, many major companies have already rolled back DEI programs.⁷⁹

As a result, we are likely to see significant shifts in the strategies and focus areas of corporate philanthropy, including a reduced focus on diversity, equity, and inclusion or other funding criteria that could be seen as running contrary to priorities of the Trump administration.

Nevertheless, communities affected by Executive Orders are likely to call upon corporate philanthropy to fill gaps in government funding, and some corporate stakeholders are taking a stand. For example, Apple, Bank of America, Costco Wholesale, and Goldman Sachs continue to utilize their corporate giving for anti-discrimination, inclusion, and equity.⁸⁰ Likewise, the Center for Corporate Citizenship has encouraged its members to prioritize supporting nonprofits in vulnerable communities and issued the following statement:

"The most direct impacts on corporate giving would likely come through changes to tax policy or regulatory enforcement rather than executive orders themselves. There are no orders as of the date of this post that would seem to impact the multiple factors that companies typically consider when making philanthropic decisions."⁸¹

Individual Donors

Individual donors are likely to be an important source of support. History suggests that political issues can fire up a donor base. For example, election years often motivate higher levels of giving to both political campaigns and philanthropy as voters rush to support spotlighted issues.⁸² This trend of increased charitable giving has been seen in each of the last ten election years despite the elected party, with the exception of the 2008 financial crisis.⁸³ While political issues may fuel giving, research suggests that political division at the county level can actually equate to reduced

⁷⁸ Judish, J., et. al. (2025, January 28). *Trump administration Executive Orders take aim at DEI in government and private sector*. Pillsbury. <https://bit.ly/Judish2025>

⁷⁹ Murray, C. and Bohannon, M. (2025, February 13). *Here are all the companies rolling back DEI*. Forbes. <https://bit.ly/Murray2025>

⁸⁰ Smith, K. (2025, February 4). *Early impact assessment of Executive Orders on corporate citizenship initiatives: Part two*. Boston College Center for Corporate Citizenship. <https://bit.ly/Smith20250204>

⁸¹ Smith, K. (2025, January 24). *Early impact assessment of Executive Orders on corporate citizenship initiatives: Part one*. Boston College Center for Corporate Citizenship. <https://bit.ly/Smith20250124>

⁸² CCS Fundraising. (2024, February 23). *Charitable giving during presidential elections*. <https://bit.ly/CCSFundraising20240223>

⁸³ CCS Fundraising. (2024). *2024 Philanthropic landscape*. [PDF]. <https://bit.ly/CCSFundraising2024>

levels of charitable giving (i.e., more politically homogenous—mostly red or mostly blue—communities are more likely to have higher levels of giving).^{84,85} This suggests that nonprofits in more politically homogenous communities may be able to take advantage of shared public sentiment to garner support.

In the months following an election, while the evidence is limited to small-scale studies and anecdotal observations, there is some precedent for “activist” giving in support of the losing candidate’s causes.⁸⁶ For example, during the first Trump administration, several wealthy public figures including Pierre Omidyar, Craig Newmark, Mike Fernandez, and Jeff Bezos went public with large gifts to counter immigration policies.⁸⁷ Among the general public, such politically motivated giving typically favors smaller, grassroots nonprofits that are seen as being closer to affected communities and less likely to be swayed by political winds.⁸⁸

Finally, President Trump has signaled an intent to pursue policies with a goal of reducing the tax burden on individuals and improving the stock market.⁸⁹ Conservative philanthropists are hopeful that such policies will stimulate individual giving.⁹⁰

Small Foundations and Nonprofits

Small foundations and nonprofits may be better insulated against political fallout, compared to their larger-scale peers. The previously described Executive Order 14173 “Ending Illegal Discrimination and Restoring Merit-Based Opportunity” targets large foundations (with assets over \$500 million) alongside corporations.⁹¹ As a result, we are likely to see a reduction in large foundation funding that runs counter to the goals of the Trump administration. Large foundations may also seek to adopt more transparency in their grantmaking processes in order to cement their credibility and public trust.⁹²

During the previous Trump Administration, most large foundations sought to avoid the political limelight, with 88% of the nation’s 645 largest foundations reporting no changes in operations as a result of the 2016 election.⁹³ While some large foundations did take a public stance, others acted quietly to allocate more dollars to support immigrants, civic engagement, social justice, and the environment, but without publicly establishing new, politically motivated focus areas. We are

⁸⁴ Paarlberg, L., Nesbit, R., Clerkin, R., and Christensen, R. (2018). The politics of donations: Are red counties more donative than blue counties? *Nonprofit and Voluntary Sector Quarterly*, 48(2). <https://doi.org/10.1177/0899764018804088>

⁸⁵ Sullivan, P. (2018, November 3). *How political ideology influences charitable giving*. New York Times. <https://nyti.ms/432svUT>

⁸⁶ CCS Fundraising. (2024, February 23). *Charitable giving during presidential elections*. <https://bit.ly/CCSFundraising20240223>

⁸⁷ Callahan, D. (2018, January). *Trump effect: Six ways philanthropy has changed in the last year*. Inside Philanthropy. <https://bit.ly/Callahan2018>

⁸⁸ Gallagher, A. (2024, November 19). *Philanthropy under Trump: What to expect*. Philanthropy.org. <https://bit.ly/Gallagher2024>

⁸⁹ Gallagher, A. (2024, November 19). *Philanthropy under Trump: What to expect*. Philanthropy.org. <https://bit.ly/Gallagher2024>

⁹⁰ Onwuka, P. (2025, February 7). *Let’s not be uncharitable with TCJA extensions*. Philanthropy Roundtable. <https://bit.ly/Onwuka2025>

⁹¹ Daniels, A. (2025, January 27). *Trump DEI investigations could target large foundations*. The Chronicle of Philanthropy. <https://bit.ly/Daniels2025>

⁹² Gallagher, A. (2024, November 19). *Philanthropy under Trump: What to expect*. Philanthropy.org. <https://bit.ly/Gallagher2024>

⁹³ Callahan, D. (2018, January). *Trump effect: Six ways philanthropy has changed in the last year*. Inside Philanthropy. <https://bit.ly/Callahan2018>

already seeing a similar trend of large foundations demonstrating limited agility to address political issues during the current administration.⁹⁴

As a result, smaller foundations may choose to take advantage of their relative flexibility to take a bolder stance on issues such as equity, immigration, and the environment. This is reflected in a recent survey by the Council on Foundations,⁹⁵ which serves a spectrum of foundation sizes and reports that—while 64% of respondents are not considering changes to their grantmaking strategies due to federal DEI changes—many are giving more, faster, and with fewer restrictions:

- “Grantmakers are increasing their focus on partnership, with over half of respondents saying they are seeking new opportunities to collaborate with other funders;
- 44% have or are considering shifting grantmaking priorities to address new or worsening funding gaps;
- 39% have or are considering increasing flexibility in grantmaking processes; and
- 27% have or are considering increasing their overall grantmaking budget.”

