

Abstract

This comprehensive analysis examines critical nonprofit developments from July 14-21, 2025, highlighting Congressional passage of President Trump's \$9.4 billion rescission package eliminating federal public broadcasting funding, IRS Johnson Amendment settlement allowing church political speech, tax law changes restructuring charitable giving incentives, and federal court hearing on SNAP data privacy. Key developments include unprecedented congressional action removing \$1.1 billion in public broadcasting support, federal court settlement ending 70-year enforcement restrictions on religious political activities, charitable deduction modifications creating universal giving incentives, Department of Labor OSHA penalty reductions for small employers, Federal Acquisition Regulation overhaul streamlining procurement processes, IRS enhanced security campaigns and Single Audit threshold increases, OPM human resources technology modernization, and significant state developments including Florida hurricane preparedness coordination, New York funding formula implementation, California wildfire recovery operations, Illinois demographic reporting constitutional challenges, and multi-state privacy law compliance requirements affecting organizational operations nationwide.

July 21, 2025 Navigator Update: Congressional Rescission Package, SNAP Data Privacy, Johnson Amendment Changes, and More!

Introduction

Federal developments during July 14-21 fundamentally reshaped nonprofit operations through Congressional passage of President Trump's \$9.4 billion rescission package eliminating federal public broadcasting funding, IRS Johnson Amendment settlement permitting church political candidate endorsements after 70 years of enforcement restrictions, implementation of universal charitable deductions under the One Big Beautiful Bill Act, and July 23 federal court hearing on SNAP data privacy lawsuit. Critical developments include Department of Labor OSHA penalty reduction guidelines providing small employers 70% fine reductions effective July 14, Federal Acquisition Regulation overhaul implementing streamlined procurement requirements through Revolutionary FAR Overhaul initiative, enhanced IRS security campaigns targeting tax professional identity theft prevention, Single Audit threshold increases to \$1 million affecting compliance requirements, OPM human resources technology modernization establishing government-wide platforms, FCC broadcast rule elimination proposals, enhanced immigration enforcement creating operational challenges for service organizations, federal hiring freezes disrupting agency operations, and comprehensive state developments including Florida hurricane preparedness coordination, New York funding increases, California wildfire recovery operations, Illinois demographic reporting constitutional challenges, and multi-state privacy law compliance creating complex operational frameworks across federal, state, and local regulatory jurisdictions.

Nonprofit News

Congressional Rescission Package Eliminates Federal Public Broadcasting Funding

Congress approved President Trump's \$9.4 billion rescission package, permanently eliminating \$1.1 billion in federal funding for the Corporation for Public Broadcasting over the next two years. The House voted 216-213 to pass the final version after Senate approval, affecting NPR, PBS, and approximately 1,500 local public radio and television stations nationwide. Organizations face immediate budget shortfalls starting October 2025, with smaller stations particularly vulnerable to closure and rural communities at risk of becoming news deserts without federal support. Source: <https://www.nbcnews.com/politics/congress/house-republicans-vote-claw-back-94-billion-funding-foreign-aid-npr-pb-rcna211740>

Tax Law Implementation Creates Mixed Charitable Giving Incentives

The One Big Beautiful Bill Act signed July 4 establishes universal charitable deductions up to \$1,000 for individuals and \$2,000 for married couples starting in 2026, while implementing 0.5% adjusted gross income floors for itemized charitable deductions and reducing high-income donor benefits through itemized deduction caps. Organizations face complex donor impact assessments as 90% of taxpayers gain new giving incentives while major gift prospects encounter reduced tax benefits. Strategic fundraising adjustments require immediate planning for year-end 2025 appeals and long-term donor relationship management under new tax structures. Source: <https://tnpa.org/tax-reform-charitable-giving-what-it-means-for-your-organization-and-donors/>

SNAP Lawsuit Hearing Addresses Nonprofit Client Privacy Protection

Federal court hearing scheduled July 23 examines SNAP data privacy lawsuit challenging USDA demands for comprehensive food assistance recipient information, with implications for nonprofit organizations serving vulnerable populations accessing government benefits. Legal challenges assert federal data collection violates Privacy Act requirements and Food and Nutrition Act protections, while nonprofit advocates worry about client data sharing with immigration enforcement. Organizations must monitor litigation outcomes affecting data protection standards and client confidentiality obligations under federal program participation. Source: <https://www.opb.org/article/2025/07/19/fight-over-food-stamp-recipients-data-ramps-up/>

