

Common Good Vermont

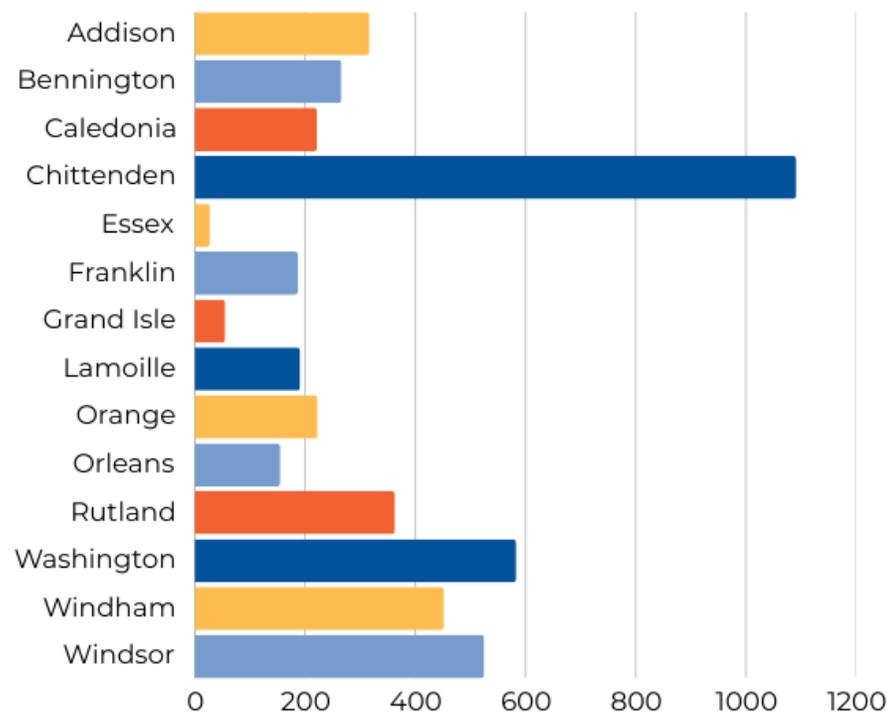
**UNITING VERMONT'S NONPROFIT SECTOR
FOR THE COMMON GOOD**

Common Good Vermont is a statewide program of United Way of Northwest Vermont

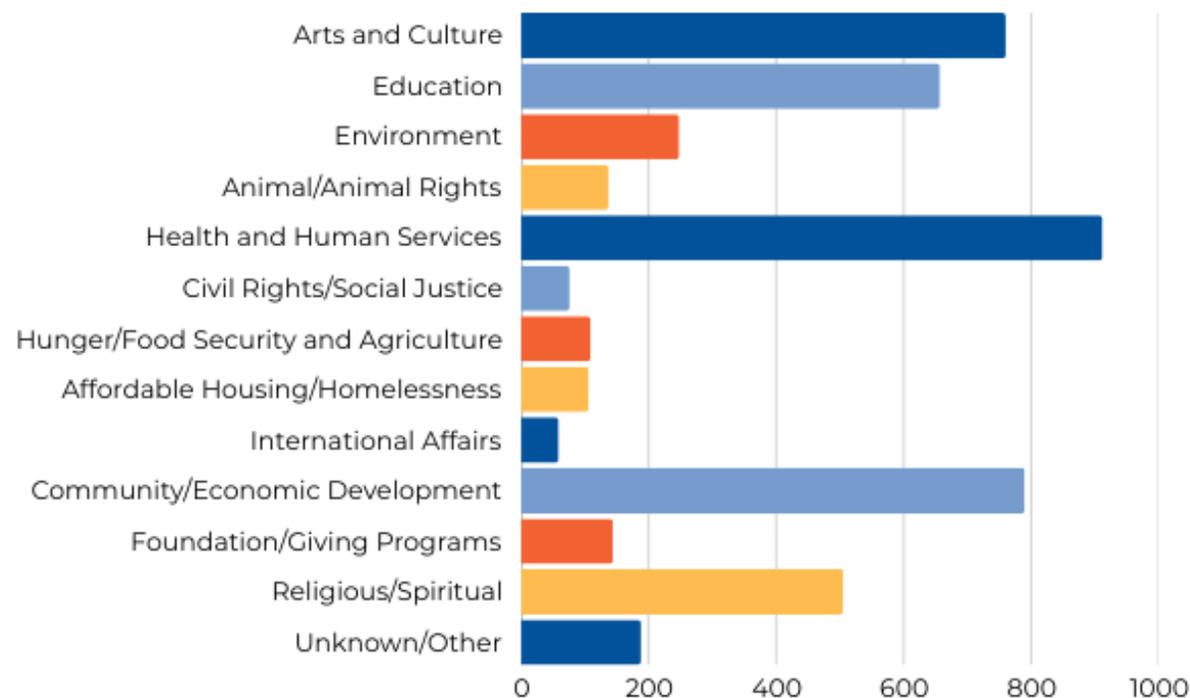


The Nonprofit Sector in Vermont

NONPROFITS BY COUNTY

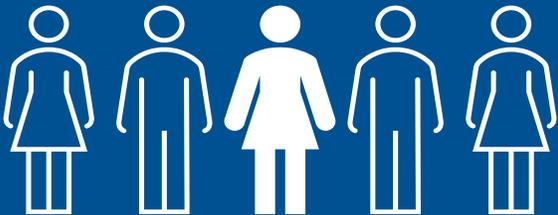


NONPROFITS BY MISSION AREA



Vermont Nonprofits Are Economic Drivers

1 in 5 Vermont Workers Works for a Nonprofit



Vermont nonprofits are **major employers**.



