



Montana Nonprofit Association

FEDERAL DYSFUNCTION. LOCAL FALLOUT.

THE COST TO MONTANA NONPROFITS AND COMMUNITIES

Federal Funding Disruption Message Guide

PRIMARY GOALS

- Increase awareness of the ongoing challenges in securing federal grants and contracts for Montana nonprofits.
- Connect how disruptions to federal funding harm Montana nonprofits and communities.
- Increase pressure on the Congressional delegation to improve systems and get funding moving and into communities.
- Educate how government dysfunction is truly impacting everyday Montanans, not just staff and clients of specific nonprofits.
- Provide as many Montana examples of impact as possible.

SECONDARY GOALS

- Show how nonprofits across Montana contribute to the economic stability and vibrancy of communities.
- Showcase the importance of a well-functioning government at all levels
- Combat disinformation about waste, fraud, and abuse messages
- Broaden support for Montana nonprofits
- Highlight the importance of access to health care and how new federal regulations, such as work requirements and other Medicaid changes, will harm the state, particularly rural Montana.

- Educate on how the Montana Nonprofit Association is supporting Montana nonprofits through these challenges.
- Show how cuts to federal agency staff, new review process, and other changes to “increase efficiency” create dysfunctional and often unpredictable systems that hurt communities, especially those in rural areas.

AUDIENCES, GOALS, AND CALLS TO ACTION

- Community members who care about impacted issue areas
 - Learn more
 - Talk to your neighbor
 - Contact your elected officials
 - Get politics out of the grant process
- People who support the nonprofit sector
 - Learn more
 - Talk to your neighbor
 - Contact your elected officials
 - Get politics out of the grant process
- State lawmakers (Governor, legislators, state agencies)
 - Put pressure on the delegation
 - Improve state processes/make them more efficient/reduce red tape
 - Increase state funding
- Congressional delegation
 - Ask questions of the administration or agencies
 - Move funding quicker
 - Get politics out of the grant process
 - Stand up for funding that was intended for Montana
 - Honor congressional appropriations.
 - Add stronger guardrails in appropriations bills so that federal agencies are required to allocate funding as intended by Congress.
 - Make government more efficient, not impose new and unnecessary processes
- MT press
 - Cover more of the stories and issues
 - Reach out to the delegation for responses
- Moderate conservatives
 - Learn more
 - Support your local nonprofits
 - Talk to your neighbor
 - Contact your elected officials

CAMPAIGN THEME

Federal Dysfunction. Local Fallout.

The Cost to Montana Nonprofits and Communities

PRIMARY MESSAGES – FEDERAL FUNDING DELAYS

- When federal funding is delayed or rescinded, the effects ripple through every corner of our state.
- When this funding is delayed, conditions change abruptly, requirements become overly burdensome, or funding is otherwise left in uncertainty, it is a direct threat to nonprofits' ability to carry out their work – and Montana communities ultimately bear the cost.
- Sudden suspensions may force legitimate and eligible service providers to reduce services, lay off staff, or close entirely. This is especially devastating for communities in rural areas where alternative providers may not exist.
- We shouldn't inject politics and partisanship into funding decisions for programs that are often popular, important to communities, and have been part of our community fabric for decades under many administrations.
- Nonprofits are critical partners to government, delivering essential services like food assistance, veterans' services, housing and homelessness services, healthcare, childcare, economic development, support for seniors and people with disabilities, domestic violence services, animal rescue, and workforce training.
- Nonprofits, like all businesses, need to be able to trust contracts and funding processes, especially when many have already hired staff, signed leases, and built programs around them. This is about honoring the obligations and commitments our government has made.
- Our government should operate under the law, and funding should be subject to congressional approval rather than the preferences of politically appointed, unelected officials.

WASTE FRAUD AND ABUSE MESSAGES

- Fraud should be taken seriously, but punishing families who have done nothing wrong by cutting their basic needs is wrong. We can hold bad actors accountable and protect the people who depend on these programs.

- Most federal grant programs already have strong oversight, review, and reporting requirements to prevent waste, fraud, and abuse. More red tape and casework duplication all waste taxpayer money.
- Nonprofits are already subject to significantly stronger transparency and accountability requirements, and providers operate under rigorous licensing, monitoring, and compliance requirements.
- Sweeping funding freezes, or cuts in the name of oversight, disrupt essential services for communities without actually improving accountability.
- Any reforms should focus on streamlining processes, improving technology, and reducing unnecessary administrative burdens, not on creating new barriers to effective service delivery.
- Protecting taxpayer dollars is important, but it should not come at the expense of vital programs that support children, families, seniors, and people with disabilities.