National Philanthropic Strategies Responding to Federal DEI Actions



Collaboration in grantmaking



Adapting funding priorities



Increased grantmaking flexibility



Increased funding

Research shows interesting differences between large foundations characterized as progressive or conservative on the political spectrum. According to Vu Le, a well-respected nonprofit leader, citing several studies: Conservative funders tend to be more flexible, long-term, and institution-focused, providing unrestricted, general operating support to organizations that align with their values, often building movements over decades with an emphasis on leadership development and capacity building. In contrast, progressive funders, while deeply committed to social justice, equity, and systemic change, often impose stricter requirements, extensive reporting, and short-term project-based funding that can make it difficult for nonprofits to respond quickly to crises or sustain long-term impact. This hesitancy to take risks, along with rigid accountability measures and slow decision-making processes, has limited progressive philanthropy’s ability to match the agility and sustained investment of conservative funding networks.⁹⁶

Finally, small nonprofits may have a competitive advantage in the current landscape for several reasons. First, as discussed above, grassroots organizations are more likely to be the beneficiaries of politically motivated activist giving.⁹⁷ Second, small nonprofits have smaller budgets that are sustainable through private funding alone and less likely to rely on government grants, insulating

⁹⁴ Wolfe, D. (2025, February 20). *From fighting back to cutting back: Funder responses to Trump anti-DEI orders are mixed*. Inside Philanthropy. <https://www.insidephilanthropy.com/home/from-fighting-back-to-cutting-back-funder-responses-to-trump-anti-dei-orders-are-mixed>

⁹⁵ Enright, K. (2025, April 2). *This is what philanthropy is built for*. Council on Foundations. <https://cof.org/blogs/blog/2025-04-02/what-philanthropy-is-built-for>

⁹⁶ Le, Vu (2017). Progressive funders, you may be part of the problem. <https://nonprofitaf.com/tag/conservative-funders/>

⁹⁷ Gallagher, A. (2024, November 19). *Philanthropy under Trump: What to expect*. Philanthropy.org. <https://bit.ly/Gallagher2024>

them from reductions in government funding.⁹⁸ Finally, grassroots nonprofits operate in close proximity to their communities and can function as trusted companions in addressing sensitive topics such as undocumented immigrants.

Capacity Gaps

Nonprofits are likely to experience gaps in operational funding and overall capacity. On February 7, 2025 the National Institute of Health (NIH) issued a policy statement (NOT-OD-25-068) limiting all NIH grants to an indirect cost rate of 15% regardless of a recipient's previously negotiated rate.⁹⁹ This is significant, as indirect costs cover overhead such as facilities and administrative costs that are the backbone of many research institutions, many of whom have negotiated rates upwards of 50%¹⁰⁰ and which are essential for complying with federal grants, maintaining infrastructure, and providing administrative support. While NIH's indirect cost cap has been challenged by courts, there is still a possibility that a similar cost-cutting model could be adopted by other agencies. The result is that federal grants will be an unreliable source of overhead support, and organizations are likely to require supplemental funding from philanthropic sources to keep the lights on.

As organizations' administrative capacity is threatened, those who seek to do business with the federal government or its pass-through agencies will need to quickly expand their capacity and knowledge to successfully navigate the new funding landscape. Organizations will need to be up to date with quickly changing federal regulations, policies, and supplemental guidance. Current federal awardees will need to ensure excellence in award management and compliance to avoid funding being cut. Many organizations will be looking for educational resources about the federal funding landscape; others may hire lawyers, policy gurus, grant writers/managers, or other external consultants to help them compete for and manage federal funding.

Philanthropic capacity will be further challenged by a lack of resources at the federal level. The Executive Order issued February 11, 2025, titled "Implementing the President's 'Department of Government Efficiency' Workforce Optimization Initiative," outlines a hiring freeze and reduction in force across federal agencies, resulting in the termination of more than 10,000 federal workers to date.¹⁰¹ Federal employees, including grant program officers, are likely to be spread thin and poorly positioned to provide prospective or current awardees with technical support. Grantseeking organizations should strive to acquire as much technical knowledge as possible in-house.

Funding Strategy Adjustments

As aforementioned, the Executive Orders place pressure on private philanthropy to fill funding gaps, address key issue areas, and support nonprofits in navigating a new funding landscape.

⁹⁸ Clerkin, C., Koob, A., and Wolcheck, D. (2025, February 6). *How reliant are nonprofits on government grants?* Candid. <https://bit.ly/Clerkin2025>

⁹⁹ Supplemental Guidance to the 2024 NIH Grants Policy Statement: Indirect Cost Rates, NOT-OD-25-068 (2025, February 7). <https://bit.ly/NIH2025>

¹⁰⁰ Wosen, J., Molteni, M., Mast, J., and McFarling, U. (2025, February 7). *NIH plans to slash support for indirect research costs, sending shockwaves through science.* STAT. <https://bit.ly/Wosen2025>

¹⁰¹ Garrison, J. (2025, February 14). *Trump, Musk escalate purge as thousands fired across federal workforce.* USA Today. <https://bit.ly/Garrison2025>

Private funders may choose to make changes to their funding strategies, policies, and procedures to keep up with competing demands.

Strategy: Prepare for an unusually high number of funding requests.

Private funders should prepare to accommodate a higher influx of requests while maintaining trust, transparency, and accountability. Even before the Covid-19 pandemic, the previous Trump presidency resulted in some funders innovating to offer “rapid response” funds to adapt to new or urgent challenges in carrying out work within key issue areas.¹⁰² Today’s foundations could consider offering similar low-barrier grants to help nonprofits weather immediate issues caused by the Executive Orders.

Foundations that are only meeting the minimum pay-out rate should consider increasing this threshold, even if temporarily. Increasing a foundation’s payout rate beyond the 5% minimum is not just a short-term response—it’s a strategic investment in long-term stability for communities and causes the foundation seeks to support. By proactively addressing funding gaps caused by federal cuts, foundations can help ensure that nonprofits remain viable partners, preventing greater financial distress, program closures, or crises that could require even more costly interventions later. Strengthening the nonprofit ecosystem today protects the foundation’s mission and impact over time, even while its endowment may decrease in the short-term.

Finally, funders may also want to capitalize on the projected surge in activist giving to mobilize private donors for their cause.

Strategy: Create a strategy around key issue areas.

Funders may adjust their strategies around the key issue areas of diversity, equity, and inclusion (DEI), immigration, foreign aid, climate action, and LGBTQ+/gender equality for one of two reasons: (1) to avoid the eye of the federal government; or (2) to increase support around issue areas that the federal government is no longer likely to fund. Each foundation’s response should be carefully strategized with key stakeholders and legal counsel considering factors such as funding priorities, governance structure, level of risk aversion, and size (i.e., whether they are directly targeted by EO 14173). Note that experts at national business law firm ArentFox Schiff warn: “If an organization ultimately seeks to terminate programs or make fundamental changes to their mission, there may be other legal impediments that could arise under the federal tax law and state nonprofit laws, particularly those that apply to charitable organizations.”¹⁰³

To address DEI specifically, one potential strategy is to look at diversity in more holistic terms, beyond basic demographics such as race and ethnicity. The conservative nonprofit group Philanthropy Roundtable has championed this strategy under the title of “True Diversity.”¹⁰⁴ For

¹⁰² McGill, L. (2020, January 7). *Few large U.S. foundations changed giving priorities after 2016 presidential election*. Candid. <https://bit.ly/McGill20200107>

¹⁰³ Almonord, A., et al. (2025, January 23). *What employers and nonprofits should know about Trump’s Executive Order banning diversity preferences*. ArentFox Schiff. <https://bit.ly/Almonord2025>

¹⁰⁴ Florino, J. (2025, January 31). *Trump to foundations: Do not discriminate based on race, sex*. Philanthropy Roundtable. <https://bit.ly/Florino2025>

example, factors such as income, rurality, and veteran status are likely to be viewed favorably with the administration.

Whatever their practice, foundations should strive for documentation and transparency of funding decision processes—including engaging and informing stakeholders and communicating impact—to foster trust and clarify the multiple factors considered in selecting awardees. Funders may also want to adjust or clarify their policies around DEI or grantee selection to ensure alignment with their current strategy, values, and communications. Critically, simply changing the name of DEI initiatives is not likely to help foundations avoid federal scrutiny.

