

F.M. KIRBY FOUNDATION SOLICITATION EVALUATION FORM

DATE: November 13, 2018

REQUEST DATE: September 17, 2018

Last grant acknowledgement: Yes

Program Area: Human Services

APPLICANT:

Planned Parenthood of Northern, Central, and Southern New Jersey, Inc.
196 Speedwell Avenue
Morristown, NJ 07960-3889

CONTACT: Ms. Triste A. Brooks, President and CEO

PHONE: 973-539-9580 x 150

PAYEE OTHER THAN ADDRESSEE: Planned Parenthood of Central and Greater Northern New Jersey, Inc.

AMOUNT REQUESTED: \$100,000 **NATURE OF REQUEST:** For general operating support

GRANT HISTORY

LAST GRANT DATE: 12/8/2017

LAST GRANT AMOUNT: \$100,000 **AFS DATE:** 3/15/2018

2013	\$340,000	4/29/2013	For: Central and Greater Northern New Jersey affiliate-\$115,000; Central North Carolina affiliate-\$40,000; Northeast, Mid-Penn and Bucks County affiliate-\$35,000; Federation of America-\$150,000
2014	\$115,000	12/15/2014	For: General operating support in Morris County only
2015	\$115,000	12/11/2015	For: General operating support in Morris County only
2016	\$100,000	12/8/2016	For: General operating support in Morris County only
2017	\$100,000	12/8/2017	For: General operating support in Morris County only

DLK COMMENTS: See financial analysis.

JFT COMMENTS: DLK and I had an informative and productive site visit on October 31. Triste is a capable and confident leader. And when contacted subsequent to the visit, her staff was reliable and prompt.

90% of patients at the Morristown Health Center reported their income 150% at or below the federal poverty level and 46% of patients do not have public or private insurance. The numbers provided for the local center confirm that the demand is evident. That is one of the main reasons that this and all Planned Parenthood health centers remain valuable and why PP's latest marketing campaign is "Care No Matter What."

There are some confusing statistics on the bottom of page 2 and top of page 3 that just don't seem to jibe because they are highlighting so many different years. I asked for a simpler explanation and was sent the attached breakdown. The bottom line is that a \$32M funding cut over 7 years translated into serving 1.2M fewer patients.

Although this affiliate is on the cutting edge of technology (using Artificial Intelligence in Hillsborough to check in patients and check blood pressure), they still do not use electronic health records (EHRs) because Triste feels that the system is flawed and cumbersome. It probably helps that Morristown subs out its billing.

APPLICANT: Planned Parenthood of Northern, Central, and Southern New Jersey, Inc.

After a good meeting and a respectable request, I recommend the budgeted \$100K for the Morristown Health Center.

WHB COMMENTS: In addition to this “respectful” request as JFT notes, and the positive site visit report co-generated by DLK and JFT, I’m all for renewing support as targeted. It is important to note that with the recent mid-term elections returning control of the House of Representatives to the Democrats, it is a safer bet that Title X funding will, at a minimum, remain static as the House controls the purse strings. As for NJ, we’ll see if Gov. Murphy holds to his promises regarding increased Medicaid participation and restoration of NJ funding for sexual and reproductive health services as a critical part of the state’s primary, “affordable” care network.

SDK COMMENTS: JFT/DLK’s 10/31 site visit comments were excellent; learned more within than I did reading the grant request (at least more useful info). Uber Health and the need to provide transportation as a means to drive higher “show up” rate was just not something that I had fully considered.

Quite frankly, I am surprised that Triste Brooks has had the capacity to take on such a large job following the mergers. But clearly JFT/DLK were impressed with her. I am a bit confused by the Title X funding issue. Within the proposal they make it seem like they are fully preparing to be totally independent of government funding and the site visit report (conducted several days prior to the recent election, but predicted) makes it sound like Triste echoed that. **(WHB: This is more reflective of its strategic plan, which I found to be more of a hypothetical guide than an actual road map.)** Meanwhile, WHB’s comments and much of what you now read suggest at least stable funding. And the historical government funding data cutbacks provided since 2010 seem minimal (not to mention the \$3.1 million in state infrastructure spending provided to PPNCNJ) this past year. What am I missing? **(JFT/WHB: Title X grantees typically go through the application process and compete for funding every three years. This year, however, grants have only been awarded to fund providers from September 1 of this year until the end of March 2019. Perhaps the tide will change as a result of the mid-term elections but Triste would rather hope for the best and prepare for the worst scenario. What is clear for NJ, though, is that a Democratic government isn’t about to legislate any challenge to abortion services if in the future a serious challenge to Roe v Wade succeeds. Unlike more conservative (both small “c” and capital “C”) states, NJ would likely legislate to protect the availability and accessibility to such services.)**

