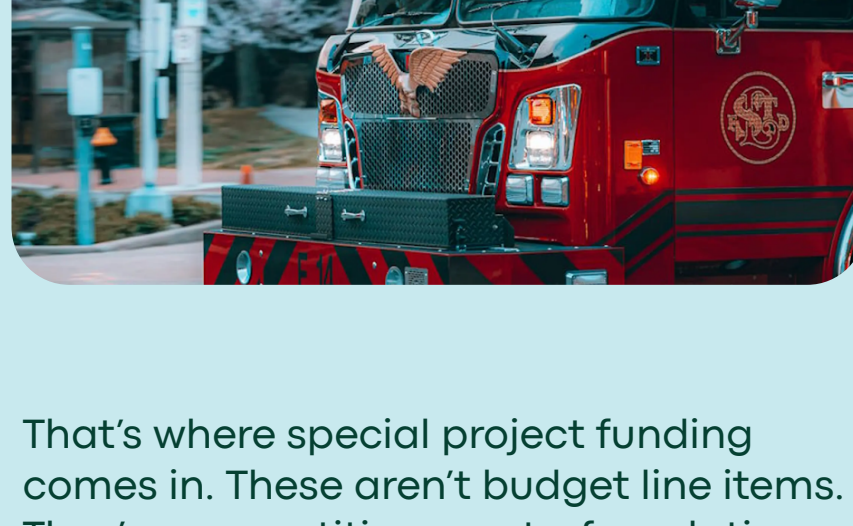


NavLetter Q1 2025

Navigator's Grant Funding Outlook Newsletter

Local governments are entering 2025 under pressure, tasked with rising responsibilities and flatlined budgets. To adapt, many are pursuing special project funding to fill widening gaps.

At Navigator, we work with departments across the nation, fire, police, 911, K-12, and more, that are stepping up to meet rising community expectations, aging infrastructure, and growing operational demands. The common thread across the country is clear: They have the leadership and urgency to act. What they don't always have is the funding to match.



That's where special project funding comes in. These aren't budget line items. They're competitive grants, foundation dollars, and capital campaigns that help departments purchase mission-critical equipment, modernize outdated systems, and launch programs that serve their communities in tangible ways. In many cases, they're the difference between action and delay.

2000

Departments reviewed

81.6%

Departments focused on improving efficiency

32.2%

Departments with funding secured

Q1

2025

In Q1, we reviewed project data from nearly 2,000 departments using our platform. What we found reflects what we've seen on the ground. Departments are prioritizing critical projects. These are not "nice to have" investments. They are basic requirements to keep their organizations operational. 81.6% of departments are focused on improving efficiency, whether by upgrading existing systems or implementing entirely new technology. And yet, only 32.2% of departments have any funding secured when they begin. The urgency is real, and so is the gap.

This quarter's NavLetter brings it all together: what departments are prioritizing, the most active federal and state programs, and what we believe will shape the funding environment for the rest of the year. Whether you're already managing a grant pipeline or just starting to explore what's out there, we hope this gives you a clearer view of the landscape and a few ideas for where to go next.

Let's dive in.

► Quarter in Review: What Happened in Q1

The first quarter of 2025 brought significant shifts in the local government grant landscape. In late January, the new administration's Office of Management and Budget (OMB) shocked agencies with a memo temporarily freezing federal grants and aid, only to rescind it two days later after swift legal challenges. This brief "pause" still created uncertainty, especially since it came paired with new executive orders refocusing federal priorities (for example, an order to eliminate all federal DEI and environmental justice programs). In practical terms, many grant-making agencies slowed or reviewed their funding programs to ensure alignment with these policy changes, making local officials understandably anxious about the reliability of federal support.

At the same time, the fiscal environment for localities tightened. December 31, 2024, marked the deadline to obligate American Rescue Plan (ARP) recovery funds. Any money not committed by then had to be returned to Treasury. In Q1, cities and counties could no longer count on that flexible ARP cushion and increasingly turned back to competitive grants to fund projects. Economic signals remained mixed (inflation and higher interest rates continue to squeeze local budgets), so external funding is more crucial than ever. The good news: federal and state programs are still churning out dollars, but capturing them requires strategy, as we outline below.