USAID Restructuring Affects International Development Nonprofits

Federal agency restructuring through Department of Government Efficiency oversight creates operational uncertainty for international aid nonprofits receiving USAID funding, with the rescission package cutting \$8.3 billion from international assistance programs including peacekeeping, refugee assistance, and climate projects. Organizations face reduced funding availability and enhanced compliance requirements while navigating administrative disruptions and potential program terminations. Strategic planning adjustments become critical for maintaining international development programs amid federal funding reductions and agency reorganization efforts. Source: <https://www.americanprogress.org/article/fact-sheet-trumps->

[rescission-request-would-slash-spending-on-foreign-assistance-programs-that-benefit-american-interests/](#)

OpenAI Launches \$50 Million Nonprofit AI Initiative Following July Jam

OpenAI announced July 18 the establishment of a \$50 million Community Fund supporting nonprofit organizations following successful July 17 Nonprofit AI Jam engaging 1,000 leaders across 10 locations nationwide. The initiative provides free ChatGPT Plus access and practical AI training for case management, community outreach, and service delivery improvements. Organizations collaborated with Walton Family Foundation and Emerson Collective to build customized AI solutions addressing capacity constraints. The fund responds to OpenAI Nonprofit Commission recommendations representing input from 500 nonprofits serving 7 million Americans, democratizing advanced AI access for community organizations. Source: <https://www.startuphub.ai/ai-news/artificial-intelligence/2025/openai-establishes-50m-community-fund-for-nonprofits/>

Federal Nonprofit Regulatory Developments

IRS Johnson Amendment Settlement Allows Church Political Speech

Federal court settlement July 7 permits churches to endorse political candidates during religious services without risking tax-exempt status, ending 70-year enforcement of Johnson Amendment restrictions. The consent decree applies specifically to National Religious Broadcasters and two Texas churches, though IRS indicates broader non-enforcement policy for houses of worship engaging in faith-based political speech through customary communication channels. Organizations must monitor implementation scope as settlement creates precedent affecting religious nonprofit political activities. Source: <https://natlawreview.com/article/irs-enters-consent-decree-limiting-application-johnson-amendment-new-position>

Section 504 Digital Accessibility Compliance Deadlines Create Enhanced Requirements for Federally Funded Organizations

HHS Section 504 final rule effective July 2024 establishes digital accessibility compliance deadlines requiring organizations with 15+ employees meet WCAG 2.1 Level AA standards by May 11, 2026, while smaller organizations face May 10, 2027 deadline. Enhanced requirements include website, mobile app, and social media accessibility for federally funded healthcare providers, educational institutions, and social service organizations with exemptions limited to archived content and pre-existing documents. Nonprofit organizations receiving federal funding must conduct digital accessibility assessments and implement compliance protocols to meet enhanced Section 504 requirements affecting website accessibility and communication effectiveness. Source: <https://www.deque.com/blog/section-504-digital-accessibility-deadlines-what-every-hhs-funded-provider-must-know/>

Department of Labor Implements OSHA Penalty Reduction Guidelines Effective July 14

Department of Labor announced enhanced OSHA penalty reduction guidelines July 14 providing small employers with 25 or fewer employees 70% fine reductions while offering 15% reductions for companies immediately addressing identified workplace hazards and 20% reductions for employers without prior OSHA violations within five years. The new policies apply immediately to open investigations without issued penalties though previous penalties remain under existing structure. Nonprofit organizations must assess workplace safety compliance protocols while leveraging enhanced penalty reduction opportunities for hazard remediation and small employer classifications. Source: <https://www.osha.gov/news/newsreleases/osha-national-news-release/20250714>

Federal Acquisition Regulation Overhaul Advances Through Revolutionary Reform Initiative

