



May 2, 2024

The Honorable Mike Johnson
Speaker of the House
U.S. House of Representatives
H-232, The Capitol
Washington, D.C. 20515

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives
2433 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Steve Scalise
Majority Leader
U.S. House of Representatives
2049 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Tom Cole
Chair, House Appropriations Committee
U.S. House of Representatives
2207 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Rosa DeLauro
Ranking Member, House Appropriations Committee
U.S. House of Representatives
2413 Rayburn House Office Building
Washington, D.C. 20515

RE: Ban on Nonprofits Applying for HUD Community Project Funding in FY25 House Appropriations

Dear Speaker Johnson, Minority Leader Jeffries, Majority Leader Scalise, Chairman Cole, and Ranking Member DeLauro:

As the Chief Executive Officers of some of the nation's largest and most trusted charities, nonprofits and faith-based organizations, we are writing to express our deep concern over Fiscal Year 2025 rules which

make nonprofits ineligible for Community Project Funding (CPF) through the Department of Housing and Urban Development (HUD) appropriations process. This decision builds off last year's rules, which deem nonprofits ineligible for programmatic accounts in Labor, HHS and Education appropriations.

This decision out of Capitol Hill has unintended, far-reaching consequences that will impact the millions of people and thousands of communities we serve. Nonprofits count on this funding to support and expand access to child care, early learning, after school, sports and mentoring programs for children and youth, recreation, mental health and wellness offerings for people of all ages, holistic health programs for seniors, affordable housing (including for survivors of domestic violence), supportive services and outreach to the most underserved in our communities. Our organizations are dedicated to one collective mission to improve human development through community relationships, but this setback will make the work that we do much more difficult.

The HUD Economic Development Initiative (EDI) is one of the few sources of funding that organizations like ours can secure for the construction, expansion and renovation of our buildings, which in many cases offer the only safe spaces and supportive programming in the communities we serve. The decision to withhold critical CPF grants will have a direct, negative impact on communities most in need. By excluding nonprofits from these funding requests, this Congressional change will greatly limit the ability of organizations like ours to provide essential services to tens of millions of our community members.

The nonprofit sector is a major employer and contributes to a strong economy, and this decision comes at a time of increasing challenges and demands confronting our sector.

- Nonprofits employ nearly 12.5 million paid workers, over 10% of the private workforce. This constitutes the third largest private sector workforce in the country.[i]
- Nonprofits contributed an estimated \$1.4 trillion to the national economy in 2022, comprising 5.6% of GDP.[ii]
- Today, 48.5% of nonprofits report increasing staff workloads to meet the demands for services.[iii] Additionally, charitable giving is declining, with the number of donors decreasing 10% in 2022, marking the second consecutive year with significantly decreased donor participation.[iv]

As the needs of our neighbors continue to expand, now is not the time to scale back funding that has such positive impacts on communities in your districts. It is unfortunate that charitable nonprofits will be hurt by this decision, especially as we continue to recover from the pandemic, during which 71% of nonprofits saw an increase in service demand.[v]

Congress should carefully consider this decision and its ramifications, and look to find alternative ways to support our organizations and those we serve. We urge the House Appropriations Committee to restore nonprofit eligibility to CPF HUD/EDI and Labor, HHS and Education accounts. We hope you will help us meet the growing needs of our community and provide the physical space and programmatic resources to respond to and deliver critical services in our communities.

It is critical that we come together to ensure that nonprofits can continue to work for the American people. We look forward to continuing to work hand-in-hand with our nation's leaders to provide vital services to millions of Americans, and we would like to work with you to find a solution on this issue. Thank you for your attention to this matter and for your continued support.

Sincerely,

Artis Stevens
President and CEO
Big Brothers Big Sisters of America

James L. Clark
President & CEO
Boys & Girls Clubs of America

Kerry Alys Robinson
President and CEO
Catholic Charities USA

Claire Babineaux-Fontenot
CEO
Feeding America

Stephanie J. Hull
President and CEO
Girls Inc.

