



MINNESOTA COUNCIL
ON FOUNDATIONS

a community of grantmakers

March 30, 2022

Chair Eric Pratt
95 University Ave W.
Minnesota Senate Building, Room 3219
St. Paul, MN 55155

Dear Chair Pratt and Senate Jobs and Economic Growth Committee members,

We ask the Committee to support the creation of a \$200 million Nonprofit Relief Fund, proposed by Senator Carla Nelson in Senate File 3593. This proposed fund would provide critical relief to nonprofits to help them, and the communities they serve, recover from the impacts of the pandemic. The concept of a nonprofit relief fund is included at \$50 million in the Governor's budget that will be heard in committee today – we support the Governor's request and encourage the committee to fund Senator Nelson's full \$200 million request.

The Minnesota Council on Foundations (MCF) is a membership association for grantmakers in Minnesota with more than 150 foundations from across the state in its membership. A key priority for MCF is to promote charitable giving and a strong nonprofit sector. Grantmakers know that a strong nonprofit sector is essential to a full and inclusive economic recovery in Minnesota.

Nonprofits, which employ 14% of Minnesota's workforce, have been impacted by the pandemic in many ways. Some nonprofits have faced skyrocketing demand for services that remains high today, often while also facing COVID-related staff and volunteer shortages. Many experienced unprecedented workplace health, safety, and technology costs, as nonprofits made operational adjustments to stay open and serve exploding community needs safely during the pandemic.

At the same time, nonprofits received limited federal COVID relief, and state COVID relief programs often excluded most nonprofits, choosing to focus on the limited slice of nonprofits that 'earn revenue similar to businesses.' This meant that many of the social service nonprofits, culturally-specific nonprofits, and smaller nonprofits in Greater Minnesota had very limited access to relief and recovery resources. **A \$200 million Nonprofit Relief Fund will finally provide nonprofits with the designated relief dollars they need to recover.** An investment in nonprofit relief is critical to our state's full economic recovery and supports the nonprofit sector's ability support our community through difficult times now and into the future.

Sincerely,

Katina Mortensen
Director of Public Policy