In any case, I am fine with renewal at the \$100k level. I am also okay with the insert language unless the team thinks that “For: General operating support toward the Morristown Health Center, better reflects our focus?” **(WHB/JFT: Based on demographics, we would rather keep the insert language as in the past due to outreach and educational services.)**

FM KIRBY FOUNDATION
Financial Statement Analysis

	Planned Parenthood of Northern, Central and Southern NJ			
Grantee Name:			Date:	11/8/2018
Prepared By:		DLK		
Grant Request Amt.	\$	100,000	Type of Financial Report Submitted	Audit
Budgeted Amt.	\$	100,000	Period Covered in Financial Report	9/30/2017
Audit Firm		James M. Wood, CPA	Date of Report Issuance	3/15/2018
Opinion		Present fairly		
Basis of Acctg.		GAAP		

Current Ratio (Liquidity Ratio/Working Capital Ratio)	2.39	Amount of Unrestricted Net Assets (Operating Reserve)	\$	14,168,844
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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	9/30/2017	%	Must Read Financial Statement Notes
A. Program Service Expenses	\$ 21,408,818.00	81%	Ideally program expenses should be at least 70% of total budget.
B. Management and General	\$ 4,076,130.00	15%	
C. Fundraising	\$ 1,036,618.00	4%	
D. Total Expenses	\$ 26,521,566.00	100%	

Comments/ Notes:

BUDGET: The 2019 budget for the Morristown Health Center is projecting a \$271K surplus, versus a surplus of \$208K for FY18. The amount requested is 8.1% of the Center's total expenditures. PPNCNJ as a whole is projecting an operating surplus of \$896K, which is down 49% from FY18. Total revenue is budgeted to increase by \$285K (1%) but that assumes the receipt of all Title X funds. Otherwise, revenues will decline by up to \$3.6M. Expenses are budgeted to increase by \$1.1M (4%), primarily in personnel, outside services and other expenses.

AUDIT: There was a \$4.9M surplus as of September 30, 2017, \$3.9M of which was non-operating revenues. PPNCNJ realized \$2.8M in incremental assets from its merger with Planned Parenthood Southern New Jersey and \$1.0M of investment return. As prior year financials were only for a 9 month period, year over year comparisons are not particularly relevant. FY2017 was the first full year's results with SNJ included in the audit. As of September 30, 2017, PPNCNJ had investments totaling \$8M, of which \$2.7M were endowment related. The Organization has a \$1M line of credit. At fiscal year-end, they had borrowings of \$300K. However, in January 2018, the Organization paid the line of credit balance in full.

The Organization's current ratio has improved and their unrestricted assets have almost doubled since the merger. Overall, there were no major financial red flags that arose. The grant request felt a little light on the usual data/ stats but the Morristown Health Center stats were eye-opening. There was a significant rise in cancer screenings (800 or 67%) and STI screening and treatments (1,206 or 25%). Unfortunately, there was a slight increase in the percentage of patients (up from 87% to 90%) who reported their income 150% at or below the federal poverty level and a slight increase (up from 45% to 46%) in the number of patients who did not have insurance. The data clearly emphasizes the need.

APPLICANT: Planned Parenthood of Northern, Central, and Southern New Jersey, Inc.