Steven C. Preston
President and CEO
Goodwill Industries International

Jonathan Reckford
CEO
Habitat for Humanity International

Alesia Frerichs
President and CEO
Lutheran Services in America

Angela F. Williams
President & CEO
United Way Worldwide

Suzanne McCormick
President and CEO
YMCA of the USA

Margaret Mitchell
CEO
YWCA USA

Cc: Members of the House Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies

About the signatories:

- **Big Brothers Big Sisters (BBBS)** is the oldest and largest youth mentoring organization. Established in 1904 as an alternative to the juvenile justice system to reach the most marginalized youth, more than 400,000 youth, their families, and volunteer mentors are part of our programs each year. BBBS is committed to empowering every kid on the path to graduate with a plan for their future and a mentor whose impact will last a lifetime. Our mentoring model is an evidence-based, effective method to address and support the emotional, social, physical, and educational success of young people. BBBS establishes mentoring relationships between volunteer mentors and young people through 230 agencies located in over 5,000 communities nationwide to inspire and engage youth from age five through young adulthood to achieve their full potential.
- **Boys and Girls Clubs of America (BGCA)** have provided safe places where young people can learn and grow for over 160 years. We believe every young person deserves a great future, meaning every youth that enters our doors graduates on time and is college or career ready while living a healthy lifestyle and demonstrating good character and citizenship. Clubs offer young people an environment to build resiliency by developing the social and emotional skills that make them ready for work and life. This out-of-school time programming is carried out at more than 5,400 Boys & Girls Clubs including over 2,400 school-based Clubs, over 1,150 Clubs in rural areas, 256 Clubs in public housing facilities, 470 affiliated youth centers on military installations worldwide, and over 250 Clubs on Native lands.
- **Catholic Charities USA (CCUSA)** is a national membership organization representing 168 diocesan Catholic Charities member agencies. These member agencies operate more than 3,500 service locations across 50 states, the District of Columbia, and five U.S. territories. The diverse array of social services offered by the agencies reached more than 15 million individuals in need last year. While Catholic Charities agencies work every day to assist families in poverty, we cannot meet their needs alone. As high inflation continues to impact families and individuals, it is important to maintain funding and grants for the crucial programs that serve millions of vulnerable people across our nation regardless of their religious beliefs.
- **Feeding America**[®] is the largest hunger-relief organization in the United States. As a network of more than 200 food banks, 21 statewide food bank associations, and over 60,000 agency partners, including food pantries and meal programs, we helped provide 5.2 billion meals to tens of millions of people in need last year. Feeding America also supports programs that prevent food waste and improve food security among the people we serve; brings attention to the social and systemic barriers that contribute to food insecurity in our nation; and advocates for legislation that protects people from going hungry.
- **Girls Inc.** is a network of local organizations that works with schools and in communities across the United States and Canada. Through direct service and advocacy we equip girls - particularly girls from low-income communities and girls of color - with the knowledge and skills to effect positive changes in their lives and to become leaders who will change the world. Our professionally trained staff and volunteers provide mentorship, safe spaces, and programming that address the unique challenges girls face and are proven to help girls succeed. We cultivate physically and emotionally safe environments where girls are encouraged to take risks, learn from experiences, and grow. Girls build the knowledge, skills, and confidence to push for change and we work with them to advocate for policies to overcome the social and systemic barriers that threaten their ability to succeed. Together with partners and supporters, Girls Inc. is building the new generation of strong, smart, and bold leaders.