Office of Federal Procurement Policy and FAR Council implement comprehensive Federal Acquisition Regulation overhaul through Revolutionary FAR Overhaul initiative establishing "10-for-1" regulatory elimination requirements and 4-year sunset clauses for non-statutory provisions with October 2025 completion deadline. First wave implementation includes class deviations reducing Part 34 major system acquisition requirements to 20% original length while empowering contracting officers to exercise business judgment and risk management approaches. Nonprofit organizations with federal contracts must monitor streamlined compliance requirements and enhanced contracting officer discretion affecting procurement processes and administrative burden reduction. Source: <https://www.govexec.com/management/2025/05/trump-administration-releases-first-wave-acquisition-regulation-changes/405111/>

FCC Proposes Broadcast Rule Elimination During July 2025 Regulatory Review

Federal Communications Commission announced comprehensive regulatory rollback affecting broadcast communications through proposed elimination of 98 broadcast rules identified as obsolete during the "Delete, Delete, Delete" proceeding. The FCC simultaneously released draft proposals streamlining National Environmental Policy Act and National Historic Preservation Act review procedures following President Trump's executive order requiring federal agency regulatory streamlining. Nonprofit organizations operating broadcasting facilities or communication services must monitor proposed rule changes affecting tower construction requirements and environmental review procedures. Source: <https://www.broadcastlawblog.com/2025/07/articles/this-week-in-regulation-for-broadcasters-july-14-2025-to-july-18-2025/>

Federal Human Resources News

Federal Agency Mass Layoff Lawsuits Create Legal Uncertainty

Supreme Court ruled 8-1 July 8 allowing federal agencies to resume mass layoffs after lifting lower court injunctions that had blocked workforce reductions affecting 22 agencies and hundreds of thousands of employees. Multiple ongoing legal challenges continue affecting specific agencies including Education Department, Health and Human Services, and AmeriCorps

with preliminary injunctions remaining in effect. Organizations must monitor evolving litigation outcomes affecting federal workforce stability and potential impacts on grant administration, compliance oversight, and technical assistance availability from partner agencies. Source: <https://www.govexec.com/management/2025/07/federal-agencies-can-resume-mass-layoffs-supreme-court-rules/406589/>

Federal Funding Cuts Trigger Massive Nonprofit Job Losses

Chronicle of Philanthropy analysis reveals over 20,000 nonprofit job losses through July 2025 due to federal funding cuts, with early education programs particularly affected by Head Start payment delays. Organizations including Child Care Associates in Texas eliminated 302 positions while Planned Parenthood North Central States laid off 66 staff members in May alone. Candid research indicates 14,000 nonprofits could exhaust reserves within three months if government funding ceases, threatening 2.8 million jobs sector-wide. Organizations must accelerate diversification strategies and emergency planning as federal cuts create cascading operational disruptions. Source: <https://www.philanthropy.com/article/10-000-job-cuts-in-70-days-introducing-the-nonprofit-layoff-tracker>

Federal Hiring Freeze Disrupts Agency Operations

Continuing federal hiring restrictions create service delivery challenges for agencies overseeing nonprofit compliance and providing technical assistance, with reduced staffing affecting processing times for tax-exempt status applications, grant reviews, and compliance inquiries. These operational disruptions create additional uncertainty for nonprofits seeking regulatory guidance while extending timelines for routine administrative processes. Organizations must adjust planning timelines and develop alternative information sources for regulatory compliance and program development needs. Source: <https://deadline.com/2025/07/public-broadcasting-senate-funding-trump-rescissions-1236458885/>

OPM Human Resources Technology Modernization Initiative Creates Sector-Wide Precedent

Office of Personnel Management announced July 9-10 industry engagement events for government-wide human resources information technology modernization affecting 2,000-3,000 federal employees with enhanced position management, personnel actions, and workforce analytics capabilities. The modernization initiative establishes new requirements for interoperability with systems like EHRI, USA Staffing, and payroll platforms while implementing 95% user functionality requirements within 30 days of deployment. Nonprofit organizations should monitor federal HR modernization trends for potential impacts on contractor data reporting requirements and technology standards affecting organizational operations. Source: <https://executivegov.com/articles/omp-industry-event-federal-hr-it-modernization>

HHS Mass Layoffs Create Service Disruption for Health-Focused Nonprofits

Department of Health and Human Services implemented mass employee separations July 14 affecting thousands of workers across FDA, CDC, and NIH following Supreme Court authorization of federal workforce reductions. The layoffs represent continuation of March 27 restructuring eliminating 10,000 HHS employees while facing ongoing legal challenges from 19 states seeking preliminary injunctions against reorganization plans. Health-focused nonprofit organizations must prepare for reduced federal technical assistance and program coordination while strengthening relationships with local health departments and alternative information sources during federal capacity reductions. Source: <https://www.cnn.com/2025/07/14/health/hhs-layoffs-supreme-court>

