



TO: Rep. Ginny Klevorn, Chair, House State and Local Government Finance and Policy Committee

FROM: Kevin Lindsey, CEO, Minnesota Humanities Center

DATE: March 20, 2023

RE: MHC General Fund Request for FY 24-25

Thank you for your time this session and for supporting the Minnesota Humanities Center (MHC).

As you know, MHC has historically received a base General Fund appropriation for the organization's general operations in the State Government Finance Bill.

First, I want to share some background information. For the past two budget cycles (2019 and 2021), MHC has not received an increase in funding for the organization's General Fund appropriation. The last General Fund increase received by MHC occurred during the 2017 Legislative Session, when the legislature appropriated a \$50,000 increase for FY18-19.

In late 2018, MHC's CEO retired from the organization and MHC made the transition to a new leader. The Interim CEO for MHC in 2019 wanted to leave budget decisions to the next CEO of the organization and therefore the organization did not seek a funding increase in 2019. The organization requested and received base level funding during the 2019 Legislative Session.

In 2020, the November budget forecast released by Minnesota Management and Budget (MMB) was modest and small agencies and organizations were discouraged from seeking funding increases. MHC did not seek a funding increase because of this concern about the budget outlook during the COVID-19 pandemic.

As we know, the budget outlook changed in late 2021 and the state budget forecast outlook is now substantially different. MHC and other small agencies were able to secure a funding request in the Governor's supplemental budget recommendations for the 2022 Legislative Session. Unfortunately, the budget agreement was not enacted into law at the end of the session.

For 2023, last summer MHC worked with MMB and secured a funding increase of \$95,000 each year (actual dollars) for FY24-25 in the Governor's budget recommendations. We are requesting an additional \$140,000 increase each year in FY24-25 for the following reasons:

- Staff at MHC have not received permanent salary increases for several years. This is hurting our organization's ability to retain and recruit employees.

- Employer costs related to benefits for our staff – health and dental insurance and other benefits – have increased significantly over the past two years.
- MHC has experienced other employer-based expense increases including workers comp and liability insurance, utilities, IT, and expenses related to running our facility.
- The legislature has given MHC new responsibilities to serve as a fiscal agent for community outreach and the administration of funding to organizations. With this responsibility, MHC is building community and capacity while providing important and meaningful oversight to ensure organizations are spending taxpayer funds as they were intended. This requires us to have staff who are qualified to serve in this capacity on behalf of MHC.

We have been appreciative of your support for MHC and for the support the organization has received from members of the House.

Please let me know if you have any questions. I can be reached at 612-518-9305 or kevin@mnhum.org

Sincerely,



Kevin Lindsey

cc: Members of the House State and Local Government Finance and Policy Committee