- **Goodwill Industries International - Goodwill®** works to enhance the dignity and quality of life of individuals and families by strengthening communities, building bridges to opportunity, and helping people in need reach their potential through learning and the power of work. For more than 120 years, Goodwill organizations across North America have helped people find jobs, support their families and feel the satisfaction that comes from working. There are 154 local Goodwill organizations that assist people through a variety of employment placement services, job training programs and other community-based services. Thousands of people receive employment and other human services through Goodwill and, in 2023, they helped more than 1.7 million people build skills, access resources and advance careers.
- **Habitat for Humanity** - Driven by the vision that everyone needs a decent place to live, Habitat for Humanity began in 1976 as a grassroots effort on a community farm in southern Georgia. The Christian housing organization has since grown to become a leading global nonprofit working in local communities across all 50 states in the U.S., Puerto Rico, and more than 70 countries. Families and individuals in need of a hand up partner with Habitat for Humanity to build or improve a place they can call home. Habitat homeowners help build their own homes alongside volunteers and pay an affordable mortgage. Through financial support, volunteering or adding a voice to support affordable housing, everyone can help families achieve the strength, stability and self-reliance they need to build better lives for themselves. Through shelter, we empower. To learn more, visit [habitat.org](https://www.habitat.org).
- **Lutheran Services in America** is one of the nation's largest national networks of health and human service providers with a mission to cultivate caring communities that advance health and opportunity for all. With 300 nonprofit organizations across 1,400 U.S. communities and more than \$26 billion in combined annual services, the Lutheran Services in America network advances equitable outcomes for children, youth and families, improves independence and choice for older adults, champions meaningful services and support for people with intellectual and developmental disabilities, and strengthens stability and purpose for veterans, refugees, new Americans and other special populations.
- **United Way Worldwide** - United Way brings people together to build strong communities where everyone thrives. As one of the world's largest privately funded charities, we serve 95% of U.S. communities and 37 countries and territories; our humanitarian aid supports 48 million people every year. Through United Way, communities tackle tough challenges and work with private, public, and nonprofit partners to boost education, economic solutions, and health resources. United Way is the mission of choice for 1.5 million volunteers, 6.8 million donors, and 45,000 corporate partners in more than 1,100 communities worldwide in our second century of service. Together, we are building resilient, equitable communities across the globe. Learn more at [UnitedWay.org](https://www.UnitedWay.org).
- **YMCA of the USA** - Driven by its founding mission, the Y has served as a leading nonprofit committed to strengthening community for more than 177 years. The Y empowers everyone, no matter who they are or where they are from, by ensuring access to resources, relationships and opportunities for all to learn, grow and thrive. Ys are the leading nonprofit providers of child care, afterschool, swim instruction, camping, sports and community-based health and wellness programming. Ys are one of the largest providers of summer, supper and afterschool meals. In 2023, 2,610 Ys served 16.8 million Americans, including 6.5 million youth.
- **YWCA USA** delivers critical social programs to more than 2.2 million women, girls, and their families through a strong community-based network of nearly 200 YWCA local associations across the country. Through our 12,000+ staff and 50,000+ volunteers, YWCA USA and its

local associations support the sustainable development and growth of the 1,200 communities we serve. YWCA USA delivers key programs in STEM education, housing, and support services for survivors of domestic violence, women entrepreneurship, early childhood education, after school programs, and disaster relief. Over the past three years, YWCAs have received \$15 million from HUD's EDI account. The funding has provided lifesaving housing for domestic violence survivors.

[i] Salamon, L., Newhouse, C & Wojciech Sokolowski, S. "2020 Nonprofit Employment Report." Johns Hopkins University Economic Data Project – Nonprofit Employment Bulletin no. 48 (Baltimore, MD: Johns Hopkins University Center for Civil Society Studies, June 2020)

[ii] Independent Sector. (2023, November) Health of the U.S. Nonprofit Sector Annual Review. <https://independentsector.org/resource/health-of-the-u-s-nonprofit-sector/>

[iii] Dietz, Nation, and Grimm, Robert T., Jr. 2023. "The State of Volunteer Engagement: Insights from Nonprofit Leaders and Funders" Research Report: Do Good Institute, School of Public Policy, University of Maryland.

[iv] GivingTuesday. (2022) Fundraising Effectiveness Project. <https://data.givingtuesday.org/fep-report>

[v] Nonprofit Finance Fund (2022). State of the Sector Survey. <https://nff.org/learn/survey#results>