DISPOSITION:

- Rejection
- Hold for review on/about:
- Approval for: **\$100,000**
- Hold for Board Review
- Insert Information: **For: General operating support in Morris County only**
- Other:

Initials: idt Date: 11/13/18

Check #: _____ Date: _____

SITE VISIT REPORT

Report No: 44

Grantee:

Planned Parenthood of Northern, Central, and Southern New Jersey, Inc.
196 Speedwell Avenue
Morristown, NJ 07960-3889

Program Area: Human Services

Most Recent Grant Amount and Date: \$100,000.00 - 12/8/2017

Primary Contact: Ms. Triste A. Brooks, President and CEO

Phone: 973-539-9580

Met With: Triste A. Brooks, President and CEO; Maria Kulp, V.P. of Development, Anne Ferraioli, Senior V.P. of Medical Services; Josh Saks, Board Member

Location: Same as above

Date Visited: October 31, 2018

F. M. Kirby Foundation Representative: JoAnn F. Tiefau, Program Officer; Diana L. Kostas, Treasurer/Secretary

Site Visit Guide: Matrix Score [Rating Scale from a high of 4 to a low of 1]

	'18	'16
<i>A. Personnel: Turnover, Professional Development and Career Advancement</i>	3.0	3.0
<i>B. Board: Involvement, Development, and Training</i>	2.75	2.75
<i>C. Financial: Net Assets, Fundraising Performance and Capacity</i>	2.75	2.25
<i>D. Strategic Planning, Review and Implementation</i>	3.0	2.5
<i>E. Program Evaluation and Quality Assurance</i>	3.0	2.5
Total:	14.25	13
Average Score:	2.90	2.6

Comments: Though there were no protestors on our way in, they were there upon our exit; mostly older, most probably Christian women. Prior to settling down in the second floor (administration offices location) conference room, we were told of and shown some of the renovations completed due to the release of \$3.1M from the State for infrastructure improvements and patient experience enhancements. They included fresh paint, remodeled kitchens and bathrooms on both the first (patient area and labs) and second floors (admin), new HVAC system, paving of parking lot, new flooring, additional security, new patient equipment (autoclaves, examination tables), a new van, new patient entrance, charging stations, and miscellaneous repairs, in addition to paying off debt. As they had a wish list, the funds were dedicated and used by a June 30th deadline. They also extended their hours in an effort to see more patients along with marketing the “Get Yourself Tested” campaign, a program to help reduce the rising number of STDs in young people. Most STDs are curable and all are treatable.

We began with a discussion on current activities. An analysis of patient “no shows” deemed transportation to be an issue. Planned Parenthood of Northern, Central, and Southern New Jersey (PPNCSNJ) is partnering with Uber Health to provide transportation to those in need. PPNCSNJ (first in the Country to use it) is footing the bill

for any visit including pill pick up or Pap smear; the “show” rate has risen by 10% (from 50% to 60%). The Uber Health program, along with the offering of free STI testing for Morristown, has resulted in an increase of 254 new patients. Statistics show that if a patient makes it to their visit, it leads to other services at the clinic. They are beta-testing the transportation program in Morristown at an estimated project cost of \$200K, affiliate wide (no marketing as of yet). The funding will come out of operations but they have approached a Philadelphia Foundation for support to offset the cost. Uber Health is the only company that is currently HIPAA compliant.

PPNCSNJ delivered sexual health presentations to more than 500 individuals in Morris County in the past year including Fairleigh Dickinson University, St. Peter’s Orphanage, Daytop, Parsippany PAL, Roots and Wings, Plaid House, Morris Library, Ryan White Clinic, and Interfaith Food Pantry. Topics included: Prevention of Sexually Transmitted infections including HIV; Abstinence; Contraception; Delaying Intercourse; Healthy Relationships; Decision Making; Body Image; Teens and Media; Diversity and Acceptance; Effective Communication; Teen Pregnancy Prevention; Safer Sex; Reproductive Anatomy; and Date Rape and Assertiveness Skills.

PPNCSNJ has adopted yet another automated online scheduler (Phreesia) that allows the patient to complete all pertinent intake information which transfers directly to their Nextgen patient portal software, thereby reducing wait time for patients and eliminating that work for clerical and clinical staff, aside from verification. They are also the first affiliate anticipating the use of Artificial Intelligence (AI), a term for simulated intelligence in machines. These machines are programmed to “think” like a human and mimic the way a person acts. The program is intended to start at the Hillsborough Health Center (to be funded by a CA Foundation) and will be used take all of the patient’s vitals.

