



# State Programs That Support Minnesotans on the Basis of Racial, Ethnic, or American Indian Identity

2023 Evaluation Report

Program Evaluation Division  
Office of the Legislative Auditor  
State of Minnesota



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February 2023

Members of the Legislative Audit Commission:

The Legislature, and at times state agencies, have created programs intended to reduce disparities or otherwise support Minnesotans on the basis of racial, ethnic, or American Indian identity. We identified 33 such programs operated by four state agencies: Department of Employment and Economic Development (DEED), Department of Human Services (DHS), Minnesota Housing Finance Agency (MHFA), and Minnesota Pollution Control Agency (MPCA).

These state agencies incorporated support for diverse communities into their agencywide strategic planning and generally complied with state grant management policy requirements related to diversity. However, we recommend that agencies improve certain aspects of grant and program management.

Our evaluation was conducted by Sarah Delacueva (project manager), Stephanie Besst, Marielynn Herrera, and Ryan Moltz. DEED, DHS, MHFA, and MPCA cooperated fully with our evaluation, and we thank them for their assistance.

Sincerely,



Judy Randall  
Legislative Auditor



OLA



## State Programs That Support Minnesotans on the Basis of Racial, Ethnic, or American Indian Identity

The agencies we reviewed administered more than 30 programs meant to support Minnesotans on the basis of racial, ethnic, or American Indian identity, though most are meant to support other communities as well.

### Report Summary

#### Programs and Grantees

At DEED, DHS, MHFA, and MPCA, we identified 33 programs in operation at some point from fiscal years 2013 through 2022 that were meant to support Minnesotans on the basis of racial, ethnic, or American Indian identity. The vast majority of these were grant programs.

- DEED and DHS had the greatest number of relevant programs, with 19 and 10 programs, respectively. (p. 12)
- Nearly three-quarters of the relevant programs we identified were meant to support other communities in addition to those discussed in this report, such as businesses that are “minority-owned, woman-owned, or veteran-owned.” (p. 14)
- Among the agencies we reviewed, DEED awarded the greatest amount of *grant funding* through relevant programs in Fiscal Year 2022. (p. 17)

#### Agency Approaches to Support Diverse Communities

In addition to specific programs intended to support Minnesotans on the basis of racial, ethnic, or American Indian identity, state agencies have taken additional actions to support diverse communities.

- The four agencies we reviewed incorporated support for diverse communities into their agencywide efforts and strategic planning. (p. 24)
- The request for proposal (RFP) templates from the four agencies we reviewed incorporated diversity-related elements; however, the templates varied in the degree to which they included other RFP standards established by the Office of Grants Management (OGM). (p. 28)

**Recommendation** ► DHS and MHFA should create RFP templates that include the essential elements in OGM policy. (p. 29)

### Background

Minnesotans who identify as Latino, American Indian or Alaska Native, Asian or Pacific Islander, or Black comprise an increasing share of the state’s overall population.

In Minnesota, disparities exist among demographic groups in terms of income, employment, homeownership, rates of health insurance coverage, and other areas.

The Legislature, and at times state agencies, have created various programs (which we call “relevant programs”) intended to reduce disparities or otherwise support diverse communities.

We focused on programs intended to support Minnesotans on the basis of racial, ethnic, or American Indian identity at four state agencies:

- Department of Employment and Economic Development (DEED)
- Department of Human Services (DHS)
- Minnesota Housing Finance Agency (MHFA)
- Minnesota Pollution Control Agency (MPCA)

## Program-Specific Approaches to Support Diverse Communities

We selected two programs to review in depth to examine how agencies administered grant funding for programs meant to support Minnesotans on the basis of racial, ethnic, or American Indian identity. We reviewed DEED’s Main Street COVID-19 Relief Grants and DHS’s Cultural and Ethnic Minority Infrastructure Grants (CEMIG).

- Despite being exempt from state policies for grant management, the Main Street program implemented some elements of OGM’s diversity-related grantmaking policies. (p. 34)
- Through the Main Street program, DEED awarded more than the minimum grant amount required to “minority business enterprises.” (p. 36)
- “Partner organizations” that helped administer the Main Street program did not consistently apply eligibility criteria or collect sufficient documentation from applicants, which resulted in some applicants being erroneously determined eligible for the program. (p. 37)

**Recommendation** ► If partner organizations determine program eligibility in future programs, DEED should spot check partner organizations’ determinations. (pp. 37-38)

- For the CEMIG program, DHS generally complied with state grantmaking policies related to supporting Minnesotans on the basis of racial, ethnic, or American Indian identity. (p. 40)
- DHS did not adequately document certain aspects of the grantee-selection process for the 2018 round of the CEMIG program. (p. 41)

**Recommendation** ► DHS should maintain complete documentation about its application review process and decisions for its competitive grant programs. (p. 42)

- DHS has not ensured adequate quarterly reporting from CEMIG grantees. Without these reports, the department cannot know whether it is supporting the communities the program is intended to serve. (p. 42)

**Recommendation** ► DHS should ensure that CEMIG recipients satisfy quarterly reporting requirements. (p. 43)

### Summary of Agencies’ Responses

In a letter dated February 23, 2023, Kevin McKinnon, Deputy Commissioner of Employment and Economic Development, said that the department is “honored to work with such great community-based partners to implement” its work and that it appreciated OLA’s recommendations for improving future partnership-based programs.

In a letter dated February 21, 2023, Jodi Harpstead, Commissioner of Human Services, noted that the report “focused more on the technical aspects of grant issuance and not the impact” of the programs. Nonetheless, she said that DHS was working to implement all of the report’s recommendations.

In a letter dated February 21, 2023, Jennifer Ho, Commissioner of Housing Finance, explained that the agency recently met its strategic goal of having 40 percent of first-time homebuyer mortgages go to “Black, Indigenous and people of color.” She said that MHFA was “bringing this year’s RFP into full alignment with OGM’s standards,” as OLA recommended.

The Minnesota Pollution Control Agency declined to submit a response letter.

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# Introduction

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Minnesota's demographic makeup has been shifting over the past several decades. The proportion of Minnesotans who identify as non-Latino White is decreasing, while the proportions of Minnesotans who identify as Latino, Asian or Pacific Islander, Black, or more than one race are increasing. At the same time, significant disparities exist among different demographic groups with respect to rates of employment, health insurance coverage, homeownership, and many other areas.

In March 2022, the Legislative Audit Commission directed the Office of the Legislative Auditor to evaluate state programs supporting Minnesotans on the basis of racial, ethnic, or American Indian identity. We focused on the relevant programs at four state agencies: Department of Employment and Economic Development (DEED), Department of Human Services (DHS), Minnesota Housing Finance Agency (MHFA), and Minnesota Pollution Control Agency (MPCA). In our evaluation, we addressed the following questions:

- **Within DEED, DHS, MHFA, and MPCA, what programs have an explicit focus on supporting Minnesotans on the basis of racial, ethnic, or American Indian identity, and how much funding have these agencies spent on such programs?**
- **Which organizations received funding from programs intended to support these communities?**
- **Have agencies awarded funding for these programs in accordance with legislative requirements?**

We reviewed Minnesota statutes, appropriation laws, and state agency websites to identify programs for which the authorizing language explicitly stated that the program was meant to support particular Minnesotan communities on the basis of racial, ethnic, or American Indian identity. We also interviewed multiple staff from DEED, DHS, MHFA, and MPCA to learn about each agency's overall approaches to supporting these communities.

Given that many of the programs we identified were competitive grant programs, we reviewed policies created by the Department of Administration's Office of Grants Management for guidance on making the grantmaking process inclusive of Minnesotans with diverse racial, ethnic, or American Indian identities. Statutes require that agencies adhere to these policies, two of which specifically address diversity and inclusion in grantmaking.<sup>1</sup>

We analyzed data from the U.S. decennial census and American Community Survey to learn about population trends and disparities. We also analyzed data from Minnesota's financial, procurement, and reporting system (SWIFT) to determine which organizations received funding through the programs we identified in this evaluation. From the list of

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<sup>1</sup> *Minnesota Statutes* 2022, 16B.97, subds. 2 and 4.

grantees we created using these data, we went on to analyze the geographic location of certain organizations that received grant funding through the relevant programs we identified.

We selected two programs as case studies to examine in greater depth: DEED's Main Street COVID-19 Relief Grants and DHS's Cultural and Ethnic Minority Infrastructure Grants. For these two programs, we conducted extensive interviews with agency staff, reviewed applicant files and program documents, examined program data, and interviewed applicants and/or funding recipients.

When identifying programs relevant to this evaluation, we focused on programs for which (1) the Legislature established the program in law with an explicit purpose to support Minnesotans on the basis of racial, ethnic, or American Indian identity; or (2) the administering state agency used its authority to explicitly focus the program on those communities. The scope of our evaluation did not include programs that happened to disproportionately serve members of particular racial or ethnic communities and/or American Indians, unless the programs also met one of the criteria listed above.

While we cataloged state programs intended to support Minnesotans on the basis of racial, ethnic, or American Indian identity, we did not evaluate their effectiveness. Further, we did not evaluate whether programs we identified were constitutional.<sup>2</sup> To our knowledge, none of the programs discussed in this evaluation have been challenged in court on the basis of being racially discriminatory.

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<sup>2</sup> State and federal courts at all levels generally assume that duly-enacted statutes are constitutional. For example, in *State v. Mrozinski*, 971 N.W.2d 233, 238 (Minn. 2022), the court stated that “We presume that statutes are constitutional and strike them down ‘only if absolutely necessary.’”

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# Chapter 1: Background

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State agencies in Minnesota administer certain programs meant to benefit all Minnesotans. For example, the Minnesota Department of Health works to ensure that public drinking water is free of contaminants and safe for all residents. On the other hand, some state programs are operated for the primary benefit of a subset of Minnesotans, who may be identified based on characteristics such as income, geography, or disability. For example, the Department of Human Services administers Medical Assistance, the state’s Medicaid program, which provides health insurance to Minnesotans who are economically disadvantaged, and the Department of Iron Range Resources and Rehabilitation offers grants to local governments to help them attract tourists specifically to the northeastern part of the state.



## Communities Discussed in this Report

When this report discusses programs meant to support Minnesotans on the basis of racial, ethnic, or American Indian identity, we are referring to programs intended to support individuals with the following identities:

- Latino or Hispanic
- American Indian or Alaska Native
- Asian or Pacific Islander
- Black or African American
- White persons with Middle Eastern or North African ancestry
- Persons identifying as a race other than White
- Persons identifying as more than one race

Programs that support all Minnesotans by definition are meant to support persons of all racial, ethnic, or American Indian identities. The focus of this evaluation, however, was programs that have an explicit purpose (either established in law or by the state agency implementing the program) of serving Minnesotans on the basis of their racial, ethnic, or American Indian identity.<sup>1</sup> The box at left lists the groups of Minnesotans meant to be supported by the programs evaluated in this report.<sup>2</sup>

To better understand the communities served by the programs included in this report, this chapter examines Minnesota’s demographics and how they have changed in recent decades. We also discuss disparities that occur among demographic groups.

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## Minnesota Demographics

The U.S. Census Bureau, in both the decennial census and the American Community Survey, asks a series of questions to ascertain respondents’ race, ethnicity, and ancestry.<sup>3</sup> Based on Minnesotans’ responses to these questions, we are able to measure how Minnesota’s demographic composition has changed over time.

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<sup>1</sup> We provide a list of these programs and discuss their characteristics in detail in Chapter 2.

<sup>2</sup> Throughout this project, we heard concerns about the term “Black, Indigenous, and people of color” (BIPOC) being used to collectively refer to the groups discussed in this report. We know of similar criticisms of other terms such as “minority” and “nonwhite.” In this report, we use the phrase “racial, ethnic, or American Indian identity.” State law and program materials we reviewed often use terminology that differs from ours. We use the terms used in law and program materials when discussing those specific programs.

<sup>3</sup> U.S. Department of Commerce, Economics and Statistics Administration, U.S. Census Bureau, American Community Survey 2019, [https://usa.ipums.org/usa-action/source\\_documents/enum\\_form\\_ACS\(2019\)\\_tag.xml](https://usa.ipums.org/usa-action/source_documents/enum_form_ACS(2019)_tag.xml), accessed November 28, 2022. While “American Indian” is a political classification and not a race, the American Community Survey questionnaire includes “American Indian or Alaska Native” as an option under race.

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### Minnesota’s population has become increasingly racially and ethnically diverse over the past several decades.

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The proportion of Minnesotans who identify as belonging to one or more of the communities meant to be supported by the programs discussed in this evaluation has approximately quintupled since 1980. At that time, Minnesota’s population was approximately 4.1 million people, about 96 percent of whom identified as non-Latino White.<sup>4</sup> As Exhibit 1.1 shows, the remaining 4 percent of Minnesotans were more or less evenly split among those identifying as Latino, American Indian or Alaska Native, Asian or Pacific Islander, and Black.<sup>5</sup> Census and American Community Survey data show increases in the percentage of Minnesotans identifying as belonging to most of those groups in the decades since 1980. As of 2019, Minnesota’s population had grown to approximately 5.6 million, 79 percent of whom identified as non-Latino White and 21 percent of whom identified as belonging to another racial, ethnic, or ancestral category.

#### Exhibit 1.1

#### Changes in the Demographic Makeup of Minnesota’s Population, 1980 to 2019

Racial, Ethnic, or Ancestral Category	Percentage of Minnesota’s Population				
	1980	1990	2000	2010	2019
Latino, any race	1%	1%	3%	4%	5%
American Indian or Alaska Native	1	1	1	1	1
Asian or Pacific Islander	1	2	3	4	5
Black	1	2	3	5	6
Middle Eastern or North African	<1	<1	<1	<1	1
White	96	94	88	84	79
Some other race or more than one race <sup>a</sup>	<1	<1	2	2	3

Notes: The categories above are mutually exclusive. Individuals who claimed Latino ethnicity appear in the category “Latino, any race”; they do not appear in an additional racial category. The “White” category excludes those who reported Middle Eastern or North African ancestry. The 1980, 1990, and 2000 data are from the decennial U.S. census. The 2010 data are from the 2006-2010 American Community Survey, and the 2019 data are from the 2015-2019 American Community Survey.

<sup>a</sup> The decennial census did not allow an individual to report more than one race until 2000.

Source: Office of the Legislative Auditor, analysis of data from the 1980, 1990, and 2000 decennial U.S. censuses, and the 2006-2010 and 2015-2019 American Community Survey. Steven Ruggles, Sarah Flood, Ronald Goeken, Megan Schouweiler and Matthew Sobek. IPUMS USA: Version 12.0 [dataset]. Minneapolis, MN: IPUMS, 2022. <https://doi.org/10.18128/D010.V12.0>, accessed November 7, 2022.

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<sup>4</sup> This percentage excludes people with Middle Eastern or North African (MENA) ancestry. This approach is consistent with the research presented in Neda Maghbouleh, Ariela Schachter, and René D. Flores, “Middle Eastern and North African Americans may not be perceived, nor perceive themselves, to be White,” *Proceedings of the National Academy of Sciences* 119, no. 7 (February 7, 2022): 1-9.

<sup>5</sup> Unless otherwise specified, in this chapter, all persons who claimed Latino ethnicity appeared in the category “Latino, any race” and *did not appear* in any other racial category.

# Disparities Among Demographic Groups

**Disparities exist among different demographic groups of Minnesotans with respect to income, homeownership, and many other areas.**

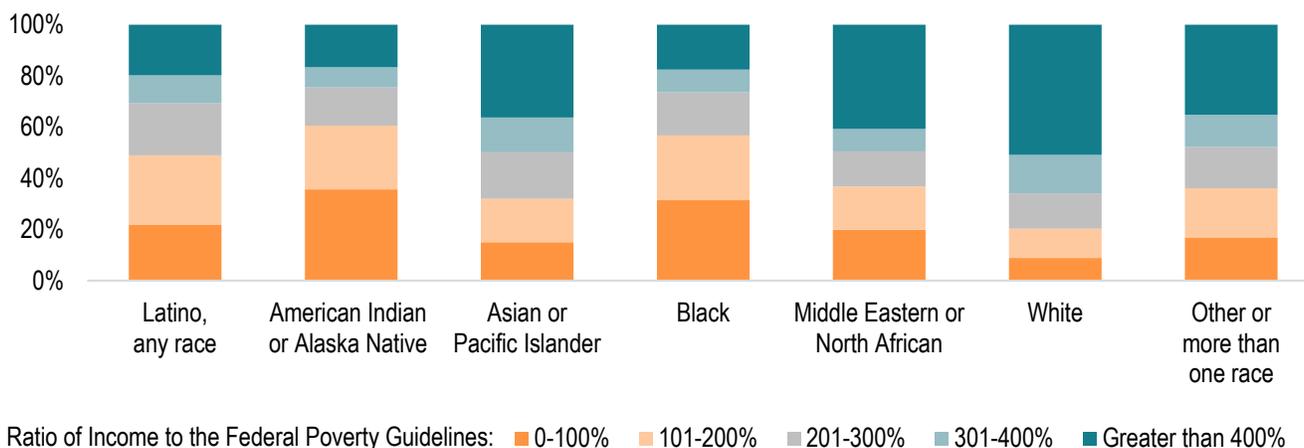
To address these disparities, the Legislature has directed state agencies to administer numerous programs that are intended to support Minnesotans on the basis of racial, ethnic, or American Indian identity. This evaluation focuses on relevant programs administered by the following four agencies: Department of Employment and Economic Development (DEED), Department of Human Services (DHS), Minnesota Housing Finance Agency (MHFA), and Minnesota Pollution Control Agency (MPCA). In the following sections, we examine disparities by race, ethnicity, and American Indian identity related to the work of these four agencies.

## Poverty

In 2019, the poverty guideline calculated by the federal Department of Health and Human Services was \$12,490 for an individual and \$25,750 for a family of four in the 48 contiguous states and the District of Columbia.<sup>6</sup> Exhibit 1.2 demonstrates that, as of 2019, 61 percent of American Indians or Alaska Natives in Minnesota, 57 percent of Black Minnesotans, and 49 percent of Latino Minnesotans had household incomes at 200 percent or less of the federal poverty guideline. Only 20 percent of non-Latino White Minnesotans had household incomes below that level.

Exhibit 1.2

**Comparison of Demographic Groups with Respect to Federal Poverty Guidelines, 2019**



Notes: The categories above are mutually exclusive. Individuals who claimed Latino ethnicity appear in the category “Latino, any race”; they do not appear in an additional racial category. The “White” category excludes those who reported Middle Eastern or North African ancestry. As of 2019, 100 percent of the federal poverty guideline was \$12,490 for an individual and \$25,750 for a family of four in the 48 contiguous states and the District of Columbia. Annual Update of the HHS Poverty Guidelines, 84 *Federal Register*, pp. 1,167-1,168 (2019).

Source: Office of the Legislative Auditor, analysis of data from the 2015-2019 American Community Survey. Steven Ruggles, Sarah Flood, Ronald Goeken, Megan Schouweiler and Matthew Sobek. IPUMS USA: Version 12.0 [dataset]. Minneapolis, MN: IPUMS, 2022. <https://doi.org/10.18128/D010.V12.0>, accessed November 7, 2022.

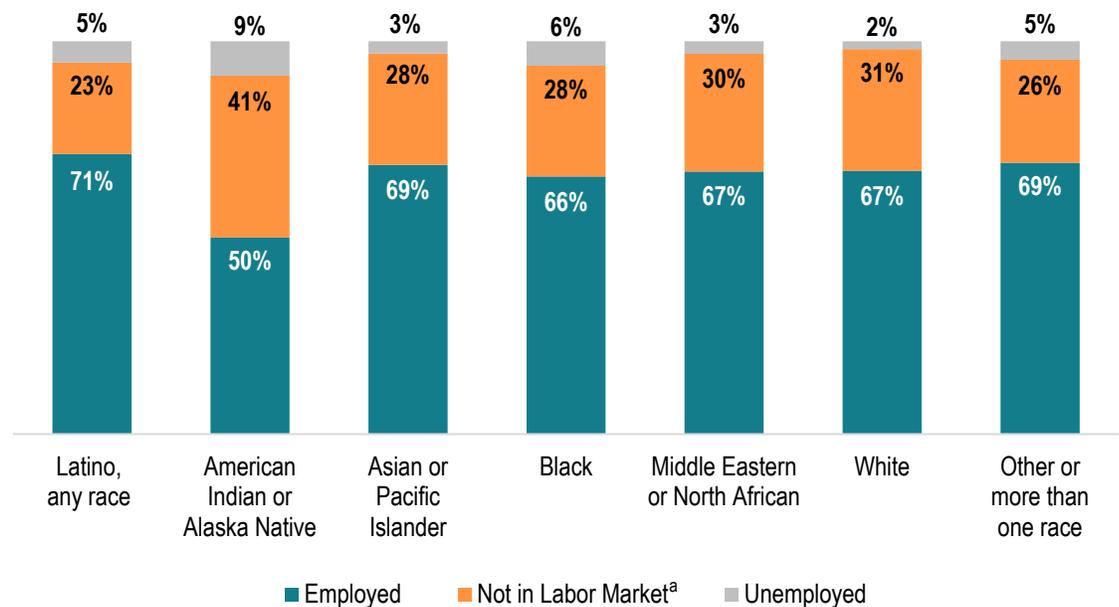
<sup>6</sup> Annual Update of the HHS Poverty Guidelines, 84 *Federal Register*, pp. 1,167-1,168 (2019).

## Unemployment

For the purpose of discussing labor statistics, Minnesotans age 16 and older fall into one of three categories: employed, unemployed, or not in the labor force.<sup>7</sup> As of 2019, among Minnesotans ages 16 and older, 9 percent of American Indians or Alaska Natives were unemployed, compared with 2 percent of non-Latino White Minnesotans; each of the other groups in our analysis fell somewhere in between, as shown in Exhibit 1.3.

Exhibit 1.3

### Comparison of Demographic Groups with Respect to Employment Status, 2019



Notes: The categories above are mutually exclusive. Individuals who claimed Latino ethnicity appear in the category “Latino, any race”; they do not appear in an additional racial category. The “White” category excludes those who reported Middle Eastern or North African ancestry. The data are representative of Minnesotans ages 16 and older.

<sup>a</sup> “Not in the labor market” encompasses individuals who are old enough to work but do not wish to or are unable to work, as well as discouraged workers (formerly unemployed workers who have given up seeking work).

Source: Office of the Legislative Auditor, analysis of data from the 2015-2019 American Community Survey. Steven Ruggles, Sarah Flood, Ronald Goeken, Megan Schouweiler and Matthew Sobek. IPUMS USA: Version 12.0 [dataset]. Minneapolis, MN: IPUMS, 2022. <https://doi.org/10.18128/D010.V12.0>, accessed November 7, 2022.

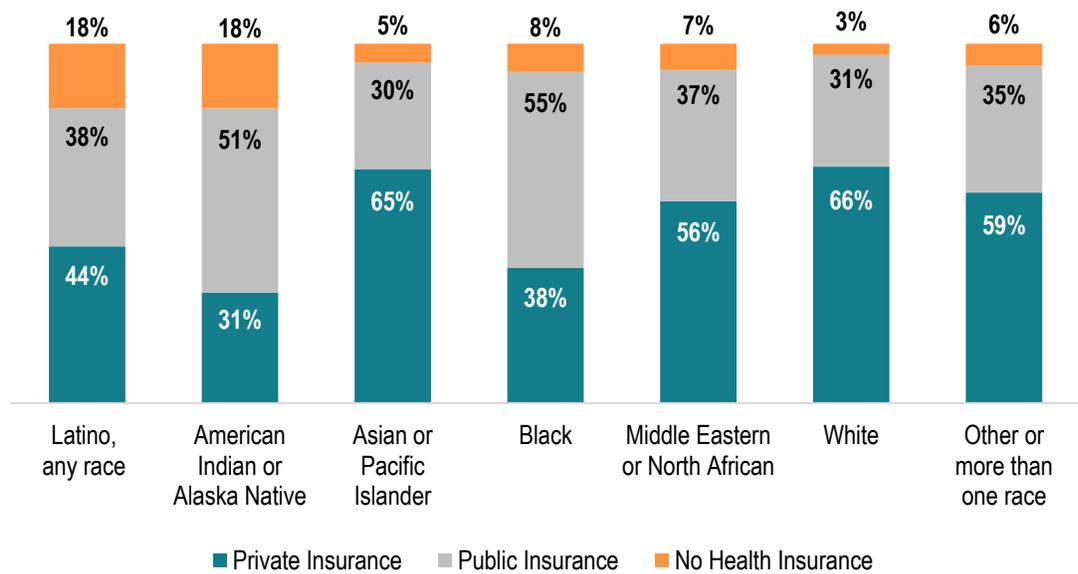
<sup>7</sup> Those who are “not in the labor force” include those who are old enough to work but do not want to or are unable to work (such as full-time homemakers, retirees, and students). It also includes discouraged workers (formerly unemployed workers who have given up seeking work). IPUMS USA, “EMPSTAT (Employment status) Comparability,” [https://usa.ipums.org/usa-action/variables/EMPSTAT#comparability\\_section](https://usa.ipums.org/usa-action/variables/EMPSTAT#comparability_section), accessed December 12, 2022.

## Health Insurance

Minnesotans may be covered by either public or private health insurance. DHS administers Medical Assistance, Minnesota’s Medicaid program, to provide public health insurance for qualifying Minnesotans, including those with low incomes or disabilities. Exhibit 1.4 shows the proportions of different populations that (1) are covered by private insurance, (2) are covered by Medicaid or other forms of public insurance, or (3) lack health insurance. As of 2019, Minnesotans identifying as Latino or American Indian or Alaska Native were the most likely to lack health insurance (about 18 percent of each group), compared with only 3 percent of Minnesotans identifying as non-Latino White.

