

February 13, 2022

Dear House State Government Committee Members,

MN Historical Society (MNHS) is not a state department; it is a nonprofit corporation. As such, MNHS is exempt from Minnesota's Chapter 13 Data Practices. Per Neil Cunningham, MMB, "The Minnesota Historical Society is a nonprofit historical organization that is separate and independent from MMB." (Data request 193. 22 Nov 2019.) The effects of the pandemic on this corporation is not the state's problem.

Supplemental budget initiative 1 addresses salary funding. MNHS employees voted to unionize in November 2021. Any costs to cover a corporation's union negotiations is NOT a state responsibility. MMB already sufficed MNHS's salary was comparable to civil service employees as required under statute [138.01 subdivision 5](#). Every MNHS employee is *not* employed for state contracted duties.

Supplemental budget initiative 2 wants funds to aid with "reopening" historic sites. Funds were appropriated to MNHS for historic site operation *only*. Sites were closed. MNHS is afforded to use funds in either year of a biennium under subdivision 8 of statute [16A.28 Treatment of Unused Appropriations](#). Replenishing funds that disappear in a biennium is MNHS's responsibility. MMB has no privileges in MNHS's accounting methods.

It is not the state's responsibility to bail out a nonprofit that cannot mediate contracts between itself and contract providers. For example, MNHS contracted for \$42,000 for operation of Lower Sioux Agency State Historic Site during the biennium. MNHS sold (conveyed) the state-owned (albeit MNHS argues it owned the site) for \$1 in 2021.

A few miles away, MNHS chose to permanently close the Fort Ridgely Historic Site located inside Fort Ridgely State Park. The nonprofit's decision caused huge losses to area heritage tourism. Fort Ridgely events occur outside.

Nothing in MNHS's supplemental budget request dictates how the nonprofit will use the funds.

The nonprofit offers no explanation why some historic sites are closed and others are open or what happened to the original funds in the first place.

Funding MNHS's request is no better than throwing money into a bottomless pit.

Do not hold the public responsible for a nonprofit's financial misconduct.

I am available to answer questions,
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