During the last Trump administration—and likely to repeat during the current one—some funders adjusted their strategy to mobilize around key issue areas that they felt were under attack.¹⁰⁵ Their actions are summarized below and may serve as inspiration for today’s philanthropists:

- **Immigration:** Funders launched an immigrant refugee funder collaborative, granted to organizations to support staffing for DACA case management and reimbursements, and added community service grants to address new problems facing immigrant and minority communities.
- **Civic Engagement & Democracy:** Funders added initiatives around civil engagement to encourage more people to participate in government, added funding areas of interest around democracy and civil society, created time-limited special projects to strengthen checks and balances within the government and civil society, expanded existing programs to combat misinformation and promote trust in elections and the press, and increased capacity for research and sensemaking.
- **Equity, Social Justice, & Intolerance:** Funders created an opportunity fund for efforts to safeguard civility and decency and counteract hate, shifted to support grantees that uplift a diversity of viewpoints, and added new focus areas on women’s rights and social justice.
- **Environment:** Funders shifted environmental funds to become rapid response to emerging policy threats and temporarily “surged” funding toward environmental needs.
- **Health Care:** Funders supported Medicaid enrollment and advocacy and added new categories to safeguard reproductive rights.

Strategy: Support operations and capacity building and explore funding options.

The longstanding call for funders to support multi-year unrestricted general operations and nonprofit capacity building has never been more important, as organizations face reductions in indirect cost funding and more demands on their fundraising and grant management capacity than ever before. As federal funding for key social issues declines—including in areas such as diversity,

¹⁰⁵ McGill, L. (2020, January 7). *Few large U.S. foundations changed giving priorities after 2016 presidential election*. Candid. <https://bit.ly/McGill20200107>

Funding Vehicle Considerations

Donor Advised Funds: For foundations of various sizes, the rise in giving from Donor Advised Funds (DAFs) creates opportunities for the philanthropic sector to raise and/or accept funding to support certain issues and areas affected by changes in federal grants. DAFs have the added advantages of anonymous giving and easier flexibility of scheduling disbursements.

Supporting Lobbying Using the Project Grant Rule: Many foundations steer clear of funding lobbying, drawing a clear distinction between advocacy efforts versus attempts to influence or endorse specific candidates or certain legislation. Given the likely need for local and national legislation responding to current federal funding changes, it may be prudent to revisit prohibitions. Private foundations can leverage the Project Grant Rule (PGR) to support a 501(c)(3)'s work that includes lobbying without resulting in taxable expenditures. This IRS safe harbor framework requires the grant not be earmarked for lobbying (grant must not be larger than the non-lobbying program expenses and there must be additional funding sources).

Alliance for Justice, Project Grant Rule Hub; The Rockefeller Foundation Project Grant Rule Guidance

equity, and inclusion, environmental protection, and immigrant services—progressive funders in particular face a critical decision point. To counterbalance the effects of federal funding cuts, progressive philanthropy must increase its speed, agility, and willingness to fund long-term infrastructure, unrestricted support, and leadership development. Large strategy shifts will be required if philanthropy is to fund social change effectively enough to make a lasting impact.

In this unprecedented time, funders can also leverage their networks and expertise to provide organizations with capacity building and technical assistance in areas such as federal grant policy and management to help organizations navigate a new funding landscape. Finally, funders may want to consider creating funds to support organizations with hiring legal advice or defense, grant writers and managers, and policy consultants.

Additionally, funders should consider embarking on or increasing funding through vehicles offering more flexibility. As explored in the box at left Donor Advised Funds and the use of the Project Grant Rule lobbying safe haven can help navigate support needs in ways conventional grant cycles and frameworks may not allow.

Strategy: Work creatively to reduce barriers to funding and demands on fundseeking organizations' time.

Strategies such as rapid response funds and trust-based philanthropy can reduce the burden on fundseeking organizations' thinly-spread time and resources. Other strategies include accelerating or frontloading multi-year grant payments to support cash flow for organizations whose government grants are paused, collaborating with other funders to provide more impactful or coordinated funding, and providing funds in the most user-friendly way possible.

Implications for Philanthropy in New Mexico

New Mexico is particularly vulnerable to the effects of the executive orders due to existing challenges such as high poverty and low capacity for private giving, a high reliance on federal resources such as the state's national laboratories, and political and demographic leanings

contrary to the Trump administration. Yet New Mexico is well poised to take on these challenges as a highly relational and agile state where leaders and philanthropic stakeholders are already mobilized for action. A SWOT analysis is available below, analyzing New Mexico’s position within the current federal landscape:

Table 26: New Mexico Federal Funding Freeze SWOT Analysis

Strengths

- Being a relationship-based, agile state with few degrees of separation between people means we can adjust and respond quickly.
- NM political leaders including Senator Martin Heinrich and Attorney General Raul Torrez have been vocal, proactive advocates for NM to receive government funding.
- DEI is not just a buzzword but a way of life in vibrant NM— stakeholders are committed to supporting vulnerable communities.
- Characteristics as a low-income, largely rural state may still appeal to the current administration.

Weaknesses

- Economic challenges mean that New Mexicans have a small capacity for private giving, ranking the least charitable state in the US and meaning the state is not well diversified to insulate from reduced government funding.
- With 37% of New Mexico nonprofits relying on government grants, reductions in federal funding could create significant financial shortfalls.
- New Mexico also faces distinct barriers such as capacity gaps, geographic disparities, and lack of matching funds that have resulted in inequitable distribution of federal awards. Without intervention or adaptation, there is a high likelihood that NM’s historically under-resourced communities will bear the brunt of the impact of federal funding cuts.
- Nonprofits, especially small and mid-sized ones, may lack the resources and expertise to navigate new federal grant compliance requirements or secure alternative funding.

Opportunities

- Nonprofit advocacy groups such as Groundworks NM and funder coalitions such as the Accessing Public Funds project are already collaborating to increase government funding in New Mexico.
- New Mexico’s state budget is currently unusually high due to an oil and gas “boom,” enabling investment of state dollars to address federal funding gaps.
- Private philanthropy can be nimble; by reducing application barriers, offering multi-year unrestricted grants, and providing rapid-response funding could help organizations remain financially stable.

Threats

- The administration may be looking to target NM as a largely blue, racially and ethnically diverse state home to several sanctuary cities/counties.
- NM is particularly vulnerable to environmental challenges, such as drought and wildfires, which are likely to experience dips in federal funding.
- Even organizations that continue to receive federal grants may face delays in disbursement due to staff reductions at federal agencies.
- As more nonprofits seek private funding to replace lost federal grants, philanthropic resources could become strained, making it harder for organizations to secure necessary funding to continue program delivery.

Conclusion

This administration's Executive Orders, Presidential Actions, and other funding and policy priorities identified in this report are poised to significantly reshape the philanthropic landscape, especially in New Mexico. With the complete erasure of federal funds towards DEI, corporate and large private foundations face immense pressures to align with the administration's stance on DEI— in the face of civil (and potentially criminal) penalties. This makes individual giving particularly important in DEI moving forward; however, relying nearly exclusively on individual and major donors to fund DEI activities does not provide stability to these programs. Smaller foundations could find opportunities to fill funding gaps and take bolder stances on this and other issues (e.g., immigration, healthcare, education, LGBTQIA+).

Furthermore, the need for general operational funding will become increasingly pronounced and, as organizations shift approaches, pivot programs, and/or potentially downsize, capacity gaps will also arise, demanding strategic adjustments from both funders and nonprofits. Ultimately, the future of philanthropy in the face of these changes hinges on adaptability and innovation. Funders will need to prepare for an increased number of requests, strategize around key issue areas, support operations and capacity building, and reduce barriers to funding. For states like New Mexico, which is particularly vulnerable yet agile, collaborative action among leaders and philanthropic stakeholders will be vital in mitigating the effects of federal funding changes and ensuring the continued support of essential programs and services.

