



# **Government Grants Reform**

For decades, governments at all levels have partnered with charitable nonprofits through written agreements to deliver a broad array of services to the public. Governments have largely found nonprofits to be good partners: mission-driven and more efficient and effective.

### The Challenge

Governments have paid nonprofits late, increased complexity in applications and reporting requirements, and imposed other costly burdens. These problems with government grants and contracting exacerbated the nonprofit workforce shortage crisis: in 2023, one out of five nonprofits (20.6%) identified challenges and limitations resulting from government grants and contracting practices as factors causing difficulty for nonprofits to retain and recruit staff.¹ Government grantmaking systems must be fixed to reduce costly administrative burdens and so people receive services when they need them.

## **Legislative Solution**

Congress can advance grants reform by enacting the *Streamlining Federal Grants Act*. The legislation would create opportunities for charitable organizations to work with government partners to overcome longstanding hurdles to access and perform under federal grants.

### **The Streamlining Federal Grants Act**

(S. 2286/H.R. 5934)

- Improves the effectiveness and performance of federal grants and cooperative agreements.
- Simplifies application and reporting requirements.

### **Impact on Charitable Nonprofits**

Numerous provisions in the *Streamlining Federal Grants Act* create opportunities for reducing burdens:

- Creates a reform process to address and overcome longstanding challenges and impediments that prevent charitable nonprofits from accessing grant opportunities.
- Mandates consultation with non-Federal entities, including charitable nonprofits.
- Elevates training and assistance opportunities for potential grant applicants.
- Orders a report to identify why charitable nonprofits choose not to participate in federal grantmaking and provide options to improve access.

#### The Ask

Will you cosponsor the *Streamlining Federal Grants Act* (<u>S. 2286/H.R. 5934</u>)?

<sup>&</sup>lt;sup>1</sup> 2023 Nonprofit Workforce Survey Results: Communities Suffer as Nonprofit Workforce Shortage Crisis Continues, National Council of Nonprofits, Aug. 30, 2023.

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