Exhibit 1.4

### Comparison of Demographic Groups with Respect to Health Insurance Coverage, 2019



Notes: The categories above are mutually exclusive. Individuals who claimed Latino ethnicity appear in the category “Latino, any race”; they do not appear in an additional racial category. The “White” category excludes those who reported Middle Eastern or North African ancestry. Individuals whose only source of health insurance coverage is the Indian Health Service appear in the “No Health Insurance” category because that coverage is not always comprehensive.

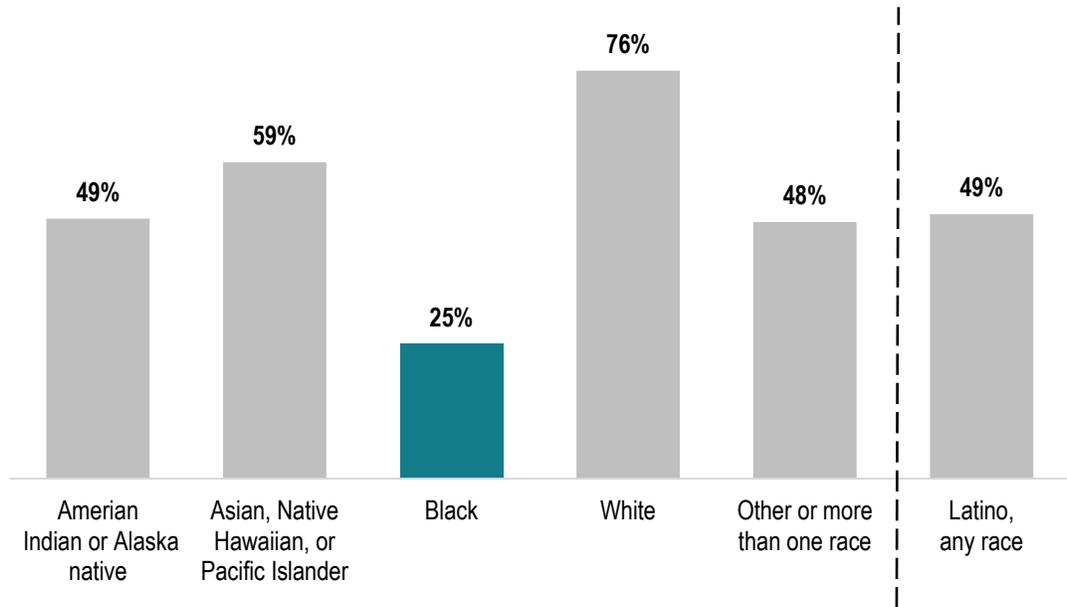
Source: Office of the Legislative Auditor, analysis of data from the 2015-2019 American Community Survey. Steven Ruggles, Sarah Flood, Ronald Goeken, Megan Schouweiler and Matthew Sobek. IPUMS USA: Version 12.0 [dataset]. Minneapolis, MN: IPUMS, 2022. <https://doi.org/10.18128/D010.V12.0>, accessed November 7, 2022.

## Homeownership

As of 2019, less than one-half of Minnesotan householders who identified as Latino; American Indian; Asian, Native Hawaiian, or Pacific Islander; or Black owned their home, rather than rented. The homeownership rate was the lowest among Black Minnesotans; 25 percent of Black households owned their homes, compared with 76 percent of White households.<sup>8</sup> Exhibit 1.5 shows the homeownership rates for the different demographic groups included in our analysis.

Exhibit 1.5

### Comparison of Demographic Groups with Respect to Home Ownership, 2019



Homeownership Rate, by Identity of Householder

Notes: In contrast to previous exhibits, this exhibit relies on American Community Survey tables representing data on households (rather than individuals). The racial and ethnic categories in these data are different, most notably in our inability to calculate a “Middle Eastern or North African” category and that the racial categories do not exclude householders with Latino ethnicity. As such, householders identifying as Latino appear in both the “Latino, any race” category and one of the other categories.

Source: Office of the Legislative Auditor, analysis of data from the U.S. Census Bureau, 2019 American Community Survey 1-Year Estimates, tables B25003 and B25003A-I.

<sup>8</sup> The race or ethnicity of a “household” is determined by that of the “householder” in whose name the house is owned or rented. The remaining members of the household may or may not have the same racial, ethnic, or American Indian identity as the householder.

## Environment

While the American Community Survey does not contain data related to exposure to pollution or other environmental hazards, MPCA's most recent biennial report on Minnesota's air quality describes how the impacts of air pollution vary across the state.<sup>9</sup> The report explains that among the Minnesota census tracts located within tribal boundaries or where at least one-half of the population are "people of color," 93 percent experience air pollution above MPCA's risk guidelines; in contrast, 51 percent of all Minnesota census tracts experience levels of air pollution above those risk guidelines.<sup>10</sup>

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<sup>9</sup> Minnesota Pollution Control Agency, *The air we breathe: The state of Minnesota's air quality in 2021* (St. Paul, 2021), 4.

<sup>10</sup> *Ibid.* MPCA's risk guidelines are nonregulatory health benchmarks for air pollution. MPCA bases these benchmarks on its triennial inventory of about 250 pollutants that come from permitted facilities such as factories, as well as from residential heating and vehicles, among other sources. Minnesota Pollution Control Agency, *MNRISKS: Minnesota Statewide Screening of Health Risks from Air Pollution* (St. Paul, 2022).



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# Chapter 2: Programs and Grantees

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The Department of Employment and Economic Development (DEED), the Department of Human Services (DHS), the Minnesota Housing Finance Agency (MHFA), and the Minnesota Pollution Control Agency (MPCA) each administer programs intended to support Minnesotans on the basis of racial, ethnic, or American Indian identity. For many of these programs, the Legislature has established this intention as an explicit purpose of the program, either in statutes or appropriation laws. For others, the state agency administering the program has explicitly intended for it to support these communities.

In this chapter, we identify the programs at DEED, DHS, MHFA, and MPCA with an explicit intention to support Minnesotans on the basis of racial, ethnic, or American Indian identity. For the grant programs we identified, we discuss some of the grantees that have received funding through these programs. We then present the amounts of funding appropriated for legislatively named grantees to support Minnesotans on the basis of racial, ethnic, or American Indian identity.

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## Relevant Programs

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The Legislature has established and appropriated funding for certain programs at DEED, DHS, MHFA, and MPCA that have an explicit purpose to support Minnesotans on the basis of racial, ethnic, or American Indian identity.<sup>1</sup> In addition, three of these four agencies have, at times, used their authority to explicitly focus certain programs to support communities on the same basis.

We included both of these program types in our review, as shown in the box at right. While the agencies we reviewed may have administered additional programs that happened to disproportionately serve members of particular racial or ethnic communities and/or American Indians, we considered these programs relevant to our evaluation only if there was an explicit intention to support those communities.<sup>2</sup>

In this section, we discuss the number and characteristics of the relevant programs we identified at the four agencies. We go on to explain how much agencies spent on the programs that we identified.



### Relevant Programs

A “relevant program” for this evaluation includes programs that:

- The Legislature established in law with an explicit purpose to support Minnesotans on the basis of racial, ethnic, or American Indian identity.
- The administering state agency explicitly intended to support Minnesotans on the basis of racial, ethnic, or American Indian identity.

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<sup>1</sup> Through such “programs,” the Legislature directs an agency to provide resources or assistance to support individuals, organizations, or communities selected through agency processes. These programs include those through which recipients received grants, loans, or tax credits. We did not include legislatively named grantees among these programs; we address these grantees at the end of this chapter.

<sup>2</sup> Relatedly, a DHS staff member explained to us that the department targets much of its programming to Minnesotans who are economically disadvantaged and therefore targets racial, ethnic, and American Indian communities through all of its programs. As discussed in Chapter 1, economic disparities exist among demographic groups.

We identified  
**33**  
 programs intended to support Minnesotans on the basis of racial, ethnic, or American Indian identity.

We reviewed statutes and laws appropriating funding for fiscal years 2013 through 2022 to identify relevant programs at DEED, DHS, MHFA, and MPCA.<sup>3</sup> We also reviewed agency websites and had conversations with staff from each agency. We included only those programs for which the Legislature or agency established that resources or assistance *must*, as opposed to *may*, be administered to support Minnesotans on the basis of racial, ethnic, or American Indian identity. We identified a total of 33 programs operated by the four agencies over that ten-year period.

**Of the four agencies we reviewed, DEED and DHS had the greatest number of relevant programs.**

From Fiscal Year 2013 through Fiscal Year 2022, DEED administered 19 programs explicitly meant to support Minnesotans on the basis of their racial, ethnic, or American Indian identity; DHS administered 10 relevant programs; and MHFA and MPCA each administered 2 relevant programs.<sup>4</sup> The numbers of relevant programs administered by DEED and DHS have increased over the past ten years, as shown in the box below.

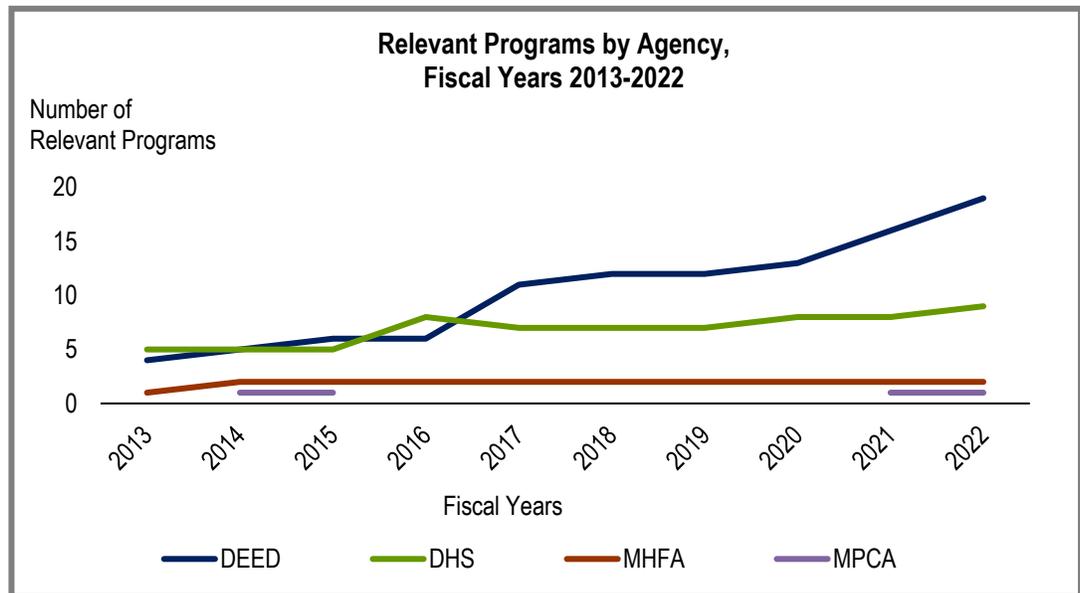


Exhibit 2.1 lists the relevant programs we identified, and unless stated otherwise, these are the programs discussed in this chapter. In addition, we provide more information about these programs in Appendix A, including program purposes, the communities the programs are intended to support, and total agency expenditures for the programs.

<sup>3</sup> We searched statutes and appropriation laws pertaining to each of the four agencies for terms including: African, Asian, black, brown, color, disadvantage, disparities, disparity, ethnic, Hispanic, immigrant, Indian, indigenous, Latino/a/x, minorities, minority, native, race, racial, tribal, and tribe. We did not include councils or workgroups established in law as “relevant programs,” nor did we include appropriations for legislatively named grantees.

<sup>4</sup> One of MPCA’s programs no longer explicitly supports Minnesotans on the basis of racial, ethnic, or American Indian identity. One of DHS’s programs lasted for a duration of only one year. The remainder of the programs enumerated in this paragraph continue to be relevant for our evaluation.

## Exhibit 2.1

**Programs Explicitly Meant to Support Minnesotans on the Basis of Racial, Ethnic, or American Indian Identity, Fiscal Years 2013-2022****Department of Employment and Economic Development (DEED)**

- African Immigrant Community Economic Relief Competitive Grant Program
- Angel Tax Credit Program (Small Business Investment Tax Credit)<sup>a</sup>
- Business Development Competitive Grant Program
- Economic Recovery Jobs Program
- Emerging Entrepreneur Loan Program
- Indian Business Loan Program
- Job Training Incentive Program and Automation Incentive Program (Job Training Grants)
- Launch Minnesota
- Main Street COVID-19 Relief Grants (*previously Small Business Relief Grant Program*)<sup>b</sup>
- Minnesota Job Creation Fund Program
- Minnesota Job Skills Partnership Program
- Minnesota State Trade and Export Promotion Grant Program
- Minnesota Tech Training Pilot Program
- Pathways to Prosperity
- Southeast Asian Economic Relief Competitive Grant Program
- Support Services Competitive Grant Program
- Targeted Community Capital Grant Program
- Women in High-Wage, High-Demand Nontraditional Jobs Grant Program
- Youth at Work Opportunity Grants

**Department of Human Services (DHS)**

- American Indian Child Welfare Grants
- American Indian Programs (Alcohol/Drug Abuse Treatment)
- Cultural and Ethnic Minority Infrastructure Grants
- *Culturally Specific Mental Health Services to Southeast Asian Veterans*
- Long-Term Homeless Supportive Services
- Minnesota Health Care Program Outreach<sup>c</sup>
- Provider Capacity Grants for Rural and Underserved Communities
- Traditional Healing for Native Communities
- Tribal Customary Adoption
- Whole Family Systems (*a portion of this program's funding previously supported Child Welfare Disparity Grants*)

**Minnesota Housing Finance Agency (MHFA)**

- Economic Development and Housing Challenge Program
- Homeownership Assistance Fund

**Minnesota Pollution Control Agency (MPCA)**

- *Community Air Monitoring Project*
- Improving Air Quality Program

Notes: Within each agency, we identified programs that were either (1) established in law with an explicit purpose to support Minnesotans on the basis of racial, ethnic, or American Indian identity; or (2) explicitly intended to support those Minnesotans by the administering agency. Agencies no longer administered italicized programs as of 2022. All programs included in this list rely at least partially on state funding.

<sup>a</sup> DEED operates this program in cooperation with the Minnesota Department of Revenue.

<sup>b</sup> These were limited-duration programs approved by the Legislature in response to the COVID-19 pandemic.

<sup>c</sup> DHS operates this program in cooperation with MNsure.

Source: Office of the Legislative Auditor.

The increase in relevant programs is the result of (1) the creation of *new* programs with an explicit focus on supporting Minnesotans on the basis of racial, ethnic, or American Indian identity; and (2) the modification of *existing* programs to prioritize or set aside funding for those communities. As an example of a *new* program, in 2019 the Legislature appropriated funding to DHS for Traditional Healing for Native Communities to “award grants to tribal nations and five urban Indian communities for traditional healing practices to American Indians and to increase the capacity of culturally specific providers in the behavioral health workforce.”<sup>5</sup> As an example of modifying an *existing*

<sup>5</sup> *Laws of Minnesota* 2019, chapter 63, art. 3, sec. 1(h).

program, the Legislature added statutory language to DEED’s Job Training Incentive Program and Automation Incentive Program (Job Training Grants) in 2021 that required the programs to “give preference to projects that provide training for economically disadvantaged people, people of color, or people with disabilities and to employers located in economically distressed areas.”<sup>6</sup>

MHFA administered the same two relevant programs during almost the entire ten-year period we reviewed: (1) the Economic Development and Housing Challenge Program and (2) the Homeownership Assistance Fund. MPCA administered a total of two relevant programs during the period we reviewed: (1) the Community Air Monitoring Project and (2) the Improving Air Quality Program. However, the Legislature directed the Community Air Monitoring Project to prioritize certain relevant communities for only two years. The Improving Air Quality Program began in 2021.

## Program Beneficiaries

**In addition to communities with diverse racial, ethnic, or American Indian identities, almost three-quarters of the relevant programs we identified were also meant to support other groups of Minnesotans.**

As of Fiscal Year 2022, 23 of the 31 relevant programs across the agencies we reviewed were meant to support Minnesotans based on a number of potential characteristics, not only on the basis of racial, ethnic, or American Indian identity. For example, the Legislature required that DEED’s Support Services Competitive Grant Program focus on “low-income communities, young adults from families with a history of intergenerational poverty, and communities of color.”<sup>7</sup> Exhibit 2.2 shows how the relevant programs at the agencies we reviewed differ in terms of the specific communities on which they focus. We describe the different categories in more detail, below.

### Exhibit 2.2

#### Intended Beneficiaries of Relevant Programs, Fiscal Year 2022

Communities Supported	DEED	DHS	MHFA	MPCA	Total
Several Minnesota communities, including those with diverse racial, ethnic, or American Indian identities	12	5	–	1	18
Several Minnesota communities, with funding set aside or priority based on racial, ethnic, or American Indian identity	3	–	2	–	5
Exclusively on the basis of racial, ethnic, or American Indian identity	1	–	–	–	1
Specific racial, ethnic, or American Indian communities	3	4	–	–	7
<b>Total</b>	<b>19</b>	<b>9</b>	<b>2</b>	<b>1</b>	<b>31</b>

Source: Office of the Legislative Auditor, analysis of Minnesota statutes, session laws, and agency documents.

<sup>6</sup> *Laws of Minnesota* 2021, First Special Session, chapter 10, art. 2, sec. 12, codified as *Minnesota Statutes* 2022, 116L.41, subds. 1a and 1b.

<sup>7</sup> *Laws of Minnesota* 2021, First Special Session, chapter 10, art. 1, sec. 2, subd. 3(g).

**Several Minnesota communities, including those with diverse racial, ethnic, or American Indian identities.** More than one-half of the relevant programs across the agencies we reviewed were intended to support several communities, such as women, veterans, or “minorities.” For example, through Launch Minnesota, DEED was to award grants to entrepreneurs and certain businesses, but was required to prioritize certain applicants, such as those in Greater Minnesota, those with a disability, or entrepreneurs who are a “woman, veteran, or minority group member.”<sup>8</sup> Similarly, DHS’s Provider Capacity Grants for Rural and Underserved Communities involved grants to build the service capacity of certain organizations that support “rural or underserved communities,” with the goal of increasing grantees’ capacity to provide services to one or more of the program’s focus communities: American Indian; Asian or Pacific Islander; Black and African-born; Latino; lesbian, gay, bisexual, transgender, and queer (LGBTQ); and rural Minnesota outside of the seven-county metropolitan area.<sup>9</sup>

MPCA’s Improving Air Quality program was also intended to support multiple communities. For this program, MPCA prioritized projects located within “areas of concern for environmental justice.”<sup>10</sup> These areas were census tracts that MPCA identified as within Tribal boundaries or having a high concentration of residents who were “people of color” or low-income.

**Several Minnesota communities, with funding set aside or priority based on racial, ethnic, or American Indian identity.** Five of the relevant programs across the agencies we reviewed were intended to support several communities, but had specific funding set-asides or priorities for only Minnesotans of certain racial, ethnic, or American Indian identities. For example, through DEED’s Main Street COVID-19 Relief Grants program, funding was awarded to businesses “impacted by executive orders related to the COVID-19 pandemic,” but a minimum amount of program funding was required to be awarded to “minority business enterprises.”<sup>11</sup>

Through the Homeownership Assistance Fund, MHFA can help people with income below a certain level acquire loans and housing, regardless of their race, ethnicity, or American Indian identity.<sup>12</sup> However, Minnesota law requires MHFA to “continue to strengthen its efforts to address the disparity gap in the homeownership rate between white households and Indigenous American Indians and communities of color” through this program.<sup>13</sup> Moreover, Minnesota law also requires MHFA’s Economic Development and Housing Challenge program to make a certain amount of program funds available for a period of time “exclusively for housing projects for American Indians.”<sup>14</sup>

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<sup>8</sup> *Laws of Minnesota 2021*, First Special Session, chapter 10, art. 2, sec. 19.

<sup>9</sup> *Laws of Minnesota 2021*, First Special Session, chapter 7, art. 17, sec. 10. Department of Human Services, *Provider Capacity Grants for Rural and Underserved Communities* (St. Paul, 2022), 1-3.

<sup>10</sup> Minnesota Pollution Control Agency, *Improve air quality through pollutant reduction* (St. Paul, 2022), 8; and “Small Business Enterprise” (St. Paul, 2021), [https://content.govdelivery.com/accounts/MNPCA/bulletins/2cbbcde3?list=mnnpca\\_24](https://content.govdelivery.com/accounts/MNPCA/bulletins/2cbbcde3?list=mnnpca_24), accessed April 7, 2022.

<sup>11</sup> *Laws of Minnesota 2021*, First Special Session, chapter 10, art. 2, sec. 22. We discuss Main Street COVID-19 Relief Grants in depth in Chapter 4.

<sup>12</sup> *Minnesota Statutes 2022*, 462A.21, subd. 8.

<sup>13</sup> *Laws of Minnesota 2021*, First Special Session, chapter 8, art. 1, sec. 3, subd. 10.

<sup>14</sup> *Ibid.*, subd. 2.

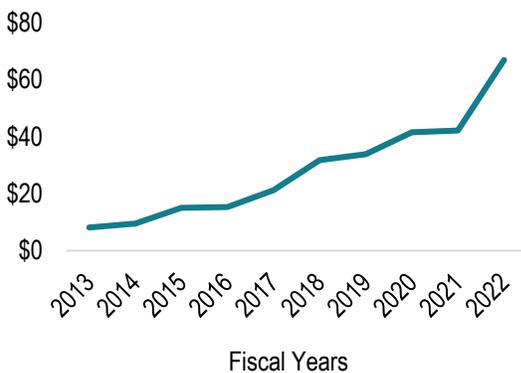
**Exclusively on the basis of racial, ethnic, or American Indian identity.** Only one relevant program was intended to support multiple communities exclusively on the basis of racial, ethnic, or American Indian identity. Through DEED’s Minnesota Tech Training Pilot Program, organizations were to train individuals of certain ages who identify as “Black, Indigenous, and People of Color” in technology-related careers and connect them with “permanent employment at a family-sustaining wage.”<sup>15</sup>

**Specific racial, ethnic, or American Indian communities.** Seven relevant programs across the agencies we reviewed were intended to support a specific community in Minnesota. For example, DEED’s African Immigrant Community Economic Relief Competitive Grant program was intended to award funding to organizations for “services to relieve economic disparities in the African immigrant community through workforce recruitment, development, job creation, assistance of small organizations to increase capacity, and outreach.”<sup>16</sup> All of the DHS programs that fell into this category for Fiscal Year 2022 were meant to support American Indian communities, including programs for American Indian children and families, and for treatment and healing.

## Grant Recipients

**Amount Distributed to Recipients Through Relevant Grant Programs, Fiscal Years 2013-2022**

(Dollars in Millions)



Across the four agencies we reviewed, most of the relevant programs were grant programs. We analyzed data from the state’s financial, procurement, and reporting system (SWIFT) to determine the amount and the recipients of funding that DEED, DHS, MHFA, and MPCA provided through relevant grant programs over the past ten fiscal years, shown in the box at left.<sup>17</sup> From fiscal years 2013 to 2022, the four agencies distributed a combined total of more than \$280 million in grants to nearly 700 entities through the relevant programs we identified.<sup>18</sup>

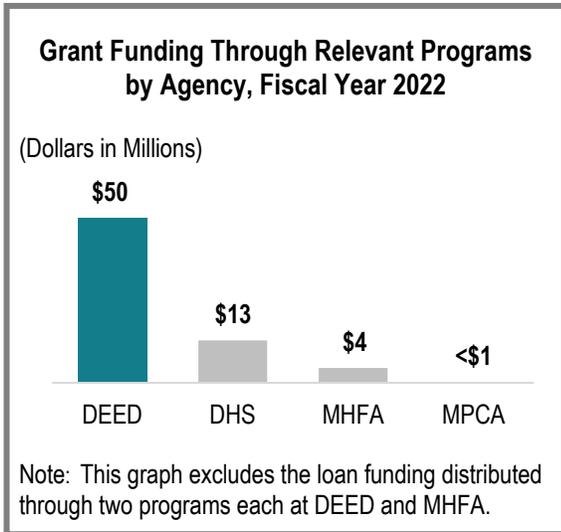
<sup>15</sup> Department of Employment and Economic Development, “Minnesota Department of Employment and Economic Development (DEED) Announces Tech Training Competitive Grant Winners” (August 17, 2021), <https://mn.gov/deed/programs-services/adult-career-pathways/grants/mn-tech/>, accessed April 13, 2022.

<sup>16</sup> *Laws of Minnesota 2022*, chapter 10, art. 1, sec. 2, subd. 3(oo).

<sup>17</sup> Amounts include grant expenditures for relevant programs made using only state funding, and are presented in Fiscal Year 2022 dollars adjusted for inflation. We recognize that analyzing SWIFT data is an imperfect measure of grant expenditures, as the SWIFT spending records that we analyzed may have captured activities unrelated to the relevant grant programs we identified. We discuss related issues in Office of the Legislative Auditor, Program Evaluation Division, *Oversight of State-Funded Grants to Nonprofit Organizations* (St. Paul, 2023), 45 and 51.

<sup>18</sup> These are unique entities. Some of these entities received different grant awards through as many as eight different relevant programs over the ten-year period we analyzed.

**Among the agencies we reviewed, DEED awarded the greatest amount of grant funding through relevant programs in Fiscal Year 2022.**



In Fiscal Year 2022, DEED, DHS, MHFA, and MPCA distributed a total of about \$67 million in grants to 315 entities through the relevant programs we identified.<sup>19</sup> DEED awarded nearly three-fourths of those funds (\$50 million). The box at left shows how much each of the agencies we reviewed awarded as grants through programs meant to support Minnesotans on the basis of racial, ethnic, or American Indian identity.