Several major funding programs saw robust activity in Q1. Notably, the FEMA Assistance to Firefighters Grant (AFG) FY 2024 cycle closed in late December with a flood of requests: 7,175 applications totaling nearly \$4 billion in needed fire/rescue equipment. This is far above what FEMA can award, underscoring how competitive the environment is. Demand for grants continues to outstrip supply. Other federal programs (from transportation to broadband) progressed through planning or award phases, often with high interest from local governments. State governments also mobilized their own grant initiatives, in some cases using federal infrastructure funds to launch state-level programs for broadband, housing, and more.

However, Q1 ended on a cautionary note for climate resilience projects. In early April, FEMA terminated the BRIC program (Building Resilient Infrastructure and Communities), even canceling outstanding mitigation grant applications from recent years. This unprecedented move, officially a Q2 development, has sent states and localities scrambling for alternative resilience funding. Overall, Q1 of 2025 can be characterized as a period of adjustment, with local agencies pivoting to a post-ARP, policy-shifting world, staying agile amid both opportunities and uncertainties.

► Top 3 Insights from Navigator Platform Data

Projects are Small, Urgent, and Focused on Essentials

Local governments are largely pursuing bite-sized projects with quick turnarounds rather than massive capital endeavors. In our Q1 sample, 77% of proposed projects had budgets under \$100,000, and nearly 70% of departments hoped to complete their projects within 6 months. This reflects a focus on immediate needs and "quick wins." The vast majority of projects involve buying equipment or gear. 87% include an equipment purchase, which makes sense as equipment can directly improve services. Many departments are targeting core safety and service outcomes. When asked about primary project impact, 66% said "save lives" was the top priority.

More than half of projects were described as mainly benefiting the department's own operations (internal improvements like modernizing tools or facilities), versus about 30% aimed primarily at the broader local community and only a small sliver with regional impact. The picture here is of local agencies trying to shore up their essential infrastructure and capabilities, quickly and pragmatically. Projects tend to be scoped to what a department can realistically tackle in under a year, with tangible assets (e.g. vehicles, radios, software) rather than long-term programs. This strategy of "small and essential" likely helps departments show immediate results, an important consideration when budgets are tight and political leaders and the public want to see value fast.

Funding Gaps Persist, Most Projects Lack Identified Funding

A striking finding from Navigator's Q1 data is that local departments have many projects in the pipeline without money secured to pay for them. Over 95% of projects had no funding source confirmed at the time of analysis, meaning they're essentially unfunded needs awaiting grants, new budget allocations, or other financing. In fact, about 4 out of 5 projects were new initiatives that the department has never tried to fund before (79.5% of respondents said they had not previously sought funding for that project).

This suggests that many agencies are putting fresh ideas on the table, likely inspired by community needs or new grant opportunities, but they're starting from square one in terms of funding. The flip side is only ~5% of projects already had any funding earmarked (whether local budget, grant, or other). This wide gap underscores how heavily local governments are counting on external funding in 2025. With ARP funds gone and few internal reserves, departments are banking on competitive grants, state aid, or partnerships to get these projects off the ground. It also means tough choices ahead: not every idea will find dollars. Agencies will need to prioritize projects that best align with available grants or demonstrate the most urgent needs. The takeaway here is a reminder that the pipeline of local projects is full, but the financing is lagging, a reality that vendors and funding agencies should be aware of when working with these communities.

Internal Capacity is a Bottleneck (but Leadership is Stepping Up)

Our data shows that while local departments are eager to pursue grants, they often face resource and staffing challenges in doing so. For example, 42% of departments indicated they want to hire a grant writer for their project, yet the majority have not identified who that would be. Of those interested in outside help, 86% have no budget set aside for a grant writer, and only a small fraction (about 15% of those wanting one) actually have a specific grant writer lined up.

In short, many cities and counties recognize the need for grant-writing expertise but lack the funds to obtain it. This leads to burdening internal staff with the application process. Nearly half of departments (around 44%) said the responsibility for managing the grant application falls on an Administrative division (on top of their other duties), rather than a dedicated grants specialist. Only about 17% have a finance or grant-specific team leading the process.

On a positive note, most projects do have high-level buy-in. 74% reported having approval from department leadership or elected officials to pursue the project. Leadership involvement goes even further after an award. In two-thirds of cases, departments said a department head or other top leader will personally handle grant reporting and compliance if the project is funded.

