



## FOR IMMEDIATE RELEASE

Jill Bennett, Chief Executive Officer

[jbennett@utahnprofits.org](mailto:jbennett@utahnprofits.org) | 801-596-1800 x2

### Utah Nonprofits Association Responds to Federal Funding Freeze

SALT LAKE CITY, UT— January 28, 2025—Utah Nonprofits Association (UNA) expresses deep concern over the [recent federal directive](#) from the Office of Management and Budget to freeze all federal grants and loans pending alignment with the Administration’s priorities.

Below is a message from Jill Bennett, Chief Executive Officer of Utah Nonprofits Association, regarding the suspension of funding outlined in the OMB memo issued on January 27 and taking effect at 5:00 pm Eastern on January 28, 2025.

Last night, the Trump administration announced an immediate freeze on all federal grants and loans beginning at 5pm today, January 28. This action will directly affect Utah’s nonprofits and the communities they serve, impacting education, health care, housing aid, disaster relief, and more—programs reliant on significant federal funding. Indirectly, the implications of cutting funding to programs that serve our most vulnerable will be profound.

The [memo](#) issued by the Office of Management and Budget announced that funds will be temporarily frozen as the administration evaluates grants and loans to confirm their alignment with the president's agenda.

Many federal grants, loans, and payments will be in jeopardy, although the memo specifies that Social Security, Medicare, and “payments to individuals” will not be touched. Federal agencies have been tasked with completing a review of spending to ensure alignment with the Administration’s priorities, and officials have until February 10 to submit reports to OMB.

The order raises a number of constitutional issues, which are already being challenged in court.

The uncertainty surrounding this action is already having a chilling effect. **Organizations that rely on federal grants and contracts may experience immediate cash flow disruptions, making it difficult to maintain services and staff.** This threatens not only



nonprofit operations but the **well-being of thousands of Utahns who depend on these programs.**

The OMB directive has a potentially devastating effect on local communities as well as the local, state, and national economies. Targeting nonprofits targets our most vulnerable people. UNA has heard from colleagues across the country that **payment portals to draw down federal funds for program expenses have already been closed, ahead of the 5:00 pm deadline.** This is impacting programs like Medicaid, Head Start, health centers, and homeless service programs, which have been locked out of the Payment Management Services portal run by the Department of Health and Human Services.

Nonprofits not only provide essential services to some of our community's most vulnerable people, but they also employ your neighbors, friends, and family members. Attempts to bring the nonprofit community in line with the Administration's mandates need to be specific, actionable, and legal. The legality of this order is already being challenged, but the application of any future order needs also be something that is reasonable and actionable – as well as legal.

The individuals who choose to serve their communities and vulnerable people by working at nonprofits are some of the most dedicated, talented, and creative people in our workforce. They routinely face and overcome obstacles many people in the for-profit sector aren't familiar with. This won't be the first challenge they overcome, and it will not be the last.

The National Council of Nonprofits has filed a Motion for Temporary Restraining Order in the U.S. District Court for the District of Columbia to block the White House Office of Management and Budget from pausing all federal agency grants and loans. National Council of Nonprofits filed together with public health and small business leaders, represented in court by Democracy Forward.

## **Quotes**

Jill Bennett, Chief Executive Officer of Utah Nonprofits Association, says, "This action will directly affect Utah's nonprofits and the communities they serve, impacting education, health care, housing aid, disaster relief, and more—programs reliant on significant federal funding. Indirectly, the implications of cutting funding to programs that serve our most vulnerable will be profound. Even seemingly minor delays and disruptions can have



devastating impacts on those in need. We stand with our nonprofit colleagues across the country in calling for this order to be stopped.”

Diane Yentel, President and CEO of the National Council of Nonprofits, says, “This reckless action by the administration would be catastrophic for nonprofit organizations and the people and communities they serve. From pausing research on cures for childhood cancer to halting housing and food assistance, shuttering domestic violence and homeless shelters, and closing suicide hotlines, the impact of even a short pause in funding could be devastating and cost lives. This order must be halted immediately before such avoidable harm is done.”

### **About UNA**

For 35 years, UNA has worked to unify, strengthen, and elevate Utah’s nonprofit community. UNA is about building happy, healthy, resilient communities—communities that provide shelter, solace, joy, inspiration, nourishment for bodies and souls, and healing for our air, water, and land.

Our work includes advocating for these critical organizations and equipping them with the information, training, resources, and benefits that they need to advance their missions. We are a 501(c)(3) nonprofit charity with a diverse revenue model, an engaged and active board of directors, and a deep commitment to building extraordinary nonprofits.

Utah's nonprofit community is comprised of more than 11,000 nonprofits that employ over 124K people, earn more than \$19 billion in revenue each year, and have assets of \$38 billion.

### **Contact**

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