

To: Tubman Key Supporters

From: Jennifer J. Polzin, Chief Executive Officer

CC: Board Members

Date: December 2024

Re: Update—Fiscal Year 2024

A handwritten signature in black ink, appearing to read "Jennifer J. Polzin".

Greetings! As we reflect on the accomplishments, challenges, and opportunities of the past year and prepare for the year ahead, I am pleased to update you about the business side of things here at Tubman.

Financial Position

As of this writing, fiscal year 2024 ending September 30 is just about closed. The audit will commence the first week of December, and we expect to break even with the audited financial statements showing neither a surplus nor a deficit.

The Board approved the fiscal 2025 annual operating budget, wish list, and capital improvements list in September, with the annual operating budget revenues and expenses balanced at \$13.5 million, up from \$12.3 million the previous year.

This year's budgeting process proved to be extremely challenging yet again, as we continue to see the rising cost of providing services coupled with increased demand. As always, we used our agency values and commitment to equity as primary criteria alongside the strategic plan and funding stipulations as we made some very difficult decisions. Cuts from the proposed budget were moved to the wish list while we work to secure additional funding. Revenue goals remained conservative, with modest increases projected across categories and solid plans in place to achieve them. We will continue to monitor very carefully throughout the year as expenses and revenues evolve while we keep moving forward, figuring out new and different ways to do our work.

Staffing remains stable, and the FY25 budget includes 4% salary increases. Compensation for all positions was benchmarked to ensure we stay equitable and competitive, and we continue to offer a robust benefits package that includes enhanced financial education for staff. However, our healthcare insurance premiums for calendar year 2025 increased significantly, similar to most employers across industries. We are still offering several plan choices but unlike in recent years, the cost increase will be shared between participating employees and the agency rather than Tubman absorbing the increased cost to keep the employee-paid portion steady.

Looking ahead, systems change and coalition work remain critical to our ability to deliver on our mission, both in terms of issues-based policy and state and federal funding. In particular, we are concerned about major cuts to federal Victims of Crime Act (VOCA) funds—where the majority of domestic violence funding originates along with Violence Against Women Act (VAWA) funds. Lagging insurance reimbursement rates for mental and chemical health services persist, with even more stark disparities for people who rely on Medicaid or Medicare for their health care plans.

Great Dreams Campaign

The Great Dreams Campaign is a three-year special campaign raising dedicated funds to accelerate



Tubman's programs and make critical long-lasting improvements in our facilities (Places), services (Programs), and staff (People) that will strengthen our ability to meet people where they are in their journeys from fear to freedom.

As we enter the third and final year of the campaign in 2025, we are thrilled to share that as of this writing, we are at the threshold of our campaign goal of \$8.5 million and have expanded our base of supporters. We are at a critical point, and are working on capital improvements to Harriet Tubman Center East as we reach fundraising milestones. The roof repairs have been completed, and the work to install a new elevator that will provide critical access to the community facing side of the building is underway. However, since the beginning of the campaign construction costs have risen, and so we are working hard to exceed our goal by at least \$700,000 to accomplish all that we've set out to do.

Harriet's Haven for Pets

As part of the Great Dreams Campaign, Tubman is creating Harriet's Haven for Pets, one of the first pet-dedicated spaces in a domestic violence shelter in the Twin Cities. 89% of survivors with pets tell us that their beloved animal has been threatened, harmed, or killed as intimidation or revenge and nearly half of people experiencing relationship violence delay leaving an abusive relationship for fear of their pet's safety. By providing a safe and supportive place for people and pets to heal together, we are removing additional barriers to get the services they need to move from fear to freedom.

We have raised nearly \$600,000 specifically for Harriet's Haven for Pets. The total cost of construction and the first year of operations is budgeted at \$920,000 and we are working to close the gap of \$320,000 as quickly as possible to launch this critical program. We have the architectural plans in hand, have secured city approval, the contractor has been selected, program protocols are drafted, and we are ready to begin construction, hire the staff, and recruit additional volunteers as soon as the remaining funds are secured. Our goal is to have the program fully operational by summer of 2025.

