

Stephanie Chappell
2401 14th Street E
Glencoe MN 55336

House Legacy Finance Committee
Chair Lillie and Members

March 15, 2023

Regarding: HF2566 MN Historical Society Legacy funding

Dear Chair Lillie and Members:

HF2566 appropriates funds to the nonprofit MN Historical Society. Due to changes in 2018 law and increasing issues surrounding nonprofit fraud, changes need to be made for the protection of taxpayers and the 501 c 3 nonprofit MN Historical Society as it is a protected entity under Data Privacy inquiries including State probes and investigations.

As of March 2018, the State Historic Preservation Office moved from nonprofit MNHS to the Department of Administration. It is necessary to move all appropriation to the Department of Administration to bring funding and needs to State control for historic preservation; MNHS no longer controls preservation goals or procedures. Addressing this requires changes to the 2008 Legacy Amendment language. Keeping federal administration and appropriations within the Department of Administration is vital to this change also.

Clarifying all funding for ACHP funds will provide some relief for all concerned. Each appropriation needs specific direction in HF2566 Section 1 For example:

- Subdivision (a) needs to include “approved by the Office of Grants Management” after the phrase ‘competitive grant process’ to assure public funds are monitored by the State. Presently, this is not done.
- Subdivision (b) and (c) needs to add “as approved by the Office of Grants Management” to adhere to the State’s current requirements for grants administration; several grants administered by MNHS are not updated in the State’s Legacy website or do not have conflict of interest statements available for public view. This clause will also make public what funds go to what nonprofits that may receive State funds for the same or similar purpose but are not reported in any other manner.
- Subdivision (d) must insert “and distributed directly to the State Department of Administration” after ‘governing board of the Minnesota Historical Society’ to account for the move of the State Historic Preservation Office out of the nonprofit MNHS. This was done after Legacy and has not been updated to reflect the move.
- Subdivision (e) needs to include wording to reflect priorities set by Minitex and the order in which items waiting for digitization were received unless condition of the item is a concern.

This bill needs additional revision including factors that consider awards in all subdivisions meet basic guidelines in place with the Office of Grants Management including all previous grants secured by the party are updated with outcomes and financial records and are closed within the nonprofit's management system and on the State's Legacy website records available to the general public.

I include examples of funding that have yet to be closed but the entity continued to receive additional funds from MNHS in their Legacy grant process as well as other concerning actions done by MNHS in the past in my letter of January 23 to you. Some of the nonprofits highlighted have received funding from other public sources including bonding passed earlier this month.

Please do not pass HF2566 to further committees in its present condition. It does not reflect state law and there is a pattern of mismanagement and deception in MNHS's use of Legacy funds.

Thank you,



Stephanie Chappell

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2401 14th Street E
Glencoe MN 55336

House Legacy Finance Committee
Chair Lillie and Members

January 23, 2023

Regarding: MN Historical Society 2023 Legacy Report

Dear Chair Lillie and Members:

The Legacy Amendment changes to Minnesota statute in the Amendment's first 15 years of existence. Several offices within the Department of Administration have expertise and are better equipped to provide nonpartisan leadership over taxpayer funds including Minnesota's State Historic Preservation Office who oversees Minnesota's National Register of Historic Places.

Your attention is requested to a few items MNHS addresses in its 2023 Report. Please remember that MN Historical Society is NOT a state agency. MNHS is a 501(c)(3) nonprofit organization.

Items addressed here from MNHS's 2023 Legacy report include
Supplement vs. Supplant statute language
Scholarship, Best Practices, and Transparency
Conflict of Interest and Administrative Costs
Nonpartisan State Department Expertise
Nonprofit exclusion from Minnesota's Data Practices Act

The key issue of Legacy is to provide funding that will add (supplement) to projects where other funds do not or can not provide funding. Replacement (supplant) is not to be considered or funded. This is a fine line. By statute, Legacy does not require recipients to show what other funds have been secured through public or private means. This creates a difficult situation as some projects receive bonding funds while others do not.