Impact of Federal Funding
Changes on New Mexico's
Philanthropic Sector

RECOMMENDATIONS



Image Credit: Free ABQ Images

8 | RECOMMENDATIONS

Stakeholder Awareness and Issue Engagement Resources

The following table highlights general recommendations for resources relevant to understanding and navigating federal funding developments. These are local and national entities with relevant content to follow, share, and use, regardless of whether one is part of the nonprofit, philanthropic, government, or private sector. As available, links to sign up for e-newsletters and updates are shown along with specific resources of note.

Table 27: Connection Points for Stakeholders

Organization	E-News	Resources
New Mexico Thrives	Link	<ul style="list-style-type: none"> ▪ Updates on Federal Actions Page ▪ Nonprofits National and State Advocacy Page
New Mexico Department of Justice		<ul style="list-style-type: none"> ▪ Federal Disruption Reporting Form for organizations and individuals unable to access funds (page also includes updates on lawsuits and actions with involvement by State of New Mexico)
National Council of Nonprofits	Link	<ul style="list-style-type: none"> ▪ Resource page on nonprofit impacts of Executive Orders ▪ Document tracking Executive Orders Affecting Charitable Nonprofits and court challenges and status ▪ Nonprofit Checklist: Conducting a Risk Assessment for Federal Funding ▪ Nonprofit Checklist: What to Do When Your Federal Grant or Contract is Terminated ▪ Donor Advised Fund resources including Sample Donor-Advised Fund Policies
Appropriations Committee Democrats		<ul style="list-style-type: none"> ▪ Federal Funding Cuts Tracker ▪ Impoundment Fact Sheet and Background
Alliance for Justice	Link	<ul style="list-style-type: none"> ▪ Guide to IRS Lobbying Regulations for Advocacy Charities ▪ Project Grant Rules Hub of information governing private foundations funding work by 501(c)(3)s including lobbying
The Grant Plant	Link	<ul style="list-style-type: none"> ▪ Information Sharing on the Federal Funding Freeze ▪ Priority Grant Programs database of public grants (sponsored by the New Mexico Funders Group) ▪ Training Calendar
Groundworks New Mexico	Link	<ul style="list-style-type: none"> ▪ Federal and National Landscape page ▪ New Mexico Grantmakers Directory ▪ New Mexico Nonprofit Directory ▪ Training and Events Calendar
Center for American Progress		<ul style="list-style-type: none"> ▪ Data tool of DOGE Cuts by City, State, and Congressional District ▪ New Mexico state updates page ▪ Information hub on DOGE and administrative actions

Recommendations for Funders

The federal government provides billions of dollars annually to nonprofits through grants, contracts, and cooperative agreements, funding everything from public health initiatives and social services to education and infrastructure projects. Private philanthropy, while essential, operates on a significantly smaller financial scale and is often more targeted, discretionary, and issue-specific, making philanthropic dollars an imperfect substitute for federal investment.

Philanthropy can, however, play a strategic and complementary role in helping prevent grant program defunding, preserving and protecting awards that are being challenged, supporting community needs by bridging short-term funding gaps, cultivating innovative programming and funding approaches, and building nonprofit capacity to navigate the changing funding landscape. Private foundations, public foundations, corporate donors, and individuals can and should step in to provide critical operational support, fund advocacy efforts, and enable nonprofits to adapt to new regulatory and compliance challenges. Philanthropy can also influence other sectors, including state and federal elected officials, and business and community stakeholders. This section covers considerations for approach.

Risk Assessment and Strategy Development

- Understand the stakes of the current actions when it comes to: (1) a historic reordering of the role of the federal government in providing resources for work in the public interest; (2) ways in which some actions circumvent existing laws, authorities, and regulations—thus reordering legislative, executive, and administrative functions; and (3) the scope and scale of grant funding at stake in current attempts to defund and prospective budgeting.
- Seek legal counsel to understand where your organization may have vulnerabilities. Maintain a focus on compliance with existing federal law and regulations, as distinct from EOs. This is especially important for larger and corporate foundations and philanthropic entities receiving federal grant funding.
- Avoid reactive changes in internal practices, policies, and priorities; instead, evaluate programs via a strategic lens. This is especially important as legal and other challenges work their way through systems. At this point, very few actions have been established by any legislation or detailed implementation policy, and many are believed to be in conflict with superseding governmental or legal frameworks.
- Assess strategies to help current grantees preserve and protect funding. With the scale of funding by the federal government, it is often easier to preserve programs and dollars than try to make up for lost funding. This necessitates urgency as a “wait and see” approach can make for a much more difficult journey to replace or reinstate lost federal funds.
- Understand and plan for key timelines. While responsiveness to the volume and variety of administrative actions on grant funding is important, there are critical federal rhythms affecting appropriated and future funding. These include the federal fiscal year and funding attached to it, budget reconciliation processes (which do affect certain grants like state Social Services Block Grants), regular budget processes, and primary and general election cycles and terms of

service. Staying abreast of things like appropriation committee bills for areas of interest to foundation priorities is important for anticipating emerging needs and advocacy.

- Assess your resources and core competencies outside of grantmaking. Foundations with policy arms, strong communications teams, close relationships with lawmakers, large networks, leading national partners, data analysis capacity, and other assets should examine how those may contribute to priority response areas. For corporate grantmakers, look at expertise and assets you may be able to tap on the company side such as in kind support, loaned executives, marketing department resources, public communication points, or staff who can train nonprofit employees on important issues (e.g., Equal Employment Opportunity Commission [EEOC] compliance, policy development, accounting practices).
- Monitor for new federal assistance opportunities. While the current actions at the federal level are focused on stripping and reducing funding, there will likely be new or increased opportunities related to forthcoming budget processes, FY26 grant cycles, changes in grant allocation and review methods, shifting of administering offices, and movements towards consolidating funds to flow-through and block grants. Recommendations regarding new opportunities are hard to determine at this point but will be key to the overall outcomes of New Mexico and the nonprofit sector.

Support Emerging Funding Needs and Cash Flow Gaps

- Direct and prioritize funding based on your organization's priorities for response. Consider tactics like "surging" support for key issues and populations. With widespread impacts in certain areas, another strategy is providing small grants to existing grantees or fiscally sponsored programs without application or via brief mini-applications (e.g., the Tides Center's annual Stronger Together Fund grant).
- Grantmakers funding outside the state should consider a temporary commitment to increase the proportion of grantmaking going to New Mexico recipients or fully dedicate funding locally. For funders that do not support individuals directly, consider establishing direct scholarships/financial assistance or working with a philanthropic partner to support individuals affected by federal defunding of individual assistance like anti-DEI scholarship measures.
- Increase grant distributions above current levels including commitments to exceed internal or statutory distribution minimums (e.g., 5% requirement for private foundations). This could be earmarked to address funding gaps, invest in community stability, create rapid-response funds, support nonprofit capacity, or meet other urgent needs.
- Collaborate with other funders to offer larger grants, establish specialized funds, and share information about applicants that other funders may want to support. Consider partnering on grants from larger foundations to address needs through regranting or capacity development initiatives. This can be especially helpful in areas likely to experience targeted funding cuts and other challenges (e.g., immigrant/refugee services).

