



Federal Grant Disruptions: What Grant Professionals Are Seeing

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Grant professionals play a critical role in helping nonprofits, universities, local governments, and community organizations access federal funding that supports vital services.

In 2025, the Grant Professionals Association (GPA) conducted a national needs assessment and then-member survey. The results highlighted recurring challenges to the grants landscape: shortened Notice of Funding Opportunity (NOFO) windows, inconsistent compliance guidance, and limited communication during the prolonged government shutdown. These disruptions have and continue to hinder the ability of grantees, including nonprofits and local governments, to deliver critical services, underscoring the need for stronger oversight, predictable funding processes, and professional recognition for those managing federal grants.

Recently, GPA members have reported continuing disruptions in the federal grant process, including delays, pauses, and cancellations that affect programs and the communities they serve. To collect impact stories on how federal grant administration issues are impacting communities, GPA surveyed their members again in early March 2026.

What Our Members Reported:

Among small sample of GPA-members survey (30 grant professionals surveyed):

- At least \$414.6 million in federal funding represented
- At least \$211.2 million reported at risk due to delays, pauses, or cancellations
- More than 408,000 people potentially affected by disrupted programs
- At least 86 staff positions reported at risk

These figures are conservative estimates.

What Grant Professionals Are Still Experiencing:

1. **Delays and Uncertainty:** Many respondents reported that funding decisions, grant reviews, or reimbursements were delayed without clear timelines. For organizations delivering services, timing matters just as much as funding levels.
2. **Pauses or Cancellations After Programs Begin:** Some programs were paused or canceled after planning or implementation had already started. This can disrupt services and create uncertainty for staff, partners, and communities.

- 3. Administrative Complexity:** Grant professionals report increasing administrative burdens, including application requirements, reporting expectations, and system issues. These challenges can make it harder for organizations—especially smaller nonprofits—to access and manage federal funding effectively.

What This Means for Communities:

Respondents to the survey represented a wide range of services, including:

- Student success and childcare support
- Workforce and education programs
- Mental health and crisis response services
- Housing repair programs for low-income families
- Emergency food and shelter assistance

When funding is delayed or uncertain, organizations may need to pause services, reduce staff, or delay critical community programs.

Stories from GPA's Survey:

North Carolina: *From housing nonprofit, federal pass-through funding was cancelled limiting who they can serve. We are considering terminating the critical home repair program if we cannot find reliable funding. This will remove a long-term disaster response program from local resources (we live in a hurricane prone area). In many ways, we are the last resort for older adults who live alone and who have nowhere else to turn. Some of these folks are living in homes with collapsed floors with no heat in the winter, and sooner or later, they will be homeless if they don't find help. We have also had to turn down an unprecedented number of applicants because we do not have the funding to adequately meet their needs. The North Carolina Housing Finance Agency has stated that for every dollar invested in critical home repairs, \$19 are saved in Medicare/Medicaid expenses.*

Iowa: *From a consultant that works with Meals on Wheels, Housing & Utility Assistance grantees, they have gotten verbal notification of early cancellation. We have experienced more older adults not being able to pay for meals and housing and requesting services. Affordable housing is a major challenge and now with rising costs of living and wages not keeping up with these increases, we are seeing more and more households coming requesting food and services to make ends meet.*

Missouri: *From an education nonprofit, pass-through federal funding was cancelled in the last year of a four-year grant that supported personal safety and healthy boundaries education for Individuals with Intellectual and Developmental Disabilities. The program serves youth from 14 to adults of all ages who are living with intellectual and developmental disabilities. By the time they are adults, individuals are 90% likely to have been sexually abused.*

***Texas:** From sheriff's office: DOJ's Justice Assistance Grant for \$1.5 million is delayed that may result in not purchasing vital equipment and no funding for overtime initiatives.*

***Pennsylvania:** From nonprofit CDFI, more than \$5 million from CDFI is being paused, impacting ability to lend to hundreds of small business owners in central Pennsylvania. The entire grant cycle of the CDFI Fund is months off schedule. The Financial Assistance award would typically have been announced in the fall, and we might hear this spring. This has pushed all the CDFI Fund grant opportunities back, meaning we may lose an entire year of funding because of the delays.*

Policy Recommendations:

GPA is encouraging Congress to support efforts that improve the reliability of federal grant programs, including:

- **Support bipartisan Streamlining Federal Grants Act (S. 3709)** to simplify application and reporting requirements, facilitate agency coordination, and impact access to federal grants to all communities;
- **Ensure stability and transparency in federal grant programs.** Congress should provide stronger guardrails to prevent grants from being terminated or modified mid-cycle without clear justification, notice, and an opportunity for grantees to respond.

These steps can help ensure federal funding reaches communities efficiently and predictably.

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