Bonding funds are primarily for building or "bricks and mortar" however that line has blurred in recent years. Case in point, 2018's Capital Investment/bonding specifically included "landscaping and wayfinding" in the multimillion Fort Snelling Revitalization Project ([Minn. Laws 2018 c 214 art 1 s 24 sub 3](#)). Bonding also paid for "design" of that project in 2017 ([Minn. Laws 2017 1 Sp c 8 art 1 s 23 sub 3](#)). In the same bill, "design, construct, furnish and equip" was part of language that appropriated \$3 million for Wakan Tipi Center at the Bruce Vento Nature Sanctuary ([Minn. Laws 2018 c 214 art 1 s 17 sub 6](#)). Bonding paid for wayfinding – defined as part of interpretive programming by David Kelliher, MNHS's Director of Public Policy and Government Relations before the Senate Capital Investment Committee on April 12, 2018. Bonding now includes exhibits and programming under its umbrella of coverage.

In the 2023 Legacy report, Wakan Tipi Center received \$118,000 for the same purpose that is granted under Capital Investment, exhibit and interpretive design. Wakan Tipi has not completed the design and construction project financed under bonding 5 years ago. Due to Wakan Tipi's and MNHS's nonprofit classifications, it is unknown if either organization revealed any limitations Wakan Tipi Center carries under 2018 bonding. Legacy may have been used to supplant funding the project received or could have received through other means.

Another issue that draws potential controversy that is introduced by the Wakan Tipi Center grant found on page 7 of the [2023 Legacy report](#) is conflict of interest. [Wakan Tipi's Board Chair](#) is former MNHS employee Dr. Katherine Beane. Dr. Beane's previous position at Wakan Tipi Center was on its fundraising committee alongside an acting MN legislator's family member. Dr. Beane's position at MNHS or Wakan Tipi may have influenced the Wakan Tipi Center's application. Nonprofits are excluded from sharing their records and documents by State statute, [Minnesota's Data Practices Act, Chapter 13](#).

Conflict of Interest issues plague the Legacy Amendment. Another example can be found in a 2012 Legacy grant to MNHS's subsidiary, MNHS Press. FY2012 funded "[U.S.-Dakota War of 1862 Publications](#)" for \$90,715. The grant's description stated it was for publications related to 1862 events including "a book tentatively titled "Mni Sota Makoce" by Gwen Westerman and Bruce White." MNHS Press's Editor in Chief, Ann Regan, was the spouse of Bruce White at the time of this grant. There is a clear conflict of interest at two levels: MNHS's process of evaluating and awarding state funds to its own subsidiaries and the real or implied pressure to publish an immediate family member's book. Again, there is no way to calculate how influence factored into the process due to MNHS's nonprofit status.

More concerning is the inaccurate information spread by the book that was published, "Mni Sota Makoce." Among the false statements, page 195 states:

In addition two military columns were organized and rode out to the west under command of Sibley and General Alfred Sully in a pincer movement to expel the remaining Dakota from the state. They massacred more than three hundred noncombatant Dakota at Whitestone Hill just northwest of Lake Traverse in September 1863.

Military records and MNHS's previous publications as well as U. S. Army documents prove Sibley was not involved in events at Whitestone Hill. Sibley was nowhere near the area.

MNHS's outrageous lie has fueled a flame of shame on Sibley and his entire contributions to the state prior to and after his service as Minnesota's first governor. In 2021, Robert Minish, 30 year President of the Friends of the Sibley Historic Site, submitted a request to the Office of the Legislative Auditor for a program evaluation of MNHS's management of the Sibley Historic Site to review MNHS's conduct and treatment of the site while making false statements about Sibley and how MNHS's actions violated the nonprofit's statutory obligations to Minnesota history and historic sites. If accepted by the Evaluations Subcommittee, MNHS's definition of scholarship will be put to a test.

Nonprofit MNHS's 2023 report addresses scholarship and best practices. In part MNHS states (page 8):

MNHS staff and partners are strongly positioned to ensure that ACHF projects and programs use best practices, current scholarship...for demonstrating measurable outcomes...MNHS continued to evaluate the impact of ACHF (Arts and Cultural Heritage Funds) projects and programs to ensure that they demonstrate measurable outcomes as well as economic value for citizens. These results are shared on a website.

In November, 2020, Kevin Majjala, MNHS's Senior Director of Learning Initiatives, suggested reading the book "Mni Sota Makoce" to understand Sibley's life during a prepared presentation at a public school board meeting ([School Board 197 Meeting; November 16, 2020](#)). Dr. Kate Beane, Director MNHS Native American Initiatives offered her personal beliefs but no documentation pertaining to Sibley's life during the same prepared presentation ([School Board 197 Meeting. November 16, 2020 @ 18:00](#)). The School Board invited Minnesota Historical Society to attend and give facts regarding Henry H. Sibley.