VALUE OF NONPROFITS MESSAGES

- In every corner of our state, nonprofits fill critical gaps left by government and the private sector, ensuring Montanans have access to childcare, workforce training, and support for domestic violence victims.
- Montana's nonprofits create jobs, support local businesses, and drive economic development.
- Nonprofits show up every day, doing the invisible work no one else does, especially in rural communities. They are there in tough times, providing disaster relief, crisis support, and safety.
- Nonprofits do all this through mostly very small, very well-managed organizations that make every dollar count. They have local leaders who understand local needs and work hard to improve their neighbors' lives.
- They bring community-based, people-centered solutions and lighten the burdens of government, taxpayers, and society. Nonprofits embody local control, transparency, and accountability. They are led by your neighbors, not some bureaucrat from DC.
- Healthcare, after-school programs, college scholarships, senior housing, museums, food pantries, homeless shelters, animal rescues, art museums, child care, veterans organizations, affordable housing, and more are all made possible in Montana through the hard work of nonprofits.

MEDICAID AND HEALTH CARE ACCESS MESSAGES

- Medicaid and other federal healthcare programs help thousands of Montanans access essential medical care, including children, seniors, veterans, and people with disabilities.
- Nonprofits in Montana deliver critical healthcare services, including rural health clinics and mental health providers, as well as addiction treatment and home care.
- Medicaid allows Montana families to see doctors, afford prescriptions, and receive preventive care close to home.
- Investing in strong healthcare programs and supporting Montana's nonprofit providers keeps our communities healthy, reduces long-term costs, and saves lives.
- Harsh, red-tape-laden work and reporting requirements will take health coverage away from serious or complex health care needs like cancer, autoimmune diseases, and serious mental health conditions, and from people with disabilities, veterans, older adults, and some parents.
- New state and federal requirements put rural hospitals at risk. Because rural communities have a higher percentage of people covered by Medicaid, higher uninsured rates will lead to clinic closures.
- Taking away health care makes it harder for people to meet their basic needs, find work, and keep a job.
- Nearly all people who are enrolled in Medicaid are already working, going to school, caring for a family member, or have health conditions or disabilities.
- As we have seen before, eligible people will struggle to navigate the paperwork required to document their work hours or exemptions. Many may have difficulty finding steady employment because they live in economically depressed areas, lack sick leave, or have irregular or insufficient work hours.

STATISTICS

- More than 9,800 charitable nonprofits operate in Montana, including both wage-paying employers and all-volunteer community organizations.
- Montana nonprofits pay \$3.6 billion in wages every year.
- 11.8% of Montanans work for charitable nonprofits as frontline workers, guardians of community well-being, and economic drivers.
- Montana's nonprofits generated over \$9 billion in income in 2023
- Montana's nonprofit sector is the state's third-largest employer, accounting for 11.8% of jobs (60,181) and over \$3.6 billion in annual wages.

- Government funding plays a crucial role in strengthening Montana's communities through partnerships with nonprofits. Of the 667 Montana nonprofits that receive local, state, and/or federal government grants, 64% would be at financial risk if they lost their government funding.
- Montana nonprofits have received an average of \$134.4 million/year in new obligated federal contracts, grants, awards, and loans over the last four fiscal years.
- 42.9% of all charitable nonprofits in Montana operate on budgets of less than \$500.
- 52% operate with less than \$100,000
- Only 6.8% have more than a million in revenue. This includes hospitals and other major employers in communities across the state.
- 38% of charitable nonprofits operate in rural areas and make up 35.6% of nonprofit employment.
- 7,500 Montana children and families have already lost SNAP.
- Federal funding is a cornerstone of Montana's economy, contributing over \$14.1 billion in obligated funds to state and local governments, utilities, businesses, schools, and individuals in FY 2024.

Message Structure for Waste, Fraud, and Abuse:

Accountability First, Then Pivot to Harm

Step 1: Affirm accountability

Lead with a genuine commitment to program integrity and don't let fraud framing set the terms of the discussion. Acknowledge that fraud is a real concern, that everyone agrees it is wrong, and that it should be addressed. Do not get drawn into a lengthy debate on fraud, nor dismiss, minimize, or call fraud claims "false" or "just a pretext."

Step 2: Pivot to harm

Immediately redirect to the human impact of blanket cuts. Who loses? Children, parents, seniors, veterans, people with disabilities, immigrants, and working families — people who did nothing wrong. These cuts don't target fraud; instead, they punish everyone.

Step 3: Contrast with the right solutions

Point toward targeted accountability — going after bad actors and corporate fraudsters — rather than gutting entire programs. Be sure to pivot as soon as possible to the negative outcomes and harms of cutting basic needs programs to people (starvation, healthcare taken away, increased costs for families already struggling, etc.). Additionally, connect cuts to what they fund instead: tax breaks for the wealthy, ICE enforcement, and other spending priorities that voters of all stripes find harder to defend.

DO'S, DON'TS, AND AVOID

Do use people-first language.

Do use people impacted by the work of nonprofits, clients, board members, business leaders, and community leaders as messengers.

Do use Montana-specific examples rather than national groups to highlight the work of nonprofits.

Don't restate myths, even if the purpose is to refute them (e.g., "Some say it's because people don't want to work, but the data says otherwise." Or "Some people say that fraud is rampant, but that's just not true.")

Don't use too many numbers in a statement. Focus on the one data point you want people to understand and remember.

