

Nonprofits face uncertainty under Trump funding freezes

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Nonprofit leaders across the state are warning that cuts to technical assistance, staff reductions in federal housing offices and the anticipated loss of millions of dollars in grants under the Trump administration are creating ripple effects — threatening the long-term stability of Hawaii's social safety net.

While the full impact has yet to hit, organizations are sounding the alarm as they mark National Volunteer Month in April with the goal of building volunteer reserves to shore up the future of essential community services.

"Everybody is going to feel it, even if they didn't directly get a federal grant canceled," said Keone Kealoha, executive director of Kanu Hawai'i, which hosts a statewide volunteer platform connecting more than 435 nonprofits. "The ecosystem is going to feel it."

In an effort to counterbalance the looming funding gaps, Kealoha's team is leaning into the publicity around National Volunteer Month to rally local residents around the causes most at risk.

"We're promoting Volunteer Month as one way to get to know the organizations that are out there on the front line," he said. "Now is the time for us to get out there and make the connections."

Kanu Hawai'i is coordinating hundreds of volunteer opportunities across seven islands throughout the month. The organization also has launched its largest annual outreach effort, personally contacting every nonprofit on its platform to ensure their listings are current and visible.

For many nonprofit leaders, volunteerism is not just a stopgap measure — it's a lifeline for their communities and a powerful way to build resilience while formal support structures falter.

"Volunteering is something that is so special both for the volunteer and for the people that the volunteer is serving," said Ryan Catalani, Family Promise of Hawai'i executive director. "It can uplift the whole community just through this act of service."

Need of volunteers

FPH, which supports homeless and at-risk families on Oahu and Maui, needs volunteers to serve weekly meals, organize children's activities and lead parent workshops. On Oahu, dinner volunteers are encouraged to sit and eat with families, creating meaningful connections. On Maui, similar programs are launching in June.

But like many others, Catalani is deeply concerned about the financial picture.

"About 75% of our budget for 2025 is anticipated to come through federal funds of various sources," he said.



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Partners in Care is one of the many organizations that are likely to be affected by federal cuts. Laura Thielen, executive director at Partners in Care, prepared to attend a meeting with her staff Thursday.

"We are definitely always monitoring the latest news and updates because the last thing that we want to happen is a major disruption to the programs that are serving some of the most vulnerable families on Oahu and Maui."

He emphasized that while FPH has a diverse funding base — including support from the city, state, private foundations, individuals and corporate sponsors — the sheer size of federal grants means their loss would create enormous gaps.

"Even if we have a wide range of funders, a few large federal grants carry a lot of weight numerically," he said.

Major consequences

Partners in Care, the lead Continuum of Care agency for Oahu, also is bracing for major consequences.

Laura Thielen, Partners in Care executive director, told the Honolulu Star-Advertiser that the organization was awarded more than \$16 million from the U.S. Department of Housing and Urban Development, intended to support housing and homeless programs for one year.

Nearly \$2 million in Emergency Solutions Grant funding — which flows through the City and County of Honolulu — also is in play.

Thielen said these contracts have not been rescinded, but critical infrastructure supporting these grants already has eroded.

"All of our technical assistance that we usually have available to us — those contracts look like they've been mostly pulled," she said. "Our local HUD field office has been affected by staffing cuts."

Thielen explained that several staff members at the field office, including the newly appointed lead, were probationary employees, so they were laid off.

"We don't know exactly why everyone left," she added, "but we've seen a significant reduction in support."

PIC typically works with up to four separate HUD-funded technical

assistance providers. Thielen said that support is now drastically reduced, forcing organizations to scramble for alternatives.

"We are actively looking at other sources of funding. That can include anything from private philanthropy to state and city general funds," Thielen said. "They know this issue is coming up. Thousands of people would lose their housing over the course of the next eight months if these contracts do not go through."

Nonprofits say they face a perfect storm: travel industry slowdowns, economic uncertainty due to tariffs, and increasing pressure on social services. Even groups that don't rely directly on federal dollars are bracing for impact.

Kealoha from Kanu Hawai'i warned that "money is going to have to be reallocated from local foundations, which is going to limit the amount of funding available for other nonprofit work."

"A lot of times, the organizations taking the biggest hits are the ones with bigger budgets because they're doing more comprehensive work — large-scale food delivery, housing projects or social services," he said. "Every time there's a disaster, it's the nonprofit community that steps up. We don't need to wait for a disaster if we can read the signs — they're right in front of us."

Catalani echoed the sentiment.

"There are so many nonprofits and community-based organizations in Hawaii doing essential work," he said, noting the range from health and human services to environmental and cultural preservation. "When any program is forced to stop their operations — especially so abruptly — it can be a major loss for that community."

Family Promise of Hawai'i has seen this dynamic play out repeatedly in recent years.

"We shifted and expanded to serve the needs of the community during the COVID-19 pandemic,"

Catalani said. "We also responded to the Maui wildfires, which impacted so many people's housing and economic security. If there are disruptions again, we'll continue to think not only about our own operations, but how we can help the broader community."

Softening the blow

State and city officials have acknowledged the coming crisis and are taking early steps to soften the blow.

Catalani pointed to Senate Bill 933, which aims to provide one-time, nonrecurring grants to nonprofit organizations offering critical services in Hawaii. The bill advanced in the House on Friday and was placed on the calendar for third reading, but a date has yet to be scheduled.

According to the bill, "Without assistance from the federal government, Hawaii's federally qualified health centers, and programs that provide child care, social services, subsidized housing, and homeless services, will see a significant drop in funding."

The bill requires that the grants that are awarded through the law "are in the public interest and for the public health, safety and general welfare."

Catalani also noted that Honolulu Mayor Rick Blangiardi is proposing a city contingency fund to provide essential services if federal funding is interrupted.

"I hear it from both the city and state levels. They're acutely aware of the uncertainty nonprofits are facing," he said. "They want to make sure essential services continue, even if the underlying funding changes."

That's why nonprofit leaders urge the public not to wait to volunteer.

"Before these organizations lose their capacity to even engage volunteers — because of layoffs and shrinking resources — now is the time to build relationships through service," Kealoha said. "This is about keeping Hawaii Hawaii."