- Engage with the state on preserving programming reliant on federal flow through funds administered by state agencies. Potentially pool funds for a challenge grant to match redirected state resources.
- Use best practices to maximize funding and minimize demands on grantees' time. Champion flexible, sustaining, and trust-based grantmaking such as multi-year awards (potentially with front-loaded payment), larger awards, general operating grants, streamlined applications, and rolling rapid review for smaller requests. Consider internally gathering publicly available information (e.g., 990s, IRS letter, audit), shared/common grant applications, simplified reporting, no-application funding renewals for impactful or critical work by grantees, and only asking for information needed for the current stage of decision-making (e.g., moving certain information collection from application stage to awarding stage for selected organizations).
- For project awards, allow or increase the proportion of grant funds that can be used for overhead/administration. Allow use of overhead rates rather than requiring budget details and reporting of indirect costs, especially for amounts less than typical overhead costs (25%+).
- Work with state agencies and commissions to help fund projects awarded via state-administered federal grant programs that have had funding cut (e.g., humanities, arts, AmeriCorps).
- Look at program-related investment, donor-advised fund (DAF) impact investing, and/or Credit Union finance tools and other lending type tools to bridge cash flow issues for otherwise intact awards (e.g., delayed payments, slower processing of draw-down requests).
- Leverage funder forums and networks to engage with large foundations as peers, encouraging them to invest in New Mexico and other states with low philanthropic dollars and high need. Convene issue forums as needed to learn from grantees and others about what is needed, what is going on, and how to work together on actions.
- Consider investments (internally and via funding) for longer-term, unrestricted, movement-building and systems-change work that prioritizes leadership development, network building and action, and institutional capacity development. Identify changes to state and local public funding streams and policies that may improve the ability of nonprofits to access resources, counteract funding losses, and create stronger future protections for committed resources.
- Leverage public sentiment about funding cuts to engage individuals in giving (e.g., direct donation solicitation, initiating and recruiting donors for DAFs, partnering for match donation drives).

Philanthropic Sector Advocacy

- Advocate with state leaders to improve funding availability and accessibility. As grant funding losses to state agencies and to nonprofits and local governments from state flowthrough grants are mounting, the situation may necessitate a special session of the state legislature. The philanthropic community could play a strong role in advocating for a session and preparing a platform of recommendations.

- Develop effective messaging to increase awareness and promote action. Widespread pushback has shown to be effective in changing the course for a number of administrative actions. General guidelines include the following:
 - Develop compelling counter-narratives based on values. Identify, refine, and repeat a set of three to five popular principles to use in communications to frame advocacy efforts and provide an alternative vision.
 - Emphasize the necessity of following established processes. Debating the merits of specific grants or grant projects reinforces the concept that funding can be cut arbitrarily and without following process, law, and constitutional separation of powers.
 - Communicate local impacts of national decisions. Most people are unaware of what programs are at stake, how funding cuts might pose existential risks to nonprofits, and how this funding relates to other community needs. In addition to communicating stories from grantees and local press, funders should consider reaching out to local federal grantees to find out what cuts mean (e.g., local AmeriCorps programs) and checking data aggregation resources like USASpending.gov for local grants in your community and The Center for American Progress' [DOGE Cuts by City, State, and Congressional District](#).
 - Ensure there is a clear call to action that is part of advocacy work, regardless of the audience. Identify those actions and how to make taking action easy.
 - There is power in numbers. Work with other philanthropic organizations to determine what may be best for collective sector action. It may make sense to spread work on key issues and efforts via task forces or working groups. Similarly, assess what needs cross-sector advocacy support through cooperation with higher education/education, government, nonprofits, national associations.
- Understand that your grantees, local governments, and tribes may be hesitant to speak up directly about cuts and threats to their own funding for fear of funding cuts or other directed punitive actions. Philanthropy can help lift voices by speaking out about its programming and the value to communities.
- Measure and communicate impact, maintain transparency, engage stakeholders (board members, donors, staff, and volunteers) to gather input and keep them informed, and document decision-making. Ensure communications center around your mission and include empathy and awareness.
- Review internal policies on advocacy and lobbying and ensure staff are familiar and up to date on IRS and other regulatory guidance. Evaluate what is possible at present and what could be possible to increase voice for areas where organizational values and grantees are being negatively affected. This includes direct advocacy/lobbying by funders, support through grantmaking, and contracted work. Advocacy about executive branch actions, policies, and nominees (directly or by urging delegation members to speak out) are not considered lobbying as that not focused on candidates or legislation. Charities are allowed to undertake lobbying, with restrictions as to the amount of activity. As mentioned in Implications for Philanthropy, private foundations are able to fund charities for projects including lobbying through the Project Grant Rule (see this resource from Alliance for Justice [Project Grant Rules Hub](#)).

Capacity Support and Capacity Building

- Provide ongoing grants training to support applicants—including those in historically under-resourced communities—in developing programs, collaborating with community partners, and delivering compelling proposals to successfully compete for funding.
- Develop supports/support costs for grant prospecting to help nonprofits identify potential new funders and opportunities. There is a high need for fresh opportunity identification; however, quality prospecting is a complex task and often best done using paid databases. A common support for prospecting is Candid's Foundation Directory. Sponsoring short term memberships and training agencies on using the free version is helpful. Additionally, intermediaries can serve as community host sites for the public. Currently there are only three sites in two cities in New Mexico offering this. Increasing the number of sites to ensure access in different regions of the state and coupling that access with tools and training would be a good approach to trial in supporting prospecting. Potential locations include public libraries, public/community foundations, regional economic development authorities (Councils of Governments and Economic Development Departments), and colleges/universities. Potential other supports include developing sector specific lists of the top funders to New Mexico entities and/or supporting costs for consultants that offer individualized prospecting. Additionally, sponsoring memberships to platforms like Instrumentl would give nonprofits ongoing leads for grants coupled with proposal management and grant reporting tracking functions.
- Federal grant agency disruptions often result in grant cycle backlogs that then cause a wave of grant releases timed to award funds by the end of the fiscal year (September 30). Support monitoring of grant releases for high-interest awards and capacity needs for nonprofits to apply (e.g., grant readiness and registrations prior to releases and grant writing support in cycle).
- Provide focused training and technical assistance on grants management and compliance for public sector grants. This is especially important for Federal grants, as program officers are being advised to cut awards that are not in compliance. Key grant management and compliance topics include post-award grant set up and monitoring, federally required organizational policies, adequate internal controls, navigating single audits, documentation and reporting, time and effort tracking, and subaward management.
- Create supports for legal actions for nonprofits affected by executive orders. Potential actions include a legal defense fund, being party on cases where the philanthropic sector may have standing, sponsoring free legal consultation support, sponsoring trainings by attorneys on common risk areas and requirements, supporting Freedom of Information Act requests for records related to grant terminations, purchasing turnkey forms and documents prepared by legal experts for federal grantees (e.g., the Feldesman Training Solution [toolkits](#)).
- Support training initiatives on federal Equal Employment Opportunity Commission (EEOC) and anti-discrimination regulations that are being reinforced by EO 14173—including tailored guidance for smaller nonprofit organizations that may not be explicitly bound by federal compliance requirements—to help organizations understand their obligations, conduct self-assessments, and ensure alignment with evolving legal standards, particularly where expectations may differ based on organizational size and funding sources.