Do lead with a brief shared commitment to accountability and integrity. Acknowledge that fraud is bad and then move on. Voters are more persuaded when we begin with this framing.

Don't lead with "the fraud claims are false" or "just an excuse to cut." This does not work with moderates and/or persuadables. Do not get drawn into a lengthy debate on fraud.

Do pivot quickly to the harm that blanket cuts to basic needs programs inflict on people who did nothing wrong.

Don't dismiss or label fraud concerns as misleading — it puts you on defense with persuadable voters.

Don't defend the status quo without pairing it with a call for improvement (i.e., holding fraudsters accountable).

Do name who loses: children, parents, seniors, veterans, people with disabilities, immigrants, and other eligible vulnerable populations.

Don't use terms like "safety net," "anti-poverty," "benefits," or "the poor."

Do say these are programs that provide “assistance” that people need — not ones they “rely on” or “benefit from.”

Do use “basic needs programs” when referring to multiple programs.

Don’t let the conversation stay on fraud—pivot to the impact and harm to those who use basic needs programs.

Don’t repeat lies or misinformation — the more we repeat them, even to fight them, the more they gain momentum. Instead, replace it.

Do use simple, accessible language —avoid jargon. Everyday people need to be able to both understand and repeat the message.

Don’t simply say “work requirements” on their own. Instead, say “policies that take health care/Medicaid away from people who can’t meet a harsh work requirement.” Audiences don’t inherently see anything wrong with “work requirements”; however, they DON’T agree with taking health care away from people who can’t meet those requirements.

Do focus on the mechanics of work requirements, administrative hurdles, complicated paperwork, confusing deadlines, lack of capacity at DPHHS, etc. Illustrate the harm these policies would cause to real people, and the negative human impact that will result.

TOUGH QUESTIONS

When dealing with tough questions, it’s important to remember your audience. A chunk of the population will never agree with your stance on issues, so do not waste time trying to convince them. Instead, spend your time persuading the middle. These tough questions are meant to speak to that audience.

1. Shouldn’t grants that come from taxpayer dollars be held to the highest standard and review?

Answer: We agree that state and federal funding needs to be spent appropriately. It’s important to note that these grants already come with extensive application processes, reviews, reporting requirements, and other documentation. Adding more wastes money, as organizations spend more on administrative burdens rather than on delivering services.

2. Aren’t nonprofits just a way to promote leftist agendas?

Answer: Nonprofits serve a wide range of services and exist across the ideological spectrum. But most nonprofit work is about making sure people get the help they need,

whether it is a meal, a place to stay, or access to life-saving care. Nonprofits are a cornerstone of every community.

Answer: Nonprofits serve friends and neighbors, whether that service is providing hot meals to seniors, providing healthcare and education to our neighbors, or helping a new mom find stable housing. Many nonprofit organizations hire experienced, skilled staff who reflect the people they serve, enabling them to meet community needs.

3. I think people should work to qualify for Medicaid.

Answer: You may be surprised to learn that most people on Medicaid are working, but often in low-wage jobs without employer-provided insurance. For those who aren't working, it's because they are caring for a child or parent, they are too sick or injured to work, they are a child, or for other important reasons. These new rules create complex reporting requirements that often result in eligible individuals losing coverage.

Alternative response: Someone who is struggling with mental illness or cancer – and whose ability to work may change depending upon the status of their current condition – could also be subject to the requirement, even though their ability to work might require consistent access to affordable health care.

4. Aren't there exemptions for people who are really sick?

Answer: Administration's new rules on work requirements take an extremely strict approach to medical frailty exemptions, making it harder for people with serious illnesses or conditions to get coverage and stay covered. For example: A cancer patient undergoing chemotherapy who can't prove they are medically frail could be required to work 80 hours per month — even in months when treatment makes that hard or impossible. If they're unable to meet that requirement, they could lose the coverage that gives them access to life-saving treatment.

5. I have private insurance through my employer. Shouldn't we want more people to get better jobs rather than get government-provided health care?

Answer: Many businesses do not provide health care coverage for their employees. People with low-wage jobs – that we all depend on – need health care too. If people lose coverage, the consequences affect all of us. When more people become uninsured, families face more financial strain, providers shoulder more uncompensated care, and hospitals and clinics, especially in rural and underserved communities, could close.

6. Questions or negative comments about fraud related to the social safety net.

Answers:

Medicaid

The right response to integrity concerns is not to gut the program so severely that children, seniors, and people with disabilities lose coverage, including home care services that enable older adults and people with disabilities to remain in their homes.

SNAP

We should hold fraudsters accountable, but we should not punish children and families by cutting the vital food assistance, especially amid rising grocery costs. Millions face food insecurity each year — punishing them by taking away a lifeline doesn't solve waste or abuse.

ACA / Health Coverage

While factual instances of fraud should be addressed, taking away millions of people's ability to afford the high cost of health coverage and stripping them of their health care does nothing to address fraud. It just inflicts serious financial harm to families and communities.

Child Care

Taking away affordable child care does nothing to address fraud. Instead, it puts children at risk, forces parents out of work, and endangers families' financial security.