

## F.M. KIRBY FOUNDATION SOLICITATION EVALUATION FORM

**DATE:** March 26, 2021

**REQUEST DATE:** February 18, 2021

**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. Leslie Dayton, Senior Director, Foundation Relations and Donor Communications

**PHONE:** 212-541-7800

**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:** 4/29/2020

**LAST GRANT AMOUNT:** \$90,000

**FYE DATE:** 6/30/2020

**AFS DATE:** 12/22/2020

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)
2018	\$90,000	4/23/2018	For: The Health Care Division - Clinical Operations
2019	\$90,000	4/15/2019	For: The Health Care Division - Clinical Operations
2020	\$90,000	4/29/2020	For: The Health Care Division - Clinical Operations

**DLK COMMENTS:** Financial analysis attached.

**JFT COMMENTS:** Leslie Dayton keeps me well informed during the year. We communicated prior to this grant submission, and Leslie followed all guidance offered.

It's not surprising to read that PPFA and a coalition of more than 90 organizations recently presented material to the new administration to make advancing reproductive health care a top priority. Alexis McGill Johnson (PPFA's first Black president and CEO) has long been active as a political organizer and "advocate for reproductive rights and access to quality, affordable health care." McGill Johnson is also the co-founder of the Perception Institute, an anti-bias research group that "creates real-world solutions from cutting-edge mind science research to reduce discrimination and other harms linked to race, gender, and other identity differences." She is addressing both internal and external inequity at PPFA. PPFA has recently "launched an affiliate-wide survey (facilitated by Perception Institute) to assess staff perception of racial bias and inequity that will provide baseline data from which to build strategies for improvement.

From March to May 2020, health center telehealth visits increased from 10K to an average of 60K (500%). PPFA continually works to assess quality and refine the system of delivery. PPFA

## **APPLICANT: Planned Parenthood Federation of America, Inc.**

provided technical, licensing, and platform support to affiliates that needed to adopt online platforms and also conducts analyses of security of those health center that had the systems in place

prior to the pandemic. Telehealth visits also had to be incorporated into the menu of options for online scheduling, and since April more than 135k telehealth appointments were scheduled which included 56K new patients. PPFA is advocating for equitable reimbursement policies (as are many in the medical field). It's noted that no Foundation funds are used for lobbying.

As noted in prior years, PPFA continues to partner with longtime FMKF grantees SIECUS and the Guttmacher Institute. Noted in 2020, according to the Guttmacher Institute, the loss of Title X funding resulted in a 47% reduction in access to affordable family planning services with affiliates unable to provide "comprehensive, unbiased information and referrals. To address the loss, PPFA not only distributed funds (\$12M) to affiliates but provided technical support for those health centers for the shift in their business model needed for them to remain viable.

PPFA's Service Deliver Expansion program addressed the needs of affiliates communities. The Health Care Operations team "provides participating affiliates with market analyses, project management support, financial analytics, and technical assistance to ensure new services (including gender-affirming hormone therapy, behavioral health, comprehensive primary care, and substance abuse services) are launched efficiently and effectively." Ongoing support and training included a month-long cultural competency training on gender-affirming care (transgender people's physical, mental, and social health needs and well-being while respectfully affirming their gender identity.)

During the pandemic, PPFA was able to reach over 2.5M (1.1M through affiliate programs) people with "medically accurate sex education," as they pivoted delivery of sex education from in-person training to online learning. Their Chat/Text program "has fielded more than 1.5M conversations since its launch 10 years ago and one in three conversations results in the booking of a health center appointment. They also launched Sex Ed en Casa – resources for Spanish speaking parents and caregivers. PPFA will "continue to support affiliate education programs and bolster online learning content with a racial equity lens."

PPFA has shared "COVID-specific guidelines for research at health centers to ensure participant safety" and will complete a study this spring on the effectiveness of the telehealth app and PP Direct (supplies birth control and urinary tract infection treatment). The results will enable expansion of the app to cover new geographic areas and service lines, such as STI testing and treatment.

PPFA is actively working to change their "culture, policies, structures, norms, and practices with the aim of driving equity forward and eliminating inequity within our systems." They have had to confront the organizations' past "legacy of white supremacy" and began doing so in 2018 with the hiring of George Walker who previously served as the Director of Diversity and Inclusion for Memorial Sloan Kettering Cancer Center and received his Master of Divinity from The Divinity School at Duke University. A DEI Council meets monthly, and the Board has a "taskforce" to advance DEI goals.

We have a comprehensive FY20 Annual Report on file that documents 10.4M services provided (birth control, STI Testing, Breast Exams and Pap Tests), including those to 321K male patients.

**3/22/21 update:** In addition to providing much-needed COVID-19 relief, recovery, and resources, the American Rescue Plan Act, passed on 3/11/21, included substantial support for sexual and

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reproductive health care. It allocated \$50 million toward Title X, the nation's family planning program. With work underway to repeal the domestic gag rule, Planned Parenthood health centers and their patients also stand to benefit from this funding.

I believe that PPFA continues to be the solid force behind affiliate success and I strongly recommend continued funding at the budgeted \$90K, as designated below.

