

# Strong Privacy Law Serves Vermonters + Nonprofits

Legislative Testimony

April 2026



# About Agility Lab

Agility Lab works with some of the nation's most respected nonprofits, universities, and foundations to build privacy readiness that protects mission impact, supports growth, and strengthens donor trust.

Prior to consulting I spent 16 years working in-house at nonprofits, think tanks, and the digital agencies that support them. I bring an operational and strategic perspective to privacy implementation and optimization.

## Reach out:



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# Why we're here

Vermont nonprofits and the national nonprofits who engage your constituents **run on the currency of trust.**

Because of that, they collect, hold, and share a tremendous amount of constituent data, including donor financial histories, health conditions, immigration status, reproductive rights questions, and family circumstances.

Much of this flows to vendors and platforms the organization has never fully audited nor understood.

Your bill in its current version protects nonprofits and the people who trust them.

## THE NONPROFIT DOOM LOOP →

↑ 04

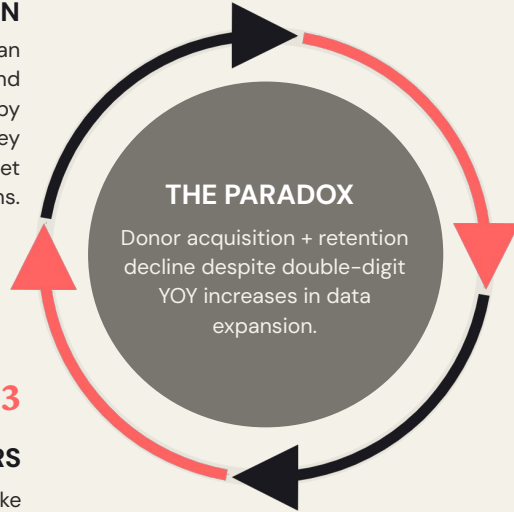
### DATA EXPANSION

Nonprofits turn to more data in an effort to expand their reach and donor base, often guided by vendors who stand to profit. They increasingly use AI to meet margins.

← 03

### INNOVATION BARRIERS

Charity watchdogs make innovation and staff spending difficult. Nonprofits rely on affordable technology that's PE-backed or made for the private sector.



### THE PARADOX

Donor acquisition + retention decline despite double-digit YOY increases in data expansion.

→ 01

### DONOR CONCENTRATION

Proportion of U.S. households giving to charity has fallen from roughly two-thirds to half since 2017's tax deduction changes; meaning fewer, wealthier donors account for an increasing share of all giving. Revenue is up, but donor count is down.

↓ 02

### FEDERAL FUNDING CRISIS

1 in 3 nonprofits saw federal funding disruption in 2025. USG funds made up 42% of funding for these groups. Private grant makers hesitate due to DEI mandate. Nonprofits seek to diversify via mass-market growth.

## CIRCULAR THINKING EXIT RAMP →

**Donor diversification, *done well.***

We break the loop with disciplined first-party data practices, hygiene, and partnerships — not through **more** data, but **better** data, used in ways that earn trust.

Privacy law can help establish the business case for investment in governance and technology, **equipping nonprofits to compete.**

Organizations raising \$50M annually spend \$5M-25M/year across ads, digital platforms, list vendors, and data brokers.

# The resistance to this bill is **misplaced**.

## Vendor & Ad Tech Ecosystem

Wealth screeners, list brokers, ad platforms, agencies, and PE-backed fundraising tech have a direct financial stake in keeping nonprofits in the data market.

## C-Suite Efficiency Pressure

Fundraising practitioners receive pressure to hit margins built for a different era. That pressure becomes resistance to anything that appears to constrain current tools.

## Small Nonprofits Caught in the Middle

Smaller organizations often lack counsel and/or technical staff to understand their actual risk exposure. They are susceptible to bad advice until they do.

Nonprofits deserve clear guidance and scaled timelines, not a weakened bill that only protects vendor profits.

# A visual of just some of the private equity in nonprofit tech.

And this doesn't include the full agency list.

The image displays a grid of 12 categories of nonprofit tech logos, arranged in a 4x3 layout. Each category is represented by a dark blue header with white text, followed by a collection of logos in various colors and sizes. The categories and their associated logos are:

- Online Fundraising:** Anedot, arfeva, BGenerus, BONFIRE, CauseVid, CAUSEVIEW, causevox, @charidy, CharityEngine, Classy, CLICKPLEDGE, crewdera, DOJIGGY, donorbox, dot drives.
- Donor Management:** bloomerang, charityproud, DonorDock, donorperfect, DonorSnap, leeo, engaging NETWORKS, Givebutler, hivebrite, keelo, Little Child Light, NationBuilder, NEON ONE, Personify, SALIENT SOFTWARE, StratusLIVE, virtuous.
- Grant Management:** allum, AmpliFund, EUNA, FLUXX, FOUNDANT, GivingData, GrantStation, instrument1, optimy, smartsimple, Submittable, wizehive.
- Diversified Platforms:** blackbaud, Bonterra, communitygrants, LUMIVERSE, Ministry Brands, salesforce.org, TOGETHER WORK.
- Enterprise Resource Planning:** aplos, aralyze, aws, boardable, Foundation Source, Microsoft, moneyminder, monkeypod, multiview, Ren, Resilia, SPARKROCK, uncommongood, Vee.
- Data & Analytics:** Affinaquest, ALTRATA, boodleAI, BRIGHTHIVE, data axle, DONORSEARCH, GRASSROOTS ANALYTICS, Humanitru, iLUVU, omatic, trueimpact, wiland, WINDFALL.
- Corporate Social Responsibility:** benevity, deed, Givinga, Goodera, KAMBEA, millie, Pledge, selflessly.
- Volunteer Management:** IMPACT, galaxy, Golden, Hub4Good, signUp, VolunteerHub, VolunteerMark, VolunteerMatch.
- Digital Marketing:** Campaign Partner, Constant Contact, Feathr, Firespring, GoodUnited, MissionWired, PURSUANT, RICKI, RunSignUp, Auction Pro, WEBCONNEX.

