

## F.M. KIRBY FOUNDATION SOLICITATION EVALUATION FORM

**DATE:** November 21, 2019

**REQUEST DATE:** October 3, 2019

**Last grant acknowledgement:** Yes

**Program Area:** Human Services

**APPLICANT:**

United Way of Wyoming Valley

2nd Floor

100 N. Pennsylvania Avenue

Wilkes-Barre, PA 18701

**CONTACT:** Mr. William M. Jones, President

**PHONE:** 570-829-6711

**PAYEE OTHER THAN ADDRESSEE:**

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

### GRANT HISTORY

**LAST GRANT DATE:** 12/10/2018 **LAST GRANT AMOUNT:** \$90,000 **AFS DATE:** 11/13/19

2014	\$100,000	12/15/2014	For: Support of traditional member agencies only
2015	\$100,000	12/11/2015	For: Annual allocations to community-based social service agencies and programs
2016	\$90,000	12/8/2016	For: Annual allocations to community-based social service agencies and programs
2017	\$90,000	12/8/2017	For: Annual allocations to community-based social service agencies and programs
2018	\$90,000	12/10/2018	For: Annual allocations to community-based social service agencies and programs

**DLK COMMENTS:** See financial analysis.

**JFT COMMENTS:** Though much of this proposal mimics previous years', it's chock full of information on programs and services, including direct allocations to community-based social service agencies and programs and narratives for such. Service stats remain robust but relatively flat in 2018.

While I have applauded this particular United Ways' "Poverty to Possibility" movement since 2015, it's difficult to discern any outcomes at this time. That said, their approach to Grade Level Reading, which includes school readiness (free book program, literacy kits for new Pre-K classrooms, Real Men Read program), summer learning (summer reading challenge) and school attendance (Nurse's Pantry, Loads of Love, school-based social worker initiative) is commendable. The Nurse's Pantry program works with school nurses to "create an inventory of material good (i.e. lice treatment shampoo, clothing, hygiene items) to support low-income students in need to prevent them from missing school." The Loads of Love program, working in conjunction with the Nurse's Pantry program, provides a discreet solution to the challenge of clean clothes. There is a washer and dryer at nine schools in three districts. Clean clothes are a basic need that we generally take for granted.

## **APPLICANT: United Way of Wyoming Valley**

The School-Based Social Worker Initiative is “designed to assess and address student and family needs to help reduce chronic absenteeism in young students.” In NJ, the Princeton Community Foundation launched their “All Kids Thrive” initiative, a five-year, \$3 million commitment to address the root causes of absenteeism and improve attendance rates in Mercer, Middlesex, Somerset, Hunterdon, and Burlington counties in NJ. UWWV is doing much the same with far fewer financial resources.

Good to read of the expanded efforts in partnership with the PA Family Support Alliance to build capacity in home visitation services for prenatal to age-three children thereby working to prevent abuse and neglect, addressing adverse childhood experiences (ACEs).

I receive bi-monthly (every two months) newsletters that are always informative (e.g. annual campaign update, Real Men Read expansion, awards received, book donations, etc.). Kevin Rea (Wyoming Seminary President) and Jessica Cronauer (Leadership Wilkes-Barre) remain on the Board. Recommend the budgeted \$90K and target an additional \$10K (\$100K total) for 2020 in honor of their 100<sup>th</sup> anniversary celebration.

**JJK COMMENTS:** In seeking to improve grade-level reading scores, United Way of Wyoming Valley has adopted a multi-pronged strategy that considers not just literacy programs but the ways in which basic needs (or lack thereof) affect school attendance and school readiness. Just this past year, a principal in Newark gained national recognition for providing washers and dryers for students who needed clean clothes. It’s good to see this already in motion here in Pennsylvania, albeit in a quieter way!

In their logic model, UWWV moves “upstream” in order to target opportunities for early intervention, including expanding access to high-quality child care and early learning programs and developing a more robust home visiting program to reduce incidences of child abuse and neglect. I appreciate the linkages made in the logic model between education, health care, and financial stability in helping bring children and their families out of poverty. This is an organization that has adopted a holistic, 360-degree approach to moving children from poverty to possibility. The diversity of community partners is further evidence of this.

I note that, in an effort to reduce Adverse Childhood Experiences, a significant change has occurred between 2018 and 2019. Whereas, in 2018, UWWV focused on the Front Porch Program as a way to protect children from abuse, they now appear to be in a more preventative stance, looking to use home visiting programs as a way of building up parent knowledge and assessing a home’s environment. Home visiting programs *can* be very effective; however, it can often carry with it a stigma or a sense of intrusiveness that too many parents wish to avoid. Fortunately, their partner, Nurse-Family Partnership is well regarded and trained in making parents feel comfortable and not intruded upon.

This said, it was a bit disappointing to see the logic model for 2019-2021 largely replicates the 2017-2019 logic model. Moreover, too many of the targeted outcomes are vague: “children maintain good school attendance” (how are we defining “good” here?) or “youth are engaged and hopeful about their futures” (how is this measured?). Even the basic targeted outcome of school readiness for kindergarten suffers from a lack of precision as to how they will know if they have succeeded, as JFT notes above as well.