**JJK COMMENTS:** This year, PPFA's significance as a parent organization to its 49 affiliates could not be more apparent. Without guidance from a national office, it is easy to imagine how 49 affiliates could have 49 different safety protocols, 49 different telehealth platforms, and 49 different strategies for responding to rapidly shifting political climates and legislative actions. However, with a national office setting standards for telehealth, patient services, and sex education, one can almost sense the relief of affiliate CEOs in having a strong national backbone organization to rely on when trying to chart a course through such turbulence. When one considers all the lightning-fast decisions these leaders have likely had to make over the past year in meeting the needs of clients in a pandemic-stricken world, surely, having the national office answer many of the big questions for them must be appreciated. Beyond just guidance and resources, PPFA also provided \$12M in patient support funds to those affiliates most affected by Title X gag rule standards.

PPFA continues to expand its base of support and clients by "increasing the range of services" provided at health centers, including behavioral health, comprehensive primary care, and substance use services. And of course, this is regardless of gender, considering PPFA's reach out to transgender persons as well as men seeking care.

What a shift in telehealth in one year: we read that, in March of 2020, there were 10K telehealth visits. Now there are 60K a month. While there is no question about how much telehealth has changed the game, I had not considered all of the questions that remain to be answered about (1) telehealth reimbursement, (2) its efficacy, and (3) its impact on clinical workflows. Fortunately, as indicated above, the national office exists to help affiliates answer those questions. For starters, PPFA has been providing individual technical assistance to affiliates looking to advocate for equitable reimbursement policies. Regarding telehealth's effectiveness, PPFA's Research and Evaluation Team will be performing a "study on the effectiveness of the telehealth app, PP Direct, which delivers birth control and UTI treatment." PPFA also formed a cohort of 10 affiliate operational leaders who have gathered to share lessons learned on adapting to telehealth, with the goal of developing a "compendium for the federation with telehealth strategies and best practices."

After a few rocky years of leadership, the choice of Alexis McGill Johnson is an inspiring one. Her experience as the founder of the Perception Institute indicates that PPFA is placing a high premium on addressing implicit bias within the organization and towards clients. Considering that many women of color rely on PP for sexual health and reproductive care (**and basically their general practitioner – SDK 3/26/21**), this may very well dovetail with their other recent strategy of improving patient experience.

I recommend \$90K for the Health Care Division – Clinical Operations.

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

<b>Grantee Name:</b>	Planned Parenthood Federation of America	<b>Date:</b>	<u>2/23/2021</u>
<b>Prepared By:</b>	DLK		
<b>Grant Request Amt.</b>	\$ 90,000	<b>Type of Financial Report Submitted</b>	Audit
<b>Budgeted Amt.</b>	\$ 90,000	<b>Period Covered in Financial Report</b>	FYE 6/30/20
<b>Audit Firm</b>	KPMG LLP	<b>Date of Report Issuance</b>	12/22/2020
<b>Opinion</b>	Present fairly		
<b>Basis of Acctg.</b>	GAAP		
<b>Current Ratio (Liquidity Ratio/Working Capital Ratio)</b>	3.53	<b>Amount of Unrestricted Net Assets (Operating Reserve)</b>	\$ 233,378,688

**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>6/30/2020</b>	<b>%</b>	<b>Must Read Financial Statement Notes</b>
<b>A. Program Service Expenses</b>	\$ 284,294,345	74%	Ideally program expenses should be at least 70% of total budget.
<b>B. Management and General</b>	\$ 38,272,045	10%	
<b>C. Fundraising</b>	\$ 62,818,780	16%	
<b>D. Total Expenses</b>	\$ 385,385,170	100%	

**Comments/ Notes:**

Budget - The budget is projecting a \$91M deficit for FY21 versus a deficit of \$46.8M for FY20. Revenues are budgeted to drop by \$73.4M or 22% (in all line items except other revenue). Expenses are budgeted to decline by \$29M or 7.5%, all in the awards and grants line.

Audit - There was a \$46.8M decrease in net assets of June 30, 2020, as compared to a net \$26.8M decrease in net assets as of June 30, 2019. Total contributions and grants grew by \$15.6M (5%). However, other revenues were down \$17.0M (76%), with investment income down \$12.1M (81%) and fees for services down \$5.1M (73.5%). Expenses grew by \$18.5M (5%). Awards and grants grew by \$43.8M (35%), while professional fees declined by \$13.5M (21%) and travel/meetings declined by \$6.2M (38%). Dues for PP Affiliates were reinstated for FY20, however in April 2020 the Board approved a waiver of National Program Support dues for the second half of FY20 as well as the NPS dues for FY21. At June 30, 2020, contributions/grants receivables from three donors represent 36% of the gross contributions/grants receivable. PPFA had investments of \$318.4M, of which \$169.5M were endowment-related. PPFA has a \$1M line of credit with no balance outstanding as of June 30, 2020. The Action Fund has a \$1.0M revolving line of credit with no balance outstanding as of June 30, 2020. Due to the uncertainty related to the COVID-19 pandemic, the BOD approved a one-year suspension of the employer matching and discretionary contributions to the 401(k) for FY2021. Overall, there were no red flags that arose as part of my review.

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**DISPOSITION:**

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

Initials:   JCL   Date:   3/26/21  

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