# Let's discuss three nonprofit data-use scenarios **putting constituents at-risk.**

## 01

Sensitive Data  
Collected Without  
Minimization Training

## 02

Unmapped Data Flows  
+ No Purpose  
Limitation = Legal  
Exposure

## 03

"Consent" by Co-Op  
Fine Print

*Hypothetical composites based on situations that arise within nonprofits without data governance.*

# The bill's current provisions point nonprofits toward the **practices they should be building.**

## DATA-LEVEL EXEMPTIONS ONLY

### **Accountability based on what organizations actually do with data.**

Entity-level exemptions let organizations off the hook simply by category.

Data-level exemptions create the incentive for nonprofits to ask the right questions internally about how it collects, shares, or sells data.

## LAYERED ADVERTISING DEFINITIONS

### **Removal of barriers for consent-forward advertising practices.**

Targeted advertising using constituent data — especially sensitive data — drives fraud, wastes budget, and makes small nonprofits data-collection pawns.

First-party and contextual advertising are legitimate means for reach. This bill explicitly removes barriers to them while regulating the practices creating constituent risk.

# Myth: “Nonprofits can’t afford to comply”

## What a foundation actually costs

<b>Privacy gap analysis</b>	\$10,000–\$20,000	One-time
<b>Policy foundation</b>	\$3,000–\$7,000	One-time
<b>Consent management</b>	\$3,000–\$5,000	Annual
<b>Staff training</b>	\$5,000–\$10,000	To start

**Total foundation: \$21,000–\$43,000**

### National nonprofits are already spending in these areas.

Their added costs would be incremental and based on marketing volume. Right now, most data brokers are covering the costs of added compliance without pass-through.

## What poor practices cost

### Data breach exposure

~\$160 per record. At 50,000 records: \$8M potential liability before legal fees.

### Breach notification

Vermont law requires notification to affected individuals. Staff time, legal review, and reputational cost all factor in.

### Regulatory action

Civil penalties could be at-play for failure to maintain reasonable data security practices.

### Funder/partner exclusion

An increasing number of funders and corporate partners require evidence of data governance before entering a relationship.

# Myth: "Privacy compliance will cost us revenue"

What organizations actually gain:

<p><b>GAIN 01</b></p> <p><b>Intentional CRM intake</b></p> <p>Clean sourcing and a documented consent basis builds a file of people who actually want to hear from you. Less wasted budget.</p>	<p><b>GAIN 02</b></p> <p><b>Less technical debt</b></p> <p>Auditing tags and tracking scripts removes unknown third-party data sharing, speeds up the site, and makes analytics more accurate.</p>	<p><b>GAIN 03</b></p> <p><b>Faster vendor &amp; funder negotiations</b></p> <p>DPA's, privacy policies, and a vendor intake process shorten the path to yes.</p>	<p><b>GAIN 04</b></p> <p><b>Discernment on resourcing</b></p> <p>Data retention and minimization forces orgs to ask which records they actually need — and why. Better portfolio decisions follow.</p>	<p><b>GAIN 05</b></p> <p><b>Growth in trust</b></p> <p>According to McKinsey, leaders are 1.6x more likely to see revenue growth of at least 10% annually from investment in digital trust. Trust is the differentiator, and privacy accelerates it.</p>
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Privacy practices also spare nonprofits from potential reputational harm, which has revenue consequences.

# Thank you

**Questions?** Contact Elyse at  
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# Appendix: What implementation support for nonprofits looks like

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## SUPPORT REQUEST

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01

### Scaled timelines

Smaller organizations need longer runway. A tiered compliance schedule based on operating budget or number of records held would allow small nonprofits to phase implementation without the same pressure as large nationals. Connecticut and other states have used revenue thresholds to scale obligations, which is a reasonable model.

04

### Model contracts and templates

Standard data processing agreement templates, vendor intake questionnaires, and privacy policy language that nonprofits can adapt without hiring outside counsel would reduce implementation fear. The cost of legal review is one of the most frequently cited barriers.

02

### Reasonable safe harbor for good-faith compliance efforts

Organizations that can demonstrate they are actively working toward compliance, have documented a data inventory, and have assigned ownership should have some protection from enforcement action during a defined transition period. This reduces the fear that drives opposition from small nonprofits without counsel.

05

### Attorney General enforcement discretion signals.

A public statement from the AG's office indicating that enforcement priority will focus on organizations that knowingly and repeatedly violate the law, rather than organizations making good-faith efforts, reduces the fear that a small nonprofit will face action for an inadvertent gap.

03

### State-provided or subsidized guidance

A plain-language compliance guide specific to nonprofits, published by the Attorney General's office, would dramatically reduce the cost barrier for small organizations. Several EU member states published sector-specific GDPR guidance that reduced compliance costs considerably.