- Provide information to ensure federal applicants are requesting the full allowable indirect costs and/or successfully negotiating higher-rate federal indirect cost agreements to cover overhead such as administration, facilities and maintenance, and bookkeeping (New Mexico grantees, overall, only claim about 0.35% of grant funds as indirect—far below the 10–15% de minimis allowed in to nonprofits for nearly all grants and far short of typical overhead costs of 25–35%).
- Support framework development and trainings for federal grantees to evaluate projects and assess risks based on executive orders, agency changes in review/selection approaches, grant agreement changes, etc. (and potentially a framework for evaluating pre-application).
- Engage in information-sharing and co-marketing that encourages nonprofits—who are likely facing tough decisions about where best to invest funds—to opt into trainings, prioritize capacity building as critical for their success in the new federal landscape, and successfully navigate resources (e.g., Job Training Albuquerque offers trainings at no cost to nonprofits in the city).
- Support timely identification of potential applicants and opportunities related to major changes to high-interest grants (in time for New Mexico applicants to apply). For example, major shifts in scoring criteria or allowable activities for a grant program may result in new applicants, geographies, or entities being well positioned for awards. Identifying those matches could mean using demographic, health, education, or other data to match eligibility or review criteria against New Mexico geographies, communities, or agencies. The philanthropic sector could support identifying matches, support specific agencies in applying, and/or spread the word about new opportunities.
- Support training initiatives focused on building greater financial durability. Equipping nonprofit teams with a stronger command of expense models, revenue strategy, organizational design, resource allocation, and revenue culture will help them weather federal funding cuts (and other times of financial uncertainty) while building stronger and more unified cases for support.

Recommendations for Nonprofits

Federal funding changes are likely to significantly impact nonprofit organizations, such as decreased direct awards, increased demands for services due to defunding in other areas, and disruptions to essential programs and partnerships. To navigate these challenges, nonprofits should proactively engage in risk planning, diversify revenue sources, and actively participate in organizational and sector advocacy. This section provides specific recommendations for preparing for and responding to potential federal funding changes.

Prepare for Potential Funding Changes

- Perform risk planning about potential impacts of federal funding changes. Aside from direct awards, areas of impact include increased constituent need relating to grant defunding or changes to mandatory spending programs, defunding of partners'/community programs that your agency/constituents rely on, and defunding within the federal government affecting workforce, direct services, offices, or other resources that you or your constituents use.

- Communicate with philanthropic funders about needs, adaptations to current grants, and possible conversion of current awards to general support or to sustain federally defunded programming.
- For those with existing federal grant funding:
 - Compile, review, and organize your grant agreement, proposal, and the original request for proposals. Note the date your grant agreement was executed and the start and end dates of the award. Research any additional agency policies that may apply.
 - For multi-year awards, use your grant agreement and the original instructions to pull details about what portion of funds were obligated and whether and how future period funding approval and release is determined.
 - For each agency with which you have active awards, search grant materials, any agency-wide grant guides and grantee guides, and the Code of Federal Regulations about processes and circumstances under which your grant may be terminated, reporting requirement burdens for grantees, and payment drawdown requirements and timelines.
 - If your funding meets the threshold for a single audit (\$750,000 or \$1,000,000 in federal funds within a year, depending on the grant agreement date) use available training resources to self-assess your audit performance and compliance. Check the most current single audit Compliance Supplement (2 CFR part 200, Appendix XI) and/or the general grant listing in SAM.gov for special audit requirements.
 - Draw down as much of the funding as possible as quickly as possible, following all guidelines and restrictions.
 - Keep screenshots of award management platforms and all federal communications as they happen. PDF-print records of past reporting and performance for current grants and grants that have closed in the last few years from federal systems (e.g., research.gov).
 - Ensure excellent grant management practices, including timely drawdowns, strong documentation, and meeting timelines.

Diversify Revenue Sources

- Invest in grant prospecting to identify and apply for local government and philanthropic grant opportunities that can help fill gaps in funding. This can include prospecting in free databases, accessing paid databases from host sites like the Albuquerque main library, subscribing to databases or prospecting services (some offer a one-month option), and using a consultant to generate a list of prospects.
- Take advantage of the potential surge in post-election activist giving to engage individual donors in your cause. Likewise, engage with local and national Donor Advised Funds (DAFs) managers to identify potential sources of funding.

- Invest in capacity building (and funders underwriting costs) to ensure team fundraising and grant management skills are as strong as possible to effectively compete.
- Invest in relationship building with mission-aligned funders and individuals interested in potential collective funding applications.
- Consider additional revenue streams, such as earned income, social enterprises, and fee-for-service contracts (potentially approaching DAFs for impact investing).
- Consult with the board and key stakeholders to address any shifts in funding strategy in response to the executive orders, such as taking a generalized approach to DEI or not pursuing federal funds under the current environment.

Participate in Organizational and Sector Advocacy

- Report federal funding disruptions to business and community functions via the [New Mexico Attorney General](#) and to the state delegation (especially the congress member for your organization).
- Engage with the National Council of Nonprofits and national associations, councils, and advocacy organizations for your sector to stay abreast of changes and advocate for/join legal action.
- Share information within existing platforms and networks about effects of the executive orders, DOGE cuts, and other actions impacting your work and constituents. Focus on specific stories of impact and actions that have taken effect. When sharing information about potential cuts, be very specific about local and identifiable repercussions as there is a flood of information about what might happen.

Recommendations for State Leaders

New Mexico is a state that values the services funded by federal grants and is governed at the state level by lawmakers committed to preserving support for purposes, communities, and individuals facing defunding. This means that non-federal public resources, especially state funds, can play an important role in preserving important work. In addition, state leaders can play a leading role in advocating to preserve or reinstate federal funds that impact New Mexico.

- Establish a public dashboard of cuts to funding to allow personnel, lawmakers, agencies, and other stakeholders to see timely information on the impact and status of executive and agency funding changes. Ideally this would not be limited to funding awarded to the state. See example dashboard from Minnesota, which uses Federal Funds Information for States (FFIS) as a data source in addition to reporting from state agencies: <https://mn.gov/mmb/budget/federal-investments/data-and-reporting/>.
- Develop mechanisms (e.g., Governor task force/commission, Legislative Finance Committee project, initiative by the Department of Finance and Administration's Federal Grants Bureau) to

analyze and communicate overall impact and risk to New Mexico from federal funding cuts across sectors, that can be used by local and federal lawmakers and other stakeholders.

- Provide legal support for attempts to strip awards and funding from state and local governments. Generate accessible guidance learned from state litigation to support grantees in other sectors (nonprofit, educational, and private sectors) from similar attempts.
- Engage state offices, agencies, and commissions acting as prime grant recipients to navigate legality/options for directives from the White House affecting awards (e.g., the AmeriCorps statements).
- Consider a state constitutional amendment regarding the anti-donation clause or other remedies to improve access to state funds by nonprofits carrying out work in the public interest.
- Create a senior [Executive Branch Liaison to the Nonprofit Sector](#), with the goal of ensuring collaboration between government and charitable nonprofits.
- If and when there are new block grants or major changes to block grants, engage stakeholders to inform legislation especially if it contains grantmaking criteria or processes to ensure the state's intent for funding is well informed and that processes support applicant access and priorities.

Recommendations for Businesses & Communities

Fluctuations in federal funding can have wide-ranging impacts on businesses and communities, ranging from shifts in revenue streams, to disruptions in essential services, to altered economic landscapes. Within this context, businesses can also play an important role in helping the public, elected officials, the business community, and others understand why federal grant resources are important to the private sector by sharing stories of how the industry, company, community, or area has benefited or relies on federally funded programming.

- Whether or not you receive federal grant or contract funding, assess where your business and industry intersect with the interests of grant-funded agencies and programs. Are parts of your revenue stream likely derived from federal grants? Do you have customers that rely on federal grants or programs? Are there programs supporting education needs and workforce development that support your ability to staff your business? Are there health, childcare, education, or other services that help your employees? Are you within an innovation chain reliant on federally supported research or support commercializing technology? What infrastructure investments are important to your business (e.g., highway projects, green energy incentives, broadband expansion)? Will cuts to certain programs financially stress your employees or customers? Have you used federal loans or loan guarantees? Do you work with agencies funded by federal grants like Small Business Administration centers or Minority Business Development Agency offices?