This shows that local leaders are willing to roll up their sleeves to win and manage grants, which is encouraging, but it also highlights a structural issue: capacity and staffing remain thin. One in four projects (26%) is being pushed forward without formal leadership approval yet, a potential risk if political support doesn't materialize, and many staff tasked with grant duties are juggling it on top of regular jobs. The key insight is that internal capacity and coordination are a work in progress. Departments that invest in training staff or sharing services for grant writing, and those that secure clear backing from officials early on, will have a smoother path. Others may struggle with the complexity of applications and grant management unless they build more support around the process.

► What to Watch in Q2, Q3

Looking ahead to the next 6+ months, there are several major programs and trends that local governments (and the vendors who serve them) should keep on their radar. Being proactive about these opportunities, and challenges, will help you plan and prepare, rather than scramble. Here's what to watch:

FEMA Fire Grants (AFG, SAFER, FP&S)

The big three fire service grants are in motion. The FY 2024 SAFER (Staffing for Adequate Fire and Emergency Response) and FP&S (Fire Prevention & Safety) grant application periods opened in Q1 and are either closed or closing soon. If your fire/EMS department applied, anticipate award announcements toward late Q3 or Q4 of this year; traditionally, FEMA begins announcing SAFER awards around August/September. Start planning now for what comes next: SAFER hiring grants require that you recruit and onboard firefighters quickly, so line up your candidate pools and ensure your governing body understands any local match or retention obligations (note: SAFER grants typically have no cost-share or match, but you must maintain staffing levels). If you missed this SAFER/FP&S round, mark your calendar for the next cycles: the annual AFG (Assistance to Firefighters Grant, for equipment and vehicles) usually opens in the late fall (e.g. November), and SAFER/FP&S will follow about a year from now. Use the coming months to identify your department's needs and gather data (incident stats, safety gaps) so you'll be ready to craft a compelling application. Also, consider regional projects, many FEMA fire grants favor regional collaborations, so teaming up with neighboring departments on a joint application in the next round could improve your odds.

DOJ COPS Hiring Program

For police departments and sheriffs' offices, a key opportunity is open this spring, the FY 2025 COPS Hiring Program (CHP). The Department of Justice just released this NOFO, which provides up to \$125,000 per officer hired (over a 3-year grant period) to advance community policing. Agencies must move fast: an initial application (SF-424) is due June 25, 2025, and the full application by July 1, 2025. If you need to add or rehire officers, now is the time to apply. Plan for the 25% local match requirement and the fact that after the three years, your agency is expected to retain the officer positions (or otherwise sustain the community policing strategy achieved). Awards are expected around September 2025, so budget accordingly for a fall onboarding of new officers. For vendors working with law enforcement clients (e.g. technology or equipment providers), be aware that departments may delay certain purchases until they know the outcome of this grant, and if they win, they might have new funding to spend on related equipment and training (since COPS grants cover officer salaries). Helping your clients articulate how new officers will be used effectively (e.g. in community outreach units, traffic safety, school resource officers, etc.) can strengthen their applications, and indirectly support better outcomes for your solutions as well.

Homeland Security Grants (SHSP and UASI)

The Department of Homeland Security's Homeland Security Grant Program (HSGP), which includes the State Homeland Security Program (SHSP) and Urban Area Security Initiative (UASI), is entering its annual cycle. The FY 2025 HSGP NOFO was expected around April, similar to last year's release on April 16. This means states are currently applying to FEMA for their share of funding, with an application deadline likely in late May or June. For local agencies, the action will pick up in summer: once DHS awards funds to states (often by August), states will announce subgrant opportunities to local governments and regions for specific homeland security projects. What to do now: Coordinate with your state's homeland security/emergency management office before those grants are announced. States often have priority areas (cybersecurity, emergency communications, soft-target security, etc.) that they want to fund, find out what those are and identify projects of yours that fit. If you're in a UASI-designated urban area, get involved with your regional UASI working group to ensure your department's needs are part of the investment plan. Also, start preparing any necessary risk assessments or investment justifications; these grants typically require you to describe how your project addresses identified homeland security threats or gaps. Timing-wise, expect state/local SHSP-UASI application windows in Q3 (e.g. July, September), with quick turnarounds. Tip: have project narratives and budgets ready in draft form so you can plug them into state applications when the time comes. And remember, these grants often reimburse costs, talk to your finance folks about cash flow so you can front the money for purchases and get reimbursed without issue.