Exhibit 2.3 shows the recipients that received the greatest amount of grant funding in Fiscal Year 2022 from each agency through the relevant programs that we reviewed, as well as the total amount received and the number of programs through which they received funding. Appendix B contains the complete list of grant recipients.

**Exhibit 2.3**  
**Recipients That Received the Greatest Amount of Grant Funding Through Relevant Programs at DEED, DHS, MHFA, or MPCA, Fiscal Year 2022**

Name of Entity	Total Grant Amount Received	Number of Programs
<b>Department of Employment and Economic Development</b>		
1. Southern Minnesota Initiative Foundation	\$9,681,929	2
2. Initiative Foundation	8,788,362	2
3. Southwest Initiative Foundation	4,119,528	1
4. Northland Foundation	3,986,092	2
5. West Central Initiative Fund	2,104,032	1
6. Northwest Minnesota Foundation	2,072,784	1
7. Anoka-Ramsey Community College, Coon Rapids	1,147,590	1
8. City of Minneapolis	1,124,125	1
9. City of St. Paul	796,273	1
10. Minnesota State University, Mankato	679,512	2

*(Continued on next page)*

<sup>19</sup> In Fiscal Year 2022, the total of \$67 million that the four agencies distributed to grantees through programs intended to support diverse communities represented less than one-fifth of those agencies' combined grant spending. In that fiscal year, the agencies we reviewed collectively distributed more than \$400 million in grant dollars from state funding sources.

**Exhibit 2.3****Recipients That Received the Greatest Amount of Grant Funding Through Relevant Programs at DEED, DHS, MHFA, or MPCA, Fiscal Year 2022 (concluded)**

Name of Entity	Total Grant Amount Received	Number of Programs
<b>Department of Human Services</b>		
1. Hennepin County	\$2,700,140	1
2. Blue Earth County	1,170,248	1
3. White Earth Band of Chippewa	902,149	5
4. St. Louis County	888,653	1
5. Hubbard County	834,948	1
6. Isanti County	598,537	1
7. Red Lake Band of Chippewa	518,810	3
8. Fond du Lac Reservation	449,274	3
9. Northwest Indian Community Development Center	360,624	3
10. Leech Lake Band of Ojibwe	303,915	2
<b>Minnesota Housing Finance Agency</b>		
1. City of Lakes Community Land Trust	878,180	1
2. City of Minneapolis	727,156	1
3. Upper Sioux Community	492,140	1
4. Lower Sioux Indian Community	491,796	1
5. One Roof Community Housing	257,000	1
6. Rebuilding Together Minnesota	256,471	1
7. West Hennepin Affordable Housing Land Trust	210,000	1
8. Twin Cities Habitat for Humanity	207,602	1
9. West Central Minnesota Communities Action, Inc.	162,000	1
10. Hennepin County	151,597	1
<b>Minnesota Pollution Control Agency</b>		
1. Clean'n'Press	25,000	1

Note: MPCA paid only one grant recipient for its Improving Air Quality Program in Fiscal Year 2022.

Source: Office of the Legislative Auditor, analysis of Minnesota's financial, procurement, and reporting system (SWIFT) data, Fiscal Year 2022.

## Nonprofit Recipients

In Fiscal Year 2022, nonprofit organizations received nearly two-thirds of the grant funding distributed through the relevant programs we reviewed. To further examine these nonprofit grant recipients, we used tax documents and other publicly available information to determine their geographic location.<sup>20</sup>

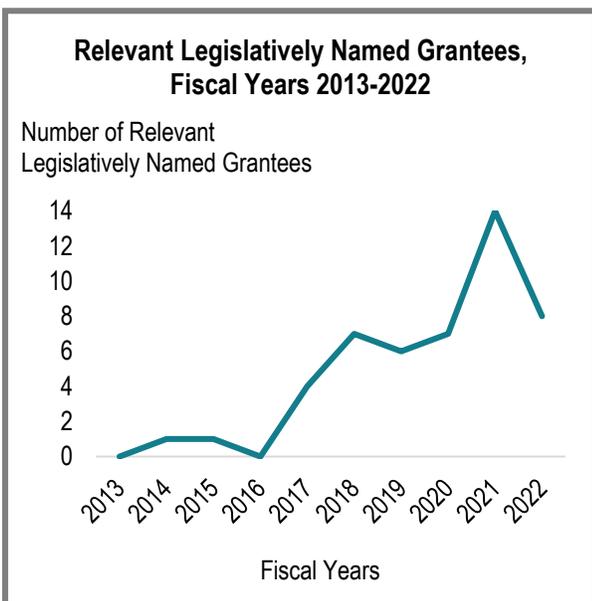
<sup>20</sup> We analyzed the geographic location of nonprofit grantees that received grant awards *directly* from an agency through one of the relevant programs we identified; to the extent that those primary recipients granted or loaned money to other secondary organizations or individuals, we did *not* analyze the locations of those secondary recipients.

**Nonprofit organizations that received grants through relevant programs in Fiscal Year 2022 were predominantly located within the Twin Cities metropolitan area.**

Roughly 70 percent of the nonprofit organizations that received grants in Fiscal Year 2022 through the relevant programs we identified had headquarters in the Twin Cities metropolitan area. Of the nonprofit grantees with headquarters located in Greater Minnesota, the most were concentrated in the Southeast, Arrowhead, or the West Central economic development regions; these regions accounted for roughly 20 percent of all the nonprofit organizations that received grant funding in Fiscal Year 2022. Exhibit 2.4 shows the number of nonprofit grant recipients headquartered in each economic development region, overlaid with each county’s density of residents who identify as Latino, American Indian or Alaska Native, Asian or Pacific Islander, or Black.

**Legislatively Named Grantees**

In addition to establishing programs through which agencies distribute funding to multiple recipients, the Legislature has named in law specific entities to receive funding to support Minnesotans on the basis of racial, ethnic, or American Indian identity. To identify these legislatively named grantees, we reviewed ten years of appropriations (for fiscal years 2013 through 2022) related to DEED, DHS, and MHFA; MPCA did not have any related appropriations.<sup>21</sup> Appendix C lists all of the legislatively named grant recipients we found through our search.

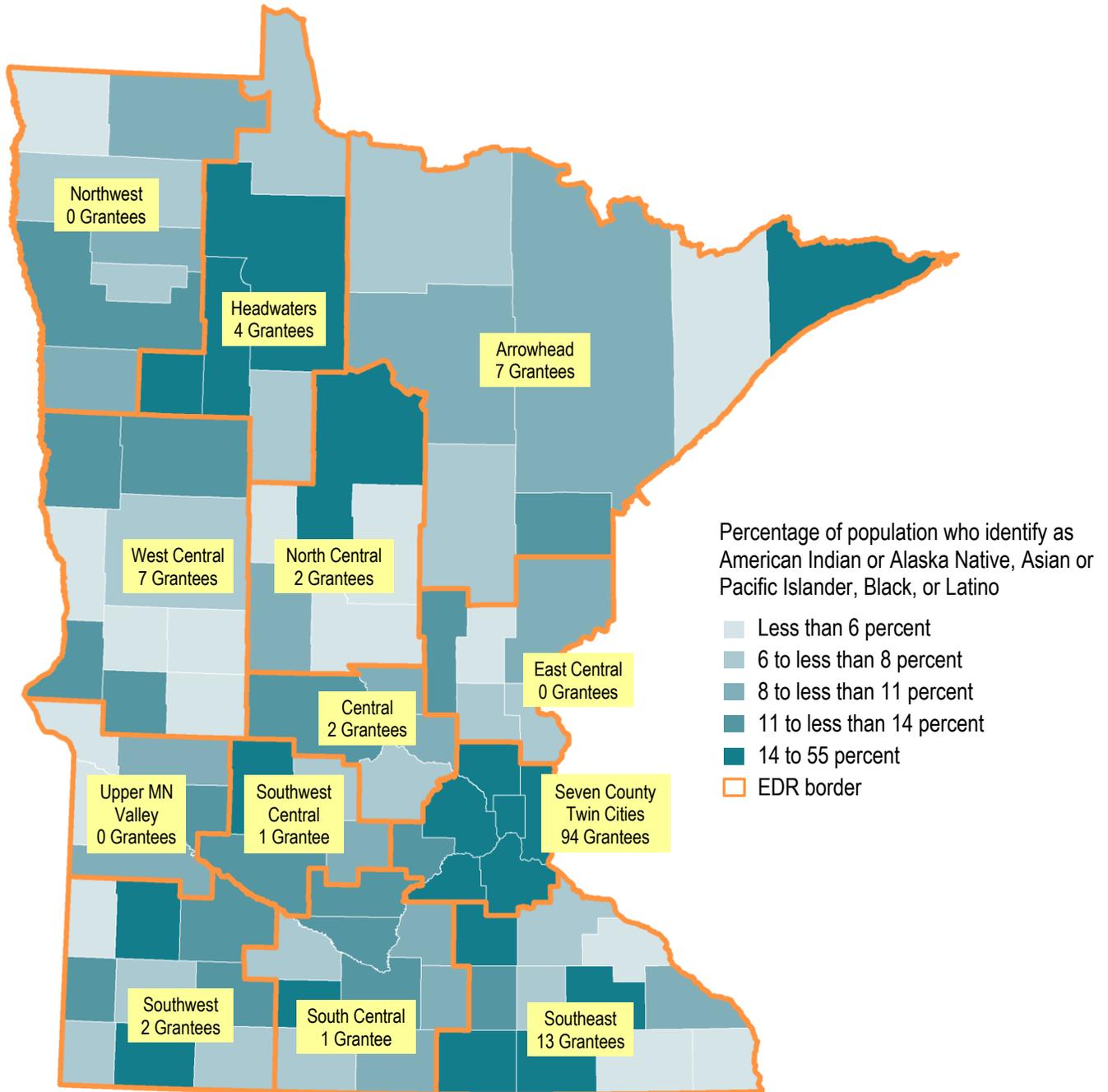


**In Fiscal Year 2017, the number of legislatively named grantees receiving funding to support Minnesotans on the basis of racial, ethnic, or American Indian identity began increasing.**

For fiscal years 2013 through 2022, the Legislature appropriated more than \$40 million (in inflation-adjusted 2022 dollars) for 23 legislatively named grantees to support Minnesotans on the basis of racial, ethnic, or American Indian identity. However, with the exception of two early appropriations administered through MHFA, these appropriations primarily began in Fiscal Year 2017, as the box at left shows.

<sup>21</sup> We searched appropriations of state funding made for fiscal years 2013 through 2022 for instances in which the Legislature directed one of the four agencies that we reviewed to award funding to a *specific entity* for the purpose of supporting Minnesotans with diverse racial, ethnic, or American Indian identities. Our search included the terms we listed previously in this chapter. We did not include legislatively named grantees that disproportionately serve Minnesotans who identify as Latino, American Indian or Alaska Native, Asian or Pacific Islander, or Black, unless the purpose of the grant funding was explicitly linked to supporting Minnesotans on the basis of racial, ethnic, or American Indian identity.

**Exhibit 2.4**  
**Density of Diverse Populations (by County) and Number of Nonprofit Grantees**  
**(by Economic Development Region), Fiscal Year 2022**

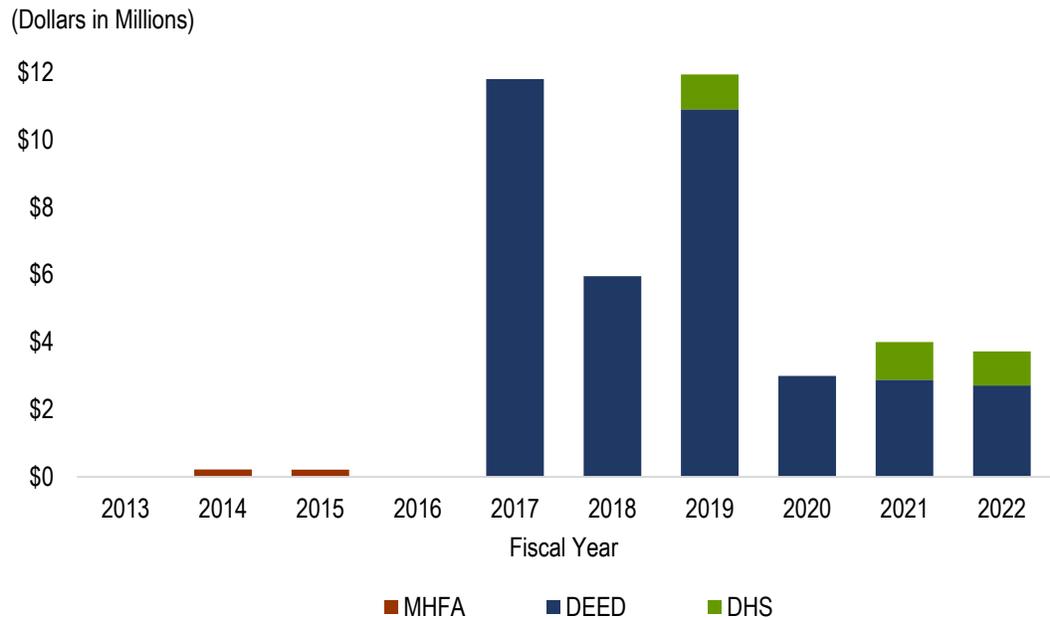


Note: The location of grantees corresponds to the location of the nonprofit recipient’s headquarters, as reported to the Internal Revenue Service.

Source: Office of the Legislative Auditor, analysis of Minnesota’s financial, procurement, and reporting system (SWIFT) data, Fiscal Year 2022; data from the Internal Revenue Service’s Exempt Organizations Business Master File Extract; and data from U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates.

Exhibit 2.5 shows the amounts of funding appropriated for the legislatively named grantees that we identified. The increase in funding appropriated for Fiscal Year 2017 (to nearly \$12 million in 2022 dollars) corresponds to four appropriations for economic development efforts.<sup>22</sup> After the appropriations for Fiscal Year 2017, the Legislature appropriated, on average, nearly \$6 million per fiscal year from 2018 through 2022 for legislatively named grantees to support Minnesotans on the basis of racial, ethnic, or American Indian identity.

**Exhibit 2.5**  
**Amount Appropriated for Legislatively Named Grantees, Fiscal Years 2013-2022**



Notes: We reviewed appropriations for fiscal years 2013 through 2022 for instances in which the Legislature directed one of the four agencies we reviewed to award money to a specific entity for the purpose of supporting Minnesotans on the basis of racial, ethnic, or American Indian identity. MPCA did not have any such appropriations during the time period in review. Appropriated amounts are presented in Fiscal Year 2022 dollars adjusted for inflation.

Source: Office of the Legislative Auditor, analysis of appropriation laws, fiscal years 2013-2022.

<sup>22</sup> Two of these four appropriations continued through Fiscal Year 2022, but two ended in Fiscal Year 2021.



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# Chapter 3: Agency Approaches to Support Diverse Communities

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While certain programs are required by state law to support Minnesotans on the basis of racial, ethnic, or American Indian identity, those programs are not the only way that state agencies support and engage with these communities. Agencywide policies and strategic plans guide how state agencies do their work in general, and may direct the agencies' efforts in ways that address the disparities we discussed in Chapter 1.

In this chapter, we discuss the direction that the Legislature and Governor have given to state agencies with respect to how they should support Minnesotans with diverse racial, ethnic, or American Indian identities. We then discuss the extent to which the four agencies we reviewed have implemented agencywide approaches that align with those expectations.

## State-Level Expectations

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Minnesota's Legislature requires state agencies to support Minnesotans with diverse racial, ethnic, or American Indian identities in several different ways. First, as discussed at length in Chapter 2, the Legislature has established numerous programs meant to support specific communities or groups of communities. With respect to American Indians in particular, the 2021 Legislature required that each cabinet-level agency hold formal government-to-government consultations with each of Minnesota's 11 federally recognized American Indian tribes on an annual basis.<sup>1</sup> Further, statutes require that (1) agencies designate a tribal liaison "to serve as the principal point of contact for Minnesota Tribal governments" and (2) certain agency staff and administrators attend tribal-state relations training.<sup>2</sup>

Minnesota's governors have used executive orders to establish their own expectations for how the executive branch and its agencies will support diverse communities. In 2019, Governor Walz implemented an executive order requiring tribal consultation and other related requirements very similar to those that were eventually codified in statute.<sup>3</sup> In addition, Governor Walz's first executive order declared "diversity, inclusion, and equity" to be core values of the administration and directed the Governor's One Minnesota Council to "establish goals and work collaboratively to address diversity, inclusion, and equity in State government practices, including recruiting; retaining and promoting state employees; state government contracting; and

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<sup>1</sup> *Laws of Minnesota* 2021, First Special Session, chapter 14, art. 11, sec. 5, codified as *Minnesota Statutes* 2022, 10.65. This statute requires agencies to "consult with Minnesota Tribal governments on legislative and fiscal matters that affect one or all Minnesota Tribal governments or their members to identify priority issues in order to allow agencies to proactively engage Minnesota Tribal governments in the agency's development of legislative and fiscal proposals."

<sup>2</sup> *Minnesota Statutes* 2022, 10.65, subds. 3(i) and (j).

<sup>3</sup> State of Minnesota Executive Order 19-24, "Affirming the Government to Government Relationship between the State of Minnesota and Minnesota Tribal Nations: Providing for Consultation, Coordination, and Cooperation," April 4, 2019.

civic engagement.”<sup>4</sup> In a more recent executive order, Walz explained that the One Minnesota Council, which is composed of commissioners from cabinet-level agencies, works to ensure that those most affected by decisions are “not only included in, but at the center of, the decision-making process.”<sup>5</sup>

In addition to the Governor’s direction to executive branch agencies, the Department of Administration (Admin) has developed guidelines related to diversity and inclusion in grantmaking for use by all agencies. The Legislature requires that Admin develop grant management policies and that executive branch agencies comply with those policies.<sup>6</sup> As we will discuss later in this chapter, two of those policies establish the state’s expectations for incorporating diversity and inclusion in grantmaking.

## Agency Approaches

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This evaluation focused on four state agencies: Department of Employment and Economic Development (DEED), Department of Human Services (DHS), Minnesota Housing Finance Agency (MHFA), and Minnesota Pollution Control Agency (MPCA). We interviewed agency staff and reviewed various documents to learn about the agencies’ philosophies and approaches to supporting Minnesotans with diverse racial, ethnic, or American Indian identities. In this section, we discuss how each of the agencywide strategic plans reflected the commitment to equity, diversity, and inclusion expressed in Governor Walz’s executive orders. We then present an analysis of the extent to which the agencies’ competitive grant award processes complied with Admin’s policies related to diversity and inclusion in grantmaking. The chapter concludes with a discussion of the extent to which the agencies we reviewed translated grant program documents into languages other than English, a concern we heard about from several stakeholders.

## Agency Plans and Policies

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**DEED, DHS, MHFA, and MPCA incorporated support for Minnesotans with diverse racial, ethnic, and American Indian identities into their agencywide efforts and strategic planning, in alignment with executive branch expectations.**

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All four agencies expressed support for diverse communities in their strategic plans, whether in terms of equity, disparity reduction, or environmental justice. In addition, some supplemented those strategic plans with agency administrative policies or other

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<sup>4</sup> State of Minnesota Executive Order 19-01, “Establishing the One Minnesota Council on Diversity, Inclusion, and Equity,” January 9, 2019. Governor Walz later established a Governor’s Community Council on Inclusion and Equity to collaborate with the One Minnesota Council. State of Minnesota Executive Order 21-13, “Establishing the Governor’s Community Council on Inclusion and Equity and Amending Executive Order 19-01,” March 18, 2021, 2. The previous governor (Governor Dayton) had established a similar Diversity and Inclusion Council, replacing the Affirmative Action Council, which had been in effect since 1985. State of Minnesota Executive Order 15-02, “Establishing the Diversity and Inclusion Council; Rescinding Executive Order 91-14,” January 20, 2015.

<sup>5</sup> State of Minnesota Executive Order 21-13, “Establishing the Governor’s Community Council on Inclusion and Equity and Amending Executive Order 19-01,” March 18, 2021, 1.

<sup>6</sup> *Minnesota Statutes* 2022, 16B.97, subs. 2 and 4(a)(1).

guidance related to supporting diverse communities. In this section we explain the strategic goals that agencies have adopted to support Minnesotans with diverse racial, ethnic, or American Indian identities. We did not, however, evaluate the impacts that agencies’ policies or plans had on the communities that the agencies support.

**Department of Employment and Economic Development.** The “top goal” in DEED’s 2021-2022 strategic plan was to “drive an economic comeback from the COVID-19 pandemic, focused on people and businesses who face systemic barriers to growth.”<sup>7</sup> In service of this overarching goal, the department tasked every division to set specific equity objectives “to systemically reduce racial and other disparities in Minnesota’s economy.”<sup>8</sup> As we discussed in Chapter 1, there are disparities among demographic groups in terms of poverty and unemployment. The box at right shows an example of an equity-related objective and strategies adopted by one of DEED’s divisions.



**Example DEED Goal**

*Program Area:* Employment and Training Grants Division

*Goal:* transform grantmaking to improve speed, transparency, and innovation for grantees, many of whom serve “communities of color”

*Strategy:* DEED reported that since 2019, it has:

- Streamlined the application process
- Hosted community engagement sessions
- Made review and scoring more transparent
- Committed to using community reviewers
- Executed grant agreements more quickly

— DEED Developments, “Racial Equity Commitments Blog Series #3: Reform Programs to Remove Systemic Barriers”

**Example DHS Goal**

*Agencywide Goal:* reduce disparities and make access to services easy

*Strategy:* use equity review tools to evaluate every DHS service, for the purpose of designing equitable services and equitable access

— DHS, 2020-2022 Agencywide strategic plan

**Department of Human Services.** One goal in DHS’s strategic plan was to “reduce disparities and make access to services easy.” Strategies related to this goal included evaluating every DHS service through an equity lens to ensure equitable services and access, as shown in the box at right.<sup>9</sup> During our evaluation, DHS was developing (for release in 2023) an equity analysis toolkit to help staff learn to use an equity lens when developing policies, programs, and other proposals.

<sup>7</sup> Department of Employment and Economic Development, *2021-2022 DEED’s Objectives and Key Results: Working together as One DEED* (St. Paul, 2021), 1, [https://mn.gov/deed/assets/objectives-key-results-2021-22\\_tcm1045-519294.pdf](https://mn.gov/deed/assets/objectives-key-results-2021-22_tcm1045-519294.pdf), accessed October 27, 2022.

<sup>8</sup> Department of Employment and Economic Development, *DEED’s 2021-2022 Objectives: Working together as One DEED* (St. Paul, 2022), <https://mn.gov/deed/about/what-we-do/objectives-plans/strategic.jsp>, accessed July 28, 2022.

<sup>9</sup> Department of Human Services, *2020-2022 Agencywide strategic plan* (St. Paul, 2021), <https://mn.gov/dhs/general-public/about-dhs/strategic-plan/>, accessed August 9, 2022.

**Minnesota Housing Finance Agency.**

One of MHFA’s key objectives in its 2020-2023 strategic plan was to “create an inclusive and equitable housing system.”<sup>10</sup> The plan laid out six related strategies to address the homeownership disparities discussed in Chapter 1, as well as other issues. The strategies included addressing systemic barriers and diversifying the agency’s partners, among others. MHFA further developed an Affordable Housing Plan, which expanded on each of the six strategies, and included actions the agency is taking to achieve them.<sup>11</sup> The box at right explains one of those strategies.

**Minnesota Pollution Control Agency.**

MPCA’s 2018-2022 strategic plan had an agencywide goal to “incorporate strategies to address environmental justice concerns in all programs,” which it further articulated in its environmental justice policy and accompanying framework.<sup>12</sup> MPCA’s environmental justice policy identified the groups that often suffer disproportionate exposure to pollution and stated that the agency expects “fair treatment and meaningful involvement of communities of color, Indigenous communities, and low-income communities in agency actions and decisions that affect them.”<sup>13</sup>

The agency’s environmental justice framework laid out goals and strategies for several agency functions and resources for staff. The box above shows a goal and strategy in a program area.

**Example MHFA Goal**

*Issue:* current law results in “Black, Indigenous, and households of color” disproportionately being evicted, experiencing housing instability, and unable to access affordable homes

*Goal:* address systemic barriers

*Strategy:* MHFA has proposed or supported several legal changes related to eviction and rental stability; proposed future actions including working with stakeholders to change how credit scores are calculated and used to ensure that renters, not just homeowners, get credit for their timely payments

— MHFA, *Affordable Housing Plan*

**Example MPCA Goal**

*Program Area:* permitting, environmental review, and remediation

*Goal:* provide for meaningful involvement of community members in the environmental review, permitting, and remediation processes

*Strategy:* identify facility and permit types that warrant additional actions based on the potential for adverse effects in geographic areas of concern for environmental justice

— MPCA, *Environmental Justice Framework*

<sup>10</sup> Minnesota Housing Finance Agency, *Go Big So Everyone Can Go Home: 2020-2023 Strategic Plan* (St. Paul, 2020), 11, <https://www.mnhousing.gov/sites/np/about>, accessed June 16, 2022.

<sup>11</sup> Minnesota Housing Finance Agency, *2022-2023 Affordable Housing Plan* (St. Paul, 2022), 12-19, <https://www.mnhousing.gov/sites/np/plans>, accessed June 20, 2022.

<sup>12</sup> Minnesota Pollution Control Agency, *Our strategic plan: Sixteen strategic goals for our agency 2018-2022* (St. Paul, 2018). “Environmental justice concerns” refer to the environmental inequities and health disparities caused by disproportionate exposure to pollution.

