MINNESOTA COUNCIL
ON FOUNDATIONS
a community of grantmakers

April 14, 2026

Re: Decision Tool as Alternative to Proposed Direct Appropriations Ban

Dear Chair Xiong, Ranking Member Lang, and members of the committee,

The Minnesota Council on Foundations (MCF) is the statewide association of approximately 170 grantmakers in Minnesota, ranging from community foundations to private foundations to corporate giving programs and other grantmaking intermediaries, such as CDFIs.

As grantmakers, our members are regularly thinking about how to structure grant programs, whether they should be competitive or invitation only, and how to engage in proper due diligence processes to ensure dollars are used as intended. Some of our members not only administer philanthropic resources, but serve as grantmaking intermediary partners for the state and other public entities.

Given this context, MCF has been working in close collaboration with other nonprofit partners to engage in conversations with legislators, the Office of Grants Management, and the Governor's office on state grants reform, process and efficiency improvements, and program integrity. As a part of that work, nonprofit advocates collaboratively developed a tool that was recently shared with the House State and Local Government Committee – a legislative decision tree that is included in the committee materials.

The decision tree diagram represents a decision-support framework for legislators who are proposing new programs or initiatives, including guidance on when to use direct appropriations, competitive processes, intermediaries, or agency-led implementation. It starts with community need, preserves legislative discretion, and brings greater clarity and transparency to decisions that are being made.

Rather than banning nearly all direct appropriations, this tool provides the nuance and flexibility needed to understand when, and under what circumstances, a direct appropriation is the appropriate option. In many ways, grantmakers grapple with very similar questions and use many of the same considerations when considering when to do an invite-only process or a competitive grant program. MCF is opposed to the proposed direct appropriations ban in the Governor's budget bill because it lacks the nuance and flexibility needed to effectively serve communities, especially in times of crisis.

We respectfully ask you to oppose the direct appropriations ban and encourage legislators to consider using the legislative decision tree to support disciplined, consistent, and thoughtful practices around how best to create and structure new programs or initiatives.

Sincerely,

Katina Mortensen

Katina Mortensen
Minnesota Council on Foundations

The Minnesota Council on Foundations is the statewide association of grantmakers, representing 170+ foundations across the state that collectively provide nearly four billion dollars to nonprofits annually.