

## F.M. KIRBY FOUNDATION SOLICITATION EVALUATION FORM

**DATE:** November 24, 2020

**REQUEST DATE:** October 21, 2020

**Last grant acknowledgement:** Yes

**Program Area:** Health

**APPLICANT:**

Christopher and Dana Reeve Foundation

Suite 3A

636 Morris Turnpike

Short Hills, NJ 07078

**CONTACT:** Ms. Jeannine Marotta, Director of Special Gifts

**PHONE:** 973-933-7121

**PAYEE OTHER THAN ADDRESSEE:**

**AMOUNT REQUESTED:** \$150,000      **NATURE OF REQUEST:** For continued support of the work of Drs. Chet Moritz and Murray Blackmore

### GRANT HISTORY

**LAST GRANT DATE:** 12/16/2019

**LAST GRANT AMOUNT:** \$125,000

**FYE DATE:** 12/31/2019

**AFS DATE:** 11/12/2020

2014	\$250,000	12/15/2014	For: Continued collaboration of Drs. Sam Pfaff and Reggie Edgerton to identify, locate, and characterize the role of interneurons in the human spinal cord
2015	\$150,000	12/11/2015	For: Support of Dr. Sam Pfaff's and Dr. Chet Moritz's collaborative work to identify, locate, and characterize the role of interneurons in the human spinal cord
2016	\$150,000	12/8/2016	For: Continued support of the work of Drs. Sam Pfaff and Chet Moritz to identify, locate, and characterize the role of interneurons in the human spinal cord
2017	\$150,000	12/8/2017	For: Continued support of the work of Drs. Sam Pfaff and Chet Moritz through the International Research Consortium on Spinal Cord Injury
2019	\$125,000	12/16/2019	For: Support of the new translational research program

**No request received in 2018 – FMKF skip year.**

**DLK COMMENTS:** I was encouraged by the Foundation's commitment to accelerating bench-to bedside interventions. They seem to be moving in a similar direction of many of FMKF's health grantees, partnering academia, research, commercial and nonprofit organizations together to fast track treatments and ultimately cures for spinal cord injuries. The appointment of Dr. James D. Guest as Chief Scientific Consultant and Advisor to the Foundation's board can only aid the Foundation's efforts.

Some of the Foundation's comments were reminiscent of JDRF. While tackling the larger, longer-term issue of curing spinal cord injuries, the Foundation is focused on shorter-term deliverables that can improve patients' quality of life. The Paralysis Resource Center, which was pioneered by

## **APPLICANT: Christopher and Dana Reeve Foundation**

Dana Reeve, along with the Quality of Life Grants Program (regrants to nonprofits), are dedicated to empowering people living with paralysis, their families and caregivers. Of the \$14.9M that the Foundation spent on program services in 2019, 58% went towards the Quality of Life program (of which \$4.1M went towards grants), 36% went towards research and the remaining 6% towards public education.

The GTX collaboration reminded me of JDRF's partnership with Medtronic. Both collaborations are delivering medical devices that can drastically improve patients' quality of life. Due to GTX's close relationship with the FDA and promising initial results, both neurostimulation medical devices are on their way towards FDA approval with the critical Breakthrough Device designation.

This request seeks funding on the research side. Dr. Chet Moritz's lab at University of Washington is focused on engineering solutions to "hotwire" the damaged nervous system to restore voluntary motor control of paralyzed limbs. Dr. Murray Blackmore's lab at Marquette University is focused on axon regeneration (which reminds me of Dr. Mark Hammerlund's research at Yale) to stimulate growth in injured mature axons. His backstory was quite moving. Interestingly, only Dr. Moritz's lab was referenced as one of their consortium labs on the Foundation's website.

One final note, the Foundation announced a \$1.1M gift from Dr. Rex Marco on November 13, 2020. Dr. Marco is a spinal surgeon and oncologist based in Houston, TX, who suffered a broken neck during a bicycling accident in 2019. He was diagnosed with quadriplegia and underwent emergency surgery. He selected the Reeve Foundation based on its global reputation and leadership in the field of spinal cord injuries. Dr. Marco will serve as Chief Medical Ambassador for Reeve Research Collaborations.

Financial analysis attached. 2019 was a strong fundraising year for the Reeve Foundation. You may notice the large timing fluctuation in Big Idea revenue versus expenses. The Foundation's contract with the University of Louisville is contingent upon them reaching certain milestones for the Foundation's obligations to them to come due. Due to COVID, the University was shut down for an extended period of time which resulted in the timetable being extended. Big Idea income is recorded when received. When expenses exceed revenue raised, the Reeve Foundation subsidizes the program. I recommend the budgeted \$115K as we attempt to make haircuts to the Health docket.

**JJK COMMENTS:** Since DLK covers the promise of GTX Technologies, I would like to highlight the degree to which the Reeve Foundation has fostered international collaboration around spinal cord research. As the request makes plain, Reeve has partnered with the International Spinal Research Trust. These two entities have collaborated for 40 years; more recently, the partnership has focused on developing an online platform "that allows scientists to more quickly incorporate bench-to-bedside interventions." On the advisory board are Dr. Murray Blackmore and Dr. Chet Moritz, the two scientists for whom FMKF support is requested. This international collaboration reminds me of Leukemia and Lymphoma Society and their international PedAL program, which was designed to consolidate global pediatric cancer data to better match patients to clinical trials. Since FMKF funds will be directed to Blackmore and Moritz, it's good to see that they are leaders among this international consortium.

In last year's request, there was much optimism about Ethan Perlstein, the recently hired Chief Scientific Officer. Perlstein was the previous founder of a public benefit biotech firm and was tasked with accelerating the bench-to-bedside translations. This was a new role at the Foundation. As of today, there is no mention of Perlstein or a Chief Scientific Officer on the Reeve website.