<sup>13</sup> Minnesota Pollution Control Agency, Administrative Policy i-admin8-29, *Environmental Justice*, effective November 2020.

## Grantmaking

Each of the four agencies we reviewed awards competitive grants to various types of entities—including nonprofit organizations, American Indian tribes, local units of government, businesses, school districts, and institutions of higher education—to do work that the state has deemed important to fund. As we mentioned previously, executive branch agencies are required by law to comply with Admin’s grants management policies. Within Admin, the Office of Grants Management (OGM) has created 13 policies intended to improve grantmaking in Minnesota, 2 of which relate specifically to incorporating diversity and inclusion in grantmaking, as defined in the box at right.

One OGM policy requires that agencies establish and publish in their requests for proposals (RFPs) the rating criteria the agencies will use to evaluate responses for competitive grants. In these criteria, agencies must explicitly state their intention and strategy to implement diversity in grantmaking. This requirement pertains to the policy’s stated purpose, which is to ensure “fairness, precision, equity, and consistency in competitive grant awards,” and diversity and inclusion in grantmaking.<sup>14</sup>

Another OGM policy includes requirements related to outreach and involvement of grantee communities, including that state agencies involve grantee communities when writing and publicizing RFPs for competitive grants. The policy states that agencies are to do this by (1) incorporating communities’ feedback into RFP development and (2) recruiting community-based grant reviewers. The policy also suggests, though does not require, that agencies publicize grant opportunities through culturally specific and community-based organizations. Finally, the policy lists a number of essential elements that should be included in RFPs.<sup>15</sup>

### RFP Elements

In addition to interviewing each of the four agencies about their agencywide grantmaking approaches, we evaluated their RFP templates to help determine the extent to which the agencies followed certain OGM policies and procedures related to diversity and inclusion in grantmaking. OGM’s list of essential RFP elements includes



#### Definitions

*Diversity in grantmaking:* a process that intentionally identifies how a grant program serves diverse populations, and especially populations experiencing inequities and/or disparities. Diverse populations may be based on:

- Racial, ethnic, or American Indian identity
- Sexual preference or gender identity
- Disability status
- Veteran status
- Geographic diversity within Minnesota

*Inclusion in grantmaking:* a process that identifies how the grantee community is included in the grant review process.

— OGM, *Policy on Rating Criteria for Competitive Grant Review (08-02)*

<sup>14</sup> Minnesota Department of Administration, Office of Grants Management, Operating Policy and Procedure 08-02, *Policy on Rating Criteria for Competitive Grant Review*, revised September 15, 2017, <https://mn.gov/admin/government/grants/policies-statutes-forms/>, accessed May 27, 2022.

<sup>15</sup> Minnesota Department of Administration, Office of Grants Management, Operating Policy and Procedure 08-03, *Policy on Writing and Publicizing Grants Notices and Requests for Proposal*, revised September 15, 2017, <https://mn.gov/admin/government/grants/policies-statutes-forms/>, accessed June 21, 2022.

(1) information about “the grant program’s diversity and inclusion needs including how the grant program serves diverse populations,” and (2) “selection criteria and weight,” which “must include and identify how a state agency’s grant process will implement diversity in grantmaking.”<sup>16</sup>

OGM’s policy also states that RFPs “must clearly communicate grants program information that will help potential applicants determine whether and how to submit an application.”<sup>17</sup> While the remaining essential RFP elements listed in the policy do not explicitly relate to supporting Minnesotans with diverse racial, ethnic, and American Indian identities, they do help improve RFP clarity and may make it easier for all potential applicants to respond to the RFP. Such clarity may particularly benefit smaller organizations that cannot afford to work on a proposal only to later learn that the opportunity was not a good fit for the organization.

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**RFP templates from DEED, DHS, MHFA, and MPCA incorporated diversity-related elements; however, the templates varied in the degree to which they included the other RFP standards established by OGM.**

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All four agencies we reviewed included in their RFP templates sections for statements about the grant program’s “diversity and inclusion needs,” as well as review criteria showing how the agencies would incorporate diversity into their proposal-review processes.<sup>18</sup> Further, all four agencies’ RFP templates designated space for explaining the communities the program was designed to serve. Each of the four RFP templates also allotted space for explanations of scoring criteria and specified that diversity must be among them.

OGM has developed an RFP template, which agencies may use for their grant programs.<sup>19</sup> Of the agencies we reviewed, two of them—DEED and MPCA—used RFP templates that closely resembled OGM’s template and included nearly all of the essential elements in OGM policy. The RFPs we reviewed from DHS and MHFA looked substantially different than OGM’s template. While departing from the template’s format is acceptable, both RFPs lacked or only partially included certain essential elements, as demonstrated in Exhibit 3.1. For example, neither RFP included statements of whether multi-organization collaborations are required or allowed as part of the grant program.

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<sup>16</sup> Minnesota Department of Administration, Office of Grants Management, Operating Policy and Procedure 08-03, *Policy on Writing and Publicizing Grants Notices and Requests for Proposal*, 3; and Operating Policy and Procedure 08-02, *Policy on Rating Criteria for Competitive Grant Review*, 1-2.

<sup>17</sup> Minnesota Department of Administration, Office of Grants Management, Operating Policy and Procedure 08-03, *Policy on Writing and Publicizing Grants Notices and Requests for Proposal*, 3.

<sup>18</sup> At the time of publication, MHFA had not developed an RFP template for use by all agency grant programs. As such, we reviewed the most recent RFP associated with single-family programs, which provide a mix of grant and loan funding. Minnesota Housing Finance Agency, *2022 Single Family Consolidated Request for Proposals Application Guide and Instructions* (St. Paul, 2022).

<sup>19</sup> Minnesota Department of Administration, Office of Grants Management, *Grant Request for Proposal Sample Template* (St. Paul, 2022). While OGM’s policy and template provide essential elements of an RFP, they do not limit an agency in its development of an RFP template.

**Recommendation**

**DHS and MHFA should create RFP templates that include the essential elements in OGM policy.**

As we explained previously, clarity in RFPs helps all potential applicants understand whether a funding opportunity is right for their organization and helps them respond more easily. For example, it is important for applicants—especially those representing small organizations with limited resources—to know whether multi-organization collaborations are required. For some organizations, needing to find collaborators may deter them from applying. For others that already work extensively with collaborators, not being allowed to do so may make the funding opportunity less appealing.

**Exhibit 3.1**

**The RFP template used by DHS and a sample RFP from MHFA incorporated diversity-related elements, but lacked some other essential elements from OGM policy.**

RFP Element	DHS	MHFA
A description of the grant program	●	●
The state’s goals and priorities in making the grants	●	●
Eligibility requirements for applicants	●	●
<b>The grant program’s diversity and inclusion needs, including how the grant program serves diverse populations</b>	●	●
A statement on whether a multi-organization collaboration is (1) required, (2) welcomed, or (3) not allowed for this grant program	○	○
Grant outcome expectations and reporting requirements	●	●
Deadlines and timelines for each step in the application and award process	●	●
Amount of money for distribution and how it will be allocated	●	See note <sup>a</sup>
Detailed application formatting instructions or an application template	●	●
<b>Selection criteria and weight (including how the scoring system incorporates diversity)</b>	●	●
General information about the review process and general overview of the composition of the review committee	●	●
Requirements for in-kind or matching funds	○	●
The name and contact information of a contact person at the state agency	●	●
A statement about when information in the grant application becomes public data	●	●

● Incorporated Element     
 ● Partially Incorporated Element     
 ○ Did Not Incorporate Element

Note: Since MHFA does not have a template for agencywide use, we reviewed a sample RFP that was relevant to our evaluation: *2022 Single Family Consolidated Request for Proposals Application Guide and Instructions*.

<sup>a</sup> MHFA staff explained that the agency does not publish an amount of funding to be distributed in its single family (or homeownership) consolidated RFP because the agency uses the same sources of funding to support single family programs, as well as the programs under the agency’s multifamily (or rental) RFP. MHFA typically waits until it has evaluated both sets of proposals before determining how much money to distribute through each RFP.

Source: Office of the Legislative Auditor, analysis of Department of Human Services, *Grant RFP Template* (St. Paul, 2022); Minnesota Housing Finance Agency, *2022 Single Family Consolidated Request for Proposals Application Guide and Instructions* (St. Paul, 2022); and Minnesota Department of Administration, Office of Grants Management, Operating Policy and Procedure 08-03, *Policy on Writing and Publicizing Grants Notices and Requests for Proposal*, 3.

While we have some concerns about DHS's RFP template, unlike the other agencies, DHS provided OLA with a detailed contracting manual containing a section on "Diversity and Inclusion." Among the resources included in this section were repositories of sample questions and evaluation criteria related to diversity, equity, and inclusion. The questions were meant to give DHS program staff ideas for questions applicants must address in their proposals and were related to community engagement, organizational capacity, disparity reduction, and equity analysis, among others.

## Outreach

Agencies engage in a variety of outreach efforts to publicize the availability of grant opportunities. OGM policy requires that competitive grant opportunities be publicized "as broadly as possible."<sup>20</sup> The policy requires that agencies post opportunities on their websites, but encourages additional efforts to reach communities, such as contacting those that have not historically applied for grants, through culturally specific and community-based organizations and targeted newspapers, among other methods.

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### **DEED, DHS, MHFA, and MPCA engaged in outreach to communities about grant opportunities using agencywide and program-specific approaches.**

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Agency staff and administrators told us that only a limited number of outreach methods were used universally for all grant opportunities. Most agencies reported posting grant opportunities on their websites (as required by OGM policy), along with the *State Register* and e-mail distribution lists.<sup>21</sup> Staff members from DEED and MPCA said they frequently publicize grant opportunities through press releases, blog posts, and social media posts.

Representatives from the four agencies told us that beyond the methods listed above, outreach efforts tended to be program specific, since different grant opportunities are meant to serve different communities. MHFA staff told us that while the agency's outreach strategies were program specific, the agency encouraged the sharing of successful practices across programs, with the idea of bringing good ideas to scale when appropriate. The four agencies provided examples of outreach strategies they had used for particular programs.

**Community partners.** A number of DEED programs have worked closely with community partners who helped spread information about grant opportunities throughout their networks. An MHFA staff person told us that the agency considers paying community partners for their time and work disseminating grant opportunities to be an important equity strategy.

**Local media.** DHS and MPCA staff mentioned using community newspapers or culturally specific media to publicize grant opportunities.

**Existing client lists.** An MPCA staff member told us that for one air-pollution-reduction program, the agency e-mailed the grant notice to all air permittees, as such entities were

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<sup>20</sup> Minnesota Department of Administration, Office of Grants Management, Operating Policy and Procedure 08-03, *Policy on Writing and Publicizing Grants Notices and Requests for Proposal*, 1 and 3.

<sup>21</sup> *Ibid.*

eligible to apply for the program. Staff told us that the agency mailed an additional notification to all permittees located in geographic areas that MPCA had deemed “areas of concern for environmental justice.”

## Translation

When we spoke with agency staff and other stakeholders, we asked about barriers to applying for grant funding faced by communities with diverse racial, ethnic, and American Indian identities. Many stakeholders mentioned concerns about the availability and quality of translated program materials. OGM, however, does not address translation in its policies or other resources.

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**While DEED, DHS, MHFA, and MPCA do not routinely publish RFPs or program outreach materials in languages other than English, it is unclear how this affects the communities supported by agency programs.**

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Our interviews with agency staff revealed that none of the agencies had agencywide policies or guidelines regarding which grant program materials should be translated, under what circumstances, or into what languages. Many of the staff we spoke with across the agencies said they had never received a request for translated grant program materials. Staff from multiple agencies mentioned that community partners, such as nonprofit organizations or community lenders, often helped translate documents related to grant opportunities.

DEED, however, has produced translated documents for specific grant programs. A representative of DEED’s Adult Workforce Division, for example, said that the division’s federally funded programs may translate program materials into up to a dozen different languages. The individual noted, however, that state-funded programs in that division translate documents only into Spanish, Hmong, and Somali. DEED staff have also produced video resources, such as program notifications or videos demonstrating how to complete application forms, in multiple languages. MHFA also gave examples of translating documents for particular programs.

It was beyond the scope of our evaluation to attempt to determine the impact of translated program documents (or the lack thereof) on entities led by or serving communities with diverse racial, ethnic, and American Indian identities. We did not encounter evidence of entities that were deterred from applying or that applied unsuccessfully for a grant as a result of program materials being available only in English. However, given the potential for language to become a barrier for some grant applicants, state agencies may wish to develop formal policies to help program staff determine when document translation would best serve the program, applicants applying for funding, and the ultimate service recipients.

### Recommendation

**State agencies should consider developing policies outlining the circumstances under which grant program materials should be translated into languages other than English.**



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# Chapter 4: Program-Specific Approaches to Support Diverse Communities

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The programs we identified in Chapter 2 that are intended to support Minnesotans on the basis of racial, ethnic, or American Indian identity have different purposes and take different forms. They include programs that grant money directly to businesses and those that fund organizations that provide particular support services. In this chapter, we evaluate whether the agencies we reviewed properly awarded funding meant to support Minnesotans on the basis of racial, ethnic, and American Indian identities. To do so, we selected two programs to serve as case studies, one each at the Department of Employment and Economic Development (DEED) and the Department of Human Services (DHS).

In this chapter, we first describe our findings related to DEED’s Main Street COVID-19 Relief Grants, followed by a section on DHS’s Cultural and Ethnic Minority Infrastructure Grants. For each program we (1) examine the extent to which the design of the program is consistent with supporting Minnesotans on the basis of racial, ethnic, or American Indian identity; and (2) discuss the grantee-selection process.

## Main Street COVID-19 Relief Grants

- A “lottery” grant program intended to distribute funding to businesses impacted by the executive orders related to the COVID-19 pandemic.
- The Legislature appropriated \$70 million for the program for Fiscal Year 2022.
- Law required a minimum of \$10 million in grants be awarded to “minority business enterprises” and another \$3 million be awarded to the operators of “cultural malls.”

— *Laws of Minnesota 2021, First Special Session, chapter 10, art. 1, sec. 2, subd. 2(v); and art. 2, sec. 22.*

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## Main Street COVID-19 Relief Grants

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The 2021 Legislature appropriated funding to DEED “to make grants to partner organizations to make grants to businesses that have been directly or indirectly impacted by executive orders related to the COVID-19 pandemic.”<sup>1</sup> In addition to establishing eligibility criteria for the grants, the Legislature established certain requirements for the distribution of grant awards, including that a portion be awarded to “minority business enterprises.”<sup>2</sup> Businesses that received Main Street grants could use the funding “for

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<sup>1</sup> *Laws of Minnesota 2021, First Special Session, chapter 10, art. 1, sec. 2, subd. 2(v); and art. 2, sec. 22, subd. 2.* The executive orders directed the temporary closure of in-person business operations to reduce the spread of COVID-19. For the Main Street program, the Legislature defined “business” as “both for-profit businesses and nonprofit organizations that earn revenue in ways similar to businesses.”

<sup>2</sup> *Laws of Minnesota 2021, First Special Session, chapter 10, art. 2, sec. 22, subd. 6.* *Minnesota Statutes 2022, 116M.14, subd. 5,* defines “minority business enterprises” as those that are “majority owned and operated by persons belonging to a racial or ethnic minority as defined in Code of Federal Regulations, title 49, section 23.5.” 49 *CFR*, sec. 23.5 (1996), defines “minority” as a person who is a citizen or lawful permanent resident of the United States and who is: (a) Black; (b) Hispanic; (c) Portuguese; (d) Asian American; (e) American Indian or Alaska Native; (f) “members of other groups, or other individuals, found to be economically and socially disadvantaged by the Small Business Administration....”

working capital to support payroll expenses, rent or mortgage payments, utility bills, and other similar expenses that occur or have occurred since March 13, 2020, in the regular course of business.”<sup>3</sup>

Of the more than 18,000 applicants to the Main Street program, almost 5,900 were “minority business enterprises.” Roughly a quarter of “minority business enterprises” that applied (slightly more than 1,500 applicants) received a grant, and were cumulatively awarded nearly \$15.7 million.<sup>4</sup>

## Grantmaking Process

The Legislature required that DEED make grants to community foundations and certified lenders, known as “partner organizations,” to assist with the administration of the program.<sup>5</sup> After DEED selected potential award recipients through a randomized selection process, the partner organizations reviewed applications, assessed eligibility, and then entered into grant agreements with and awarded grant funds to eligible selected businesses.

The Legislature made Main Street “grants and grant making processes” exempt from certain laws related to grantmaking, including the Office of Grants Management (OGM) policies.<sup>6</sup> In Chapter 3, we discussed in depth the grantmaking policies that contain explicit requirements related to supporting Minnesotans with diverse racial, ethnic, or American Indian identities.

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### **Despite being exempt from OGM policies, the Main Street program implemented some elements of “diversity in grantmaking.”**

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As shown in Exhibit 4.1, DEED tried to pair applications selected for eligibility review with partner organizations that had similar characteristics, such as geography or language. A staff member told us that, since the application required financial information, DEED wanted applicants to work with an organization with which they felt comfortable, especially if there were language barriers. Furthermore, DEED’s website included program materials, application documents, and instructional videos translated into English, Hmong, Somali, Spanish, and Vietnamese. DEED allowed partner organizations to include up to \$5,000 for their outreach efforts, including recruiting applicants and communicating program information, in their initial requests for reimbursement.

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<sup>3</sup> *Laws of Minnesota* 2021, First Special Session, chapter 10, art. 2, sec. 22, subd. 4(g).

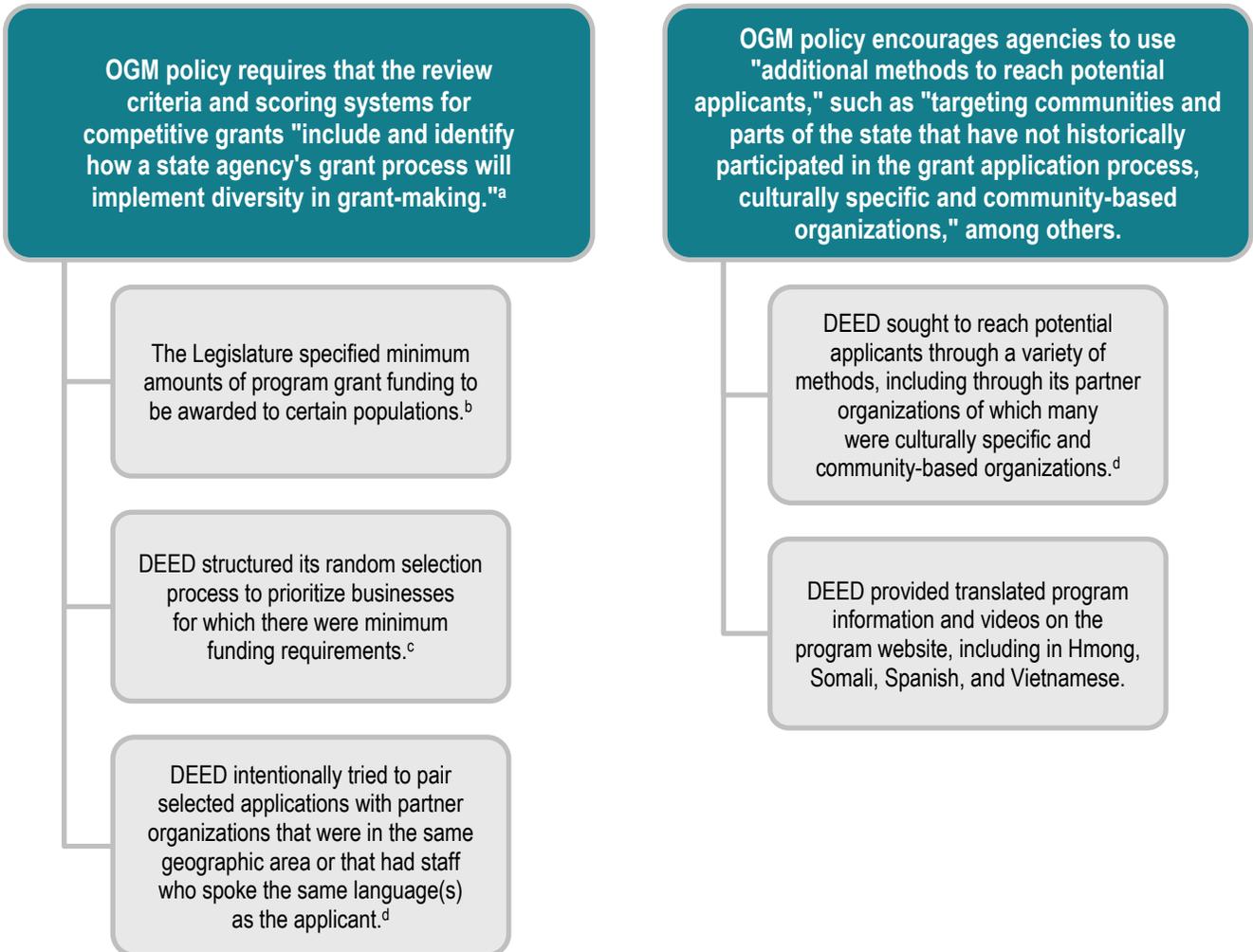
<sup>4</sup> The \$15.7 million does not include amounts awarded to “cultural malls” or “privately owned permanent indoor retail space[s] that [have] an ethnic cultural emphasis.” The total Main Street appropriation required a minimum of \$3 million be awarded as grants for these indoor retail spaces, which we did not review as part of this evaluation. *Laws of Minnesota* 2021, First Special Session, chapter 10, art. 2, sec. 22.

<sup>5</sup> *Laws of Minnesota* 2021, First Special Session, chapter 10, art. 2, sec. 22, subds. 1(d), 3, and 4.

<sup>6</sup> *Laws of Minnesota* 2021, First Special Session, chapter 10, art. 2, sec. 22, subd. 7.

Exhibit 4.1

The Main Street COVID-19 Relief Grants program incorporated elements of OGM policies.



<sup>a</sup> OGM policy defines diversity in grantmaking as “a process that intentionally identifies how a grant program serves diverse populations, and especially populations experiencing inequities and/or disparities.”

<sup>b</sup> *Laws of Minnesota 2021*, First Special Session, chapter 10, art. 2, sec. 22, subd. 6.

<sup>c</sup> The Legislature required that the Main Street program award grants using a “randomized selection process.” In addition, the Legislature required that the program award a minimum of \$10 million to “minority business enterprises.” *Laws of Minnesota 2021*, First Special Session, chapter 10, art. 2, sec. 22, subds. 4(d) and 6.

<sup>d</sup> The Legislature defined “partner organizations,” which included the Minnesota Initiative Foundations and certified nonprofit corporation lenders. *Laws of Minnesota 2021*, First Special Session, chapter 10, art. 2, sec. 22, subd. 1(d).

Source: Office of the Legislative Auditor, analysis of Minnesota Department of Administration, Office of Grants Management, Operating Policy and Procedure 08-02, *Policy on Rating Criteria for Competitive Grant Review*, revised September 15, 2017; and Operating Policy and Procedure 08-03, *Policy on Writing and Publicizing Grant Notices and Requests for Proposal*, revised September 15, 2017.

## Grantee Selection

To apply for a Main Street grant, DEED required individuals to complete an online application form and attach required documentation, such as a photo of their government issued identification and tax documents. DEED accepted applications in the fall of 2021 and selected program applicants through a randomized process, as required by law.<sup>7</sup> Partner organizations then reviewed the selected applicants for eligibility.

To determine if applicants met the eligibility requirements, which are shown in the box to the right, partner organizations reviewed program applications and the submitted documents. In addition, DEED directed partner organizations to contact any applicants for whom eligibility could not be determined and request the information needed to make an eligibility determination. Partner organizations found 36 percent of all applicants to be ineligible, which required DEED to select additional applicants. These selection “redraws” occurred on a monthly basis from January 2022 to June 2022, until the funding appropriated for the grant program was awarded.



### Business Eligibility Requirements

- ✓ Must have primary operations in Minnesota.
- ✓ Must be at least 50 percent owned by a Minnesota resident.
- ✓ Must employ 200 full-time-equivalent workers or less.
- ✓ Must be able to demonstrate a financial hardship due to the COVID-19 pandemic.
- ✓ Must have had at least \$10,000 in gross revenue or income in 2019 or 2020.
- ✓ Must have been in operation prior to January 1, 2021.
- ✓ Must have been operating as of September 1, 2021.
- ✓ Must plan to continue operating.
- ✓ If a nonprofit organization, must meet the definition of an eligible nonprofit organization.

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### DEED awarded more than the minimum grant amount required to “minority business enterprises.”

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Through DEED’s Main Street program, “minority business enterprises” were awarded a total of nearly \$15.7 million, which exceeded the required minimum grant amount of \$10 million.<sup>8</sup> DEED intentionally structured its selection process to account for and achieve the minimum funding requirements established in law. During its initial round of selection, DEED started by randomly selecting applicant businesses that belonged to each category of business with a minimum funding requirement.

## Partner Organizations’ Eligibility Determinations

Although DEED relied on partner organizations to determine applicant eligibility, its program staff were available to answer questions. The partner organizations we spoke with uniformly reported that DEED prepared them well for their duties, provided

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<sup>7</sup> *Laws of Minnesota* 2021, First Special Session, chapter 10, art. 2, sec. 22, subd. 4(d).

<sup>8</sup> *Laws of Minnesota* 2021, First Special Session, chapter 10, art. 2, sec. 22, subd. 6(a)(2).

adequate support throughout the administration of the Main Street program, and was an effective partner.<sup>9</sup> DEED provided and recorded multiple training sessions for partner organizations about the Main Street program. Additionally, one of DEED's staff members said that they monitored the ineligibility rates of applications across the partner organizations and regularly communicated with the partner organizations to ensure that the organizations understood eligibility criteria and applied consistent efforts to determine eligibility.

