KVPR

'Tremendous fear' among Valley non-profits as federal government moves away from public spending

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FRESNO, Calif. – Nearly 400 non-profits in the San Joaquin Valley received funding from local, state or federal government agencies in 2023.

More than 60% of those same organizations would be operating in the red if all that funding were to disappear. That's based on new analysis by the Urban Institute and the Associated Press, which have revealed the scale of the impact as the federal government moves away from supporting nonprofit organizations nationally.

Cuts to some of these funding sources have already had tangible effects on local organizations — and the threats of more cuts have left many uncertain about their future.

"There's tremendous fear in the non-profit sector on a number of levels," Tom Collishaw, President and CEO of Visalia-based Self-Help Enterprises, told KVPR. "Some of it is funding, some of it is some of the reductions in staff...and that has had significant impacts on how programs can operate efficiently."

For example, Collishaw said he worries about what could happen to the landscape of affordable housing due to these cuts. Self-Help Enterprises helps provide rental assistance, affordable homes and clean drinking water for residents in the Valley.

Right now, Collishaw estimates about 15% of Self-Help's funding comes from the federal government — and the biggest chunk of that funding is a single mutual housing grant that has been funded through late 2026.

"We have about 19 full-time staff members that rely on that funding," he said.

In the current shaky funding environment, a cut, a reduction or even no change at all to funding, Collishaw said, still has potential to affect "who can apply for our housing opportunities, who can live in our housing when it's rental housing, and, going forward, who can aspire to live in that housing."

Those potential impacts highlight the sensitive nature of federal funding as the Trump administration moves to drastically change the government's relationship with non-profit organizations.

Collishaw said budget drafts from Congress have not signaled any major, devastating changes in the near future, and he's holding on to hope they won't come at all.

"We haven't seen increases in funding — and some of our programs drastically need increases. But we're not seeing major cuts," he said. "But none of this is a done deal."

Federal government intentionally moves away from non-profit spending

Since taking office for a second time, President Donald Trump has frozen or cut grants and contracts that funded a wide array of social service programs — and has threatened to cut more.

Additionally, staffing cuts to federal agencies have led to delays and confusion around the future of government funds.

White House spokesperson Kush Desai said that the funding shifts are part of an intentional shift away from public-private partnerships and toward individual giving.

"Instead of government largesse that's often riddled with corruption, waste, fraud, and abuse, the Trump administration is focused on unleashing America's economic resurgence to fuel Americans' individual generosity," Desai told the Associated Press.

He pointed to a newly approved tax deduction for charitable giving that he said encourages Americans' "innate altruism."

But charitable donations are unlikely to make up for the vast support that the government has long provided with grants, loans and other contracts.

Data from the Urban Institute shows that, in 2023, San Joaquin Valley non-profits received nearly \$2 billion in government funding.

Meanwhile, in April, the federal government canceled \$11 million in grants to local non-profits providing mobile health clinics and other health outreach to rural communities in Fresno County. In May, the Department of Government Efficiency reduced the budget for AmeriCorps by \$400 million, which eliminated 32,000 positions nationwide — including many who were providing student support and tutoring at schools in the Valley.

Additional money is on the line in the future as Congress debates the federal budget for the upcoming fiscal year.

Funding cuts have consequences on the ground

Valley organizations say some cuts are already being felt locally, in sectors including social services, public health and education.

Starting in October, CASA of Fresno and Madera Counties is facing an annual reduction of around \$500,000 — equivalent to about 25% of its budget, according to executive director Wilma Hashimoto.

The organization trains advocates to provide one-on-one legal and social assistance to foster kids who may not be getting all the services they need from foster parents or group homes. "It is about supporting youth through their education, mental health, and, as they age out, helping them with soft skills for employment," Hashimoto said. "When 25% is removed, where do we cut?"

That funding was supplied by a state program that was in place for three years before it sunsets this fall. Although the state is facing its own budget deficit, Hashimoto wonders if the funding would have been renewed if the federal government's finances had been different. She said federal cuts can have indirect consequences down the line in ways some may not realize.

'3.4 million pounds of food that we lost'

Reductions to an emergency food assistance program run by the United States Agriculture Department have also resulted in emptier shelves at a Bakersfield food bank run by the Community Action Partnership of Kern (CAPK).

"It was about 3.4 million pounds of food that we lost," said CAPK CEO Jeremy Tobias — a sum that's equivalent to 15% of what the food bank distributed last year.

At the end of September, federal funding will also end for a CAPK program known as CalFresh Healthy Living. As a result, 10 full-time CAPK employees will likely lose their jobs and the organization will discontinue a food education program that Tobias said had served 1,100 Kern County residents.

"That program would go to farmers' markets and different community functions. They do educational services to clients and teach them how to stretch that SNAP money, and purchase nutritional food and recipes and how to cook it nutritionally," he said. "So that program's going to sunset."

Tobias said funding fluctuations are normal, since CAPK exclusively manages federal contracts. He said it's a guessing game each year as to which programs will be funded and which won't.

But the cuts being proposed and those that have already been approved under the new Trump administration have hit hard.

President Trump earlier this year signaled he wanted to stop funding a handful of programs central to CAPK that provide community services block grants, utility assistance and weatherization to homeowners, and food boxes for seniors.

"Those would be large-scale eliminations," Tobias said.

Tobias said he is turning to the Valley's elected officials in the hopes that they can exert influence in Washington to protect safety nets that exist in the region.

"We are talking to our electeds about making sure that those stay funded through the appropriations process," he said. "We're keeping a very close eye on those."