- If you receive federal direct grants, subawards, or contracts derived from federal funding, report any funding cuts with the [New Mexico Attorney General](#) and contact congressional representatives to make them aware of the lost or delayed funding and impact to your business and the community.
- Leverage corporate philanthropy, individual giving, and volunteering to support key issue areas affected by executive orders and let communities you support know you stand with them and their work (DEI, immigration, foreign aid, climate action, and LGBTQ+/gender equality).
- Utilize platforms, connections, and marketing resources to share information with the public and press about grant-funded programs important to your community or business that have been defunded or are at risk of defunding. Consider events that will garner attention of the media and public while supporting funding gaps, such as donation drives, issue forums, community meetings, and meetings with elected officials.
- Identify areas where you or your company may be able to provide in-kind help, technical support, or expertise needed by federal grant recipients and nonprofits. For businesses this could include advocacy using relationships with elected officials, data or research capacity, employee/intern time for projects, marketing department resources, staff who can train nonprofit employees on important issues (e.g., EEOC compliance, policy development, accounting practices).
- Engage your local chamber of commerce and other relevant chambers to find out what they are doing to help preserve grant-related funding and services and volunteer to take part in collective action to understand how changes may affect local businesses and advocate for the interests of businesses and the local economy.
- For businesses consider starting, changing, or enhancing charitable contributions and engaging employees more deeply. This could include workplace giving campaigns such as with local United Ways, matched donation programs, employee voting on where to direct company donations, establishment of a grant program with employee reviewers, and partnering with local nonprofits on fundraisers.
- For business owners and executives, consider starting a Donor Advised Fund to make contributions and gifts with the support of an established grant maker (e.g., Albuquerque Community Foundation, New Mexico Foundation).

Recommendations for New Mexico's Federal Delegation

Changes to the federal funding landscape can significantly impact New Mexico's communities and organizations that rely on federal grants. It is crucial for New Mexico's federal delegation to proactively address these changes to ensure continued support for the state. This document outlines key recommendations for how the delegation can perform oversight, advocate for the philanthropic sector, and build awareness and capacity in response to potential federal funding shifts. These actions will help safeguard New Mexico's interests and maximize federal resources for its residents.

Perform Oversight on Grants Related Actions

- Fulfill congressional oversight responsibilities in regard to established law, authority, and regulations related to proper processes for defunding obligated grants, rescission of appropriated grant funds, oversight processes to terminate grants, administrative actions that effectively impound grant funds, and other actions.
- Ensure appropriations processes meet requirements for detail level and press for specifics in funding budget cuts being determined by agencies to create transparency to the public and congressmembers' constituents about specific cuts to grant program funding and attempts to remove authorization of established grants. A desire to avoid "cuts back home" has been a powerful motivator during prior efforts as large cuts to grant programs.
- Request review by the Government Accountability Office to investigate whether executive orders violate statutory funding requirements.
- Work with experts on federal grant programs and data systems to assess whether data submitted to the federal government by grantees is being improperly accessed, used, or shared. This is especially important for reporting that gathers individual level and personally identifiable information (PII) as is often the case for health, housing, and scholarship awards. Ensuring all data handling conforms to the Privacy Act of 1975, all legislated requirements, and agency requirements is paramount to preventing abuse of grantee and public information and maintaining public trust in government supported services. Legislation should additionally be crafted for future passage to fill any gaps and address failures in protections creating exploitable vulnerabilities for actions counter to public expectations, legal obligations, and institutional authority. Additionally, any expanded allowable data uses should be explained with grantee guidance on navigating requirements (e.g., masking PII, opt-out allowances).
- Analyze, monitor, and proactively reject attempts to interrupt or defund grants that are outside of the authority of the administration or agencies. For example, methods may include blocking postings to the Federal Register or grants.gov, closing commissions and agencies established by and under the oversight of congress, blocking performance of required grant review processes, delaying administration of awards in order to leverage fiscal year funding sweeps, using the annual single audit Compliance Supplement to defund grants for ideological reasons not supported by current legislation.

Advocate for the Philanthropic Sector

- Support or amend appropriations bills to retain or restore funding for federal award programs at risk of being cut. Remind colleagues and the public that Congress authorized continued funding levels for most agencies/grants through September.
- Champion a resolution of disapproval, congressional hearings, and other White House negotiations urging the President to reconsider executive orders that have negatively impacted federal funding payouts to constituents.

- Support legal challenges to the executive orders, including by providing data briefs and publicly advocating alongside plaintiffs such as the National Council of Nonprofits.
- Support legislation affirming requirements that federal funds to be distributed as originally intended and that rescission and budgeting are powers held by congress.
- Funnel congressionally delegated spending to key issue areas affected by the executive orders and for purposes that have faced mass grant funding cuts. Seek redirection of cut funds to other grant programs that can help fulfill similar purposes (as currently used or via changes in purpose/use of funds).
- Identify and create communication pieces using prior federally collected data (by the Congressional Research Service, Office of Management and Budget, and agencies) demonstrating the impact, cost-effectiveness, and low rates of waste, fraud, and abuse for grant programs/areas.

Building Awareness and Capacity

- Insist on accurate, timely reporting of grant terminations, payment delays, and major grant modifications in ways that are accessible, publicly available, and federally managed. This is important at the award level, as could be incorporated into USASpending.gov, and at the level to monitor potential impoundment or funding freezes, such as more detailed levels of Treasury account monitoring. The DOGE Savings website lacks specificity, accuracy, and comprehensiveness needed to reflect federal actions.
- Use congressional authority to ensure required transparency, recordkeeping, and disclosure related to grant administration, grant payments, use of collected grant data and other functions related to federal awards.
- Work with the [New Mexico Attorney General's Office](#) to communicate to the Legislature the negative impact of funding freeze on constituents.
- Utilize media and public platforms to rally opposition and pressure the administration to reverse the order. Form coalitions across party lines to strengthen opposition to cuts, especially for offices and grant programs with widespread support (e.g., AmeriCorps).
- Leverage Martin Heinrich's [federal grants resource page](#) to share accurate, timely information about changes to federal funding (e.g., grant programs that have been canceled and opportunities that persist) and capacity-building tips to help fundseeking organizations navigate the new federal funding landscape.

Conclusion

There are many potential organizational and collective actions that can help prevent federal funding cuts, protect and restore funding and agencies affected by actions, and respond to the increased need and reduced resources resulting from federal actions related to grants and

agencies that administer them. It is also hard to keep up with all that is going on, where things stand on particular issues, and what actions should be priorities.

Current changes are set on the backdrop of nonprofit, educational, and local government agencies that have weathered half-a-decade of disruption from the COVID-19 pandemic. The pandemic's strains to the economy, public health, social systems, youth and family welfare, and funding have been exhausting for many organizations but have also shown our collective resilience in New Mexico and the power of community and collaboration.

Regardless of sector, recommendations can be distilled into several overall themes:

- Engage with quality national information sources related to priority areas and groups working on issues nationally;
- Assess internal risk and adaptations needed related to federal funding, overall revenue, and compliance with federal policy;
- Creatively think about what resources and collaborations you can offer and you need to support local needs;
- Proactively communicate your values and vision and why federal dollars are important to your community;
- Hold the government to account for following existing laws, regulations, and terms of agreements;
- Raise awareness about local impacts of federal funding changes (negative and positive);
- Determine areas of priority to focus efforts on- it's all important but advocacy and action require dedicated attention;
- In addressing priorities consider and engage others in discussing which approaches are best taken by organizations, by collaborations, by sectors, by activating the public, via a cross-sector coalition, etc.;
- Work to address immediate needs while also thinking medium- and long-term about sustaining funding, capacity development, upcoming major funding processes, and needed policy and systems changes; and
- Be prepared to leverage new federal (and other public) funding opportunities as grants are released, adapted, and converted in form, during the current leadership composition and as elections change that composition.