We conducted a file review of 60 applications from “minority business enterprises” reviewed by six partner organizations across the state.<sup>10</sup> We reviewed each of the applications, as well as additional supporting documentation the applicant provided directly to the respective partner organization. While we agreed with partner organizations' determinations for the 30 applications deemed *ineligible*, we disagreed with a number of partner organizations' determinations for applicants deemed *eligible*.

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**Partner organizations did not consistently apply eligibility criteria or collect sufficient documentation from applicants, which resulted in some applicants being erroneously determined eligible for the program.**

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Of the 30 applications determined by the partner organizations to be *eligible*, we disagreed with this determination for 11 applications. These applicants were awarded a total of \$115,000. For three of these applications, the partner organizations incorrectly determined that the applicants' businesses were eligible for a grant through the program. For the remaining eight applications, we felt that the documentation the applicant provided or that the partner organizations collected did not sufficiently prove that the applicant met the requirements of the program.

We agreed with partner organizations' determinations on the 30 applications deemed to be *ineligible*. However, we found numerous instances of erroneous determinations on individual eligibility criteria. A partner organization told us that once it could determine that an applicant was ineligible based on at least one mandatory criterion, it did not confirm other eligibility criteria. In some of these instances, partner organizations selected an affirmative response to eligibility criteria that they did not review because DEED's review form required a response. While these errors did not result in erroneous awards, they suggest inconsistency in record-keeping practices among partner organizations reviewing the applications.

If partner organizations determine program eligibility in the future, we recommend that early in the program, DEED review partner organizations' determinations for a sample

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<sup>9</sup> We interviewed staff at 6 of 17 partner organizations about their experience working with DEED program staff. We selected the six partner organizations because these organizations conducted large shares of the eligibility reviews of “minority business enterprises.” Two of the six partner organizations reviewed applications and administered grants for applicants in Greater Minnesota, while the other four partner organizations focused on grants for applicants in the Twin Cities metropolitan area.

<sup>10</sup> For the file review, we randomly selected a sample of applications from “minority business enterprises” from six partner organizations that was roughly proportional to the total numbers of eligible and ineligible applications that each organization reviewed. The sample included 30 randomly selected applications determined to be eligible, and 30 randomly selected applications determined to be ineligible.

## Recommendation

**If partner organizations determine program eligibility in future programs, DEED should spot check partner organizations' determinations.**

of applications. In this review, DEED should identify eligibility criteria for which applicants routinely provided insufficient documentation or partner organizations made inconsistent determinations. DEED should then develop and provide partner organizations with additional guidance or clarification about its expectations for such eligibility criteria. We recommend that DEED continue to review samples of partner organizations' determinations throughout the program, focusing on those eligibility criteria that appear challenging to evaluate or about which partner organizations have questions. Such an approach will

ensure (1) accurate and consistent determinations across those determining eligibility, and (2) that program resources are distributed appropriately to applicants that meet the legal eligibility requirements.

## Cultural and Ethnic Minority Infrastructure Grants

The 2007 Legislature appropriated funding to DHS for “culturally specific mental health treatment grants” for both children’s mental health and adult mental health “to support increased availability of mental health services for persons from cultural and ethnic minorities within the state.”<sup>11</sup> This funding became part of DHS’s base appropriation and the department has used it to fund the Cultural and Ethnic Minority Infrastructure Grant (CEMIG) program. The 2018 CEMIG request for proposal (RFP) was the first to integrate children’s mental health, adult mental health, and substance use disorder grants into a single DHS award process.

In 2018, DHS awarded grants through a competitive selection process to 22 out of 50 applicants that responded to its CEMIG RFP. The initial length of the grant contract was three years for each applicant, but DHS extended all contracts for an additional two years, resulting in a total of five years of funding for all grantees. DHS allotted more than \$2.6 million per year for CEMIG grants, split by purpose: \$1,296,000 annually (of state and federal funding) for mental health services and \$1,350,000 annually (of federal funding) for substance use disorder services.

### CEMIG Grant Purposes

1. To provide culturally specific, trauma-informed mental health and substance use disorder services within specific “cultural and minority communities”
2. To expand these services by increasing the number of licensed professionals from “ethnic and cultural minority communities” who provide these services
3. To expand the presence of both (1) and (2) in Greater Minnesota and rural communities

— DHS website, *Culturally Specific Mental Health and Substance Use Disorder Services*

DHS awards CEMIG grants for at least one of three specific purposes, listed in the box at left. One use of CEMIG funds is clinical services—specifically, to provide mental health and substance use disorder services to members of “cultural and ethnic minority populations” who are uninsured or underinsured.

The CEMIG program also supports workforce development among certain mental health and substance use disorder professionals from specific racial, ethnic, or American Indian identities. In Minnesota, persons training to become certain types of mental health professionals must accrue 4,000 hours of supervised

<sup>11</sup> *Laws of Minnesota 2007*, chapter 147, art. 19, sec. 3, subds. 4(g) and 8(e).

practice.<sup>12</sup> CEMIG grantees may use their funding to pay for the costs of this required supervision for certain staff members who are training to become licensed mental health or substance use disorder professionals, as well as testing fees, study materials, and supervisee stipends.

A third use of CEMIG funding is to expand either of the two previously mentioned services—clinical service and workforce development—into Greater Minnesota. In 2018, 15 of the 50 applicants proposed projects serving populations in Greater Minnesota. One-half of the 22 selected grant recipients proposed projects serving populations outside of the Twin Cities metropolitan area.

We spoke with two grant recipients—one doing workforce development and the other providing direct chemical dependency services—about the impact of CEMIG funding on their programming and communities. The boxes below show how the two grant recipients used their CEMIG awards.

Amherst H. Wilder Foundation
<p><b>About the organization:</b> nonprofit organization combining outpatient and community mental health and wellness services, substance use disorder services, and social and economic support services in the Twin Cities metropolitan area.</p> <p><b>CEMIG purpose:</b> workforce development in support of cultural and ethnic minorities</p> <p><b>Impact of 2018 CEMIG grant:</b> Wilder’s Clinical Training Institute has (over multiple rounds of CEMIG funding) provided supervision for more than 100 practitioners who identify as American Indian, Black, Southeast Asian, or Latino.</p>

Mash-ka-wisen
<p><b>About the organization:</b> nonprofit organization located in Carlton County that provides residential chemical dependency treatment to American Indians throughout the state.</p> <p><b>CEMIG purpose:</b> direct service, substance use disorder treatment</p> <p><b>Impact of 2018 CEMIG grant:</b> The program employs a cultural coordinator and promotes cultural practices and teaching as a means of prevention, intervention, and recovery from substance use disorders.</p>

## Grantmaking Process

In Chapter 3, we evaluated whether certain agencywide efforts complied with OGM grantmaking policies. In this section, we examine the extent to which the CEMIG program in particular complied with the OGM policies relevant to supporting diverse communities.<sup>13</sup>

<sup>12</sup> *Minnesota Statutes* 2022, 148B.5301, subd. 1(a)(6); and 148E.115, subd. 1. Mental health professionals funded under CEMIG include, but are not limited to, clinical counselors, independent clinical social workers, marriage and family therapists, and psychologists, all of which must have had some amount of supervised practice.

<sup>13</sup> Minnesota Department of Administration, Office of Grants Management, Operating Policy and Procedure 08-02, *Policy on Rating Criteria for Competitive Grant Review*, revised September 15, 2017; and Operating Policy and Procedure 08-03, *Policy on Writing and Publicizing Grant Notices and Requests for Proposal*, revised September 15, 2017.

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## The CEMIG program generally complied with OGM policies related to supporting Minnesotans on the basis of racial, ethnic, or American Indian identity.

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As we have discussed before, it is OGM policy that “competitive grant review criteria and standardized scoring systems must include and identify how a state agency’s grant process will implement diversity in grant-making.”<sup>14</sup> The 2018 CEMIG RFP contained a table showing how DHS would weight each evaluation criterion. The description of the “targeted population” could earn a proposal up to 20 points (out of a possible 100 points), making it tied for the most heavily weighted criterion. The RFP asked the applicant to respond to several questions or prompts about the communities it intended to serve; some of those questions and prompts are listed in the box at right.<sup>15</sup> The RFP explained that the “targeted populations” must be mental health/substance use disorder professionals or clients from “cultural and ethnic minority populations.” The RFP further defined these populations as: African; African American; American Indian; Asian; Hispanic/Latino; immigrants; refugees; or lesbian, gay, bisexual, transgender, or queer (LGBTQ).



### Example Prompts: Description of Targeted Population

- What group(s) of individuals will be targeted for services by the program?
- Discuss whether your program will have a local, regional, or statewide impact.
- Describe the services provided and outreach methods that will be used to effectively reach the target population.
- Discuss how your program and activities will positively impact the target population.

— DHS, 2018 CEMIG RFP

To gain community input prior to RFP development, as OGM policy requires, DHS contracted with a private evaluation consulting firm to facilitate discussions with current culturally specific grantees and to conduct surveys of past grantees, as well as to interview and survey community organizations that had not been prior CEMIG grantees.<sup>16</sup> A DHS staff person told us that the resulting report informed DHS’s RFP development.<sup>17</sup> OGM’s policy also recommends that agencies “recruit and utilize community-based grant reviewers and provide stipends whenever possible.”<sup>18</sup> For the CEMIG selection process in 2018, each of the application review teams included at least one community reviewer. According to a DHS staff member, these community reviewers received stipends of \$500 each.

<sup>14</sup> Minnesota Department of Administration, Office of Grants Management, Operating Policy and Procedure 08-02, *Policy on Rating Criteria for Competitive Grant Review*, 1.

<sup>15</sup> Department of Human Services, *Request for Proposals for a Qualified Grantee to Provide Culturally Specific Behavioral Health Supports and Services and/or Workforce Development Within Cultural and Ethnic Minority Communities*, 11.

<sup>16</sup> Minnesota Department of Administration, Office of Grants Management, Operating Policy and Procedure 08-03, *Policy on Writing and Publicizing Grants Notices and Requests for Proposal*, 3.

<sup>17</sup> ACET, Inc., *Enhancing Mental Health and Substance Use/Misuse Programming and Services to Cultural and Ethnic Minority Populations in Minnesota* (Minneapolis, 2017).

<sup>18</sup> Minnesota Department of Administration, Office of Grants Management, Operating Policy and Procedure 08-03, *Policy on Writing and Publicizing Grants Notices and Requests for Proposal*, 3.

OGM policy also recommends that, in addition to posting notifications of grant opportunities on agency websites, agencies “pursue additional methods to reach potential applicants” such as culturally specific and community-based organizations.<sup>19</sup> In addition to using the standard methods we discussed in Chapter 3, DHS staff told us they distributed the CEMIG posting to a number of stakeholders and asked them to share it with their professional networks. These included former CEMIG grantees; staff in DHS’s Behavioral Health Division; and members of the Cultural Provider Network, a coalition of behavioral health and policy professionals with a special interest in improving behavioral health services for people of diverse cultures and ethnicities.

## Grantee Selection

To select grant recipients, DHS staff divided the 50 applications it received for the CEMIG posting into four pools, each containing 12 or 13 applications, which were then reviewed by six or seven reviewers. Two DHS grant managers—one from the Mental Health Division and one from the Alcohol and Drug Abuse Division—were members of all four review panels. The remaining reviewers on each panel included one or two community reviewers and additional DHS employees. The reviewers evaluated each written proposal using the weighted scoring criteria described in the previous section, assigning the applications numeric scores. DHS also gave applicants the opportunity to present their proposals through an oral presentation; the reviewers had the opportunity to adjust their scores after viewing the presentations. DHS then used those scores to advance the top applicants to the final round for consideration. On average, about six applicants from each group made it to the final round.

In its final round of review, the reviewers, in collaboration with DHS leadership, considered factors such as geographic location, population served, and requested funding amounts in an effort to arrive at a final slate of grantees that fit within DHS’s funding priorities and budget. DHS ultimately awarded grants to all but three of the applicants that made it to the final round.

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### **DHS did not adequately document certain aspects of the grantee-selection process for the 2018 round of the CEMIG program.**

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DHS did not adequately document its justification for certain decisions regarding which 2018 CEMIG applicants to fund. DHS generally awarded grants to the top-scoring applicants in each review group. However, the agency made some exceptions to ensure that funding would be provided to geographic or demographic populations that might otherwise be missed, as allowed by OGM policy.<sup>20</sup> While DHS documented this broad selection strategy for selecting its final grant recipients, the department did not maintain complete documentation showing the *specific reasons* that some applicants were not selected. There were four instances in which DHS declined to select applicants that

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<sup>19</sup> Minnesota Department of Administration, Office of Grants Management, Operating Policy and Procedure 08-03, *Policy on Writing and Publicizing Grants Notices and Requests for Proposal*, 3.

<sup>20</sup> OGM policy allows agencies to deviate from the scores when determining award recipients in order to incorporate other criteria such as “geographic distribution, services to special populations, and the applicant’s history as a state grantee and capacity to perform the work.” Minnesota Department of Administration, Office of Grants Management, Operating Policy and Procedure 08-02, *Policy on Rating Criteria for Competitive Grant Review*, 3.

either had scores that appeared high enough to be funded or otherwise appeared to be a strong candidate for funding. While DHS documents provided sufficient rationale for two of these decisions, the department failed to document reasoning for the other two.<sup>21</sup>

### Recommendation

**DHS should maintain complete documentation about its application review process and decisions for its competitive grant programs.**

When DHS makes decisions about which organizations to fund through its next CEMIG RFP (due to be posted in early 2023)—or any other competitive grant program—it should clearly document its rationale for funding or *not funding* particular applicants. This is especially important in cases where DHS deviates from selecting the highest-scoring applicants. Although such deviation is permitted under OGM policies, DHS should be able to articulate a clear and consistent rationale for how it balances other criteria, such as geography and populations served, when making final funding decisions.

## Quarterly CEMIG Reporting

DHS required organizations that received CEMIG funding to submit quarterly reports providing data on who benefited from the funding and how. The department required quarterly reports to detail, among other things, the race and/or ethnicity of (1) the staff who received supervision hours during the quarter, or (2) the uninsured or underinsured clients who received mental health care or substance use disorder care during the quarter, or both (1) and (2) when applicable. DHS collected quarterly data on CEMIG’s workforce function through quarterly surveys of the supervisees themselves. For clients, the grantee organizations completed spreadsheets listing the demographic information of each client.

**DHS has not ensured adequate quarterly reporting from CEMIG grantees. Without these reports, the department cannot know whether it is supporting the communities the program is intended to serve.**

Without knowing the race or ethnicity of the supervisees and clients, it is not possible to know whether CEMIG is meeting its aim of serving “cultural and ethnic minorities.” However, many of the quarterly reports due from supervisees or grantees were missing altogether or missing essential information. DHS reports that between July 2019 and September 2021, many of the up to 18 supervisees and 20 grantees failed to submit some or all of their required quarterly reports, resulting in a total of 40 missing supervisee reports and 68 missing grantee reports. The box at right shows the percentage of reports that were missing from each group over the entire time period.



<sup>21</sup> While they did not document all of their decisions at the grantee level, DHS staff told us that the reviewers thoroughly discussed each applicant. During our interviews, they provided their recollections of why DHS declined to fund particular applicants. For example, DHS staff explained that one high-ranking applicant did not receive funding proposed a program that did not explicitly serve the cultural and ethnic minority communities targeted by the CEMIG program.

According to DHS's analysis of the quarterly reports it did receive, race and ethnicity data were missing for 83 percent of the supervisees who completed their quarterly reporting surveys from October 2018 to September 2021. With respect to clients served, grantee organizations did not provide race for 28 percent and ethnicity for 59 percent of clients listed in quarterly reports during that time period.

Because adequate quarterly reporting is essential for knowing whether CEMIG is achieving its purpose, DHS should ensure that supervisees and grantee organizations submit the information required in their grant contracts. DHS should ensure that staff routinely check reported data for completeness, such as whether race and ethnicity information is provided. When data are incomplete or anomalous, a DHS staff person should follow up with the grantee and document the exchange. While DHS staff have reported that CEMIG's data are complex and present challenges in reporting and collection, the upcoming 2023 CEMIG RFP gives DHS the opportunity to reconsider its data needs and design a system that is easier for grantees and DHS staff alike to learn and follow.

### Recommendation

**DHS should ensure that CEMIG recipients satisfy quarterly reporting requirements.**



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# List of Recommendations

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- The Department of Human Services (DHS) and the Minnesota Housing Finance Authority should create RFP templates that include the essential elements in Office of Grants Management policy. (p. 29)
- State agencies should consider developing policies outlining the circumstances under which grant program materials should be translated into languages other than English. (p. 31)
- If partner organizations determine program eligibility in future programs, the Department of Employment and Economic Development should spot check partner organizations' determinations. (pp. 37-38)
- DHS should maintain complete documentation about its application review process and decisions for its competitive grant programs. (p. 42)
- DHS should ensure that Cultural and Ethnic Minority Infrastructure Grant recipients satisfy quarterly reporting requirements. (p. 43)



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# Appendix A: Relevant Programs

In Chapter 2, we listed the programs that we identified as supporting Minnesotans on the basis of racial, ethnic, or American Indian identity at the four agencies we reviewed. The following exhibits each provide additional information about the relevant programs at a single agency: Department of Employment and Economic Development (DEED; Exhibit A.1), Department of Human Services (DHS; Exhibit A.2), Minnesota Housing Finance Agency (MHFA; Exhibit A.3), and Minnesota Pollution Control Agency (MPCA; Exhibit A.4). For each program, we provide the program’s purpose, including the communities the program is meant to serve, as well as the responsible agency’s total expenditures from fiscal years 2013 through 2022 in inflation-adjusted Fiscal Year 2022 dollars.<sup>1</sup>

## Exhibit A.1

### Relevant Programs at the Department of Employment and Economic Development

Program	Purpose	Expenditures FY2013-2022 <sup>a</sup>
African Immigrant Community Economic Relief Competitive Grant Program	“...competitive grants to organizations providing services to relieve economic disparities in the <b>African immigrant community</b> through workforce recruitment, development, job creation, assistance of smaller organizations to increase capacity, and outreach.”	\$ 113,975
Angel Tax Credit Program (Small Business Investment Tax Credit)	Supports certain types of businesses through a tax credit to investors in the business.  Statutes require that a portion of funding “must be allocated to credits for qualified investments in qualified greater Minnesota businesses and <b>minority-owned</b> , women-owned, or veteran-owned <b>qualified small businesses in Minnesota</b> .”	Not applicable <sup>b</sup>
Business Development Competitive Grant Program	Supports “business development assistance and services including, but not limited to: <b>minority business development</b> , women’s business development, rural business development, bioscience business development, entrepreneur development, and services to inventors.”  DEED reported that “grants go to groups that provide business assistance to targeted groups, including women, <b>minorities</b> , veterans, persons with disabilities, <b>Native Americans</b> and rural residents.”	14,608,318
Economic Recovery Jobs Program	“...develop and implement a short-term career readiness, work experience, and employment program for young adults.”  DEED’s request for proposal (RFP) for the program stated “preference given to organizations with demonstrated effectiveness in delivering services in <b>Black, Indigenous, and People of Color (BIPOC) communities</b> .”	855,707

<sup>1</sup> Expenditures reported for each program are the sum of program expenditures from state sources that the agency made for program administration and payments to award recipients. For a given program, this reflects only those expenditures made during the fiscal years for which the program had an explicit purpose to support Minnesotans on the basis of racial, ethnic, or American Indian identity. We recognize that analyzing Minnesota’s financial, procurement, and reporting system (SWIFT) data is an imperfect measure of grant expenditures, as the SWIFT spending records that we analyzed may have captured activities unrelated to the relevant grant programs we identified. Our office discusses related issues in Office of the Legislative Auditor, Program Evaluation Division, *Oversight of State-Funded Grants to Nonprofit Organizations* (St. Paul, 2023), 45 and 51.

## Exhibit A.1

## Relevant Programs at the Department of Employment and Economic Development (continued)

Program	Purpose	Expenditures FY2013-2022 <sup>a</sup>
Emerging Entrepreneur Loan Program	“...grants to nonprofit corporations to fund loans to <b>businesses owned by minority</b> or low-income <b>persons</b> , women, veterans, or people with disabilities to encourage private investment, to provide jobs for <b>minority</b> and low-income <b>persons</b> , to create and strengthen <b>minority business enterprises</b> , and to promote economic development in a low-income area.”	\$ 303,066
Indian Business Loan Program	Loans to a <b>“person who is an enrolled member of a federally recognized Minnesota-based band or tribe”</b> “...for the purpose of starting a business enterprise or expanding an existing business.”	2,278,993
Job Training Incentive Program and Automation Incentive Program (Job Training Grants)	Grants to certain employers for training and education related to new jobs or new automation technology.  Statutes require that preference must be given “to projects that provide training for economically disadvantaged people, <b>people of color</b> , or people with disabilities and to employers located in economically distressed areas.”	257,580
Launch Minnesota	“...to encourage and support the development of new private sector technologies and support the science and technology policies.... Launch Minnesota must provide entrepreneurs and emerging technology-based companies business development assistance and financial assistance to spur growth.”  Minnesota law requires prioritization of certain applicants for program grants, including <b>“a business owner...or entrepreneur who is a...minority group member,”</b> and applicants “planning to serve... <b>business owners...or entrepreneurs who are...minority group members.</b> ”	4,612,633
Main Street COVID-19 Relief Grants ( <i>previously Small Business Relief Grant Program</i> )	“...grants to businesses that have been directly or indirectly impacted by executive orders related to the COVID-19 pandemic.”  Minnesota law required that a certain minimum amount of grant funding be awarded to <b>“minority business enterprises.”</b>	30,547,059
Minnesota Job Creation Fund Program	Provides awards to businesses designated a “Minnesota job creation fund business” for certain newly created and maintained jobs. Awards increase if the business “is located outside the metropolitan area...or if 51 percent of the business is cumulatively owned by <b>minorities</b> , veterans, women, or persons with a disability.”	24,509,938
Minnesota Job Skills Partnership Program	“...to bring together employers with specific training needs with educational or other nonprofit institutions which can design programs to fill those needs.”  Statutes state that “preference will be given to educational or other nonprofit training institutions which serve economically disadvantaged people, <b>minorities</b> , or those who are victims of economic dislocation and to businesses located in rural areas.”	39,525,804
Minnesota State Trade and Export Promotion (STEP) Grant Program	“...to provide financial and technical assistance to eligible Minnesota small business with an active interest in exporting products or services to foreign markets.”  DEED’s program selection criteria included additional points to “traditionally underserved businesses” which included companies located in a rural area, or that are <b>“minority-owned</b> , woman-owned, or veteran-owned.”	1,815,224

## Exhibit A.1

## Relevant Programs at the Department of Employment and Economic Development (continued)

Program	Purpose	Expenditures FY2013-2022 <sup>a</sup>
Minnesota Tech Training Pilot Program	“...organizations will train participants ages 18 to 30 who are <b>Black, Indigenous, and People of Color (BIPOC) individuals</b> in technology career pathways and place them in permanent employment at a family-sustaining wage.”	\$ 206,248
Pathways to Prosperity	<p>“...programs and services designed to provide workforce development and training opportunities to economically disadvantaged adults that will help them develop increased career awareness; acquire basic skills education; participate in skills-training programs resulting in certificates and credentials; and place participants into employment in high growth, high demand industries with long-term career growth and opportunity.”</p> <p>DEED reported that this “program targets <b>populations of color</b>; individuals experiencing housing insecurity; individuals with a criminal record; those lacking a high school diploma or equivalent; individuals with disabilities; and individuals unemployed for 26 or more consecutive weeks.”</p>	19,327,562
Southeast Asian Economic Relief Competitive Grant Program	“...grants to organizations providing services to relieve economic disparities in the <b>Southeast Asian community</b> through workforce recruitment, development, job creation, assistance of smaller organizations to increase capacity, and outreach.”	5,365,299
Support Services Competitive Grant Program	<p>“...grants to organizations that provide support services for individuals, such as job training, employment preparation, internships, job assistance to parents, financial literacy, academic and behavioral interventions for low-performing students, and youth intervention.”</p> <p>Minnesota law requires that these “grants...must focus on low-income communities, young adults from families with a history of intergenerational poverty, and <b>communities of color</b>.”</p>	6,346,105
Targeted Community Capital Grant Program	“...competitive grants for capital projects to nonprofit organizations and government entities that provide, increase, or expand services to <b>underserved communities</b> or economically disadvantaged persons or groups.” “Underserved communities” include “one or more persons or groups that qualify as (1) a <b>minority person</b> ...; or (2) persons with disabilities...”	Not applicable <sup>c</sup>
Women in High-Wage, High-Demand Nontraditional Jobs Grant Program	<p>“...to increase the number of women in high-wage, high-demand, nontraditional occupations.”</p> <p>Statutes require that priority be given to “programs that encourage and assist <b>women of color</b> to enter high-wage, high-demand, nontraditional occupations and [science, technology, engineering, and math] occupations,” and to eligible organizations with “demonstrated success in recruiting and preparing women, especially low-income women, <b>women of color</b>, and women over 50 years old, for high-wage, high-demand, nontraditional occupations.”</p> <p>Statutes require that “at least 50 percent of total grant funds must be awarded to programs providing services and activities targeted to low-income women and <b>women of color</b>.”</p>	4,475,296

## Exhibit A.1

## Relevant Programs at the Department of Employment and Economic Development (concluded)

Program	Purpose	Expenditures FY2013-2022 <sup>a</sup>
Youth at Work Opportunity Grants	<p>“...grants to eligible organizations for the purpose of providing workforce development and training opportunities to economically disadvantaged or at-risk youth ages 14 to 24.”</p> <p>“...priority shall be given to programs that:</p> <ol style="list-style-type: none"> <li>(1) provide students with information about education and training requirements for careers in high-growth, in-demand occupations;</li> <li>(2) serve <b>youth from communities of color who are underrepresented in the workforce</b>; or</li> <li>(3) serve youth with disabilities.”</li> </ol>	\$26,333,726

<sup>a</sup> Expenditures reported for each program are the sum of program expenditures from state sources that the agency made for program administration and payments to award recipients. For a given program, this reflects only those expenditures made during the fiscal years for which the program had an explicit purpose to support Minnesotans on the basis of racial, ethnic, or American Indian identity. Expenditure amounts are presented in inflation-adjusted Fiscal Year 2022 dollars.