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I reached out to Bill in order to get more clarity on these outcomes. I paraphrase his satisfactory reply: They currently track attendance through the Future Ready PA Index. Additionally, they survey the schools that participate in their Nurse's Pantry program, and, of those that responded, 100% "Strongly agree" that the Nurse's Pantry has helped students avoid missing time in school. Given the recent statewide change in tracking attendance, it may take a couple of cycles to get a handle on actual improvement.

There is not a standard assessment tool for kindergarten readiness but the UWWV mandates that any Pre-K program they support must be a STAR 3 or STAR 4 (with STAR 4 the highest rating) in the PA Quality Assurance system.

They contract with a local, professional research firm to do a "Child Vitality Index." On a macro level, it looks at a number of indicators to see if the lives of children in our region are changing. They started it a couple of years ago to get a baseline and update it annually. They realize some of their work is going to take a great deal of time to make any sort of difference. The Index helps them track child wellness in the community over time.

Bill also revealed that they will be launching a new initiative called "See to Succeed." Last year, 84% of the students in the Wilkes-Barre School district who needed eyeglasses (based on the school's screening) did not get the vision correction they needed. They are going to buy the equipment needed for a local FQHC to create a rotating eye clinic in each of the schools in the district to ensure the students who need glasses will get them. This could reach 500 or so students.

I support \$90,000 for 2019, with an eye towards \$100,000 for 2020 (per JFT's recommendation).

**SDK COMMENTS:** Good insight JFT and JJK. All looks good but let's hope the final audit comes by end of November. **(JFT: Signed and approved audit received 11/21/19.)**

Good to see number of Alexis de Tocqueville Society donors still at such a high level for this less-than-wealthy community.

**FM KIRBY FOUNDATION**  
**Financial Statement Analysis**

<b>Grantee Name:</b>	United Way of Wyoming Valley	<b>Date:</b>	<u>10/31/2019</u>
<b>Prepared By:</b>	DLK		
<b>Grant Request Amt.</b>	<u>\$ 100,000</u>	<b>Type of Financial Report Submitted</b>	<u>Audit</u>
<b>Budgeted Amt.</b>	<u>\$ 90,000</u>	<b>Period Covered in Financial Report</b>	<u>FYE 6/30/19</u>
<b>Audit Firm</b>	<u>Kronick Kalada Berdy &amp; Co.</u>	<b>Date of Report Issuance</b>	<u>Draft 10/31/19</u>
<b>Opinion</b>	<u>Fair</u>		
<b>Basis of Acctg.</b>	<u>GAAP</u>		

<b>Current Ratio (Liquidity Ratio/Working Capital Ratio)</b>	9.32	<b>Amount of Unrestricted Net Assets (Operating Reserve)</b>	<u>\$ 5,576,460</u>
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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.

<u>Allocation of Functional Expenses</u>	<u>6/30/2019</u>	<u>%</u>	<b>Must Read Financial Statement Notes</b>
<b>A. Program Service Expenses</b>	\$ 4,267,187	81%	Ideally program expenses should be at least 70% of budget
<b>B. Management and General</b>	\$ 430,338	8%	
<b>C. Fundraising</b>	\$ 566,120	11%	
<b>D. Total Expenses</b>	<u>\$ 5,263,645</u>	<u>100%</u>	

**Comments/ Notes:**

**Budget** - The FY20 budget is projecting a \$10K operating surplus (pre-endowment) versus a \$280K surplus for FY19. Revenues are budgeted to increase by \$876K (15%), with a large increase in grant and contract income of \$981K (40%) being partially offset by declines in campaign revenue and related income. Total expenses are budgeted to increase by \$1.1M (21%), with the bulk of the increase (\$965K) occurring in the grant and contract expense line.

**Audit** - UWWV had an operating surplus of \$1.5M for FY19 vs an operating surplus of \$2.1M for FY18. Campaign pledge receivables were basically flat to FY18, coming in \$4K (0.4%) higher. Their allowance for uncollectible pledges remains close to 14%. Net campaign revenue for FY19 was up \$188K (7%), but declines in other support of \$265K (7%) resulted in a net revenue decrease of \$77K (1%). Program expenses were up \$639K (18%), primarily due to the Ryan White Part B funding for HIV care via the PA DOH and the Opioid Use Disorder Housing Assistance (also via the PA DOH). Supporting services decreased by \$75K (7%) Investments totaled \$16.9M as of June 30, 2019, of which \$10.7M were endowment-related. The Organization qualified had no material weaknesses or significant deficiencies identified in internal controls. There were no red flags as a result of my review.

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**DISPOSITION:**

- Rejection
- Hold for review on/about:
- Approval for: **\$90,000**
- Hold for Board Review
- Insert Information: **For: Annual allocations to community-based social service agencies and programs**
- Other:

Initials:   *LO*   Date:   *11/21/19*  

Check #: \_\_\_\_\_ Date: \_\_\_\_\_