

May 05, 2025

Minnesota House of Representatives

House Speaker Lisa Demuth

Speaker Emeritus Melissa Hortman

Co-Chair Paul Torkelson

Co-Chair Zach Stephenson

Co-Chair Dave Baker

Co-Chair Dave Pinto

RE: HF 2441

Dear Legislative Leaders,

As a coalition of nonprofit organizations serving communities across Minnesota, we write to express our deep concern regarding proposals to eliminate or significantly reduce direct legislative appropriations to nonprofit entities. We appreciate the thoughtful dialogue initiated by the Reps. Stephenson and Torkelson, regarding the role of competitive grant programs, we believe it is essential to consider the broader implications of such a shift—particularly for historically underserved and rural communities.

Nonprofit organizations are essential partners in delivering critical services that enhance the health, safety, and well-being of Minnesotans. From housing support and food assistance to mental health services, youth programming, and economic opportunity initiatives, our work reaches communities that government programs alone often cannot effectively serve. We are deeply rooted in our neighborhoods and maintain trusted relationships with the populations most affected by disparities in access and outcomes.

While competitive grant processes can promote transparency and structure, they are not a substitute for the responsiveness, agility, and equity that direct appropriations make possible. Grant cycles are often time-consuming, administratively burdensome, and inflexible—creating delays in service delivery and gaps in support. Smaller, rural, and culturally specific organizations are significantly disadvantaged in these systems, as they may lack the capacity to compete with larger institutions despite having the most significant local impact.

Eliminating direct appropriations risks sidelining these vital organizations and undermining longstanding public-private partnerships that have proven effective in responding to community needs. Moreover, this shift would disproportionately affect organizations led by and serving communities of color—many of which have historically been excluded from traditional funding streams.

It is also essential to recognize that nonprofits are held to high accountability standards. We undergo annual audits, submit regular filings, and are governed by boards committed to ethical stewardship. We also conduct rigorous program evaluations to ensure measurable outcomes and continual improvement.

We strongly encourage you to continue with direct appropriations as they are a key component of our state's funding strategy. Equity cannot be an afterthought—it must be foundational, and in no way do competitive grant processes prioritize equitable access to funding. Maintaining and expanding direct legislative appropriations ensures that funding decisions can be intentional and equitable, based on the insights of legislators who know firsthand their constituencies and community needs and are aligned with the needs of our most vulnerable populations.

As you continue to shape Minnesota's finance bills, we urge a balanced approach: one that includes both competitive grant opportunities and sustained direct appropriations to nonprofit organizations. This dual strategy promotes both accountability and equity, ensuring that public resources are distributed in ways that genuinely serve all Minnesotans.

Thank you for your leadership and service. We welcome the opportunity to meet and share more about the people and programs directly affected by these decisions.

Sincerely,

The Undersigned Nonprofit Organizations

1. African Development Center
2. Fortis Capital
3. Black Women's Wealth Alliance
4. Partnership In Property Commercial Land Trust
5. Walker West Music Academy
6. Center for Broadcast Journalism
7. GW Carver Cultural center for innovation
8. V3 Sports
9. Generation Hope
10. African American Child Wellness Institute (AACWI)
11. YWCA St. Paul
12. CAIRO
13. The Sanneh Foundation
14. Al-Maa'uun
15. CAPI USA
16. The JK Movement
17. Recovery Cafe Frogtown
18. V3 Sports
19. YWCA Minneapolis
20. Phyllis Wheatley Community Center
21. Home and Community Options, Inc.
22. The Good Acre
23. 360 Communities
24. A Place For Hope: Recovery and Wellness Center & Food Shelf
25. African Career Education and Resource Inc
26. Hmong Cultural Center of Minnesota
27. THE REPORTERS INC.
28. Christ's Children Ministries
29. Roseau County Historical Society

30. Coalition of Asian American Leaders
31. Big Brothers Big Sisters of Central MN
32. Rondo Community Land Trust
33. Project for Pride in Living
34. Urban League Twin Cities
35. Emerge Community Development