IRS Developments

Clean Energy Tax Credit Elective Pay Expansion Affects Nonprofit Operations

IRS expanded access to clean energy tax credits through elective pay provisions allowing tax-exempt organizations to receive direct payments equivalent to 30% of project costs including solar and battery storage. More than 600 governments filed for reimbursement across all states with Treasury confirming final regulations enabling co-owned projects to access benefits. Organizations must complete pre-filing registration and submit annual tax returns documenting investments to receive direct payments rather than traditional tax credits. Source: <https://www.nlc.org/article/2025/03/04/update-on-elective-pay-tax-credits-what-cities-need-to-know/>

Technical Guide Updates Enhance Exempt Organization Compliance Resources

IRS published comprehensive Technical Guides replacing previous Audit Technique Guides with enhanced compliance resources covering Section 501(c)(3) application, exemption, and filing requirements. Technical Guide 3-1 provides updated guidance on foundation status and employment tax requirements while Technical Guide 13 addresses cemetery organizations under Section 501(c)(13). Organizations should utilize enhanced technical resources for improved compliance planning and regulatory interpretation while maintaining tax-exempt status eligibility. Source: <https://www.irs.gov/charities-non-profits/exempt-organizations-update>

IRS Enhanced Tax Professional Security Campaign Targets Identity Theft Prevention

IRS launched summer 2025 "Protect Your Clients; Protect Yourself" campaign July 15 warning tax professionals about evolving phishing schemes attempting to steal sensitive taxpayer data through sophisticated email attacks. Security Summit partners collaborate to raise awareness about data theft affecting tax professional community while providing enhanced protection guidance for client information security. Nonprofit organizations must strengthen data protection protocols for sensitive financial information while implementing enhanced cybersecurity measures protecting client and donor confidentiality during tax-related transactions. Source: <https://www.irs.gov/newsroom/news-releases-for-current-month>

Single Audit Threshold Modification Creates Compliance Planning Requirements

OMB Single Audit threshold increase from \$750,000 to \$1 million effective October 1, 2024 affects fiscal years ending September 30, 2025 and later with organizations expending less than \$1 million in federal awards typically exempt from Single Audit requirements. Type A program threshold increased to \$1 million with enhanced cybersecurity measures required for recipients including reasonable safeguards for federal award information and systems. Nonprofit organizations must assess federal expenditure levels for audit requirement determination while implementing enhanced cybersecurity compliance protocols for federal award administration. Source: <https://www.md-cpas.com/newsroom/insights/2024-single-audit-update>

Treasury State Local Fiscal Recovery Fund Reporting Creates Enhanced Compliance Requirements

Treasury Department released July 2025 Project and Expenditure Report User Guide establishing quarterly reporting deadlines for State and Local Fiscal Recovery Fund recipients with metropolitan cities and counties exceeding 250,000 residents required to submit annual Recovery Plan Performance Reports each July. Enhanced reporting requirements include geolocation data for broadband infrastructure projects and environmental compliance documentation for NEPA requirements. Nonprofit organizations receiving SLFRF funding or partnering with covered recipients must implement enhanced project tracking and environmental compliance protocols meeting federal transparency requirements. Source: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds/reporting-and-compliance>

Federal Grant Reporting Requirements Expand Through Multiple Agency Coordination

Multiple federal agencies implement enhanced grant reporting requirements including Federal Financial Reports annually within 90 days after budget period completion and Federal Funding Accountability and Transparency Act compliance for sub-awards exceeding \$30,000 through FSRS system transitioning to SAM.gov platform March 2025. Enhanced reporting includes invention disclosure requirements, property tracking protocols, and executive compensation documentation for qualifying organizations. Nonprofit organizations must strengthen administrative systems for comprehensive federal reporting compliance while implementing enhanced documentation protocols for sub-recipient monitoring and financial accountability. Source: <https://www.hrsa.gov/grants/manage-your-grant/reporting-requirements>

