



Monday, May 04, 2026

SF 5088 (Xiong) / HF 4883 (Bahner) - Governor's supplemental budget bill

MCN and 100 undersigned organizations oppose proposed ban on legislatively named grants

Dear Governor Walz, President Champion, Speaker Demuth, and Leader Stephenson,

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 100 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
Association of Minnesota Public Educational Radio Stations (AMPERS)
Aurora St. Anthony Neighborhood Development Corporation
Avenues for Youth
Avivo
Avon Hills Folk School
Basic Needs Inc of South Washington County
Better Futures Minnesota
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
Great River Children's Museum
Greater Friendship MBC
Greater Twin Cities United Way
Hired
Hmong American Partnership
Housing in Action
HousingLink
I 494 Corridor Commission
Interact Center for the Visual and Performing Arts
Irreducible Grace Foundation
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
Merrick Community Services
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)
Neighborhood House
Neighbors, Inc.
Northeast Contemporary Services, Inc.
Northside Economic Opportunity Network (NEON)
Northwest Indian Community Development Center, Aazhoomon
Our Saviour's Community Services
PCYC
People Serving People
Pillsbury United Communities
PRISM
Project for Pride in Living
Reach for Resources
Reach Out and Read MN
Rethos
Rochester Art Center
Saint Paul & Minnesota Foundation
Shobi's Table
Simpson Housing Services
Small Sums
Survivor Resources
The Arc Minnesota
The Bakken Museum
The Children's Museum of Rochester, Inc.
The Food Group
The Sanneh Foundation
Tubman
Twin Cities R!SE
United Way of Steele County
Vail Communities

Wallin Education Partners
White Earth Land Recovery Project
Will Work for Recovery
Winona Community Foundation
Young Dance
Youth & Families Determined To Succeed
Youth Service Bureau, Inc.
YWCA Duluth
YWCA Minneapolis
Zelin Johnson Co.

Contact:

Halla Henderson, Public Policy and Research Director

Minnesota Council of Nonprofits

Hhenderson@minnesotanonprofits.org