

June 12, 2025

The Honorable Charles Grassley
135 Hart Senate Office Building
Washington, DC 20510

The Honorable Joni Ernst
260 Russell Senate Office Building
Washington, DC 20510

RE: Protect Iowa's Nonprofits and Communities—Reject Harmful Provisions in the Budget Reconciliation Bill (H.R.1)

Dear Senators Grassley and Ernst,

We, the undersigned nonprofit organizations from across Iowa, write to urge you to reject provisions in the House-passed budget reconciliation bill (H.R.1, the “One Big Beautiful Bill Act”) that would directly harm Iowans and undermine the nonprofit sector’s ability to serve communities across our state.

This bill threatens critical federal programs like Medicaid, SNAP, and Pell Grants—lifelines that help Iowans survive, work, and thrive. It also includes provisions that would make it harder for charitable organizations to sustain their missions and provide critical services to Iowans—which are needed now more than ever.

Medicaid & SNAP: Basic Needs Programs at Risk

The costs of healthcare and food are already out of reach for many Iowans. Cutting Medicaid and the Supplemental Nutrition Assistance Program (SNAP) programs by over \$1 trillion—as proposed in H.R. 1—simply cannot be accomplished without hurting children, families, seniors, and people with disabilities.

Over 730,000 Iowans rely on these two programs to get healthcare and buy groceries each month. Nearly two-thirds are enrolled in Medicaid alone; the other third are enrolled in both Medicaid and SNAP or in SNAP alone.

The harms from cutting these programs extend beyond individual enrollees to the communities they live in. SNAP’s economic multiplier effect helps boost local economies and keep rural grocery stores open. For every one meal provided by the Feeding America network, SNAP delivers nine. Cutting billions from SNAP would increase food insecurity and shift the burden to already overextended food banks, pantries, and community organizations.

Similarly, Medicaid plays an outsized role in sustaining healthcare in rural Iowa, where its revenue supports providers and Critical Access Hospitals that ensure underserved rural residents have access to necessary health services. Cutting billions from Medicaid threatens their ability to provide needed services like mental and maternal healthcare and in some cases to keep their doors open at all.

Higher Education and Workforce Development

Provisions reducing Pell Grant funding and other higher education supports would undermine workforce development at a time when Iowa is already struggling to fill essential jobs. These cuts would deny thousands of Iowans the chance to pursue higher education and better-paying careers, weakening our economy in the long run.

Threats to Charitable Giving and the Nonprofit Sector

As nonprofit organizations, we are alarmed by provisions in the bill that would negatively impact charitable giving and place new financial burdens on the sector. Proposals to narrow or cap the universal charitable deduction and impose new or expanded taxes on nonprofits and foundations would reduce donations, divert resources away from essential services, and undermine our ability to serve our communities. These changes would come at a time when demand for nonprofit services is rising, placing organizations across Iowa—and the people who rely on them—at risk.

We are encouraged that the bill includes a **non-itemizer deduction for charitable giving**, a step in the right direction. However, Congress should build on this momentum by expanding the deduction to its full scale, as proposed in the **Charitable Act**, a bipartisan bill introduced by Sen. Lankford and Sen. Coons. Expanding charitable giving incentives will strengthen the ability of nonprofits to meet increasing needs in our communities.

Nonprofits are not just service providers; we are employers, economic engines, and community lifelines. Federal policy should support and expand charitable giving, not restrict it. We urge you to protect the nonprofit sector and the Iowans we serve.

We urge you to:

- **Reject cuts to SNAP, Medicaid, and Pell Grants**, which will harm Iowa families and increase pressure on community-based nonprofits.
- **Preserve incentives for charitable giving**, which are essential to sustaining nonprofit services across the state.
- **Protect the integrity and independence of the nonprofit sector** by rejecting provisions that could be used to threaten tax-exempt status without due process.

We are counting on you to stand with Iowans and protect the programs and policies that help our communities thrive.

Sincerely (97),

AFSCME Council 61

Bethesda Lutheran Ames Bread for the World Ministry Team

Capital City Pride

Catherine McAuley Center

Center for Rural Affairs

Central Iowa Rainbow Families

CFUM Children and Family Urban Movement

Charles E. Lakin Human Services Campus

Common Good Iowa

CommUnity Crisis Services and Food Bank

Community Foundation of Northeast Iowa

Coralville Community Food Pantry

Crisis Intervention Service

Crittenton Center

Crossroads, Inc.

Danish Villages Improvement Org.

Des Moines Area Religious Council (DMARC)

Dickinson County Hunger Coalition

Disability Rights Iowa

Domestic Violence Intervention Program

Downtown Disciples

Drake Grants & Consulting LLC

Eastern Iowa Regional Housing Authority

Easterseals Iowa

Eat Greater Des Moines

EDEN+ Fundraising Consulting

Energy Association of Iowa Schools
Epilepsy Foundation Iowa
Everybody Wins! Iowa
EyesOpenIowa
Feed the Pack
Firefly
Food Bank of Iowa
Friends of the Family
Good Samaritan Food Pantry
Greater Poweshiek Community Foundation
Grinnell United Way
Harv-Ware (Minor Home Maint. Assistance)
Inclusive Communities
Indivisible Iowa
Inter-Faith Response, Inc.
Iowa ACEs 360
Iowa Alliance of YMCAs
Iowa Association for the Education of Young Children (Iowa AEYC)
Iowa Citizen Action Network
Iowa Citizens for Community Improvement
Iowa City UNESCO City of Literature
Iowa Coalition Against Domestic Violence
Iowa Coalition for Integration & Employment
Iowa Community Action Association
Iowa Council of Foundations
Iowa Environmental Council

Iowa Faith & Climate Network
Iowa Federation of Labor, AFL-CIO
Iowa Hunger Coalition
Iowa Mental Health Advocacy
Iowa Nonprofit Alliance
Iowa Public Health Association
Iowa Safe Schools
Iowa State Education Association
Iowa Valley RC&D
Johnston Partnership
Latinas Unidas por un Nuevo Amanecer (L.U.N.A.)
League of Women Voters Metropolitan Des Moines
Monsoon Asians & Pacific Islanders in Solidarity
New Leaf Therapy
One Iowa
Orchard Place
Otto Schoitz Foundation
Ottumwa Legacy Foundation
Prevent Child Abuse Iowa
Progress Iowa Education Fund
Project Iowa
RESULTS Iowa
SAL Community Services
SALUD-Multicultural Health Coalition
Scofield Strategic Solutions
Siouxland Pride Alliance

South Central Iowa Community Action Program
Southeast Linn Community Center
Table to Table Food Distribution Network
The Arc of East Central Iowa
The Bird House Hospice Home of Johnson County
The Fellowship Cup
Together
United Way Muscatine County
United Way of East Central Iowa
United Way of Jasper County
United Way of Johnson & Washington Counties
United Way of Mahaska County
United Way of North Central Iowa
United Way of Winneshiek County
United Way Quad Cities
United Ways of Iowa
Upper Des Moines Opportunity, Inc.
Urbandale Food Pantry
West Central Community Action