Nonprofits are **good for our local economy** and **generate economic activity**.



Nonprofits **create work opportunities** for individuals beyond those they employ directly.



Nonprofits **attract residents and other employers**.



Nonprofits **partner with the government** to provide state and federally mandated programs.

What is Changing

Federal Impacts

- Executive orders, priorities of the Administration
- Funding cuts, freezes, conditions
- Policy changes
- Barriers to benefits including Medicaid work requirements, ACA, food nutrition programs, charitable giving, housing vouchers
- Government shutdown
- Threats to nonprofit nonpartisanship, 501(c)(3) status

Uncertainty looking towards 2026

Increased community needs

Resource scarcity

Collaboration, partnerships, shared services

Recommendations from the Treasurer's Taskforce on the Federal Transition's Final Report

9. **Augment private sector and non-profit associations for parts of the economy facing increased risk and charge them with proactive convening.** While the future is not predictable, there seems to be a greater probability of dislocation in Vermont's tourism, health, agriculture, housing, municipal, non-profit, and manufacturing sectors. Many of the relevant associations the Task Force spoke with – like the Vermont Bankers Association, the Chamber, VBSR, Common Good Vermont, the Association of General Contractors, and the Vermont League of Cities & Towns – are already very familiar and focused on these risks.

It is possible that relatively small philanthropic investments in these associations, or encouragement and technical assistance from State leaders, could help strengthen these associations' ability to play a powerful convening role in leading discussions about how reduced federal funding or changes in prices and markets caused by an era of higher tariffs will impact their operations. Proactive conversations can build a sense of agency and help identify opportunities or trade-offs before a choice is forced on an organization.

10. **Create a Non-Profit Task Force charged with identifying areas of shared resource needs, establishing service hubs, and convening proactive planning conversations.** Less federal funding will create pressure in the non-profit sector in particular. The State and philanthropic leaders will not be able to replace lost federal funding fully. The non-profit sector has well-established relationships among leaders who provide similar services. These leaders understand the shared challenges they face, and they have the skill to organize such a Non-Profit Task Force without the need for State intervention or support.

Proactive organizing through a Non-Profit Task Force could accomplish two things. First, it could identify areas of shared resource need for non-profits – like legal services, HR, accounting, and others – and establish these service hubs. Proactively creating these hubs will allow individual non-profits to opt-in if they see value or if budget pressures require it. Every non-profit is different, and an opt-in framework could help reduce the number of precipitous restructurings or closures of non-profits that provide vital services across the state. Board members of the non-profit association Common Good Vermont are already beginning preliminary discussions toward a shared legal services hub, for example.²⁵

The Non-Profit Task Force would need to articulate an effective structure for these service hubs. For example, they could be designed to support specific domains within the non-profit sector (i.e., social services, early education, nutrition) or they

²⁵ Task Force members met with several Common Good Board members on May 15, 2025, to better understand this developing line of thought.

could be organized around specific functions available across domains (i.e., legal, HR, accounting).

Second, proactive organizing through the creation of a Non-Profit Task Force gives sector leaders a chance to identify shared risks, policy changes that could reduce risk, discuss priorities, outline necessary decisions and the associated timeline for making those decisions, and explore collaboration opportunities. This kind of structure would not force decisions before they are necessary, but it would significantly improve preparation and future decision quality. The alternative – of individual organizations grappling with the same challenges independently – could lead to worse outcomes for those organizations individually and the Vermont economy as a whole.

What the Proposal Delivers

Federal Impact Response (one-time funding)

- **Technical Assistance for 100 Nonprofits:** Support for organizations facing federal disruptions, including strategic planning, Medicaid scenario planning, legal guidance on conflicting directives, and evaluation of collaboration, merger, or dissolution options.
- **Nonprofit Task Force:** Six meetings over one year, including one hybrid session, producing two policy reports with recommendations for State leaders.
- **Cross-Sector Convenings:** Two statewide convenings with nonprofits, municipalities, RPCs, lawmakers, state agencies, and small businesses. A published report will outline shared risks and coordinated response strategies.

Sector Capacity Building (base funding)

- **Technical Assistance Fund:** Support for nonprofits working through state contract requirements, financial management, reporting, or compliance concerns.
- **Training and Resources:** Targeted training on grants, compliance, and financial resilience.
- **Improved State Partnerships:** Collaboration with state agencies to streamline grant and contracting processes and reduce administrative burdens.
- **Nonprofit Data:** Sector specific data on wages and benefits to benchmark and set nonprofit compensation, inform policy decisions, and monitor employment trends.

Why It Matters to the State



FEWER
DISRUPTIONS TO
SERVICES



LOWER
EMERGENCY
COSTS



PREVENTED JOB
LOSS



STRONGER
STATE GRANT
SYSTEMS



ENHANCED
COMPLIANCE
AND IMPACT



STABILIZED
SYSTEM OF
CARE