



Dear State Government Conferees,

May 7, 2022

**Board**

Mike Schendel,  
Board Chair  
Moorhead

Sharon Bring  
Strandquist

Joe Christensen  
Avon

Judith Dumke-  
Emery  
Rothsay

Deade Johnson  
Two Harbors

Teisha Magee  
St. Paul

Mary Pat  
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St. Paul

Bob Meyerson  
Atwater

In rural and urban communities throughout Minnesota our 32 nonprofit, community-held programs and members of the Living At Home Network **help nearly 10,000 older adults stay healthy and independent at home each year.**

We have serious concerns about the “Grants to Nonprofits” language in the Senate Omnibus State Government bill, **specifically the provision that requires a formal audit for nonprofits that receive 50% of funding from the state. This audit provision disproportionately impacts small budget nonprofits like ours that have followed federal guidelines that do not require audits for organizations with expenses under \$750,000.**

- **State funding for 8 of our rural programs may be eliminated.** With annual budgets of less than \$100,000 they will hit the 50% threshold and be ineligible for state grants until they complete 2 years of audits. These programs will likely close before that time.
- 29 of the 30 LAHN programs that receive state grants (ranging from \$30,000 - \$50,000) have budgets under \$300,000.
- **These programs are already accountable for their state grants** by submitting quarterly financial reports to DHS and have a financial audit DHS each grant period.
- Audit Costs of \$4,000-\$8,000 are significant to small budget nonprofits and may require cuts to services until they have time to absorb this new cost into their budgets.
- Two new programs that are scheduled to open the next year in underserved rural areas may no longer be eligible to apply for Live Well Grant funding since they do not have two years of finances to audit. They won't open.

Our program model, with minimal staff working alongside community volunteers, allows us to meet the specific needs of seniors in each community on a very small budget. Transportation is a major barrier to continued independence in the rural communities served by the 8 programs most impacted by the audit provision. These seniors rely on our program's volunteer drivers to access essential medical care like rides to kidney dialysis or cancer treatment the audit provision puts essential services like these in jeopardy.

**As you reconcile the House and Senate State Government bills we ask that nonprofit organizations with budgets under \$300,000 be exempt from the audit requirement.**

Katie Boller Gosewisch  
Living at Home Network Executive Director

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