<sup>b</sup> The Angel Tax Credit Program does not receive legislative appropriations; its benefit to participants instead comes in the form of credits that reduce state taxes.

<sup>c</sup> While the initial round of grantees for the Targeted Community Capital Grant Program were announced in March 2022, the grantees had not yet received reimbursements for program-related projects as of the end of Fiscal Year 2022.

Sources: Office of the Legislative Auditor, analysis of *Minnesota Statutes* 2022, chapters 116J, 116L, 116M, and 469; *Laws of Minnesota* 2011 through 2022; the Department of Employment and Economic Development website, and Minnesota’s financial, procurement, and reporting system (SWIFT) data.

## Exhibit A.2

## Relevant Programs at the Department of Human Services

Program	Purpose	Expenditures FY2013-2022 <sup>a</sup>
American Indian Child Welfare Grants	<p>Provides three grants:</p> <ol style="list-style-type: none"> <li>(1) Primary support grants to certain entities “that serve <b>Indian children and their families</b> to provide primary support for <b>Indian child welfare programs</b> to implement the Indian Family Preservation Act.”</li> <li>(2) Special focus grants to certain entities “for placement prevention and family reunification services for <b>Indian children</b>.”</li> <li>(3) Compliance grants to an entity “to promote statewide compliance with the Indian Family Preservation Act and the Indian Child Welfare Act....”</li> </ol> <p>Statutes establish a preference for “programs that use <b>Indian staff</b>, contract with <b>Indian organizations or tribes</b>, or whose application is a joint effort between the <b>Indian</b> and non-Indian <b>community</b> to achieve the goals of the Indian Child Welfare Act and the Minnesotan Indian Family Preservation Act. Programs must have input and support from the <b>Indian community</b>.”</p>	\$16,299,025
American Indian Programs (Alcohol/Drug Abuse Treatment)	<p>“...purchase of service agreements to provide programs for <b>American Indians</b>. The agreements shall provide for residential and aftercare treatment programs, programs relating to prevention, education, and community awareness, and training programs. All programs shall be designed to meet the needs identified by the <b>American Indian community</b>, and appropriate recognition shall be given to the cultural and social needs of <b>American Indians</b>.”</p>	15,680,883
Cultural and Ethnic Minority Infrastructure Grants	<p>“...provide culturally specific, trauma-informed mental health and substance use disorder supports and services within targeted cultural and <b>minority communities in Minnesota</b>, and expand these services by increasing the number of licensed mental health practitioners/professionals and licensed alcohol and drug counselors...from <b>ethnic</b> and cultural <b>minority communities</b>.”</p>	6,580,032
Culturally Specific Mental Health Services to Southeast Asian Veterans <sup>b</sup>	<p>“...grants to nonprofit organizations to provide resources and referrals for culturally specific mental health services to <b>Southeast Asian veterans born before 1965 who do not qualify for services available to veterans formally discharged from the United States armed forces</b>.”</p>	44,812
Long-Term Homeless Supportive Services	<p>“...to provide integrated services needed to stabilize individuals, families, and youth living in supportive housing....”</p> <p>One of the outcomes for which projects will be selected is to “develop integrated, cost-effective service models that address multiple barriers to obtaining housing stability faced by people experiencing long-term homelessness, including abuse, neglect, substance use disorder, disability, chronic health problems, or other factors including <b>ethnicity and race that may result in poor outcomes or service disparities</b>.”</p>	21,431,573
Minnesota Health Care Program Outreach	<p>“...to raise public awareness on the availability of health coverage through medical assistance and MinnesotaCare and to educate the public on the importance of obtaining and maintaining health care coverage.”</p> <p>Statutes state that grants were to be awarded to certain entities, including, but not limited to those: “targeting geographic areas with high rates of (i) eligible but unenrolled children, including children who reside in rural areas, or (ii) <b>racial and ethnic minorities</b> and health disparity populations.”</p>	1,113,047

## Exhibit A.2

## Relevant Programs at the Department of Human Services (concluded)

Program	Purpose	Expenditures FY2013-2022 <sup>a</sup>
Provider Capacity Grants for Rural and Underserved Communities	<p>“...grants...to build organizational capacity to provide home and community-based services in Minnesota and to build new or expanded infrastructure to access medical assistance reimbursement.”</p> <p>DHS’s RFP for the program stated that grant recipients would “increase their ability to provide” certain services “to one of more of the following focus communities: <b>American Indian and indigenous people, inclusive of Minnesota sovereign tribal nations; Asian and Pacific Islander; Black and African-born; LatinX</b>; [Lesbian, Gay, Bisexual, Transgender, Queer]; and Rural and regional centers outside the seven-county metro area.”</p>	None available <sup>c</sup>
Traditional Healing for Native Communities	“...grants to <b>tribal nations and five urban Indian communities for traditional healing practices to American Indians</b> and to increase the capacity of culturally specific providers in the behavioral health workforce.”	\$ 1,596,952
Tribal Customary Adoption	“...grant contracts with <b>Minnesota tribal social services agencies</b> to provide child-specific recruitment and adoption placement services for <b>Indian children</b> under the jurisdiction of tribal court.”	1,620,962
Whole Family Systems <i>(portion of this program’s funding previously supported Child Protection Grants to Address Child Welfare Disparities)</i>	<p>“...to uncover and address the systemic influences related to <b>racial</b>, geographic and economic <b>inequities</b>, and to support coordination across the programs and systems that serve children and families.”</p> <p>DHS’s RFP for the program stated that “a goal of this RFP is to support organizations and projects run by and for <b>communities of color and American Indians</b> to develop and implement strategies that are effective in reaching their communities.”</p>	6,498,943

<sup>a</sup> Expenditures reported for each program are the sum of program expenditures from state sources that the agency made for program administration and payments to award recipients. For a given program, this reflects only those expenditures made during the fiscal years for which the program had an explicit purpose to support Minnesotans on the basis of racial, ethnic, or American Indian identity. Expenditure amounts are presented in inflation-adjusted Fiscal Year 2022 dollars.

<sup>b</sup> The Culturally Specific Mental Health Services to Southeast Asian Veterans program received an appropriation only for Fiscal Year 2016.

<sup>c</sup> The Provider Capacity Grants for Rural and Underserved Communities program was appropriated funding for fiscal years 2022 and 2023, but did not record any expenditures until Fiscal Year 2023.

Sources: Office of the Legislative Auditor, analysis of *Minnesota Statutes* 2022, chapters 245, 254A, 256, 256E, 256K, 259A, 260, and 260B; *Laws of Minnesota* 2011 through 2022; the Department of Human Services website, and Minnesota’s financial, procurement, and reporting system (SWIFT) data.

## Exhibit A.3

## Relevant Programs at the Minnesota Housing Finance Agency

Program	Purpose	Expenditures FY2013-2022 <sup>a</sup>
Economic Development and Housing Challenge Program	<p>“...grants or loans for the purpose of construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing, permanent financing, interest rate reduction, refinancing, and gap financing of housing to support economic development and redevelopment activities or job creation or job preservation within a community or region by meeting locally identified housing needs.”</p> <p>Minnesota law requires that a portion of appropriated funding be made available for a time period “exclusively for <b>housing projects for American Indians.</b>”</p> <p>During some fiscal years, Minnesota law required that MHFA “must continue to strengthen its efforts to address <b>the disparity rate between white households and indigenous American Indians and communities of color.</b>”</p>	\$179,990,414
Homeownership Assistance Fund	<p>“...to assist persons and families of low and moderate income in the purchase of affordable residential housing and may use the funds to provide loans, additional security for eligible loans or to pay costs associated with or provide additional security for bonds issued by the agency.”</p> <p>Minnesota law requires that MHFA “shall continue to strengthen its efforts to address <b>the disparity gap in the homeownership rate between white households and Indigenous American Indians and communities of color.</b>”</p>	41,750,631

<sup>a</sup> Expenditures reported for each program are the sum of program expenditures from state sources that the agency made for program administration and payments to award recipients. For a given program, this reflects only those expenditures made during the fiscal years for which the program had an explicit purpose to support Minnesotans on the basis of racial, ethnic, or American Indian identity. Expenditure amounts are presented in inflation-adjusted Fiscal Year 2022 dollars.

Sources: Office of the Legislative Auditor, analysis of *Minnesota Statutes 2022*, Chapter 462A; *Laws of Minnesota 2011* through 2022; the Minnesota Housing Finance Agency website, and Minnesota’s financial, procurement, and reporting system (SWIFT) data.

## Exhibit A.4

## Relevant Programs at the Minnesota Pollution Control Agency

Program	Purpose	Expenditures FY2013-2022 <sup>a</sup>
Community Air Monitoring Project	<p>“...systematic, localized [air quality] monitoring efforts in the state....”</p> <p>Minnesota law required that MPCA give priority “to areas where low income, <b>indigenous American Indians, and communities of color</b> are disproportionately impacted by pollution from highway traffic, air traffic, and industrial sources to assist with efforts to ensure environmental justice for those areas.”<sup>b</sup></p>	\$43,978
Improving Air Quality Program	<p>MPCA prioritized grant applications for projects that would “reduce air emissions within an identified area of concern for <b>environmental justice</b>.”</p> <p>MPCA defines an area of concern for environment justice as census tracts where at least 40 percent of the population reported incomes less than 185 percent of the federal poverty level, 50 percent or more are “<b>people of color,</b>” and areas located in <b>Tribal boundaries</b>.</p>	25,000

<sup>a</sup> Expenditures reported for each program are the sum of program expenditures from state sources that the agency made for program administration and payments to award recipients. For a given program, this reflects only those expenditures made during the fiscal years for which the program had an explicit purpose to support Minnesotans on the basis of racial, ethnic, or American Indian identity. Expenditure amounts are presented in inflation-adjusted Fiscal Year 2022 dollars.

<sup>b</sup> The respective appropriation law defined “environmental justice” as “the fair treatment of people of all races, cultures, and income levels in the development, adoption, implementation, and enforcement of environmental laws and policies.” However, the language related to environmental justice was in effect only for the appropriations for fiscal years 2014 and 2015. *Laws of Minnesota* 2013, chapter 114, art. 3, sec. 3, subd. 3.

Sources: Office of the Legislative Auditor, analysis of *Minnesota Statutes* 2022, chapters 115D and 116; *Laws of Minnesota* 2011 through 2022; the Minnesota Pollution Control Agency website, and Minnesota’s financial, procurement, and reporting system (SWIFT) data.

# Appendix B: Grant Recipients

Chapter 2 listed the entities that received the largest amounts of grant funding in Fiscal Year 2022 through relevant programs that were meant to support Minnesotans on the basis of racial, ethnic, or American Indian identity. In that discussion, we also presented summary statistics about the recipients.

This appendix consists of two tables. The first (Exhibit B.1) lists the *nonprofit* organizations that received grant funding in Fiscal Year 2022 through at least one of the relevant programs we identified. Exhibit B.2 lists the remaining grant recipients, including businesses; colleges, universities, and school districts; local governments; and tribal nations.

Each table shows the programs through which the entity received funding, the administering agencies, and the amount of funding received (from state sources) in Fiscal Year 2022.<sup>1</sup> For nonprofit entities that received grants (shown in Exhibit B.1), we also used public sources of information (such as tax documents) to determine the entities' location.

**Exhibit B.1**  
**Grant Recipients: Nonprofit Organizations, Fiscal Year 2022**

Recipient	Programs	Agency	Amount Received FY2022 <sup>a</sup>	Economic Development Region <sup>b</sup>
180 Degrees, Inc.	<ul style="list-style-type: none"> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	\$ 59,098	Twin Cities
AccessAbility, Inc.	<ul style="list-style-type: none"> <li>Support Services Competitive Grants</li> </ul>	DEED	48,945	Twin Cities
Achieve Twin Cities	<ul style="list-style-type: none"> <li>Support Services Competitive Grants</li> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	82,024	Twin Cities
African American Child Wellness Institute, Inc.	<ul style="list-style-type: none"> <li>Cultural and Ethnic Minority Infrastructure Grants</li> </ul>	DHS	173,890	Twin Cities
African Career Education and Resources, Inc.	<ul style="list-style-type: none"> <li>Business Development Competitive Grants</li> </ul>	DEED	12,705	Twin Cities
African Community Services in Minnesota	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> <li>Support Services Competitive Grants</li> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	110,304	Twin Cities
African Immigrants Community Services	<ul style="list-style-type: none"> <li>Economic Recovery Jobs Program</li> <li>Support Services Competitive Grants</li> </ul>	DEED	205,351	Twin Cities

<sup>1</sup> We analyzed Minnesota's financial, procurement, and reporting system (SWIFT) data only for those programs that we had identified as being intended to support Minnesotans on the basis of racial, ethnic, or American Indian identity at the four agencies we reviewed: Department of Employment and Economic Development (DEED), Department of Human Services (DHS), Minnesota Housing Finance Agency (MHFA), and Minnesota Pollution Control Agency (MPCA). For the entities listed in this appendix, we show the sum of only those grant payments received in Fiscal Year 2022 related to relevant programs that we identified. Some entities may have received awards through other programs or entities as well. We recognize that analyzing SWIFT data is an imperfect measure of grant expenditures, as the SWIFT spending records that we analyzed may have captured activities unrelated to the relevant grant programs we identified. Our office discusses related issues in Office of the Legislative Auditor, Program Evaluation Division, *Oversight of State-Funded Grants to Nonprofit Organizations* (St. Paul, 2023), 45 and 51.

## Exhibit B.1

## Grant Recipients: Nonprofit Organizations, Fiscal Year 2022 (continued)

Recipient	Programs	Agency	Amount Received FY2022 <sup>a</sup>	Economic Development Region <sup>b</sup>
Afro American Development Association	<ul style="list-style-type: none"> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	\$ 67,475	West Central
Ain Dah Yung Center	<ul style="list-style-type: none"> <li>American Indian Child Welfare Grants</li> </ul>	DHS	184,422	Twin Cities
American Indian Community Housing Organization	<ul style="list-style-type: none"> <li>Traditional Healing for Native Communities</li> </ul>	DHS	97,606	Arrowhead
American Indian Family Center	<ul style="list-style-type: none"> <li>Traditional Healing for Native Communities</li> </ul>	DHS	165,998	Twin Cities
American Indian Opportunities and Industrialization Center	<ul style="list-style-type: none"> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	43,533	Twin Cities
Arrowhead Economic Opportunity Agency, Inc.	<ul style="list-style-type: none"> <li>Support Services Competitive Grants</li> </ul>	DEED	23,847	Arrowhead
Asian Economic Development Association	<ul style="list-style-type: none"> <li>Southeast Asian Economic Relief Competitive Grants</li> </ul>	DEED	9,263	Twin Cities
Asian Media Access, Inc.	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> </ul>	DEED	3,353	Twin Cities
Avivo	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> </ul>	DEED	6,756	Twin Cities
Banyan Community	<ul style="list-style-type: none"> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	50,922	Twin Cities
Beta Group	<ul style="list-style-type: none"> <li>Business Development Competitive Grants</li> </ul>	DEED	25,688	Twin Cities
Boys and Girls Clubs of the Twin Cities	<ul style="list-style-type: none"> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	108,240	Twin Cities
Build Wealth MN, Inc.	<ul style="list-style-type: none"> <li>Economic Development and Housing Challenge</li> </ul>	MHFA	64,500	Twin Cities
CAPI USA	<ul style="list-style-type: none"> <li>MN Job Skills Partnership</li> <li>Pathways to Prosperity</li> <li>Southeast Asian Economic Relief Competitive Grants</li> <li>Support Services Competitive Grants</li> </ul>	DEED	249,038	Twin Cities
Cass Clay Community Land Trust	<ul style="list-style-type: none"> <li>Economic Development and Housing Challenge</li> </ul>	MHFA	100,000	Not applicable <sup>c</sup>
Center for Leadership and Neighborhood Engagement	<ul style="list-style-type: none"> <li>Support Services Competitive Grants</li> </ul>	DEED	12,301	Twin Cities
Central Minnesota Jobs and Training Services, Inc.	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> <li>Support Services Competitive Grants</li> <li>Women in High-Wage, High-Demand Nontraditional Jobs Grants</li> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	201,522	Central
Change, Inc.	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	20,127	Twin Cities
City of Lakes Community Land Trust	<ul style="list-style-type: none"> <li>Economic Development and Housing Challenge</li> </ul>	MHFA	878,180	Twin Cities
Community Action Center of Northfield, Inc.	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> </ul>	DEED	9,230	Southeast
Community Action Duluth	<ul style="list-style-type: none"> <li>Support Services Competitive Grants</li> </ul>	DEED	4,098	Arrowhead

## Exhibit B.1

## Grant Recipients: Nonprofit Organizations, Fiscal Year 2022 (continued)

Recipient	Programs	Agency	Amount Received FY2022 <sup>a</sup>	Economic Development Region <sup>b</sup>
Community and Economic Development Associates	<ul style="list-style-type: none"> <li>Business Development Competitive Grants</li> </ul>	DEED	\$ 50,230	Southeast
Comunidades Latinas Unidas En Servicio (CLUES)	<ul style="list-style-type: none"> <li>Business Development Competitive Grants</li> </ul>	DEED	116,790	Twin Cities
	<ul style="list-style-type: none"> <li>Cultural and Ethnic Minority Infrastructure Grants</li> </ul>	DHS		
	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> </ul>	DEED		
	<ul style="list-style-type: none"> <li>Youth at Work Opportunity Grants</li> </ul>	DEED		
Confederation of Somali Community in Minnesota	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> </ul>	DEED	16,664	Twin Cities
Conservation Corps	<ul style="list-style-type: none"> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	1,629	Twin Cities
Cookie Cart, Inc.	<ul style="list-style-type: none"> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	32,373	Twin Cities
COPAL	<ul style="list-style-type: none"> <li>Support Services Competitive Grants</li> </ul>	DEED	14,585	Twin Cities
Cristo Rey Jesuit High School	<ul style="list-style-type: none"> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	72,100	Twin Cities
Development Corporation of Austin	<ul style="list-style-type: none"> <li>Business Development Competitive Grants</li> </ul>	DEED	13,522	Southeast
Dunwoody College of Technology	<ul style="list-style-type: none"> <li>Women in High-Wage, High-Demand Nontraditional Jobs Grants</li> </ul>	DEED	2,511	Twin Cities
East Side Neighborhood Service, Inc.	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> </ul>	DEED	123,692	Twin Cities
	<ul style="list-style-type: none"> <li>Youth at Work Opportunity Grants</li> </ul>			
Elpis Enterprises	<ul style="list-style-type: none"> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	32,799	Twin Cities
EMERGE Community Development	<ul style="list-style-type: none"> <li>African Immigrant Community Economic Relief Competitive Grants</li> </ul>	DEED	117,217	Twin Cities
	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> </ul>			
	<ul style="list-style-type: none"> <li>Women in High-Wage, High-Demand Nontraditional Jobs Grants</li> </ul>			
	<ul style="list-style-type: none"> <li>Youth at Work Opportunity Grants</li> </ul>			
Evergreen Youth and Family Services, Inc.	<ul style="list-style-type: none"> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	62,763	Headwaters
Family Service Rochester, Inc.	<ul style="list-style-type: none"> <li>Support Services Competitive Grants</li> </ul>	DEED	3,231	Southeast
Finishing Trades Institute of the Upper Midwest Trust Fund	<ul style="list-style-type: none"> <li>MN Job Skills Partnership</li> </ul>	DEED	110,705	Twin Cities
Goodwill Industries, Inc.	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> </ul>	DEED	104,019	Twin Cities
	<ul style="list-style-type: none"> <li>Support Services Competitive Grants</li> </ul>			
	<ul style="list-style-type: none"> <li>Youth at Work Opportunity Grants</li> </ul>			
Greater Bemidji, Inc.	<ul style="list-style-type: none"> <li>Business Development Competitive Grants</li> </ul>	DEED	163,379	Headwaters
	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>			
	<ul style="list-style-type: none"> <li>Youth at Work Opportunity Grants</li> </ul>			
Greater St. Cloud Development Corporation	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	18,000	Central
Habitat for Humanity of Minnesota, Inc.	<ul style="list-style-type: none"> <li>Economic Development and Housing Challenge</li> </ul>	MHFA	50,995	Twin Cities

## Exhibit B.1

## Grant Recipients: Nonprofit Organizations, Fiscal Year 2022 (continued)

Recipient	Programs	Agency	Amount Received FY2022 <sup>a</sup>	Economic Development Region <sup>b</sup>
Hennepin Healthcare System, Inc.	<ul style="list-style-type: none"> <li>Support Services Competitive Grants</li> </ul>	DEED	\$ 32,686	Twin Cities
Hired	<ul style="list-style-type: none"> <li>Economic Recovery Jobs Program</li> <li>Pathways to Prosperity</li> <li>Support Services Competitive Grants</li> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	359,173	Twin Cities
Hmong American Partnership	<ul style="list-style-type: none"> <li>MN Health Care Program Outreach</li> <li>Southeast Asian Economic Relief Competitive Grants</li> </ul>	DHS DEED	111,699	Twin Cities
Indian Child Welfare Law Center	<ul style="list-style-type: none"> <li>American Indian Child Welfare Grants</li> </ul>	DHS	57,000	Twin Cities
Initiative Foundation	<ul style="list-style-type: none"> <li>Business Development Competitive Grants</li> <li>Main Street COVID-19 Relief Grants</li> </ul>	DEED	8,788,362	North Central
Intercultural Mutual Assistance Association	<ul style="list-style-type: none"> <li>Whole Family Systems</li> </ul>	DHS	126,748	Southeast
International Institute of Minnesota	<ul style="list-style-type: none"> <li>Support Services Competitive Grants</li> </ul>	DEED	10,710	Twin Cities
Itasca Economic Development Corporation	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	60,000	Arrowhead
Jewish Family and Children's Service of Minneapolis	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> </ul>	DEED	50,492	Twin Cities
Ka Joog	<ul style="list-style-type: none"> <li>African Immigrant Community Economic Relief Competitive Grants</li> <li>Pathways to Prosperity</li> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	72,719	Twin Cities
Karen Organization of Minnesota	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> <li>Southeast Asian Economic Relief Competitive Grants</li> <li>Support Services Competitive Grants</li> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	194,769	Twin Cities
Kente Circle Training Institute	<ul style="list-style-type: none"> <li>Cultural and Ethnic Minority Infrastructure Grants</li> </ul>	DHS	47,746	Twin Cities
Keystone Community Services	<ul style="list-style-type: none"> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	21,486	Twin Cities
Lake Street Council	<ul style="list-style-type: none"> <li>Business Development Competitive Grants</li> </ul>	DEED	10,000	Twin Cities
Lakes and Prairies Community Action Partnership, Inc.	<ul style="list-style-type: none"> <li>Support Services Competitive Grants</li> </ul>	DEED	1,084	West Central
Latino Economic Development Center	<ul style="list-style-type: none"> <li>Business Development Competitive Grants</li> </ul>	DEED	161,311	Twin Cities
Leech Lake Financial Services, Inc.	<ul style="list-style-type: none"> <li>Business Development Competitive Grants</li> </ul>	DEED	27,071	North Central
Lutheran Social Services of Minnesota	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> </ul>	DEED	34,705	Twin Cities
MAHUBE-OTWA Community Action Partnership, Inc.	<ul style="list-style-type: none"> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	28,427	West Central

