



**To: Tubman Key Supporters**

**From: Jennifer J. Polzin, Chief Executive Officer**

**CC: Board Members**

**Date: November 2025**

**Re: Update—Fiscal Year 2025 + What's Ahead in 2026**

As we reflect on the milestones, challenges, and opportunities of the past year, I want to take this opportunity to update you about the business side of things here at Tubman as we navigate this tumultuous environment. Spoiler alert: We have so much to celebrate, yet we've been forced to make some very difficult choices heading into the coming year.

#### Fiscal 2025 Ending Position

As of this writing, our fiscal year 2025 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.

#### Great Dreams Campaign: A Celebration of Impact

Thanks to your generosity, Tubman's Great Dreams Campaign has come to a successful close—raising more than \$9.3 million to strengthen the people, programs, and places that bring safety, hope, and healing to thousands each year. This achievement was made possible through the collective generosity of individual donors, corporations, foundations, and state and federal appropriations—a powerful community united by the belief that everyone deserves safety and stability. Together, we've not only met our goal but built a stronger foundation for the future, ensuring that Tubman will continue to meet the evolving needs of families in crisis and survivors seeking stability.

Over the past several years, your support has transformed dreams into reality. The campaign funded critical facility improvements—including a new elevator, roof, windows, upgraded electrical systems, remodeled lobby and accessibility upgrades at Harriet Tubman Center East and improved program spaces throughout. We're pleased to announce that Harriet's Haven for Pets will open later in December. More than just a nice idea, this endeavor addresses a critical need, as 89% of survivors with pets report 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 over 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.

You also helped Tubman create the business plan for the Tubman Food Innovation Center, a future social enterprise that would expand access to healthy food, create employment pathways, and generate long-term social enterprise revenue to support Tubman's mission. The plan is robust and evergreen, and we are committed to moving forward when we have capacity, focusing first on navigating the challenges of the current environment to preserve our core services.

The impact of your support is measurable and far-reaching. More than 100 campaign volunteers contributed 4,785 hours to help make the campaign a success. Thanks to these collective efforts, an estimated 8,975 people each year will experience improved safety and accessibility when coming to



Harriet Tubman Center East. Beyond bricks and mortar, the Great Dreams Campaign has strengthened Tubman's capacity to deliver critical services with greater efficiency, safety, and dignity. We also grew our community of supporters—welcoming more than 1,200 new donors who share our belief that every person deserves safety, stability, and opportunity. We'd love to show you the new and improved spaces—reach out anytime to schedule a tour!

As we celebrate this milestone, we also look ahead. The spirit of the Great Dreams Campaign will continue to guide Tubman's next chapter—where survivors, volunteers, and community partners come together to build a world where love is free from fear, despite whatever challenges come our way. Every great dream begins with a dreamer, and because of you, thousands of dreams now have a place to begin again.

#### Fiscal 2026 Budget and Impact on Services

The Board approved the fiscal 2026 annual operating budget, wish list, and capital improvements list in September, with the annual operating budget revenues and expenses balanced at \$13.9 million, up from \$13.5 million the previous year.

This year's budgeting process proved to be the most challenging to date. Given the current external environment, each department's initial budget proposals were fairly modest, though a few additional things that were needed to best support both clients and staff were included. However, when the proposed expenses across all cost centers were combined and compared to all projected revenues, we needed to cut \$1.6 million to get to a balanced budget.

#### Background: Decreasing Government Funding and Rising Costs

The main factor is that overall government funding has decreased, with our largest contract for services remaining flat since 2018 in addition to a loss of one-time funding received last year. In addition, the amount received from insurance for mental health services continues to lag behind and one of our local government contracts for services to youth and families will no longer fund certain things like emergency financial assistance for clients in crisis. Meanwhile the cost of delivering services have risen an average of 20% during that same period, which includes our investment in equitable and competitive staff compensation which comprises 64% of the total budget.

Investing in staff pay and benefits continues to be a top priority to attract and retain staff, even if that means having fewer of them. The final budget included a 4% pay increase for all eligible staff (with the exception of the CEO). With a projected cost increase of up to 55% for our existing health care plans, we are making a significant change by moving to an Individual Coverage Health Reimbursement Arrangement (ICHRA) model for 2026. While selecting a healthcare plan can be overwhelming, employees will have more choices and can select the plan that prioritizes their needs and preferences. Pricing is based on a much larger pool of people in Minnesota than just Tubman and factors in age but not pre-existing conditions, both of which will help keep costs down for the vast majority of employees and the agency.

Cuts from the proposed budget were moved to the wish list while we work to secure additional funding. Revenue goals remain conservative, with a 7% total increase projected and detailed plans in place to achieve them. We will continue to monitor things 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.