**APPLICANT: Christopher and Dana Reeve Foundation**

When I checked Perlstein's LinkedIn account, it notes that his role there concluded in April 2020. Strangely, he writes "In this role, I would have managed the Reeve Foundation's basic and translational research portfolio and lead venture philanthropy investments in pursuit of the Foundation's ultimate goal, curing spinal cord injury." I don't know what to make of the conditional verb *would have* in this sentence! I think we ought to find out whether this position will be filled again and who currently has ownership over translation. I will reach out to Jeanne and Aimee with this question and update the file accordingly.

Though Perlstein may no longer be in this organization, Reeve Foundation continues to focus on accelerating therapies for people who have suffered spinal injuries. They continue to work towards high-profile goals, including establishing, by 2025, one FDA approved therapy established as a standard of care for SCI patients and 8 – 10 new therapeutic interventions entering clinical trials. This gives us, as funders, good benchmarks with which to measure their own goals. The remaining question concerns whether Reeve Foundation will bring on a new CSO to oversee these research goals.

The work of the Christopher and Dana Reeve Foundation complements the Kirby Foundation's broader interest in neuroscience and translational research. Agree with DLK and SDK a gradual move to \$100K is appropriate here. I recommend the budgeted \$115K.

**SDK COMMENTS:** It struck me that the percentage of the budget has grown significantly toward "Quality of Life" efforts versus "research." I believe our tactical and strategic move here to gradually get down to the \$100k range makes sense; I like the targeted \$115k.

As a side, great to see that Alexandra Reeve Givens remains on the Board and is an attorney and CEO of the Center of Democracy & Technology. Her parents would be very proud.

For fun, I have printed out a photo I have always kept and attach.

**DLK:** I noted that all three Reeve children participate on the Foundation's Board. And that both Alexandra and Matthew were Christopher's children from a prior marriage.

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

<b>Grantee Name:</b>	Christopher and Dana Reeve Foundation	<b>Date:</b>	11/11/2019
<b>Prepared By:</b>	DLK		
<b>Grant Request Amt.</b>	\$ 200,000	<b>Type of Financial Report Submitted</b>	Audit
<b>Budgeted Amt.</b>	\$ 150,000	<b>Period Covered in Financial Report</b>	12/31/2018
<b>Audit Firm</b>	Wiss & Company	<b>Date of Report Issuance</b>	6/10/2019
<b>Opinion</b>	Present fairly		
<b>Basis of Acctg.</b>	GAAP		

<b>Current Ratio (Liquidity Ratio/Working Capital Ratio)</b>	2.92	<b>Amount of Unrestricted Net Assets (Operating Reserve)</b>	\$ 2,410,022
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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.

<b>Allocation of Functional Expenses</b>	<b>12/31/2018</b>	<b>%</b>	<b>Must Read Financial Statement Notes</b>
A. Program Service Expenses	\$ 9,541,296.00	80%	Ideally program expenses should be at least 70% of total budget.
B. Management and General	\$ 816,448.00	7%	
C. Fundraising	\$ 1,630,548.00	14%	
D. Total Expenses	\$ 11,988,292.00	100%	

**Comments/ Notes:**

**Budget:** As the initial request did not include a revenue budget, I've had a few conversations with Jeannine Marotta. The 2020 budget submitted is a pre-COVID budget. The budget projected a \$420K surplus vs a surplus of \$209K for 2019. Revenues were budgeted to decline by \$1.2M (7%), primarily due to a \$3.3M drop in planned giving which was partially offset by an increase in Big Idea revenues of \$1.9M. Expenses were budgeted to decline by \$1.4M (8%), primarily due to a decline in Big Idea expenses (\$1.3M / 38%). Jeannine noted that through October 2020 they have met their projected budget. They do need a successful 4th quarter, which is typically their best fundraising quarter, to meet the full revenue projection. The pandemic forced them to cancel the November gala, their largest annual fundraiser, but efforts are underway to secure much of that revenue stream via a year-end appeal. Despite in-person events switching to "virtual", they have met budget expectations with initiatives such as their virtual Run & Roll. The foundation received \$487K in PPP funding which they anticipate to be forgiven. They had made minor organizational changes but she said they would have been made regardless of COVID or PPP.

**Audit:** 2018 had a surplus of \$782K vs a \$1.5M deficit in 2017. Total support and revenue were down \$1.4M (10%) from 2017, primarily in the grant revenue line. Program services expenses declined by \$3.4M (26%) in 2018, while supporting services expenses declined by \$177K (7%). This resulted in \$751K of cash used by operations, primarily due to the timing of deferred revenue and research contracts payable. The Foundation had investments in securities totaling \$122K as of December 31, 2018. The foundation also has equity investments in Reeve Foundation - Presidio Partners NRT, L.P. that were valued at \$970K as of December 31, 2018. Approximately 37% of the Foundation's contributions receivables for 2018 are pledge receivables from the Foundation's Board of Directors. The Foundation has a \$250K line of credit. At December 31, 2018, the Foundation had not drawn down any amount from its line of credit. No deficiencies or material weaknesses were identified and the Foundation qualifies as a low-risk auditee.

Overall, there were no red flags that arose as a result of my review.

**APPLICANT: Christopher and Dana Reeve Foundation**

**DISPOSITION:**

- Declination
- Hold for review on/about:
- Approval for: **\$115,000**
- Hold for Board Review
- Insert Information: **For: Continued support of the work of Drs. Chet Moritz and Murray Blackmore**
  
- Other:

Initials:    *cd*    Date:    11/29/20   

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