## Exhibit B.1

## Grant Recipients: Nonprofit Organizations, Fiscal Year 2022 (continued)

Recipient	Programs	Agency	Amount Received FY2022 <sup>a</sup>	Economic Development Region <sup>b</sup>
Mental Health Collective	<ul style="list-style-type: none"> <li>Cultural and Ethnic Minority Infrastructure Grants</li> </ul>	DHS	\$ 11,020	Twin Cities
Merrick Community Services	<ul style="list-style-type: none"> <li>Support Services Competitive Grants</li> </ul>	DEED	24,054	Twin Cities
Metropolitan Consortium of Community Developers	<ul style="list-style-type: none"> <li>Business Development Competitive Grants</li> </ul>	DEED	80,000	Twin Cities
Metropolitan Economic Development Association	<ul style="list-style-type: none"> <li>Business Development Competitive Grants</li> <li>Launch MN</li> </ul>	DEED	207,856	Twin Cities
MIGIZI Communications, Inc.	<ul style="list-style-type: none"> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	22,591	Twin Cities
Minneapolis American Indian Center	<ul style="list-style-type: none"> <li>American Indian Child Welfare Grants</li> <li>Whole Family Systems</li> </ul>	DHS	255,471	Twin Cities
Minneapolis-St. Paul Regional Economic Development Partnership	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	60,000	Twin Cities
Minnesota American Indian Chamber of Commerce	<ul style="list-style-type: none"> <li>Business Development Competitive Grants</li> </ul>	DEED	32,332	Twin Cities
Minnesota Computers for Schools	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	69,063	Twin Cities
Minnesota Indian Women's Resource Center	<ul style="list-style-type: none"> <li>American Indian Child Welfare Grants</li> <li>Traditional Healing for Native Communities</li> </ul>	DHS	293,981	Twin Cities
Minnesota Recovery Connection	<ul style="list-style-type: none"> <li>American Indian Programs (Alcohol/Drug Abuse Treatment)</li> </ul>	DHS	271,889	Twin Cities
Minnesota Training Partnership, Inc.	<ul style="list-style-type: none"> <li>Women in High-Wage, High-Demand Nontraditional Jobs Grants</li> </ul>	DEED	9,970	Twin Cities
Minnesota Valley Action Council	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> <li>Support Services Competitive Grants</li> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	82,960	South Central
Model Cities of St. Paul, Inc.	<ul style="list-style-type: none"> <li>Support Services Competitive Grants</li> </ul>	DEED	19,350	Twin Cities
Native American Community Clinic	<ul style="list-style-type: none"> <li>Traditional Healing for Native Communities</li> </ul>	DHS	162,095	Twin Cities
Neighborhood House	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> </ul>	DEED	54,534	Twin Cities
NeighborWorks Home Partners	<ul style="list-style-type: none"> <li>Economic Development and Housing Challenge</li> </ul>	MHFA	10,500	Twin Cities
New American Development Center	<ul style="list-style-type: none"> <li>Business Development Competitive Grants</li> </ul>	DEED	48,941	Twin Cities
New Vision Foundation	<ul style="list-style-type: none"> <li>African Immigrant Community Economic Relief Competitive Grants</li> <li>Women in High-Wage, High-Demand Nontraditional Jobs Grants</li> </ul>	DEED	44,374	Twin Cities
Northeast Entrepreneur Fund	<ul style="list-style-type: none"> <li>Business Development Competitive Grants</li> </ul>	DEED	135,123	Arrowhead
Northfield Healthy Community Initiative	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> </ul>	DEED	12,695	Southeast

## Exhibit B.1

## Grant Recipients: Nonprofit Organizations, Fiscal Year 2022 (continued)

Recipient	Programs	Agency	Amount Received FY2022 <sup>a</sup>	Economic Development Region <sup>b</sup>
Northland Foundation	<ul style="list-style-type: none"> <li>Business Development Competitive Grants</li> <li>Main Street COVID-19 Relief Grants</li> </ul>	DEED	\$3,986,092	Arrowhead
NorthPoint Health and Wellness Center, Inc.	<ul style="list-style-type: none"> <li>Whole Family Systems</li> </ul>	DHS	59,172	Twin Cities
Northwest Indian Community Development Center	<ul style="list-style-type: none"> <li>American Indian Child Welfare Grants</li> <li>Pathways to Prosperity</li> <li>Support Services Competitive Grants</li> <li>Traditional Healing for Native Communities</li> <li>Whole Family Systems</li> <li>Women in High-Wage, High-Demand Nontraditional Jobs Grants</li> <li>Youth at Work Opportunity Grants</li> </ul>	DHS DEED DEED DHS DHS DEED DEED	629,433	Headwaters
Northwest Minnesota Foundation	<ul style="list-style-type: none"> <li>Main Street COVID-19 Relief Grants</li> </ul>	DEED	2,072,784	Headwaters
One Roof Community Housing	<ul style="list-style-type: none"> <li>Economic Development and Housing Challenge</li> </ul>	MHFA	257,000	Arrowhead
People Serving People, Inc.	<ul style="list-style-type: none"> <li>Whole Family Systems</li> </ul>	DHS	226,699	Twin Cities
Phyllis Wheatley Community Center	<ul style="list-style-type: none"> <li>MN Tech Training Pilot</li> </ul>	DEED	4,080	Twin Cities
Pillsbury United Communities	<ul style="list-style-type: none"> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	11,136	Twin Cities
PRG, Inc.	<ul style="list-style-type: none"> <li>Economic Development and Housing Challenge</li> </ul>	MHFA	110,326	Twin Cities
Progressive Individual Resources, Inc.	<ul style="list-style-type: none"> <li>Cultural and Ethnic Minority Infrastructure Grants</li> </ul>	DHS	94,496	Twin Cities
Project for Pride in Living, Inc.	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> <li>Support Services Competitive Grants</li> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	223,984	Twin Cities
Project Legacy	<ul style="list-style-type: none"> <li>Support Services Competitive Grants</li> </ul>	DEED	27,000	Southeast
Proof Alliance	<ul style="list-style-type: none"> <li>American Indian Programs (Alcohol/Drug Abuse Treatment)</li> </ul>	DHS	174,917	Twin Cities
Rainbow Health Minnesota	<ul style="list-style-type: none"> <li>MN Health Care Program Outreach</li> </ul>	DHS	25,953	Twin Cities
Rebuilding Together Minnesota	<ul style="list-style-type: none"> <li>Economic Development and Housing Challenge</li> </ul>	MHFA	256,471	Twin Cities
Recovery Is Happening	<ul style="list-style-type: none"> <li>American Indian Programs (Alcohol/Drug Abuse Treatment)</li> </ul>	DHS	64,725	Southeast
Red Wing Ignite	<ul style="list-style-type: none"> <li>Business Development Competitive Grants</li> <li>Launch MN</li> </ul>	DEED	117,622	Southeast
Rondo Community Land Trust	<ul style="list-style-type: none"> <li>Economic Development and Housing Challenge</li> </ul>	MHFA	105,000	Twin Cities
Rural Minnesota CEP, Inc.	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	136,000	West Central

## Exhibit B.1

## Grant Recipients: Nonprofit Organizations, Fiscal Year 2022 (continued)

Recipient	Programs	Agency	Amount Received FY2022 <sup>a</sup>	Economic Development Region <sup>b</sup>
Seward Redesign, Inc.	<ul style="list-style-type: none"> <li>Business Development Competitive Grants</li> </ul>	DEED	\$ 11,332	Twin Cities
Somali Community Resettlement Service	<ul style="list-style-type: none"> <li>African Immigrant Community Economic Relief Competitive Grants</li> <li>Economic Recovery Jobs Program</li> <li>Support Services Competitive Grants</li> <li>Women in High-Wage, High-Demand Nontraditional Jobs Grants</li> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	321,623	Southeast
South Sudanese Foundation	<ul style="list-style-type: none"> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	29,500	West Central
Southeast Asian Refugee Community Home	<ul style="list-style-type: none"> <li>Southeast Asian Economic Relief Competitive Grants</li> </ul>	DEED	140,892	Twin Cities
Southeastern Minnesota Private Industry Council, Inc.	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> <li>Southeast Asian Economic Relief Competitive Grants</li> <li>Support Services Competitive Grants</li> <li>Women in High-Wage, High-Demand Nontraditional Jobs Grants</li> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	365,806	Southeast
Southern Minnesota Initiative Foundation	<ul style="list-style-type: none"> <li>Business Development Competitive Grants</li> <li>Main Street COVID-19 Relief Grants</li> </ul>	DEED	9,681,929	Southeast
Southwest Initiative Foundation	<ul style="list-style-type: none"> <li>Main Street COVID-19 Relief Grants</li> </ul>	DEED	4,119,528	Southwest Central
Southwest Minnesota Housing Partnership	<ul style="list-style-type: none"> <li>Economic Development and Housing Challenge</li> </ul>	MHFA	3,000	Southwest
Southwest Minnesota Private Industry Council, Inc.	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> <li>Support Services Competitive Grants</li> <li>Women in High-Wage, High-Demand Nontraditional Jobs Grants</li> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	116,919	Southwest
Summit Academy OIC	<ul style="list-style-type: none"> <li>Support Services Competitive Grants</li> </ul>	DEED	22,877	Twin Cities
The Family Partnership	<ul style="list-style-type: none"> <li>Cultural and Ethnic Minority Infrastructure Grants</li> </ul>	DHS	17,000	Twin Cities
Tree Trust	<ul style="list-style-type: none"> <li>Economic Recovery Jobs Program</li> <li>Support Services Competitive Grants</li> </ul>	DEED	143,613	Twin Cities
Twin Cities Habitat for Humanity	<ul style="list-style-type: none"> <li>Economic Development and Housing Challenge</li> </ul>	MHFA	207,602	Twin Cities
Twin Cities Recovery Project, Inc.	<ul style="list-style-type: none"> <li>American Indian Programs (Alcohol/Drug Abuse Treatment)</li> </ul>	DHS	143,298	Twin Cities
Two Rivers Community Land Trust	<ul style="list-style-type: none"> <li>Economic Development and Housing Challenge</li> </ul>	MHFA	10,385	Twin Cities
UpTurnships, Inc.	<ul style="list-style-type: none"> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	30,041	Twin Cities
Urban Homeworks, Inc.	<ul style="list-style-type: none"> <li>Economic Development and Housing Challenge</li> </ul>	MHFA	70,000	Twin Cities

## Exhibit B.1

## Grant Recipients: Nonprofit Organizations, Fiscal Year 2022 (concluded)

Recipient	Programs	Agency	Amount Received FY2022 <sup>a</sup>	Economic Development Region <sup>b</sup>
Urban Roots	<ul style="list-style-type: none"> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	\$ 41,396	Twin Cities
Vietnamese Social Services of Minnesota	<ul style="list-style-type: none"> <li>Cultural and Ethnic Minority Infrastructure Grants</li> </ul>	DHS	108,474	Twin Cities
	<ul style="list-style-type: none"> <li>Southeast Asian Economic Relief Competitive Grants</li> </ul>	DEED		
West Central Initiative Fund	<ul style="list-style-type: none"> <li>Main Street COVID-19 Relief Grants</li> </ul>	DEED	2,104,032	West Central
West Central Minnesota Communities Action, Inc.	<ul style="list-style-type: none"> <li>Economic Development and Housing Challenge</li> </ul>	MHFA	162,000	West Central
West Hennepin Affordable Housing Land Trust	<ul style="list-style-type: none"> <li>Economic Development and Housing Challenge</li> </ul>	MHFA	210,000	Twin Cities
Women Venture	<ul style="list-style-type: none"> <li>Business Development Competitive Grants</li> </ul>	DEED	61,829	Twin Cities
YMCA of the North	<ul style="list-style-type: none"> <li>Support Services Competitive Grants</li> </ul>	DEED	72,607	Twin Cities
	<ul style="list-style-type: none"> <li>Youth at Work Opportunity Grants</li> </ul>			
Youthprise	<ul style="list-style-type: none"> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	67,140	Twin Cities
YWCA of Minneapolis	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> </ul>	DEED	27,981	Twin Cities
YWCA of St. Paul	<ul style="list-style-type: none"> <li>Women in High-Wage, High-Demand Nontraditional Jobs Grants</li> </ul>	DEED	4,209	Twin Cities
Zumbro Valley Health Center	<ul style="list-style-type: none"> <li>Cultural and Ethnic Minority Infrastructure Grants</li> </ul>	DHS	2,547	Southeast

Notes: We did not include two nonprofits—Amherst H. Wilder Foundation and Center for Victims of Torture—that both received grants through the Cultural and Ethnic Minority Infrastructure Grants program because the expenditures were flagged as coming from federal sources. Several other nonprofits listed in this exhibit also received federal funding through this program; only their state-funded grant awards appear in the amount reported above.

<sup>a</sup> The amount received by each grantee includes any state program funding that an agency awarded to the recipient through the relevant programs we identified.

<sup>b</sup> Three of the regions—East Central, Northwest, and Upper Minnesota Valley—did not contain any nonprofit grantees in Fiscal Year 2022.

<sup>c</sup> Cass Clay Community Land Trust's headquarters are in North Dakota, but it operates in both Cass County, North Dakota, and Clay County, Minnesota.

Source: Office of the Legislative Auditor, analysis of Minnesota's financial, procurement, and reporting system (SWIFT) data, Fiscal Year 2022.

## Exhibit B.2

**Grant Recipients: Businesses, Educational Institutions, Local Governments, and Tribal Nations, Fiscal Year 2022**

Recipient	Programs	Agency	Amount Received FY2022 <sup>a</sup>
Aclaris Medical, LLC	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	\$ 20,825
Alexandria Technical and Community College	<ul style="list-style-type: none"> <li>MN Job Skills Partnership</li> </ul>	DEED	91,526
Ambient Intelligence Incorporated	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	20,837
Annum, LLC	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	11,163
Anoka County	<ul style="list-style-type: none"> <li>American Indian Programs (Alcohol/Drug Abuse Treatment)</li> <li>Pathways to Prosperity</li> <li>Youth at Work Opportunity Grants</li> </ul>	DHS DEED DEED	314,698
Anoka-Ramsey Community College, Coon Rapids	<ul style="list-style-type: none"> <li>MN Job Skills Partnership</li> </ul>	DEED	1,147,590
Aqua Spa, LLC	<ul style="list-style-type: none"> <li>MN State Trade and Export Promotion Grants</li> </ul>	DEED	7,500
ArteMedics, LLC	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	20,068
Barrett Petfood Innovations	<ul style="list-style-type: none"> <li>MN Job Creation Fund</li> </ul>	DEED	29,000
BCS Automotive Interface Solutions	<ul style="list-style-type: none"> <li>MN Job Creation Fund</li> </ul>	DEED	83,000
Bibiliate, Inc.	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	8,662
BioMagnetic Sciences, LLC	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	4,375
Birchwood Laboratories, LLC	<ul style="list-style-type: none"> <li>MN State Trade and Export Promotion Grants</li> </ul>	DEED	4,492
Blattner Energy, Inc.	<ul style="list-style-type: none"> <li>MN Job Creation Fund</li> </ul>	DEED	175,000
Blue Earth County	<ul style="list-style-type: none"> <li>Long-Term Homeless Supportive Services</li> </ul>	DHS	1,170,248
BlueCube Bio	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	34,968
BlueRithm, LLC	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	13,419
Bois Forte Reservation	<ul style="list-style-type: none"> <li>American Indian Child Welfare Grants</li> <li>American Indian Programs (Alcohol/Drug Abuse Treatment)</li> <li>Traditional Healing for Native Communities</li> </ul>	DHS	157,227
Bondhus Corporation	<ul style="list-style-type: none"> <li>MN Job Creation Fund</li> </ul>	DEED	19,000
Bradley Products	<ul style="list-style-type: none"> <li>MN State Trade and Export Promotion Grants</li> </ul>	DEED	4,339
Brakins Consulting and Psychological Services, LLC	<ul style="list-style-type: none"> <li>Cultural and Ethnic Minority Infrastructure Grants</li> </ul>	DHS	56,770
Brevity	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	17,850
Brooklyn Park Economic Development Authority	<ul style="list-style-type: none"> <li>Support Services Competitive Grants</li> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	87,371
Bus Stop Mamas, LLC	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	4,855
Career Solutions	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> <li>Support Services Competitive Grants</li> <li>Women in High-Wage, High-Demand Nontraditional Jobs Grants</li> </ul>	DEED	105,000
Center for African Immigrants and Refugees	<ul style="list-style-type: none"> <li>African Immigrant Community Economic Relief Competitive Grants</li> </ul>	DEED	33,568
Central Lakes College	<ul style="list-style-type: none"> <li>MN Job Skills Partnership</li> </ul>	DEED	34,943

## Exhibit B.2

**Grant Recipients: Businesses, Educational Institutions, Local Governments, and Tribal Nations, Fiscal Year 2022 (continued)**

Recipient	Programs	Agency	Amount Received FY2022 <sup>a</sup>
Century College	<ul style="list-style-type: none"> <li>MN Job Skills Partnership</li> </ul>	DEED	\$ 448,348
Char Energy Equipment, LLC	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	24,500
City of Duluth	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> <li>Support Services Competitive Grants</li> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	280,164
City of Minneapolis	<ul style="list-style-type: none"> <li>Economic Development and Housing Challenge</li> <li>Youth at Work Opportunity Grants</li> </ul>	MHFA DEED	1,851,281
City of St. Paul	<ul style="list-style-type: none"> <li>Whole Family Systems</li> <li>Youth at Work Opportunity Grants</li> </ul>	DHS DEED	910,850
Clark Equipment, Co	<ul style="list-style-type: none"> <li>Job Training Incentives and Automation Incentives (Job Training Grants)</li> </ul>	DEED	37,903
Clean'n'Press	<ul style="list-style-type: none"> <li>Improving Air Quality</li> </ul>	MPCA	25,000
Colder Products Company	<ul style="list-style-type: none"> <li>MN Job Creation Fund</li> </ul>	DEED	220,000
CoraVie Medical, Inc.	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	35,000
Counseling Services of Southern Minnesota, Inc.	<ul style="list-style-type: none"> <li>Cultural and Ethnic Minority Infrastructure Grants</li> </ul>	DHS	37,190
Crotega, LLC	<ul style="list-style-type: none"> <li>MN State Trade and Export Promotion Grants</li> </ul>	DEED	3,297
Crystal Cabinet Works, Inc	<ul style="list-style-type: none"> <li>MN Job Creation Fund</li> </ul>	DEED	64,000
Cytotherapy, Inc.	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	31,500
Daikin Applied Americas, Inc	<ul style="list-style-type: none"> <li>MN Job Creation Fund</li> </ul>	DEED	628,750
Dakota County Technical College	<ul style="list-style-type: none"> <li>MN Job Skills Partnership</li> </ul>	DEED	67,662
Darcy Solutions, Inc.	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	17,348
Dean Ultra Thin Retainer, LLC	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	20,500
Des Moines Valley Health and Human Services	<ul style="list-style-type: none"> <li>Long-Term Homeless Supportive Services</li> </ul>	DHS	97,662
Distinctive Iron, LLC	<ul style="list-style-type: none"> <li>MN Job Creation Fund</li> </ul>	DEED	33,474
Douglas Machine, Inc.	<ul style="list-style-type: none"> <li>MN Job Creation Fund</li> </ul>	DEED	136,000
Educharacter, LLC	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	7,352
Fond du Lac Reservation	<ul style="list-style-type: none"> <li>American Indian Child Welfare Grants</li> <li>American Indian Programs (Alcohol/Drug Abuse Treatment)</li> <li>Traditional Healing for Native Communities</li> </ul>	DHS	449,274
Fond du Lac Tribal and Community College	<ul style="list-style-type: none"> <li>MN Job Skills Partnership</li> </ul>	DEED	39,061
Forever Ware, LLC	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	20,985
GeaCom, Inc	<ul style="list-style-type: none"> <li>MN State Trade and Export Promotion Grants</li> </ul>	DEED	1,019
GEF Environmental, LTD	<ul style="list-style-type: none"> <li>MN State Trade and Export Promotion Grants</li> </ul>	DEED	5,487
Geneticure, Inc.	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	7,191
Genius Innovation Group, LLC	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	2,750
Geringhoff Corp	<ul style="list-style-type: none"> <li>MN Job Creation Fund</li> </ul>	DEED	40,000
GoAdvntr, Inc.	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	1,847

## Exhibit B.2

**Grant Recipients: Businesses, Educational Institutions, Local Governments, and Tribal Nations, Fiscal Year 2022 (continued)**

Recipient	Programs	Agency	Amount Received FY2022 <sup>a</sup>
Gomigo, LLC	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	\$ 14,000
Grand Portage Reservation	<ul style="list-style-type: none"> <li>American Indian Child Welfare Grants</li> <li>American Indian Programs (Alcohol/Drug Abuse Treatment)</li> <li>Traditional Healing for Native Communities</li> </ul>	DHS	160,670
Harebrain, Inc.	<ul style="list-style-type: none"> <li>MN State Trade and Export Promotion Grants</li> </ul>	DEED	1,200
Hennepin County	<ul style="list-style-type: none"> <li>Economic Development and Housing Challenge</li> <li>Long-Term Homeless Supportive Services</li> <li>Youth at Work Opportunity Grants</li> </ul>	MHFA DHS DEED	2,863,863
Hennepin Technical College	<ul style="list-style-type: none"> <li>MN Job Skills Partnership</li> </ul>	DEED	60,358
Hibbing Community College	<ul style="list-style-type: none"> <li>MN Job Skills Partnership</li> </ul>	DEED	53,705
Housing and Redevelopment Authority of the City of St. Paul	<ul style="list-style-type: none"> <li>Economic Development and Housing Challenge</li> </ul>	MHFA	5,000
Hubbard County	<ul style="list-style-type: none"> <li>Long-Term Homeless Supportive Services</li> </ul>	DHS	834,948
Hutchinson Housing and Redevelopment Authority	<ul style="list-style-type: none"> <li>Economic Development and Housing Challenge</li> </ul>	MHFA	10,000
ImagoAI, Inc.	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	33,548
InControl Health, Inc.	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	5,363
Innovance, Inc.	<ul style="list-style-type: none"> <li>MN State Trade and Export Promotion Grants</li> </ul>	DEED	1,823
Insight Sensing Corporation	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	604
Ion Concert Media, Inc.	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	5,045
Isanti County	<ul style="list-style-type: none"> <li>Long-Term Homeless Supportive Services</li> </ul>	DHS	598,537
JockLab, LLC	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	8,228
Kennedy Research, LLC	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	1,249
Klink Klink, LLC	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	6,800
Leech Lake Band of Ojibwe	<ul style="list-style-type: none"> <li>American Indian Child Welfare Grants</li> <li>Traditional Healing for Native Communities</li> </ul>	DHS	303,915
Lip Esteem, LLC	<ul style="list-style-type: none"> <li>MN State Trade and Export Promotion Grants</li> </ul>	DEED	2,019
Lite Run, Inc.	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	8,147
Lower Sioux Indian Community	<ul style="list-style-type: none"> <li>American Indian Child Welfare Grants</li> <li>American Indian Programs (Alcohol/Drug Abuse Treatment)</li> <li>Business Development Competitive Grants</li> <li>Economic Development and Housing Challenge</li> </ul>	DHS DHS DEED MHFA	620,282
Malco Products, Inc.	<ul style="list-style-type: none"> <li>MN State Trade and Export Promotion Grants</li> </ul>	DEED	7,500
Mark-Tech International, LLC	<ul style="list-style-type: none"> <li>MN State Trade and Export Promotion Grants</li> </ul>	DEED	3,500
MarPam Pharma, LLC	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	1,675
McGregor Public School District	<ul style="list-style-type: none"> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	45,746
Metropolitan State University	<ul style="list-style-type: none"> <li>MN Tech Training Pilot</li> </ul>	DEED	21,574
Metselx	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	10,146
Microbiologics, Inc.	<ul style="list-style-type: none"> <li>MN Job Creation Fund</li> </ul>	DEED	58,000

## Exhibit B.2

## Grant Recipients: Businesses, Educational Institutions, Local Governments, and Tribal Nations, Fiscal Year 2022 (continued)

Recipient	Programs	Agency	Amount Received FY2022 <sup>a</sup>
Midwest Dry Cast, LLC	<ul style="list-style-type: none"> <li>MN Job Creation Fund</li> </ul>	DEED	\$ 28,000
Midwest Steel	<ul style="list-style-type: none"> <li>MN Job Creation Fund</li> </ul>	DEED	62,970
Mille Lacs Band of Ojibwe	<ul style="list-style-type: none"> <li>American Indian Child Welfare Grants</li> <li>American Indian Programs (Alcohol/Drug Abuse Treatment)</li> <li>Pathways to Prosperity</li> <li>Traditional Healing for Native Communities</li> </ul>	DHS DHS DEED DHS	309,619
Minnesota State College Southeast	<ul style="list-style-type: none"> <li>MN Job Skills Partnership</li> </ul>	DEED	398,580
Minnesota State Community and Technical College	<ul style="list-style-type: none"> <li>MN Job Skills Partnership</li> </ul>	DEED	14,960
Minnesota State University, Mankato	<ul style="list-style-type: none"> <li>Business Development Competitive Grants</li> <li>MN Job Skills Partnership</li> </ul>	DEED	679,512
Minnesota West Community and Technical College	<ul style="list-style-type: none"> <li>MN Job Skills Partnership</li> </ul>	DEED	78,530
MK1 Engineering	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	15,000
Mobility 4 All, GBC	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	24,570
National Able Network, Inc.	<ul style="list-style-type: none"> <li>Women in High-Wage, High-Demand Nontraditional Jobs Grants</li> </ul>	DEED	69,560
Neurotype, Inc.	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	13,215
Normandale Community College	<ul style="list-style-type: none"> <li>MN Job Skills Partnership</li> </ul>	DEED	78,686
North St. Paul-Maplewood Oakdale Public School District	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> </ul>	DEED	150,027
Northeast Minnesota Office Of Job Training	<ul style="list-style-type: none"> <li>Youth at Work Opportunity Grants</li> </ul>	DEED	10,000
Northland Machine, Inc.	<ul style="list-style-type: none"> <li>Job Training Incentives and Automation Incentives (Job Training Grants)</li> </ul>	DEED	19,677
Northside Homes, LLC	<ul style="list-style-type: none"> <li>Economic Development and Housing Challenge</li> </ul>	MHFA	25,000
Oncodea Corp	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	29,750
Osseo Public School District	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> </ul>	DEED	99,149
Otrafy, Inc.	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	4,798
Ovative Group, LLC	<ul style="list-style-type: none"> <li>MN Job Creation Fund</li> </ul>	DEED	182,000
PACT for Families Collaborative	<ul style="list-style-type: none"> <li>Cultural and Ethnic Minority Infrastructure Grants</li> </ul>	DHS	10,128
Peach Mindfulness, LLC	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	15,989
Prairie Island Tribal Council	<ul style="list-style-type: none"> <li>American Indian Child Welfare Grants</li> <li>American Indian Programs (Alcohol/Drug Abuse Treatment)</li> </ul>	DHS	73,718
Prime Digital Academy	<ul style="list-style-type: none"> <li>MN Tech Training Pilot</li> </ul>	DEED	77,000
ProsperStack, Inc.	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	29,750
Proto Labs, Inc.	<ul style="list-style-type: none"> <li>MN Job Creation Fund</li> </ul>	DEED	527,000
Prototype Career Services	<ul style="list-style-type: none"> <li>MN State Trade and Export Promotion Grants</li> </ul>	DEED	1,687
Puris, LLC	<ul style="list-style-type: none"> <li>Job Training Incentives and Automation Incentives (Job Training Grants)</li> </ul>	DEED	200,000

