

Federal Funding Survey – Summary of Results

February 1, 2025

After the administration's announcement on January 27 of a federal funding freeze, Foraker sought to quickly understand the potential impact in Alaska. To do this, we launched a survey that ran from January 28-30 and received 152 responses. As context, this response rate is unheard of in our work given its short window, indicating the confusion and fear faced by the respondents.

Those taking the survey provided information on the impact of a freeze on existing grants and contracts that are part of their regular course of business with federal agencies. We also asked about special tracks of funding like the Infrastructure Investment and Jobs Act, also known as the Bipartisan Infrastructure Law, and the Inflation Reduction Act. All the funding in question was approved by Congress. Importantly, several pending lawsuits have temporary restraining orders (TROs) that require agencies to continue funding for now. Still, nonprofits, tribes, and municipalities continue to face demands for reviews tied to the President's executive orders, and in some cases funding portals are still unavailable.

While respondents were primarily from nonprofit organizations, we also heard from tribes and businesses that are impacted by federal funding. Respondents came from rural and urban Alaska and from missions that represent the lifespan of Alaskans from infants to seniors.

The results present a quick snapshot of a catastrophic impact on the health and well-being of Alaskans and the organizations that serve them.

Key takeaways

The President's recent executive orders and subsequent directions from the Office of Management and Budget (OMB) related to federal funding are particularly detrimental to Alaska and Alaskans because the state is:

1. Struggling to rebound economically since the pandemic
2. Experiencing the persistent challenges of the workforce shortage
3. Witnessing the impacts of a change in our landscape, environment, and the wildlife that flourishes on it

Program and mission impact of a federal funding loss, even temporarily

Organizations told us that federal funds are critical to operating revenue for core programming. Depending on the organization, we learned that federal funds could make up between 22% and 100% of operating revenue.

Just a few of the losses that organizations could experience are listed here:

- Infrastructure projects underway are impacted, which could result in higher future costs or jeopardize project completion.
- Basic safety net services (food, housing, health care) for vulnerable Alaskans are weakened and could be eliminated in some cases.
- Childcare and youth safety programming will be significantly diminished.
- Preventative services (suicide, Infant Learning Programs, etc.) will be diminished or eliminated.
- Basic education, arts, cultural preservation, as well as science and wildlife research, will be diluted or cease to exist.
- Alaskans' health and individual safety, especially for the most vulnerable, are at risk.

Summary of overall organizational impact if funding is not restored in a timely manner

- Decreased or a stop to communication from federal personnel on existing or potential grants
- Short-term survival for some programs without current federal funding, but definitely not long-term survival
- Awarded federal grants requiring descriptions for how DEI would guide their work could be rescinded
- Consideration of cashing financial investments or taking out bank loans to bridge a funding gap, BUT uncertainty for if or how long these strategies can sustain operations
- Concern that a lengthy freeze will force some organizations to close their doors
- Concern that critical Alaska Native cultural education and preservation services are jeopardized or will cease
- Concern that research is jeopardized or will end in the areas of marine science, environment, and health
- Concern regarding payment of committed federal reimbursements following the years spent planning, preparing, and applying for the grants

Other notable themes

- Many organizations are mid-cycle in existing federal grant(s) and some anticipated or were actively applying for new federal grant funding.
- Some federal funds that are used to provide federally required training in the marine industry will not be provided if the freeze remains in place.

Trickle down impacts across Alaska if funding is eliminated

- Increased unemployment
- Negative impact and reduced access to the Tribal health system
- Increased rates of substance misuse/abuse, suicide, and domestic violence
- Decreased physical and mental health, and well-being of Alaskans, including premature death
- A push of Alaskans to higher levels of care (emergency rooms, institutions, jails)
- Reduced access to safe drinking water, nutritious and traditional foods, and education
- The increased risk that Alaska Native culture, language, and traditions become extinct

Generative questions for navigating this current federal funding landscape

We encourage you to explore these questions and begin the process of scenario planning based on your answers.

- What role or level of federal funding can be removed (if any) without jeopardizing the core of your programs?
- Are there steps you can take now to insulate your risk without over-correcting or diminishing your organizational values? How do you adapt and continue to support community partners to meet the needs of Alaskans and our communities?
- Are there other non-financial resources or support that could help mitigate potential irreparable damage?
- What communication strategies are necessary to keep your internal team informed? What core messages need to be developed? What external stakeholders need to be notified of your current risk so they can best partner with you or not be surprised by the outcome?
- Is your organization in a position to directly advocate or share your story with policymakers?
- Are there any other strategies that could be deployed that are specific to your work that can mitigate risk?