Tuesday April 14, 2026
SF XXXX (Xiong) - Governor's supplemental budget bill
MCN and 80+ undersigned organizations oppose proposed ban on legislatively named grants

Dear Chair Xiong and members of the Senate State and Local Government 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

African Economic Development Solutions

Alexandra House, Inc.

Amherst H. Wilder Foundation

Armory Arts & Events Center

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

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 Bakken Museum

The Children's Museum of Rochester, Inc.

The Food Group

The Sanneh Foundation

Twin Cities R!SE

United Way of Steele County

Vail Communities

Wallin Education Partners

Winona Community Foundation

Young Dance

YWCA Minneapolis

Zelin Johnson Co.

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Minnesota Council of Nonprofits