### Specific Cuts and Impact

Despite significantly expanding our donor base as a result of the Great Dreams Campaign, working to diversify our funding streams beyond government sources, and the Board's decision to release \$470,000 from reserves, we still had no choice but to make significant program and staffing cuts including some layoffs.

To determine what to cut, we started by matching revenues to expenses. Much of our funding is restricted to particular activities, programs, types of expenditures, or to a particular timeframe. We also used our agency values and commitment to equity alongside the strategic plan to help guide our decision-making, and there were cuts made within every department. We cannot continue to do even more with less; it is simply not sustainable. We prioritized preserving in-depth, comprehensive quality care with the most positive impact—even though that will result in serving fewer people in affected programs.

The hardest hit services are shelter and outpatient mental health, with slight reductions in one of our legal advocacy programs and in youth community advocacy.

- Shelter: We had to reduce the number of shelter beds from 90 to 65. Rather than displace people suddenly, we stopped accepting new residents and scaled down gradually as residents found longer-term housing to minimize disruption to victim-survivors and their families. We did not take this decision lightly, and prioritized depth of services that support people in transforming their lives rather than shelter the same number of people while becoming a place to simply sleep at night. If funding specific to shelter increases, we will staff back up and increase the number of residents we can serve at one time.
- Clinical: Due to staffing cuts, we anticipate seeing approximately 40% fewer clients for individual mental health therapy. We've been helping clients find new providers, either at Tubman or in the community. The number and type of therapy groups offered will be reduced, and the groups that are cut will finish out their current cycle so that clients can graduate or complete programming. We preserved capacity to do an average of 8 chemical health assessments per month.
- Washington County Legal Advocacy: We've reconfigured caseloads to prioritize serving victims of relationship violence by an intimate partner for comprehensive ongoing advocacy, still providing safety planning, information and resources to people experiencing other types of family violence. All current clients will be served throughout the remainder of their court case.
- Inspiring Youth Program: We anticipate serving 15-20% fewer youth participating in this mobile case management and mentoring program due to reductions in staffing, and have connected the youth impacted with different providers at Tubman or in the community.

Staff whose positions were eliminated were offered outplacement services and will continue to be given first consideration for fully funded positions that become available, depending upon their interest and qualifications.

As heartbreaking as it is for our community, I am fully confident that these (hopefully short-term) contractions are necessary for Tubman's long-term sustainability.

In other program developments, with your support we've successfully expanded the staffing and hours of operation for the NorthStar Youth Outreach Center, as well as secured funding to expand and renovate the physical space beginning next summer. Due to a changing retail environment, we are exploring potential new locations and will likely face a steep rent increase as well as additional security costs. We will keep you informed as things continue to evolve; meanwhile services are being provided to nearly three times more youth visiting per month.

We are actively monitoring federal Housing and Urban Development (HUD) changes in policy and Continuum of Care funding that were announced mid-November that will have a devastating impact on people in our community who are unhoused, and on survivors depending on our community rapid rehousing program to have a place to call home with supportive services. At present, Tubman has two HUD grants: one that goes through June 30, 2026 and the other through December 31, 2026. While currently being challenged in lawsuits by several states including Minnesota, if enacted these policy changes will displace approximately 3,600 Minnesotans and affect more than 55 youth and adult households with children in Tubman's community-based housing.

#### Survivor Contingency Fund

With generous contributions from several forward-thinking, action-oriented foundations and individual supporters, we've established the Survivor Contingency Fund, raising \$475,000 to date. While not intended to replace government funding cuts, these funds have already helped minimize disruptions for participants in the above programs that have been scaled back, so that clients could stay in shelter until they found housing, receive advocacy until their court case is resolved, continue therapy, and achieve their goals with the help of their youth worker. We continue to fundraise for the Survivor Contingency Fund, and anticipate needing this critical bridge funding over the coming eighteen months so that we can keep our commitment of providing up to two years of rental assistance for people in our housing programs when/if that HUD funding is cut. Tubman is here for good, and with your support we will continue to serve as many people as well as we can for as long as we can.

#### Our Future, Our Gratitude and an Open Invitation

We'll be celebrating Tubman's 50<sup>th</sup> Anniversary throughout 2026, with a refreshed three-year strategic plan and an unwavering commitment to Harriet Tubman's motto, "Keep Going." Together, we'll do just that.

As always, you have an open invitation to contact me anytime for a conversation ([jpolzin@tubman.org](mailto: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 plans for the future, or give you a tour so you can see the impact of your investment firsthand.

P.S. Please mark your calendars now to join us at the Starlight Soirée on Friday, April 24 at the Marriott City Center in downtown Minneapolis! If you would like to join us as an event sponsor, please contact [give@tubman.org](mailto:give@tubman.org) to learn more about opportunities to promote your business while powering our mission.