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Central Texas Nonprofits Face More Than \$42 Million in Federal Funding Losses, New Survey Finds

Cross-sector coalition releases first-of-its-kind regional snapshot as local funding pressures compound federal cuts.

(AUSTIN, Texas; April 22, 2026) — A coalition of Central Texas organizations today released findings from a community pulse survey showing that federal funding cuts are having an immediate and significant impact on the region's nonprofit sector — with over \$42 million in total funding either cut, frozen, or currently at risk across 82 responding organizations.

The survey, conducted in Q4 2025 by the Coalition to Assess Federal Funding Impact, is the first coordinated effort to quantify and document the scope of federal funding disruptions facing nonprofits in Austin's five-county metro area. The full report summary is being released alongside this summary.

Among the key findings:

- More than \$18 million in federal funds were immediately cut — representing 14 percent of all federal funds the responding organizations received.
- An additional \$4.3 million has been frozen and \$19.5 million remains uncertain.
- The 82 nonprofits that responded collectively employ 6,400 staff, 21 percent of whom are federally funded.

The human toll is equally stark. Already, at least 70 employees have been laid off with about 40 more expected in 2026. Organizations also report a cascade of difficult decisions ahead: reducing clients served, suspending programs, freezing hiring, and in three cases, potentially closing their doors.

“Our community benefits from a strong partnership between nonprofits, philanthropy, and government” said Adrienne Sturup, Director, Austin Public Health. “As funding landscapes shift, maintaining alignment and coordination across these sectors is essential to sustaining services and supporting community well-being.”

Mental health, family support, education, and youth services are among the sectors most heavily represented in the survey, and most exposed to ongoing disruption. The full report details the breadth of federal funding sources at risk, led by HHS, EDU, HUD, DOJ, and the Victims of Crime Act.

The picture has grown more complicated since the survey was completed. Austin voters rejected Prop Q, prompting an immediate \$5.3 million cut to city social service contracts, followed by a revised city budget proposal calling for an additional \$16.8 million in cuts to health and human services in 2026-2027. Charitable giving is also softening due to concerns over current and future economic uncertainties.

Upcoming changes to SNAP (April 2026) and Medicaid eligibility (January 2027) will add further strain on basic needs and health providers in the months ahead.

“This is a pivotal moment for our communities. Continued funding reductions weaken the nonprofit infrastructure that children, youth, parents, older adults, and people with health care needs rely on every day. Disinvesting in community will continue to widen the gaps in opportunity for our resident,” said Dr. Rosamaría Murillo, CEO of El Buen Samaritano and current Chair of One Voice Central Texas.

Demand for services, meanwhile, is rising. Larger nonprofits facing federal funding losses are increasingly competing for the same local philanthropic dollars that have historically supported smaller community organizations — compressing the entire sector's financial capacity to respond.

The coalition emphasizes that the 82 survey respondents represent only a portion of the region's nonprofit ecosystem, and that the true scope of impact is likely larger than the data reflects. The Central Texas Nonprofit Community Pulse Survey Summary is available at <https://bit.ly/CTXNPSurveySummary>.

The Coalition to Assess Federal Funding Impact

The Coalition includes: One Voice Central Texas, United Way for Greater Austin, Austin Public Health, Travis County Health & Human Services, Austin Community Foundation, St. David's Foundation, Nonprofit Austin at ACC, Central Health, the Sooch Foundation, I Live Here I Give Here, and the Austin/Travis County Public Health Commission.

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