

Stephanie Chappell
2401 14th Street E
Glencoe MN 55336

Chair Klevorn and Members House State and Local Government Finance & Policy Committee
Regarding HF2190 Road Map Tracking for MMB to Follow Nonprofit Use of State Funds
March 7, 2023

Dear Chair Klevorn and Members,

Please amend HF2190 to extend MMB power to all nonprofits receiving public funds. Specifically identify the Minnesota Historical Society (MNHS). Do this by moving all grant management housed within this nonprofit to the Department of Administration.

HF2190 can be the vessel for change using language similar to 2017's action that moved the State Historic Preservation Office from the nonprofit MNHS to the Department of Administration. As a bonus, the state will keep funds in a nonpartisan governmental office where the funds are visible at all times with exception to the required reporting that is currently based on an honor system and after this session will cease with passage of HF1693.

The one-time appropriation in HF2190 for a study would cover the transitional costs to give MMB all oversight of public funds including Arts & Cultural Heritages Funds that are now housed off government campus and in the private nonprofit sector.

MNHS is protected by MN Data Privacy (Ch 13) that excuses nonprofits from state inquiry even public inquiry of anything even public funding even when the public funding is used for public property bonding projects. I have encountered this problem in my participation with a federal process related to the \$30 million Fort Snelling Project. MNHS claimed nonprofit status allowed them to deny me access to records (even as a federal signatory).

Presently, any reports to determine how to implement changes for nonprofit grant applications and funding excludes MNHS. Minnesota's Office of Grants Management confirmed to me it was powerless to attain any grant applications within MNHS. MMB is also barred from follow up investigations when wrongdoing is brought to the State's attention.

Unless all grant funding is moved to the Department of Administration, nonprofits receiving and dividing state funds within itself or as a pass through agency for other nonprofits will skirt all reporting responsibilities. I hope you will add to or create a sister bill to change ACHF Legacy Amendment grants to Admin for application, evaluation, and follow up. After this move, a road map would be a natural step to take to coordinate all departments and funds created by specific statute to see how to reduce fraud, congestion, and confusion.

Thank you,


Stephanie Chappell