## Exhibit B.2

**Grant Recipients: Businesses, Educational Institutions, Local Governments, and Tribal Nations, Fiscal Year 2022 (continued)**

Recipient	Programs	Agency	Amount Received FY2022 <sup>a</sup>
QA1 Precision Products, Inc.	<ul style="list-style-type: none"> <li>MN Job Creation Fund</li> </ul>	DEED	\$ 180,000
Ramsey County	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> <li>Women in High-Wage, High-Demand Nontraditional Jobs Grants</li> </ul>	DEED	140,998
Red Lake Band of Chippewa	<ul style="list-style-type: none"> <li>American Indian Child Welfare Grants</li> <li>Traditional Healing for Native Communities</li> <li>Whole Family Systems</li> </ul>	DHS	518,810
Red Wing Public School District	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> </ul>	DEED	169,062
Regents of The University of Minnesota	<ul style="list-style-type: none"> <li>Business Development Competitive Grants</li> <li>Launch MN</li> </ul>	DEED	96,660
REMastered Sleep, LLC	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	23,858
Renewal by Andersen, LLC	<ul style="list-style-type: none"> <li>MN Job Creation Fund</li> </ul>	DEED	303,000
Respiratory Sciences, Inc.	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	31,500
Rochester Public School District	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> </ul>	DEED	33,830
Roseville Public School District	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> </ul>	DEED	60,225
Sage Electrochromics, Inc.	<ul style="list-style-type: none"> <li>MN Job Creation Fund</li> </ul>	DEED	32,750
Saint Paul College	<ul style="list-style-type: none"> <li>MN Job Skills Partnership</li> </ul>	DEED	24,318
Saint Paul Public Schools	<ul style="list-style-type: none"> <li>Pathways to Prosperity</li> </ul>	DEED	40,477
Sarcio, Inc.	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	31,500
See A Star, Inc.	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	12,850
Shrpa, LLC	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	14,376
Simply Paws Design, LLC	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	5,390
Snorex, LLC	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	31,500
Software for Good	<ul style="list-style-type: none"> <li>MN Tech Training Pilot</li> </ul>	DEED	52,008
South Central College	<ul style="list-style-type: none"> <li>MN Job Skills Partnership</li> <li>Pathways to Prosperity</li> </ul>	DEED	158,761
Sparrow Marketing, Inc.	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	6,220
Sprowt, LLC	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	15,922
St. Louis County	<ul style="list-style-type: none"> <li>Long-Term Homeless Supportive Services</li> </ul>	DHS	888,653
St. Cloud State University	<ul style="list-style-type: none"> <li>Business Development Competitive Grants</li> <li>MN Job Skills Partnership</li> </ul>	DEED	559,256
Steinair, Inc.	<ul style="list-style-type: none"> <li>MN Job Creation Fund</li> </ul>	DEED	22,000
Stoneridge Software	<ul style="list-style-type: none"> <li>MN Job Creation Fund</li> </ul>	DEED	27,000
TearRestore, Inc.	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	13,955
Upper Sioux Community	<ul style="list-style-type: none"> <li>American Indian Programs (Alcohol/Drug Abuse Treatment)</li> <li>Economic Development and Housing Challenge</li> </ul>	DHS MHFA	524,546
US Bank	<ul style="list-style-type: none"> <li>MN Job Creation Fund</li> </ul>	DEED	33,000
Vemos, LLC	<ul style="list-style-type: none"> <li>Launch MN</li> </ul>	DEED	4,924
Versare Solutions, LLC	<ul style="list-style-type: none"> <li>MN State Trade and Export Promotion Grants</li> </ul>	DEED	2,523

## Exhibit B.2

**Grant Recipients: Businesses, Educational Institutions, Local Governments, and Tribal Nations, Fiscal Year 2022 (concluded)**

Recipient	Programs	Agency	Amount Received FY2022 <sup>a</sup>
Vessyll, LLC	<ul style="list-style-type: none"> <li>• Launch MN</li> </ul>	DEED	\$ 2,006
VirtuWoof, LLC	<ul style="list-style-type: none"> <li>• Launch MN</li> </ul>	DEED	920
Virutech Systems, Inc.	<ul style="list-style-type: none"> <li>• Launch MN</li> </ul>	DEED	29,750
VisionX, LLC	<ul style="list-style-type: none"> <li>• Launch MN</li> </ul>	DEED	17,850
Vonzella, Inc.	<ul style="list-style-type: none"> <li>• Launch MN</li> </ul>	DEED	8,699
Vortex	<ul style="list-style-type: none"> <li>• Launch MN</li> </ul>	DEED	8,798
Wagner SprayTech Corp	<ul style="list-style-type: none"> <li>• MN Job Creation Fund</li> </ul>	DEED	116,000
Washington County	<ul style="list-style-type: none"> <li>• Pathways to Prosperity</li> <li>• Women in High-Wage, High-Demand Nontraditional Jobs Grants</li> </ul>	DEED	84,946
Water Wars	<ul style="list-style-type: none"> <li>• MN State Trade and Export Promotion Grants</li> </ul>	DEED	1,875
Whirltronics, Inc.	<ul style="list-style-type: none"> <li>• MN Job Creation Fund</li> </ul>	DEED	23,000
White Earth Band of Chippewa	<ul style="list-style-type: none"> <li>• American Indian Programs (Alcohol/Drug Abuse Treatment)</li> <li>• Cultural and Ethnic Minority Infrastructure Grants</li> <li>• Long-Term Homeless Supportive Services</li> <li>• Tribal Customary Adoption</li> <li>• Whole Family Systems</li> </ul>	DHS	902,149
White Earth Reservation	<ul style="list-style-type: none"> <li>• Pathways to Prosperity</li> <li>• Traditional Healing for Native Communities</li> </ul>	DEED DHS	156,520
White Earth Reservation Housing Authority	<ul style="list-style-type: none"> <li>• Economic Development and Housing Challenge</li> </ul>	MHFA	72,163
Winona State University	<ul style="list-style-type: none"> <li>• MN Job Skills Partnership</li> </ul>	DEED	37,094
XDot Medical, Inc.	<ul style="list-style-type: none"> <li>• Launch MN</li> </ul>	DEED	20,825
Zerkalo, Inc.	<ul style="list-style-type: none"> <li>• MN State Trade and Export Promotion Grants</li> </ul>	DEED	7,500

Note: This exhibit excludes 20 recipients of Launch Minnesota funding who were individuals (rather than businesses, education organizations, local governments, or tribal nations).

<sup>a</sup> The amount received by each grantee includes any state program funding that an agency awarded to the recipient through the relevant programs we identified.

Source: Office of the Legislative Auditor, analysis of Minnesota's financial, procurement, and reporting system (SWIFT) data, Fiscal Year 2022.

# Appendix C: Legislatively Named Grantees

In addition to grant programs through which agencies distribute funding to multiple recipients, the Legislature sometimes names in appropriation law *specific entities* to which the agencies we reviewed must provide funding. We discuss these legislatively named grantees in Chapter 2. Exhibit C.1 lists the grantees explicitly named by the Legislature to receive funding during fiscal years 2013 through 2022 specifically meant to support Minnesotans on the basis of racial, ethnic, or American Indian identity from the four agencies we reviewed.<sup>1</sup> In addition to the grantees, the exhibit lists the purpose of the appropriation, the total amount appropriated (in Fiscal Year 2022 inflation-adjusted dollars), and the fiscal years for which the grantee was designated to receive state funding. To be included on our list, the language of the appropriation must have stated that the funding was meant to support specific populations relevant to this evaluation; we did not include grants to legislatively named grantees that disproportionately serve a particular population (for example, American Indian tribal nations) unless the appropriation included such language that required a grantee to serve the particular population.

## Exhibit C.1 Legislatively Named Grantees

Grantee	Purpose	Amount Appropriated FY2013-2022	Appropriation Fiscal Years
30,000 Feet	"...to fund youth apprenticeship jobs, after-school programming, and summer learning loss prevention for <b>African American youth.</b> "	\$ 250,000	2022
Alliance Wellness Center	"...to increase patient identification, referrals, and access to medication-assisted treatment for <b>African American</b> and other unreached <b>communities.</b> "	156,491	2021
American Indian Opportunities and Industrialization Center, "in collaboration with the Northwest Indian Community Development Center"	"...to reduce academic disparities for <b>American Indian students and adults.</b> "	3,481,699	2017-2022
Bois Forte Tribal Employment Rights Office	"...for an <b>American Indian workforce development training</b> pilot project."	272,223	2018
Central Minnesota Community Foundation	"...to identify and support community initiatives in the St. Cloud area that enhance long-term economic self-sufficiency by improving education, housing, and economic outcomes for <b>central Minnesota communities of color.</b> "	591,789	2018

<sup>1</sup> The list includes appropriations related to the Department of Employment and Economic Development, the Department of Human Services, and the Minnesota Housing Finance Agency. We found no such appropriations to the Minnesota Pollution Control Agency during the time period in review.

Exhibit C.1  
Legislatively Named Grantees (continued)

Grantee	Purpose	Amount Appropriated FY2013-2022	Appropriation Fiscal Years
City of St. Paul	For a bus driver and mechanics facility in St. Paul “for training drivers and mechanics through programming primarily in the <b>Southeast Asian languages</b> ,” and a facility in St. Paul for temporary use as a “training facility for health care, manufacturing, and information technology jobs through programming primarily in the <b>Southeast Asian languages</b> .”	\$6,313,188	2019
Construction Careers Foundation	“...to provide year-round educational and experiential learning opportunities for teens and young adults under the age of 21 that lead to careers in the construction industry.”  “Programs and services supported by grant funds must give priority to individuals and groups that are economically disadvantaged or historically underrepresented in the construction industry, including but not limited to women, veterans, and <b>members of minority</b> and immigrant <b>groups</b> .”	5,989,045	2017-2022
East Side Enterprise Center	“...to expand culturally tailored resources that address small business growth and job creation.... The appropriation shall fund the work of African Economic Development Solutions, the Asian Economic Development Association, the Dayton's Bluff Community Council, and the Latino Economic Development Center in a collaborative approach to economic development that is effective with smaller, culturally diverse communities that seek to increase the productivity and success of new immigrant and <b>minority populations living and working in the community</b> . Programs shall provide <b>minority business growth and capacity building</b> that generate wealth and jobs creation for local residents and business owners on the East Side of St. Paul.”	355,074	2018
EMERGE Community Development	“...for the Cedar-Riverside Opportunity Center and its on-site partners to address employment and economic disparities for <b>low-income unemployed or underemployed individuals who are primarily East African</b> .”	250,000	2022
EMERGE Community Development “in collaboration with community partners”	“...for services targeting <b>Minnesota communities with the highest concentrations of African and African-American joblessness</b> ...to provide employment readiness training, credentialed training placement, job placement and retention services, supportive services for hard-to-employ individuals, and a general education development fast track and adult diploma program.”	8,094,896	2017-2021

Exhibit C.1  
Legislatively Named Grantees (continued)

Grantee	Purpose	Amount Appropriated FY2013-2022	Appropriation Fiscal Years
Hennepin Healthcare	"...to continue work with the multidisciplinary <b>Native American [Extension for Community Health Outcomes] hub</b> , in partnership with the Native American Community Clinic, to support health care and other service providers with tele-training and mentoring on evidence-based assessment and management of patients with opioid disorders."	\$ 121,715	2021
Hmong American Partnership, "in collaboration with community partners"	"...for services targeting <b>Minnesota communities with the highest concentrations of Southeast Asian joblessness</b> ...to provide employment readiness training, credentialed training placement, job placement and retention services, supportive services for hard-to-employ individuals, and a general education development fast track and adult diploma program."	1,408,196	2020-2022
Hmong Chamber of Commerce	"...to train <b>ethnically Southeast Asian business owners and operators</b> in better business practices."	402,049	2020-2022
Ka Joog	"...to increase patient identification, referrals, and awareness of medication-assisted treatment for <b>African American</b> and other unreached <b>communities</b> ."	156,491	2021
Metropolitan Economic Development Association	"...for statewide business development and assistance services, including services to entrepreneurs with businesses that have the potential to create job opportunities for unemployed and underemployed people, with an emphasis on <b>minority-owned businesses</b> ."	8,030,895	2017-2021
My Home, Inc.	"...to increase patient identification, referrals, and access to medication-assisted treatment for <b>African American</b> and other unreached <b>communities</b> ."	156,491	2021
Turning Point, Inc.	"...to increase patient identification, referrals, and access to medication-assisted treatment for <b>African American</b> and other unreached <b>communities</b> ."	156,491	2021
Twin Cities Recovery Project, Inc.	"...to increase patient identification, referrals, and awareness of medication-assisted treatment for <b>African American</b> and other unreached <b>communities</b> ."	156,491	2021
University of Minnesota, Duluth	"...establishment and operation of the Tribal Training and Certification Partnership...to provide training, establish federal Indian Child Welfare Act and Minnesota Indian Family Preservation Act training requirements for county child welfare workers, and develop Indigenous child welfare training for <b>American Indian Tribes</b> ."	1,012,000	2022
Voice of East African Women Organization	"...to provide safe housing for victims of domestic abuse and trafficking. The program shall provide shelter to <b>East African women and children in Minnesota</b> and other victims of domestic violence."	435,969	2014-2015

## Exhibit C.1

## Legislatively Named Grantees (concluded)

Grantee	Purpose	Amount Appropriated FY2013-2022	Appropriation Fiscal Years
Wayside Recovery Center	"...to expand an existing women's behavioral health [Extension for Community Healthcare Outcomes] hub, in partnership with other community-based entities, to provide opioid use disorder and peer recovery and care coordination services to <b>American Indian pregnant women, postpartum and parenting mothers, and senior citizens.</b> "	\$ 217,348	2021
White Earth Nation Tribal Council	"...to refurbish and equip the White Earth Opiate Treatment Facility on the White Earth Reservation. The facility shall treat <b>Native Americans</b> and provide culturally specific programming to individuals placed in the treatment center."	1,033,067	2019
Youthprise	"...to give grants through a competitive process to community organizations to provide economic development services designed to enhance long-term economic self-sufficiency in <b>communities with concentrated East African populations.</b> "	1,808,196	2020-2022

Notes: We reviewed appropriations for fiscal years 2013 through 2022, for appropriations supporting legislatively named grantees. We found relevant appropriations related to the Department of Employment and Economic Development, the Department of Human Services, and the Minnesota Housing Finance Agency. We found no such appropriations to the Minnesota Pollution Control Agency during this time period.

Source: Office of the Legislative Auditor, analysis of state appropriation laws for fiscal years 2011-2022.

Judy Randall  
Legislative Auditor  
Office of the Legislative Auditor  
Room 140 Centennial Building  
658 Cedar Street  
Saint Paul, MN 55155-1603

February 23, 2023

Dear Ms. Randall,

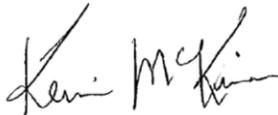
The Minnesota Department of Employment and Economic Development (DEED) wants to thank you and your team for the detailed work to assess the effectiveness of multiple state programs with regards to supporting diverse communities. As one of the agencies included in the evaluation, we appreciate the professionalism of your staff as they completed their work, and the opportunity to review and comment on the report titled "State Programs That Support Minnesotans on the Basis of Racial, Ethnic, or American Indian Identity."

DEED's mission is to empower the growth of the Minnesota economy, for everyone. To meet that mission, we partner with organizations and communities across the state to take on the challenges our economy faces at this critical inflection point in Minnesota. Your findings that DEED exceeded the requirements for "diversity in grant making" through our implementation of the Main Street COVID-19 Relief Grant Program is reassuring to us that centering equity in all our work is having a positive impact on the programs we oversee and the communities we serve.

We are honored to work with such great community-based partners to implement this work and are grateful for their efforts partnering with us to administer this complicated, fast moving and impactful program over such a short time period. We appreciated your team's recommendations for improving this type of partnership model going forward.

DEED appreciates the recognition of our work and looks forward to developing stronger policies and practices to better empower our partners to do this great work should a program like this be implemented again. We appreciated this opportunity to work with your team to improve our approaches to supporting diverse communities.

Sincerely,



Kevin McKinnon  
Deputy Commissioner



OLA



**Minnesota Department of Human Services**  
**Elmer L. Andersen Building**  
**Commissioner Jodi Harpstead**  
**Post Office Box 64998**  
**St. Paul, Minnesota 55164-0998**

February 21, 2023

Judy Randall, Legislative Auditor  
Office of the Legislative Auditor  
Centennial Office Building  
658 Cedar Street  
St. Paul, Minnesota 55155

Dear Ms. Randall:

Thank you for the opportunity to review and comment on the draft report issued by your office, titled *State Programs That Support Minnesotans on the Basis of Racial, Ethnic, or American Indian Identity*.

These important programs focus on reducing the many disparities faced by Black, Indigenous and people of color populations, including the disparities the audit mentioned: poverty, unemployment, health insurance and homeownership. However, we noted that the report focused more on the technical aspects of grant issuance and not on the impact these funds are having to reduce Minnesota's significant and longstanding disparities in the identified areas. These disparities keep our entire state from reaching its full potential.

We are pleased the report found that the Department of Human Services generally complied with state grantmaking policies related to supporting Minnesotans on the basis of racial, ethnic or American Indian identity.

In response to your recommendations in this and other reports focused on grants management issues, we continue to implement a centralized contracts management system that we refer to as the Contracts Integration System (CIS). The CIS will help us provide oversight of the overall grant process. It will ensure complete documentation for the application review and decision process for competitive grant programs, and satisfy the quarterly reporting requirements for Cultural and Ethnic Minority Infrastructure Grants. In addition, we intend to build controls to ensure that quarterly reports are submitted and approved before payment is issued.

Equally important is our ability to collect data on specific program measures to understand progress toward meeting intended objectives and impacts on the communities and populations being served. We are working on integrating measures and capturing this data in CIS to streamline the overall process for both internal users and external constituents. We have prioritized this work and formalized a DHS

Human Services Response to *State Programs That Support Minnesotans on the Basis of Racial, Ethnic, or American Indian Identity*

February 21, 2023

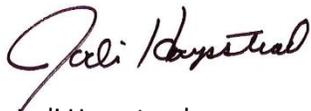
Page 2 of 2

workgroup made up of subject matter experts to begin defining standard measures and establishing data points that are important for programs that support or provide services to diverse communities.

Also, in response to your recommendations, the DHS Contracts and Legal Compliance Division will revise our request for proposal template to ensure that it satisfies the Office of Grant Management requirements. The division will also explore developing policies outlining the circumstances under which grant program materials should be translated into languages other than English. Translating grant program materials will be another way the Department of Human Services provides meaningful access as part of its Limited English Proficiency Plan.

Thank you again for your staff's professionalism and dedicated efforts during this audit. Our policy and practice is to follow up on all audit findings to evaluate our progress toward resolution. If you have further questions, please contact Gary L. Johnson, Internal Audits Office director, at (651) 431-3623.

Sincerely,

A handwritten signature in black ink that reads "Jodi Harpstead". The signature is written in a cursive, flowing style.

Jodi Harpstead  
Commissioner



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February 21, 2023

Ms. Judy Randall, Legislative Auditor  
Office of the Legislative Auditor  
Centennial Office Building  
658 Cedar St, Room 140  
St. Paul, MN 55115

Dear Legislative Auditor Randall:

Thank you for the opportunity to respond to the findings and recommendations of the Office of the Legislative Auditor's performance evaluation of State Programs that Support Minnesotans on the Basis of Racial, Ethnic or American Indian identity. A key objective in Minnesota Housing's 2020-2023 Strategic Plan is to create an inclusive and equitable housing system. In fact:

- In 2022, Minnesota Housing achieved its strategic goal of having 40% of its first-time homebuyer mortgages (which the Homeownership Assistance Fund supports) go to Black, Indigenous and people of color. In contrast, the overall mortgage industry in Minnesota is only at 21% for all home purchase mortgages.
- About 72% of the rental homes funded through the Economic Development and Housing Challenge (EDHC) program are occupied by Black, Indigenous and people of color, and about 66% of the owner-occupied homes funded by EDHC are occupied by Black, Indigenous and people of color.

These programs are clearly reaching and benefiting the intended communities, and we applaud the OLA's focus on programs supporting Black, Indigenous and Minnesotans of color. We welcome any recommendations that could help the state close its large racial and ethnic disparities in housing, health, employment and other areas.

The evaluation report found that one of our Requests for Proposals (RFPs) had incorporated many of the RFP elements set by the Office of Grants Management (OGM) but has been missing or partially missing a few of the elements. With guidance from Minnesota Housing's new Procurement, Contracting and Grants Management Department, we are bringing this year's RFP into full alignment with OGM's standards. That RFP will be in full compliance when it is issued this April. We are also assessing all of our other RFP documents to ensure alignment with OGM standards.

Minnesota Housing will also explore under what circumstances RFP materials should be translated into languages other than English.

We appreciate the opportunity to respond to your recommendations and the opportunity to work with you and your staff throughout the evaluation.

Sincerely,

A handwritten signature in blue ink that reads 'Jennifer Ho'.

Jennifer Leimaile Ho  
Commissioner



OLA

## **Forthcoming OLA Evaluations**

*RentHelpMN*

*Southwest Light Rail Transit Construction: Metropolitan Council Decision Making*

*Southwest Light Rail Transit Construction: Metropolitan Council Oversight of Contractors*

## **Recent OLA Evaluations**

### **Agriculture**

*Pesticide Regulation*, March 2020

*Agricultural Utilization Research Institute (AURI)*, May 2016

*Agricultural Commodity Councils*, March 2014

### **Criminal Justice and Public Safety**

*Driver Examination Stations*, March 2021

*Safety in State Correctional Facilities*, February 2020

*Guardian ad Litem Program*, March 2018

*Mental Health Services in County Jails*, March 2016

*Health Services in State Correctional Facilities*, February 2014

### **Economic Development**

*Minnesota Investment Fund*, February 2018

*Minnesota Research Tax Credit*, February 2017

*Iron Range Resources and Rehabilitation Board (IRRRB)*, March 2016

### **Education (Preschool, K-12, and Postsecondary)**

*Minnesota Department of Education's Role in Addressing the Achievement Gap*, March 2022

*Collaborative Urban and Greater Minnesota Educators of Color (CUGMEC) Grant Program*, March 2021

*Compensatory Education Revenue*, March 2020

*Debt Service Equalization for School Facilities*, March 2019

*Early Childhood Programs*, April 2018

*Perpich Center for Arts Education*, January 2017

*Standardized Student Testing*, March 2017

*Minnesota State High School League*, April 2017

*Minnesota Teacher Licensure*, March 2016

### **Environment and Natural Resources**

*Petroleum Remediation Program*, February 2022

*Public Facilities Authority: Wastewater Infrastructure Programs*, January 2019

*Clean Water Fund Outcomes*, March 2017

*Department of Natural Resources: Deer Population Management*, May 2016

*Recycling and Waste Reduction*, February 2015

*DNR Forest Management*, August 2014

### **Financial Institutions, Insurance, and Regulated Industries**

*Department of Commerce's Civil Insurance Complaint Investigations*, February 2022

### **Government Operations**

*Oversight of State-Funded Grants to Nonprofit Organizations*, February 2023

*Sustainable Building Guidelines*, February 2023

*Office of Minnesota Information Technology Services (MNIT)*, February 2019

*Mineral Taxation*, April 2015

*Councils on Asian-Pacific Minnesotans, Black Minnesotans, Chicano/Latino People, and Indian Affairs*, March 2014

### **Health**

*Emergency Ambulance Services*, February 2022

*Office of Health Facility Complaints*, March 2018

*Minnesota Department of Health Oversight of HMO Complaint Resolution*, February 2016

*Minnesota Health Insurance Exchange (MNSure)*, February 2015

*Minnesota Board of Nursing: Complaint Resolution Process*, March 2015

### **Human Services**

*Child Protection Removals and Reunifications*, June 2022

*DHS Oversight of Personal Care Assistance*, March 2020

*Home- and Community-Based Services: Financial Oversight*, February 2017

*Managed Care Organizations' Administrative Expenses*, March 2015

### **Jobs, Training, and Labor**

*Unemployment Insurance Program: Efforts to Prevent and Detect the Use of Stolen Identities*, March 2022

*State Protections for Meatpacking Workers*, 2015

### **Miscellaneous**

*State Programs That Support Minnesotans on the Basis of Racial, Ethnic, or American Indian Identity*, February 2023

*Board of Cosmetology Licensing*, May 2021

*Minnesota Department of Human Rights: Complaint Resolution Process*, February 2020

*Public Utilities Commission's Public Participation Processes*, July 2020

*Economic Development and Housing Challenge Program*, February 2019

*Minnesota State Arts Board Grant Administration*, February 2019

*Board of Animal Health's Oversight of Deer and Elk Farms*, April 2018

*Voter Registration*, March 2018

*Minnesota Film and TV Board*, April 2015

### **Transportation**

*MnDOT Workforce and Contracting Goals*, May 2021

*MnDOT Measures of Financial Effectiveness*, March 2019

*MnDOT Highway Project Selection*, March 2016

*MnDOT Selection of Pavement Surface for Road Rehabilitation*, March 2014

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LEGISLATIVE AUDITOR



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