

F.M. KIRBY FOUNDATION SOLICITATION EVALUATION FORM

DATE: March 9, 2018

REQUEST DATE: February 27, 2018

Last grant acknowledgement: Yes

Program Area: Human Services

APPLICANT:

Planned Parenthood Federation of America, Inc.
123 William Street
New York, NY 10038-3804

CONTACT: Ms. Emily O'Neill, Director of Foundations Operations and Donor Communications

PHONE: 212-261-4635

PAYEE OTHER THAN ADDRESSEE:

AMOUNT REQUESTED: \$90,000 **NATURE OF REQUEST:** For support of the Health Care Division: Clinical Operations

GRANT HISTORY

LAST GRANT DATE: 4/28/2017 **LAST GRANT AMOUNT:** \$90,000 **AFS DATE:** 12/12/2017

| | | | |
|------|-----------|------------|---|
| 2011 | \$150,000 | 12/16/2011 | |
| 2014 | \$150,000 | 4/14/2014 | For: Support of the Business Operations Team |
| 2015 | \$125,000 | 4/13/2015 | For: The Affiliate Services Division |
| 2016 | \$100,000 | 4/4/2016 | For: The Affiliate Services Division |
| 2017 | \$90,000 | 4/28/2017 | For: The Health Care Division - Clinical Operations (formerly known as Affiliate Services Division) |

DLK COMMENTS: See attached.

JFT COMMENTS: Last year was an extremely active year for Planned Parenthood Federation of America (PPFA). There have been relentless attacks on reproductive health issues and numerous attempts to defund women’s health centers. Even though our support for the Health Care Division helps to ensure that affiliates that struggle remain solvent, the number of affiliates dropped to 56 in 2017, down from as many as 83 in 2011. Many of the mergers and consolidations provide for leaner, more efficient operations, but unfortunately, some of the closures were purely budget-related and that results in client distress due to lack of access. 2018 will see two more mergers between four affiliates.

Kim Custer is doing a great job of managing the Health Care Division. With the advent of the Patient Activity Tracker and the Team-Centered Patient Care program, affiliates are able to better serve the client by reducing waiting times and tracing patient progress. It’s a challenge to implement these programs as there are still over 20 affiliates in need of assistance.

PPFA is piloting several ‘train the trainer’ models for best practices in contraceptive counseling, workplace values and service standards, among other topics. We see this with many of our grantees such as the Center for Child & Family Health, The Hill Center, and the Mental Health Association of Essex & Morris.

APPLICANT: Planned Parenthood Federation of America, Inc.

I note that Cecile Richards is stepping down after 12 years. She has been integral to blocking funding cuts and preserving Title X funding for those most in need. It will be interesting to see who will replace this dominant figurehead. Recommend the budgeted \$90K.

WHB COMMENTS: It is not surprising how effective Kim Custer is. We've noted her leadership skills and management skills for quite some time having witnessed her success in consolidating all of PPFA's affiliates east of the Susquehanna. Ms. Richards' pending departure will leave a void for sure, so it is really good that she has given the organization plenty of lead time to search for her successor, a process that will no doubt include Ms. Richards.

I am sure the lower revenue projections reflect the reality that last year's windfall was the result of a highly charged political fight. Sustaining such support is difficult and so far we haven't seen such urgency as we did 16 months ago.

SDK COMMENTS: I applaud the fact that the national request is not 90% a political statement as it was three years ago. I gather that is based on feedback we have given them and guidance as to what our specific interest is. Not really germane to this request, I would not be surprised to see Cecile Richards in a political position during her next stint, following in her Mother's footsteps (Dorothy Ann Willis Richards was the 45th Governor of Texas from 1991 to 1995.)

For our Board perspective, I think we need to highlight that our decrease at the national level since 2013 has been offset somewhat by relative budgeting (keeping in mind our overall budget decrease of 30%+) at the regional/chapter levels. PPFA funding decreased by 40%; meanwhile Planned Parenthood of Northern, Central, and Southern New Jersey decreased by just 15%, and Planned Parenthood Keystone and South Atlantic remained flat over the course of the KA distributions.

FM KIRBY FOUNDATION
Financial Statement Analysis

| | | | |
|----------------------------|--|---|-------------------|
| Grantee Name: | Planned Parenthood Federation of America | Date: | <u>3/6/2018</u> |
| Prepared By: | DLK | | |
| Grant Request Amt. | \$ 90,000 | Type of Financial Report Submitted | Audit |
| Recommended Amt. | \$ 90,000 | Period Covered in Financial Report | FYE 6/30/17 |
| Board Approved Amt. | | Date of Report Issuance | <u>12/12/2017</u> |
| Audit Firm | KPMG LLP | | |
| Opinion | Present fairly | | |
| Basis of Acctg. | GAAP | | |

| | | | |
|--|------|--|----------------|
| Current Ratio (Liquidity Ratio/Working Capital Ratio) | 3.52 | Amount of Unrestricted Net Assets (Operating Reserve) | \$ 238,217,959 |
|--|------|--|----------------|

Note: A current ratio measures an organization's ability to pay short-term and long-term obligations. The higher the ratio, the more capable the organization is of paying its obligations. A ratio under 1 indicates that the organization's liabilities are greater than its assets.

| Allocation of Functional Expenses | 6/30/2017 | % | Must Read Financial Statement Notes |
|------------------------------------|-------------------|------|--|
| A. Program Service Expenses | \$ 300,132,395.00 | 82% | Ideally program expenses should be at least 70% of total budget. |
| B. Management and General | \$ 24,292,624.00 | 7% | |
| C. Fundraising | \$ 40,132,875.00 | 11% | |
| D. Total Expenses | \$ 364,557,894.00 | 100% | |

Comments/ Notes:

The budget is projecting a \$32M deficit. Revenues are forecasted to drop by \$147M or 34% (more in line with prior years), while expenses are forecasted to drop by \$41.7M or 11%).

There was a \$73M surplus as of June 30, 2017 primarily due to a large increase in contributions and grants (\$143M or 54%). The Federation awarded an additional \$73M in grants over prior year. PPFA had investments of \$270M, of which \$154M were endowment-related. \$120M of the endowment assets are board-designated funds.

I was particularly impressed with the Health Care Operations division working with the local affiliates on assessing and improving their financial strength, with particular focus on affiliates facing possible defunding threats. In addition, it was nice to read that their 2018 Medical Conference will include a Train the Trainer program focused on substance and opioid use and how to address in the family planning setting.

APPLICANT: Planned Parenthood Federation of America, Inc.

DISPOSITION:

- Rejection
- Hold for review on/about:
- Approval for: **\$90,000**
- Hold for Board Review
- Insert Information: **For: The Health Care Division - Clinical Operations**
- Other:

Initials: adl Date: 3/9/18

Check #: _____ Date: _____