Social Enterprise

Another aspect of the Programs component of the Great Dreams Campaign was to conduct a feasibility study to determine the best use of the dormant commercial kitchen at Tubman East. This study was completed and in November 2023 the Board unanimously approved the next phase of project planning to create the Tubman Food Innovation Center as a social enterprise that will generate revenue to support Tubman's core services—an essential strategy, given that government contract funding is anticipated to remain flat at best, coupled with the increased costs of providing services.

The Tubman Food Innovation Center would be the new home for a state-of-the-art food manufacturing facility for under-funded food entrepreneurs and commercial kitchen to produce and deliver hot meals for people who are experiencing homelessness and are unsheltered. It is important to note that Tubman is not expanding our mission to deliver food programming. Rather, we are partnering with [4AccessPartners](#), [FoodOps](#), [InvolveMN](#), and [Food Works Group](#) to secure funding, renovate the space and operate the Center. Each of these partners brings incredible expertise and each are values-aligned with our mission.

We are in the process of raising \$4.5 million (separate from the Great Dreams Campaign) to transform the space and purchase the specialized equipment. To build a comparable facility from scratch would cost an estimated \$20 million. Once launched, the business plan projects the Center will be cash positive within

the first 12-18 months of operation. If you would like to learn more about this project, please contact me or Dana Nelson, Great Dreams Campaign and Social Enterprise Fund Director at dnelson@tubman.org.

Program Updates

A cross-agency work group continues to work toward streamlining how clients are connected to whatever services they may need no matter how they first reach out to Tubman. Outcomes will include the establishment of a central access team and additional technology such as secure text lines, with a secondary goal of de-siloing programs.

Expanding services at NorthStar Youth Outreach Center at Maplewood Mall is another major enhancement. We've hired a program manager and additional staff to work alongside volunteers (completed), expanded hours of operation to match the hours the mall is open (in process), and renovating the storefront next door (when remaining funds are secured). The NorthStar Youth Outreach Center was the program spotlight in the summer newsletter, and we are grateful to all the community members who responded so generously.

Our mental and chemical health team is offering new groups in response to requests from the people we serve: BIPOC Relapse Prevention (affinity group for people who identify as Black, Indigenous, and People of Color and are working to prevent and compassionately respond to substance use relapses); A Little Leap (focusing on how to implement a small change based on neuroscience and mind body skills); Expressions of Healing (accessing unconscious levels of healing using art and group process). Other groups such as Melissa's Connection, DBT, Queer DBT, Trauma Skills, and Healthy Relationships continue.

Work is also underway to expand our housing work by embedding our "housing first" approach across all programs, increasing staff to help navigate housing options and providing additional rental assistance and aftercare services to residents leaving our shelter program.

In other updates, our legal team continues striving to meet increased demand. We are combining the teams in our Inspiring Youth program and our school-based Voices in Prevention program to maximize impact. We're sunseting our participation in a pilot program with Hennepin County focused on economic advancement due to misalignment with the needs of the people we serve. The staff working in that program are moving into open positions in other Tubman programs, and we will continue helping people achieve their career, financial, and education goals.

Our Gratitude and an Open Invitation

As always, you have an open invitation to contact me anytime for a conversation (jpolzin@tubman.org or 612.767.6697). I'd love to listen and learn what inspires you to support Tubman, what we're doing well, and where we can improve. I'm delighted to answer your questions, explore the ways you can get further involved in Tubman's mission, tell you more about our great dreams for the future, or give you a tour.

Fueled by your generous investment, commitment, and partnership, we continue moving forward alongside the people we serve. Every day we're inspired by Harriet Tubman, whose motto was "Keep going." On behalf of the Tubman board, staff, and every one of the thousands of people we served this past year, we thank you. Let's keep going, together.

P.S. Please mark your calendars now to join us at the Starlight Soiree on Friday, May 2 at the Radisson Blu Mall of America! If you would like to join us as an event sponsor, please contact give@tubman.org to learn more about opportunities to promote your business while powering our mission.