



Thursday, April 9, 2026

HF xxxx (Bahner) - Governor's supplemental budget bill

MCN and undersigned organizations oppose proposed ban on legislatively named grants

Dear Chairs Klevorn and Nash and Members of the State Government Finance & Policy Committee:

Minnesota has long invested in community-rooted organizations to meet pressing needs through trusted, local partners -- ensuring resources reach people effectively and with an understanding of local context.

Proposed changes in the Governor's supplemental budget bill would remove a critical tool in that approach: legislatively named grants. While we strongly support transparency and accountability in public funding, a blanket ban risks undermining equitable access to resources.

For many organizations -- particularly those that are smaller, rural, or culturally specific -- competitive grant processes can present significant barriers. These processes are often lengthy, resource-intensive, and structured in ways that advantage larger institutions. Legislatively named grants provide a more direct pathway for trusted organizations to deliver services where they are most needed.

Eliminating this option would limit access to funding, slow the delivery of critical services, and further concentrate resources away from community-driven organizations who are best suited to meet the needs of their communities.

We are also concerned that this proposal is not grounded in evidence of harm. Minnesota already has strong oversight and reporting requirements for state grants. Efforts to prevent fraud should be targeted and data-driven -- not broad measures that risk unintended consequences.

Additionally, there are certain circumstances where there may only be one qualified entity, especially in rural areas, who are equipped to carry out a grant or contract request from the state. It would be a waste of time and money for nonprofits and state agencies to employ a competitive grant in those situations.

This moment calls for opportunities to strengthen Minnesota's grantmaking systems in ways that expand access and improve accountability. Removing legislatively named grants moves us further from that goal.

We urge lawmakers to reject the proposed ban and pursue solutions that preserve flexibility while strengthening transparency and trust.

Please act to ensure Minnesota's nonprofit sector can continue to serve communities effectively and equitably.

Sincerely,

Minnesota Council of Nonprofits and the undersigned organizations

A Place For Hope: Recovery and Wellness Center & Food Shelf  
Alexandra House, Inc.  
Amherst H. Wilder Foundation  
Asian Women United of MN  
Avenues for Youth  
Avivo  
Avon Hills Folk School  
Basic Needs Inc of South Washington County  
Bicycle Alliance of Minnesota  
Big Brothers Big Sisters of Central MN  
Blue Earth County Historical Society  
CAPI USA  
Center for Purposeful Leadership  
Change Starts With Community  
Charities Review Council  
Connections Shelter  
Connections Shelter  
CornerHouse  
Crystal Nutt Consulting  
Dept.1 Solutions  
District Council 1, SECO  
Divine Konnections Inc.  
Division of Indian Work  
Ely Folk School  
Emerge Community Development  
Exodus Lending  
FilmNorth  
First Witness Child Advocacy Center  
Frontline Bud Foundation  
Goodwill-Easter Seals Minnesota  
Great Lakes Lifeways Institute  
Hired

Hmong American Partnership  
HousingLink  
Isuroon  
Jewish Community Relations Council of Minnesota and the Dakotas  
Jewish Family & Children's Service of Minnesota  
Jobs Foundation dba Repowered  
Lake Cities Consulting  
Legacy Family Center  
Life-Work Planning Center  
Metropolitan Alliance of Connected Communities (MACC)  
Minnesota Alliance With Youth  
Minnesota Community Health Worker Alliance  
Minnesota Council on Foundations  
Minnesota Firefighter Initiative (MnFIRE)  
Minnesota Mental Health Community Foundation  
Move Minnesota  
Neighborhood Development Center (NDC)  
Northeast Contemporary Services, Inc.  
Northside Economic Opportunity Network (NEON)  
Our Saviour's Community Services  
People Serving People  
Pillsbury United Communities  
PRISM  
Project for Pride in Living  
Reach for Resources  
Reach Out and Read MN  
Rethos  
Shobi's Table  
Simpson Housing Services  
Small Sums  
The Arc Minnesota  
The Children's Museum of Rochester, Inc.  
The Sanneh Foundation

Twin Cities R!SE

United Way of Steele County

Wallin Education Partners

Winona Community Foundation

YWCA Minneapolis

Zelin Johnson Co.

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Minnesota Council of Nonprofits