PPNCSNJ “claimed” a presence in Cape May, Gloucester, Cumberland, and Salem counties since the last site visit in 2016, with an occupancy in 5 locations at least 1 day a week to serve primarily Hispanic communities. Triste believes that Title X funding will be eliminated by March of 2019. PPNCSNJ has been working on a contingency plan for five years and “right-sizing” in preparation of the anticipated, approximately \$4M loss. The loss of Medicaid funding is also an issue. In the event that they coincide, there would definitely be more closures of health centers and perhaps negotiations for a further merger with Planned Parenthood of Metropolitan NJ, the only other affiliate in NJ.

Triste categorizes the relationship between PPNCSNJ and National as “frenemies” when it comes to fundraising and disbursement. For example, online giving is split 50-50 but offline giving is split 15% for the affiliate and 80 % for National. She does co-chair a high-level governance board. PPNCSNJ has been participating in clinical research trials, such as the Librella Study on emergency contraception. While these trials do pay for the administration, no revenue is generated as any overages are returned to the studies’ source. The upside to the trials are the benefits to patients. This affiliate has received funding from the Healthcare Foundation of NJ for an Education and Outreach program that enabled 2 staff members to educate over 1,000 people and aid 385 of them in enrollment who otherwise would not likely have the opportunity. PPNCSNJ plans to approach the Healthcare Foundation next year with a new project to fund certified application counselors.

This affiliate has a staff of 150 full-time employees with a 90% retention rate. After the merger, 7 senior managers were let go throughout the affiliates; a director of therapeutic services was hired, along with 2 LCSWs and an HIV testing field person. Staff in Morristown includes 23 administrative employees (CEO, Finance, HR, IT, Legal, Research, and Development). The health center has 4 administrative positions and 8 clinical. Staff is retained by decent compensation, good perks, and flexible schedules. Senior management of the 17 health centers meets 4 times a year (scheduled one year in advance) for team-building exercises. The administration for the affiliate is run out of the Morristown Health Center.

The Board numbers 15 (bylaws dictate a maximum of 22) and Triste is happy to keep the number at that. She feels that at a larger number, micromanagement comes into play. Josh told us that the goal is to become independent of any government funding and from what we learned about their five-year contingency plan, it looks like this affiliate would remain solvent. Josh has been involved with this Morristown center since the 1983 and has served on the Board (aside from rotating on and off 6-year term limits) since 1985. 30% of all funds raised are due to Board participation, though there is no formal give-or-get policy in the bylaws. The Board is made up of a diverse group of individuals, including those with medical, legal, financial, and sexual health field individuals (a list is attached and will be included with the 2018 request.) The need for private philanthropy shall certainly increase with the cessation of Title X funding and/or an extreme change to Medicaid. The full Board meets 4 times a year, and the committees meet 6 times or more as needed. We were told that the Board is just getting comfortable after the completion of the late 2016 merger and is now working cohesively. There is a new, four-year strategic plan. They brought in a consultant for less than \$10K. There are formal goals for leadership, operations, and long-term strategies among others; the Board revisits the plan annually. A copy of the plan is attached.

Charity care for 2018 was \$1.2M and could increase by another \$1M if Title X funding is eliminated. They exceeded revenue for FY18 and the outcome for the year was good.
(WHB: Not likely now with the mid-term election results.)

PPCSNJ uses Press Ganey, an independent survey company, for patient evaluations pre- and post-appointment. As an independent company, there is virtually no chance for bias in the surveys. There is a Medical QRM (Quantitative Risk Management) committee that looks at high risk areas (e.g. abnormal Pap smear and breast examinations) and the metrics used come from their self-insured policy requirements. There are also pre- and post-surveys for their standard education programs.

The challenge for this affiliate, and all Planned Parenthoods, is right sizing for staff and services. Triste told us that 1 out of every 3 affiliates in the country is sustainable. PPCSNJ was the first in the state to lose State Family Planning funding and they have not just survived, they have thrived.

All-in-all, it was an educational and productive meeting. Triste drove the conversation and she is a vibrant, enthusiastic leader.