Resilience and Mitigation (BRIC & Beyond)

One of the biggest plot twists this year is FEMA's decision to cancel the BRIC program as of April 2025. Many communities spent months preparing BRIC applications for flood control, drainage, wildfire mitigation, and other resilience projects, and now those grants are off the table. If you were in that boat, don't despair, but do pivot. First, stay tuned for any signals of a replacement program: there's talk that Congress or FEMA might channel funds into other hazard mitigation avenues (for example, possibly bolstering the existing Hazard Mitigation Grant Program). In the meantime, focus on ready-to-go mitigation projects that you can quickly align with alternative funding. For instance, FEMA's post-disaster Hazard Mitigation Grant Program (HMGP) is still available if your area has a recent disaster declaration, make sure your priority projects are included in your local mitigation plan so they qualify when HMGP money comes. Also, some states are launching resilience grant programs of their own, using state funds or other federal dollars (watch for those, especially if you have shovel-ready infrastructure improvements like stormwater upgrades or backup power for critical facilities). The key advice here: don't shelve your resilience projects. Document the risk and community impact, those arguments will be useful for future grants or lobbying for funding. And consider smaller steps you can take now: for example, apply to FEMA's Flood Mitigation Assistance (FMA) grants if eligible, or incorporate mitigation components into other grant applications (many infrastructure grants reward projects that address climate risk). Lastly, keep an eye on policy developments, the landscape is shifting (the BRIC cancellation surprised everyone), so being informed is crucial. We will update you if new federal mitigation opportunities arise.

Broadband and Digital Equity

After a planning year, the massive Broadband Equity, Access, and Deployment (BEAD) program is transitioning into implementation. Each state received a BEAD allocation (collectively \$42.5 billion nationwide) and spent 2024 mapping needs and writing initial plans. Now in 2025, states are starting to open competitive grant programs to build broadband infrastructure in unserved areas. Expect a wave of broadband funding opportunities in Q2, Q4: some states (like Indiana, Pennsylvania, etc.) have already opened their first application rounds for ISPs and local partnerships, and many others will follow suit through late 2025. One important trend to watch: the federal government's stance on which technologies qualify for broadband funds is evolving under the new administration. The NTIA (which oversees BEAD) announced in March a shift to a more "technology-neutral" approach, aiming to let satellite internet and fixed wireless providers tap into more of the funding (a win for services like Starlink). States are being given additional guidance on how to include these alternatives alongside traditional fiber. For local governments, this means you should engage actively with your state broadband office and stakeholders. Make sure your community's needs (e.g. that one rural township with no fiber, or that low-income neighborhood lacking affordable service) are well documented and submitted during state public comment periods or challenge processes. Also, start partnering up: successful broadband projects often involve collaboration between local governments, internet providers, electric co-ops, and nonprofits. If you don't have an ISP partner for your area's high-priority project, now's the time to find one or even consider a regional consortium. The upcoming grant applications will be complex (requiring engineering plans, matching funds commitments, and more). By late 2025, many states aim to award their first BEAD grants, so use the next two quarters to position your locality for success. Whether that means streamlining your permitting process (to entice projects to your area), dedicating some local ARP-replacement funds as match, or investing in community outreach on digital literacy (to complement infrastructure with adoption efforts), now is the moment to act. The broadband funding train is leaving the station, and it's a once-in-a-generation investment, don't miss your stop.

Finally, a general word of advice: build your capacity and partnerships before you need them. The rest of 2025 will bring a steady flow of grant opportunities, but many will have short application windows or requirements that can stretch a small staff. Take Q2 and Q3 to shore up your grant readiness. This could mean training an existing employee on grant writing, budgeting a bit of money for a consultant grant writer on call, or coordinating with neighboring jurisdictions to hire a shared grant coordinator. It also means talking to your leadership and finance team about setting aside matching funds, even a modest local match can make your application more competitive, and some grants demand it. Encourage your department heads and elected officials to prioritize grant pursuits that align with your strategic goals, so when a NOFO drops, everyone is on the same page and approvals are quick. And don't underestimate the value of community partners: a nonprofit, university, or private sector partner can sometimes bring expertise or matching resources that strengthen your proposal.

If your team needs support, Funding Navigator offers access to expert guidance and purpose-built tools that can help you manage the process efficiently. Visit FundingNav.org to book a free funding consultation.

We hope this Q1 update helps you cut through the noise and focus on the signal. There's a lot happening in the funding world, but with the right preparation, you can navigate the changing currents. As always, Navigator will continue to monitor federal and state grant developments and provide guidance. Here's to a productive Q2 and beyond, good luck, and let us know if we can support your grant strategy in any way!