



To: Tubman Key Investors
From: Jennifer J. Polzin, Chief Executive Officer
CC: Board Members
Date: December 2020
Re: Update—Fiscal Year 2020

2020 was a most unusual year for all of us in nearly every way, to say the least. From the immeasurable grief and loss resulting from the pandemic, to racialized trauma further fueled by the killing of George Floyd, to the economic toll on individuals, businesses, and the community in the aftermath of both crises, 2020 has put Tubman to the test. Because of the generous investment, commitment, and partnership with individuals and organizations like you, we continue to navigate forward in order to meet the needs of the people in our community who need us now more than ever.

Financial Position

The audit of the fiscal year ending September 30 is underway. While we closed the year with a slight surplus in the operating budget to be allocated to rebuilding agency reserves, we expect the audited financial statements to show several extraordinary financial events.

1. In April, Tubman received a federal Paycheck Protection Program loan in the amount of just over \$1 million dollars. These funds were crucial to preserving the jobs necessary to continue providing essential services while the pandemic exacerbated rates of domestic violence, mental health crises and substance abuse, and increased housing and economic instability due to job loss—all of which disproportionately affect the people we serve, especially BIPOC (Black, Indigenous, and people of color) and other marginalized communities. Based upon meeting the requirements of the PPP loan program, we anticipate forgiveness of the loan in its entirety. Current federal guidance stipulates that the revenue be reflected in the period the loan is forgiven (fiscal 2021), even though the expenses were incurred in fiscal 2020.
2. We quickly pivoted to delivering many essential services remotely using technology for health and safety reasons, and put additional pandemic measures in place to continue some in-person services. The philanthropic community, government entities, and individual donors stepped up to help us cover some of the necessary additional and unanticipated costs directly resulting from the pandemic. As a result, we secured over \$850,000 in COVID-specific funds, some of which were spent in fiscal 2020 and some of which carry over into fiscal 2021 as the pandemic continues. The tangible impact of these funds cannot be overstated, both in terms of direct client assistance to help people maintain their housing and meet their basic needs, as well as strengthening Tubman’s ability to continue serving clients when they need us most. This additional revenue has allowed us to provide pandemic pay for staff serving in our congregate shelter and housing programs, purchase additional personal protective equipment (PPE) and cleaning, and invest in additional technology platforms and equipment for clients and staff to support remote work and virtual services including telehealth and remote court hearings. In addition, some foundations and corporations responded with flexibility, allowing us to use funds originally awarded for specific programs or projects wherever it was most needed to continue operations and offset revenue



losses caused by the pandemic. These losses include approximately \$250,000 in clinical program fees. While the need for mental and chemical health support has been exacerbated by the pandemic, participation—particularly in group services—has been down because many of the people we serve are not able to safely or confidentially participate virtually because of what is going on at home or because they don't have dependable access to technology. More specifics about service adaptations and the impact of the pandemic on the people we serve can be found in our fall newsletter, which was mailed in September and available at Tubman.org.

3. The sale of Harriet Tubman Center West closed in December 2019 (the first quarter of fiscal 2020). 36% of net sale proceeds were used to reduce long-term debt by paying down mortgages. 36% was designated to invest in renovations completed at Tubman Chrysalis Center—which had been relatively untouched for 20 years and needed significant upgrades to meet the current needs of the organization—and smaller scale improvements at Harriet Tubman Center East in the shelter and community spaces, to commence in late winter or early spring of 2021. The remaining 28% of net sale proceeds have been allocated to repair and replacement reserves and a fund to implement necessary staff compensation adjustments based upon robust market research, in order to assure internal equity and so that we can attract and retain top talent.

The fiscal 2021 budget, wish list, and capital improvements budgets were approved in September, with the annual operating budget revenues and expenses balanced at just over \$10.5 million, a slight increase from the previous year. This budget reflects the renewal of our federal transitional housing grant from the U.S. Department of Justice's Office of Violence Against Women, which is a four-year award to support our transitional housing program for youth and young adults at Tubman East and housing in the community for people of all ages, as well as a portion of the COVID-specific funds referenced above.

Looking Ahead

As we look ahead to 2021 and assess the ongoing impact of the coronavirus pandemic on our clients, our agency, our community, and the economy, we are preparing now for potential shifts of resources by contingency planning and preparing multiple scenarios for decision-making as things continue to evolve.

I've written before about the urgent need for Congress to reauthorize both the Violence Against Women Act (VAWA) and the Victims of Crime Act (VOCA), which provide vital protections to victim/survivors and serve as the largest source of federal funding that flows through the states for crime victim services, ultimately constituting nearly half of Tubman's annual operating budget. As of this writing, neither has been reauthorized, though negotiations are underway. We ask you to continue advocating alongside us by contacting your U.S. Representative and urging them to preserve funding levels by supporting the reauthorization of both of these life-saving bills.

We have received some positive news: Minnesota's Office of Justice Programs recently announced that this spring they will invite currently funded programs to submit a two-year renewal of funding at the current level. This gives us a longer runway of stability by extending our funding level through the fall of 2023; we'd been anticipating a significant cut as early as fall of 2021. And that was before COVID and its impact on our national and local economy, so the fact that this funding is protected by extending current funding levels is especially important, while giving Congress a brief window of time to take action.

Strategic Priorities

We will continue to prioritize investing the resources required to advance our racial justice initiatives through the development of a multi-year Diversity, Equity, and Inclusion Plan. Other key investments in the coming year will include the first wave of adjustments in compensation for the positions that are most out of alignment, based upon the extensive market research currently underway. The executive summary of all the agency's annual 2021 objectives can be found in the enclosed Strategic Plan.

Our Gratitude and an Open Invitation

All that's transpired in 2020 leaves me even more inspired by the people we serve, the vision Tubman shares with our community, and the steadfast team of staff and volunteers whose fierce commitment propels us forward. I am deeply grateful for your interest, involvement, and investment in our work.

Please know you have a standing 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 any of your questions, explore the ways you can get further involved in Tubman's mission, and give you a tour when it's safe to be together in person once more.

On behalf of the Tubman board, staff, and every one of the thousands of people we served this past year, *thank you*. Together, we make safety, hope, and healing possible!

Vision

Thriving people, healthy relationships, and peaceful communities.

Mission

Advance opportunities for change so that every person can experience safety, hope, and healing.

Values

INTEGRITY: We model authenticity, and hold ourselves accountable to be good stewards of the agency's reputation, relationships, resources, and future.

RESPECT: We affirm the strengths and innate worth of all people.

INNOVATION: We commit to excellence and creativity, evolving through reflective learning and improved practice.

PARTNERSHIP: We collaborate to build collective expertise, and welcome diverse perspectives.

SOCIAL JUSTICE: We challenge our own biases, and work with courage and tenacity to build inclusive and equitable communities.