Minnesota Senate Finance Committee April 11, 2023 Dear Members:

Thank you for you continued revision of SF1682, the 2023 Omnibus Legacy bill. **Please review lines 27.27 through 28.19. These are appropriations to the Minnesota Historical Society.** While appropriations for 2024 and 2025 read "0" there are significant and costly wastes within the section.

Subd. 4 contains roughly \$3 million in what I feel is backpay because it all relates to 2023, which is ½ over and any work to be done would already need to be set, contracted, or budgeted for. I feel MNHS has overextended itself. I remind you that MNHS is a 501 c 3 nonprofit organization with its own funding opportunities and memberships. Bluntly put, this \$3 million to this nonprofit does not meet the Legacy Amendment's mission. Legacy is to supplement not substitute funds. This appropriation will set another precedent amongst Minnesota's nonprofits that must cease in light of Feeding Our Future.

MNHS has used public funds to benefit its own nonprofit assets before state assets. MNHS needs to apply and compete for grants to maintain its personal holdings. To explain, MNHS reported on its 2022 Asset Preservation reported its asset preservation of the State's historic properties. This isn't accurate as MNHS's own buildings received the majority of funding. MNHS CEO and Director, Kent Whitworth, reported rehabilitation or preservation of buildings in excess of \$3 million. However, the expenditures reported show more than ½ was spent on the nonprofit's personal holdings (CY2021 using 2018 Appropriations). Of concern is MNHS's decision to improve its own facilities before repairing state's asset including Minnesota's oldest manmade structure – Fort Snelling's Roundtower – that was closed to visitors due to structural concerns.

During this same time period, MNHS opted to sell state property to an Indian tribe for \$1 (convey) stating it was for operation of a historic site when it was for federal transfer ending public use. Other historic sites have been permanently closed or abandoned including Upper Sioux Agency, Fort Ridgely, and Harkin Store. These sites have been cleared of exhibits and are unrelated to covid closure. In the case of other historic sites, conditions have deteriorated including entrances to historic buildings at Sibley Historic Site where plywood is used as a walkway a railing is unsafe to use.

Please redirect focus of 2023 appropriations away from nonprofit Minnesota Historical Society. It is clear this 501 c 3 nonprofit is incapable of preserving and protecting as well as programming Minnesota heritage and history. Any funds for the deteriorating historic sites should remain with the Department of Administration for repair and preservation needs as approved by the MN State Historic Preservation Office. Likewise, Statewide Survey provisions at line 28.10.

Should the full appropriations remain, I suggest intense supervision and stipulation be added to safeguard state's assets and the general public as this is a nonprofit organization including rigorous background checks of all "partners," supervisory approval of preservation and removal of MNHS from all Chapter 13 provisions as a nonprofit organization.

Sincerely,

Stephanie Chappell