



- 1 in 2 families in Minnesota is unable to afford diapers in Minnesota.
- The Diaper Bank of Minnesota is greatly appreciative to have received a \$1.1 million state grant over the biennium to help more robustly address diaper need in the state of Minnesota. The state funding allows us to increase our diaper distribution by 250%; up to 2 million diapers per year and to an expanded statewide geographic area.
- This dramatic increase in diaper distributions has proportionately increased the operating expenses needed to build the infrastructure necessary to scale up to this level of distribution.
- Increased expenses include rent, equipment, insurance, audit, and staffing. The funding bill, as originally drafted, allowed grant funds to be used for staffing, rent, equipment, etc., but the final version, as passed, removed this language and, instead, offered 4% for “admin” – which was also meant to include all of the increased operating expenses.
- **At 4%, Diaper Bank of Minnesota is only allowed to use \$21,720 per year** to cover the operating expense increases, in addition to true administrative costs such as audits and insurance. This amount will not even cover the necessary staffing, much less the increased warehouse and additional equipment costs required to distribute 2 million diapers per year.
- Increased expense breakdown:
 - **Rent:** \$44,432 increase to \$58,740 (up from \$14,328 in 2022).
 - **Insurance:** \$3.189 increase to \$4,749 (up from \$1,560 in 2022).
 - **Staffing:** Need to add .5 FTE at approximately \$25,000 / year.
 - **2023 One-Time Expenses:** \$6,000 for moving, materials, and new equipment purchases.
 - **2024 One-Time Expenses:** \$5,000 for additional material needs.
 - **Total Additional Yearly Expenses: \$83,621**
- **Diaper Bank of Minnesota requesting an increase of allowable administrative and operating expenses from 4% to 10% of our total grant amount.** Even 10%, the yearly allowable expenses would be \$54,300, still requiring Diaper Bank of Minnesota to come up with the remaining \$29,321.
- Distributing 2 million diapers statewide is a massive undertaking and, we believe, worth this technical change in the use of grant funds.