State Nonprofit News

Florida Hurricane Preparedness Season Coordination

Florida implemented comprehensive hurricane preparedness coordination with Division of Emergency Management during active Atlantic season with NOAA forecasting 13-19 named storms. Organizations providing shelter, evacuation, and disaster recovery services face new reporting requirements and coordination protocols for above-normal storm activity. Tampa Bay Regional Resiliency Coalition demonstrates enhanced coordination while Hurricane Loss Mitigation Program allocated \$7 million annually for nonprofit partnerships. Source: <https://tbrpc.org/about/services/emergency-preparedness/disaster-preparedness-and-recovery/>

New York State Nonprofit Funding Formula Implementation

New York implemented 2.6% funding increases for social service contracts affecting 3,200 nonprofit contractors statewide with restrictions requiring funds target recruiting support staff rather than executive salaries. Organizations face modified reporting obligations and enhanced performance measurement requirements while navigating reduced budget management flexibility. Implementation timelines require immediate contract modifications and administrative system updates for continued state funding compliance. Source: <https://nysfocus.com/2025/05/10/new-york-2025-budget-funding-guide>

California Budget Implementation Affecting Social Service Nonprofits

California budget maintains funding for social service nonprofits through restored allocations for food assistance and homeless services while establishing new accountability measures. Legislative advocacy secured full funding restoration for programs previously targeted for reductions, including CalFood program supporting food bank operations. Organizations must prepare for enhanced reporting requirements and outcome measurement protocols under revised state oversight. Source: <https://www.foodbankccs.org/2025/07/what-you-need-to-know-about-funding-cuts-to-food-banks-snap-and-medicaid/>

Illinois Nonprofit Reporting Requirements

Illinois Senate Bill 2930, effective January 1, 2025, requires nonprofits granting \$1 million+ to post aggregated demographic information of directors and officers online including race, ethnicity, gender, disability status, sexual orientation. Organizations must implement enhanced data collection systems while navigating privacy considerations and constitutional challenges questioning First and Fourteenth Amendment compliance. Legal consultation becomes essential for compliance planning and data collection procedures. Source: <https://www.courthousenews.com/federal-lawsuit-challenges-illinois-nonprofit-demographic-reporting-law/>

Oregon Consumer Privacy Act Expands Nonprofit Coverage Effective July 2025

Oregon Consumer Privacy Act extends coverage to nonprofit organizations effective July 1, 2025, requiring compliance with comprehensive data protection requirements for organizations processing personal data of 100,000 Oregon residents or 25,000 residents while deriving revenue from data sales. Nonprofits must conduct data protection assessments, ensure proper data collection and consent practices, and comply with consumer rights including opt-out provisions. Organizations face civil penalties up to \$7,500 per violation with enforcement by Oregon Attorney General's Office. Source: <https://vensure.com/employment-law-updates/oregon/reminder-oregon-ocpa-for-non-profits-effective-on-july-1-2025/>

Colorado Biometric Data Consent Requirements Affect Nonprofit Operations

Colorado requires employer consent before collecting or processing biometric data from employees or applicants effective July 1, 2025, affecting nonprofit organizations using biometric

systems for timekeeping, security, or identification purposes. Organizations must audit biometric data usage, update terms of use, and implement compliant data protection and storage procedures while obtaining employee consent for collection and processing activities. Failure to comply with biometric consent requirements may result in significant penalties and legal exposure.

Source: <https://inspiringhr.com/state-labor-law-updates-what-employers-need-to-know-june-2025/>

About Nonprofit Management Navigator

[Nonprofit Management Navigator](#) is a trade name of PMG46, LLC doing business as Nonprofit Management Navigator. Nonprofit Management Navigator provides this complimentary weekly subscription service designed for nonprofit leaders. This essential resource provides curated news updates on the legal, regulatory, and operational developments impacting organizations, saving executives time while keeping them informed about the important changes directly impacting their organizations. In addition to timely news, Nonprofit Management Navigator also offers in-depth reports and practical management guidance to help leaders navigate an increasingly unpredictable operating environment. What makes Nonprofit Management Navigator particularly valuable is its commitment to accessibility—the entire service is available as a complimentary subscription, ensuring critical operational intelligence reaches nonprofit leaders regardless of budget limitations during these chaotic regulatory times.

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