Funders Together TO END HOMELESSNESS

Policy Alert

What's Happening: Reconciliation Package Moves to Senate

Last week, House Republicans passed their tax package proposal and now the "One Big, Beautiful Bill" is moving onto the Senate, with many implications for nonprofits, philanthropy, and our collective efforts for housing justice. Here's what you need to know:

- This bill cuts programs many in our communities rely on for basic needs — including Medicaid, food stamps and disability payments. That means more of our neighbors will go to bed hungry, lose critical health insurance, and be at risk of homelessness.
- It would strip more roughly 15 million people of Medicaid, including people experiencing homelessness. It also imposes harmful requirements for Medicaid like work requirements, address and citizenship verifications, new out-of-pocket co-pays, and also prohibitions on gender affirming care for both adults and minors.
- The bill proposed a nearly 30% cut ($300 billion) to the Supplemental Nutrition Assistance Program (SNAP), which would impact 40 million participants.
- The provision allowing for the termination of the tax-exempt status of organizations labeled "terrorist supporting organizations" has been removed. While this is welcome news, we anticipate this will come up again during this Congress.
- It still includes the tiered tax structure that would dramatically increase the tax rate on foundation investment income—up to 10% for the largest foundations. If enacted, this would directly reduce funds available for grantmaking to communities across the country.

The bottom line is that like the troubling "starvation budget" proposal from the Trump administration, this bill, dubbed the "mega-bad megabill" by advocates, will make life even harder for people in our communities who are already crushed by sky-high costs for rent, food and medical care –especially those who are at the sharpest intersections of oppression.

Now is the time for advocates to reach out to U.S. Senators and oppose the dramatic cuts to life-saving programs. Funders Together is working closely with national and state partners to identify action and advocacy opportunities around the bill as it is taken up in the Senate.

Join Funders Together and Fund for Housing and Opportunity for our next monthly policy funder call on June 4 at 2:00pm ET / 11:00am PT as we discuss the provisions in this bill, its impacts, and what philanthropy needs to do.

What Philanthropy Can Do Now

Policy & Advocacy:

- **Educate your Senators about the connection between Medicaid and its role in addressing homelessness in your state,** then provide examples of the impacts these cuts will have on your communities and neighbors experiencing homelessness. Email Funders Together for talking points to aid these conversations.
- Encourage your foundation leadership, boards, and trustees to use their personal influence and voice to **push back on attempts to gut Medicaid and SNAP.**
- All foundations **can engage in advocacy with your Senators to oppose the increased investment tax on private foundations**. This tax increase will take vital resources away from local communities and have major impacts on our neighbors, especially those who are Black, Indigenous, people of color, LBGTQ+, disabled, immigrants, or unhoused. Email Funders Together for talking points to aid your conversations with Senators.
  - *The foundation tax provision directly affects foundations' ability to fulfill their charitable purposes, making this a permissible lobbying activity. Foundations may communicate with legislators about this specific issue without it counting as lobbying. This includes calling, writing, or meeting with legislators and their staff, as well as encouraging grantees and partners to do the same.*

Communications:

- **Publicly recommit to housing and racial justice** and articulate the actions your foundation will take to reinforce this commitment, like steady and increase funding towards justice efforts.
- **Secure placements via local media, op-eds, and other key publications** to talk about how detrimental cuts to critical programs like Medicaid are and how philanthropy is not and cannot be a substitute for federal funding. The expectation to fill gaps through private philanthropic funding is unrealistic and will leave many people without critical support, especially as the reconciliation package proposed an increased tax on private foundations. You can use this resource from the Center on Budget and Policy Priorities to review the impacts these cuts will have on people in your state.
- **Complete the survey from Funders Together and the Fund for Housing and Opportunity** to help us develop resources to support you as the actions of the federal administration are affecting funder priorities, grantmaking strategies, and response capacity.

State & Local Mobilization:

- Make the case to your foundation leadership to **increase your grantmaking** and make funds available through multi-year, unrestricted grants with minimal application and reporting processes. Funders Together can provide assistance in navigating these conversations with your leadership.
- Convene community partners and conduct a needs assessment. Then, **explore opportunities for pooled emergency funds to address the greatest needs.** While philanthropy cannot fill the gaps of government disinvestment in programs and services, philanthropy must do what it can to stave off harm to the millions of Americans who depend on government-funded support.

Litigation & Legal Strategy:

- **Resource current lawsuits under way** and talk with your grantee partners about other opportunities for legal action and what they need to execute it.
- **Invest in creating legal defense funds** for your community partners and connect them with legal counsel if needed.

Policy Resource Round-Up

- **Funders Together to End Homelessness:**
  - Federal Administration Action Resources for Philanthropy
  - A Call to Bold Action
  - FTEH Policy Update Archives

- **Center for American Progress:**
  - Congressional Republican Budget Bill Proposes Weakening Support for Homeless Individuals

- **Housing Narrative Lab:**
  - Call It What It Is: This megabill is MEGA-BAD

- **KFF:**
  - Health Provisions in the 2025 Federal Budget Reconciliation Bill

- **National Health Care for the Homeless Council:**
  - Homelessness and Medicaid: What's the Connection?

- **National Low Income Housing Coalition:**
  - Take Action to Protect Federal Housing and Homelessness Funding in FY26 with NLIHC's Advocacy Toolkit

- **Urban Institute:**

- Who Gains and Who Loses under a Tax Cut Extension with Medicaid and SNAP Spending Reductions

- **In the News:**
  - Congress should not pay for tax cuts by taxing charities (The Hill)
  - New Trump Administration Rules Could Cut Off Crucial Federal Homelessness Funding (KQED)

We are here to answer your questions or provide insights into public policy developments and opportunities. Please reach out at any time.

Lauren Bennett
Chief of External Affairs
Funders Together to End Homelessness