In May 2022, MNHS partnered with Crystal Norcross, Board President of the nonprofit Oyate Hotanin and others to declare the name "Sibley" a racial slur. On state property, I was verbally threatened with violence for writing "Sibley Saved the Sioux" on my vehicle's windows. MNHS employee Ben Leonard, Senior Director, Historic Sites and Facilities Operation, contributed false statements to Hennepin County Sheriff's deputies resulting in a Trespass Order. After drawing MNHS's attention to violation of my freedom of expression, Ben Leonard issued the following statement:

The Minnesota Historical Society (MNHS) hereby agrees that you (Stephanie Chappell) are welcome to visit Historic Fort Snelling, 200 Tower Avenue, Fort Snelling, MN 55111, with the same rights, expectations, and obligations as any other member of the public. MNHS further agrees that that Notice of Trespass issued to you by the Hennepin County Sheriff's Office on May 14, 2022 does not bar you from doing so.

MNHS was unable to address the death threats made against me on social media or cancel calls from nonprofit members to finance more racial attacks on Historic Fort Snelling visitors. Consequently, nonprofit Oyate Hotanin received more than \$60,000 in a 2021 Legacy grant awarded by Minnesota Historical Society. The state Legacy website shows no completion of that grant.

The 2023 Legacy report claims the Legacy website contains recent updates. However, in cases from 2012 to 2021, grants are clearly not up to date nor do they address any outcomes. Further, the website does not permit public access to actual grant applications. While MNHS's Legacy report claims "transparency" via the state website, www.legacy.mn.gov, there is none to be found (Legacy 2022 and 2023 reports, pages 6 and 8 respectively).

MNHS's ability to abide by scholarship and best practices is plainly evident in its 2022 and 2023 Legacy reports. MNHS's Dakota Community Council that includes members of the nonprofit's Indian Advisory Committee, claims the widely accepted term "Oneota" does not exist.

However, [2022's Legacy](#) report featured a grant given for investigation of a chert quarry in southern Minnesota (pages 10-11, 47) where Oneota is used in description and utilizes the widely accepted term in its 2023 report on pages 19 and 45. Oneota is a term applied to a group of people living in a specific period of time and has been in common practice decades. MNHS cannot agree to basic scientific terms within its nonprofit organization. This confusion damages Minnesota's history and creates false history financed by tax dollars.

Blunders of scientific terminology, errors in the biography of Minnesota's first governor, cancelling Minnesota residents' freedom of expression on state property, influencing a school district to change the name of a school citing incorrect information in a book, supplanting/replacing funding for projects that may have open funding issues with State departments, hiding family relationships to access funds to publish books containing insufficient scholarship, and using state funds to promote nonprofit organizations at the expense of Minnesota history are only the tip of this nonprofit's iceberg of Legacy Amendment problems.

Legacy was voted by the public to last 25 years. That doesn't mean the Amendment needs to remain inapplicable to current government practices. The Minnesota Department of Administration is a nonpartisan branch of government. State employees are free from intimidation and pressure by nonprofit organizations and work in an environment dedicated to nonpartisan application of statute language. Administration offices have experts to conduct grant reviews and audits as well as seek corrective action for recipients who fail to submit grant outcomes: Office of Grants Management; State Historic Preservation Office; Office of the State Archeologist; and Management and Budget.

Additionally, the funds that Minnesota pays MNHS to manage the millions of ACHF Legacy funds each year can remain within Minnesota's budget and fund the above offices with staff to meet the demands of additional Legacy work. 56% of Minnesotans deserve to get what they voted for – funds from taxes used for Arts and Cultural Heritage based on nonpartisan, fair, equitable evaluations of applications without fear of intimidation or pressure from a nonprofit that is exempt from Minnesota's Data Practices Act.

As it stands now, Legacy funds disappear once they reach MNHS. There is inadequate scholarship, no accountability and definitely no transparency. I have firsthand experience with MNHS's refusal to reveal Legacy applications and their use of false statements funded through Legacy. In 2018 I requested documentation of the persons and funds involved in the Historic Fort Snelling Revitalization Project. MNHS refused my request. In order to access some of the records, I had to be accepted as a federal signatory with the National Park Service!

I am available to answer questions about my experiences with MNHS's Legacy management.

There are dozens of individuals to be recognized for their contributions to Minnesota history through a nonpartisan process. Please consider this as you reflect on MNHS's Legacy Report.

Thank you,


Stephanie Chappell