New Mexico is in a better position to navigate the current changes in federal funding than it was just a few years ago. This is due to recent work and efforts including the current analysis and report, the TAS Survey, the 2024 analysis of federal funding challenges and opportunities, the Thornburg Foundation's Pursuing Federal Funds initiative, joint projects and pooled funds by local philanthropic partners, and the establishment of the Federal Grants Bureau and other actions by the State of New Mexico. Previously disconnected entities and sectors have been learning, strategizing, and planning ways to better position New Mexico for federal funding. This creates a base from which to protect federal funding and established paths for understanding and responding to changes. Many recommendations in this section are similar to recommendations made in 2024 for increasing pursuit of federal funds by local entities because there is significant crossover in needs, skills, activities, and capacity supports. Developing the ability to support communities and organizations as contexts change fosters resilience and sustainability.

APPENDIX A: AGENCY FUNDING REVIEW QUESTIONS IN M-25-13

As follows are assistance program (grants, cooperative agreements, tax credits) screening questions posed to agencies in [Instructions for Federal Financial Assistance Program Analysis in Support of M-25-13](#).

1. Please identify the email of the senior political appointee responsible for overseeing this program.
2. Does the program have any pending funding announcements?
3. Does the program have any anticipated obligations or disbursement of funds before 3/15/2025?
4. Does this program have any statutory requirements mandating the obligation or disbursement of funds through 3/15/2025?
5. Provide the estimated date of the next obligation or disbursement of funds.
6. Does this program provide Federal funding to non-governmental organizations supporting or providing services, either directly or indirectly, to removable or illegal aliens?
7. Is this program a foreign assistance program, or provide funding or support activities overseas?
8. Does this program provide funding that is implicated by the revocation and rescission of the U.S. International Climate Finance Plan?
9. Does this program include activities that impose an undue burden on the identification, development, or use of domestic energy resources (including through funding under the Inflation Reducing Act of 2022; and the Infrastructure Investment and Jobs Act)?
10. Does this program provide funding that is implicated by the directive to end discriminatory programs, including illegal DEI and “diversity, equity, inclusion, and accessibility” (DEIA) mandates, policies, programs, preferences, and activities, under whatever name they appear, or other directives in the same EO, including those related to “environmental justice” programs or “equity-related” grants?
11. Does this program promote gender ideology?
12. Does this program promote or support in any way abortion or other related activities identified in the Hyde Amendment?
13. If not covered in the preceding columns, does this program support any activities that must not be supported based on executive orders issued on or after January 20, 2025 (including executive orders released following the dissemination of this spreadsheet)?
14. Provide additional information on program or project activities.

APPENDIX B: PENDING LAWSUITS & CURRENT COURT ORDERS

As follows are relevant pending lawsuits and current court orders as of February 2025. Resources for up-to-date information include the Council of Nonprofit's

[National Council of Nonprofits, American Public Health Association, Main Street Alliance, and SAGE v. Office of Management and Budget and Matthew Vaeth](#) - U.S. District Court for the District of Columbia - #25-cv-00239 (January 28, 2025)

- [Order for Administrative Stay](#) (January 28, 2025)
- Defendants' [Notice of Factual Development Regarding Plaintiffs' Motion for Temporary Restraining Order](#) (January 29, 2025)
- [Temporary Restraining Order](#) (February 3, 2025) This restraining order enjoins the administration "from implementing, giving effect to, or reinstating under a different name the directives in OMB Memorandum M-25-13 with respect to the disbursement of Federal funds under all open awards.." and "also instruct [the agencies to which OMB Memorandum M-25-13 was addressed] to release any disbursements on open awards that were paused due to OMB Memorandum M-25-13..." The administration was given until February 7, 2025 to apprise the court of the status of its compliance with this Temporary Restraining Order and all parties were charged with meeting and conferring a joint status report with a proposed preliminary injunction briefing schedule before February 7, 2025.
- [Plaintiff's Motion for Preliminary Injunction](#) (February 11, 2025)
- American Center for Law and Justice [Amicus Brief](#) (February 14, 2025)
- Defendant's [Memorandum in Opposition](#) (February 15, 2025)
- Plaintiff's [Reply to Opposition](#) (February 18, 2025)
- Motion Hearing on Temporary Restraining Order (February 20, 2025) By Order of the Court, the Temporary Restraining Order ("TRO") will remain in place.
- [Order for Preliminary Injunction](#) against Defendants (February 25, 2025), enjoining the administration from implementing, giving effect to, or reinstating a broad-scale "Federal funding freeze" of the disbursement of funds via Federal financial assistance.

[State of New York, et al v. Donald Trump, et al Complaint for Declaratory and Injunctive Relief](#) - U.S. District Court for the District of Rhode Island - #25-cv-00039-JJM (January 28, 2025)

- Defendants' [Notice of Factual Development Regarding Plaintiffs' Motion for Temporary Restraining Order](#) (January 29, 2025)

- [Temporary Restraining Order](#) (January 31, 2025) This restraining order "does not stop defendants from limiting access to funds without any 'preclearance' from the district court 'on the basis of the applicable authorizing statutes, regulations, and terms.'"
- [Order on Plaintiff's Motion to Enforce Temporary Restraining Order](#) (February 10, 2025)
- [Order on Defendant's Motion to Stay Temporary Restraining Order and Related Orders Pending Appeal](#) (February 10, 2025)
- [Order Denying Emergency Motion Requesting Ruling](#) (February 12, 2025) The Judge ruled that "[b]ecause the Defendants are seeking to terminate funding 'on the basis of the applicable authorizing statutes, regulations, and terms,'" the U.S. was able to move forward with clawing back funds from the City of New York via the EPA. However, the Defendant's motions to appeal the "Temporary Restraining Order" and their "Emergency Motion Requesting Ruling by 11 a.m. on February 12 for Permission to Continue Withholding FEMA and Other Funding" were denied; the Defendants' "Supplemental Motion Requesting Permission to Continue Payment Review Processes" was ruled moot.
- Arguments from both sides were heard on the Plaintiff's Motion for Preliminary Injunction. The court reiterated that the previously entered TRO is still in full force and effect. (February 21, 2025).
- An [Order for Preliminary Injunction](#) against Defendants (March 6, 2025) enjoined the administration from impeding the disbursement of appropriated Federal funds to the states listed as Plaintiffs in the case.

[Commonwealth of Massachusetts, et al v. National Institutes of Health](#) - U.S. District Court for Massachusetts - #25-cv-10338 (February 10, 2025).

- [Order Granting Plaintiff States' Ex Parte Emergency Motion for Temporary Restraining Order](#) (February 10, 2025) The Temporary Restraining Order enjoins the administration "from taking any steps to implement, apply, or enforce the Rate Change Notice (NOT-OD-25- 068) within Plaintiff States until further order is issued by this Court..."
- Defendant's [Motion for Extension of Time to File Consolidated Opposition Brief](#) (February 14, 2025)
- Defendant's [Opposition to Temporary Restraining Order](#) (February 14, 2025)
- Order on Plaintiff's [Leave to File a Single, Consolidated Reply Brief Related](#) to Motions in Associated Cases 25-cv-10338-AK, 25-cv-10340-AK, and 25-cv-10346-AK (February 18, 2025)
- Plaintiff's [Reply in Support of a Temporary Restraining Order](#) (February 18, 2025)
- District Judge Angel Kelley ruled that the existing Temporary Restraining Order is extended and will remain in effect until further order is issued, resolving the request for a preliminary injunction. (February 21, 2025)
- [Order for Preliminary Injunction](#) against Defendants (March 5, 2025), to prevent implementation of the NIH Supplemental Guidance "in any form with respect to institutions nationwide."



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