

F.M. KIRBY FOUNDATION SOLICITATION EVALUATION FORM

DATE: April 6, 2023

REQUEST DATE: February 28, 2023

Last grant acknowledgment: Yes

Program Area: Human Services

APPLICANT:

United Way of Northern New Jersey

Morris County Office

PO Box 1948

Morristown, NJ 07962-1948

CONTACT: Ms. Kiran Gaudioso, Chief Executive Officer

PHONE: 973-993-1160 x 104

PAYEE OTHER THAN ADDRESSEE:

AMOUNT REQUESTED: \$175,000 **NATURE OF REQUEST:** For general operating support

GRANT HISTORY

SUPPORT: 1965 - 2022 **# OF GRANTS:** 58

TOTAL DOLLARS: \$10,620,250

LAST GRANT DATE: 5/2/2022

LAST GRANT AMOUNT: \$175,000

FYE DATE: 6/30/2022

AFS DATE: 12/14/2022

2018	\$200,000	4/23/2018	For: General allocation to partner agencies in Morris County only
2019	\$200,000	4/15/2019	For: General allocation to partner agencies in Morris County only
2020	\$175,000	4/29/2020	For: Morris County programs
2021	\$175,000	5/3/2021	For: Morris County programs
2022	\$175,000	5/2/2022	For: General operating support in Morris County only

DLK COMMENTS: Financial analysis attached.

JFT COMMENTS: United Way Northern New Jersey (UWNNJ) mobilizes the caring power of communities to advance the common good. They seek to improve lives and community conditions by assessing needs, developing solutions, raising funds, convening partners, and mobilizing citizens to act. The organization seeks to build a strong community where workers earn enough to meet their needs, can build a personal safety net to weather a crisis, and have access to quality care for vulnerable family members. UWNNJ is striving for racial and financial equity for individuals and families in poverty and those living paycheck to paycheck, known as ALICE - Asset Limited, Income Constrained, Employed. They do this through their United for ALICE programs, financial services, striving for quality early education, bolstering family caregivers, and providing community support.

You can view UWNNJ's 2022-2023 [Annual Impact Report](#), which highlights regional accomplishments and 2023 goals. What I like about the report is that there are personal accounts that emphasize the work of UWNNJ. Morris County-specific data includes the following:

- More than \$1.9M was invested in the County (inclusive of the FMKF \$175K 2022 grant);

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- 1,486 free tax returns to residents were prepared in partnership with NORWESCAP (a local nonprofit), yielding over \$1.9M in federal refunds and over \$387K in state refunds while saving these residents over \$396K (50 Morris County volunteers assisted);
- 37 county residents received help to apply for and obtain Individual Tax Identification numbers;
- \$34.8K in tuition assistance was provided to 11 children in 9 ALICE families through the United in Care program;
- Family caregivers' broad needs were addressed through the Caregivers Coalition (currently 784 members in the group and 804 community providers benefitting).

In 2022, the Caregivers Coalition:

- Held 18 virtual Munch and Learn educational presentations (now available to all caregivers online);
- Held 11 Caregiver Time Out workshops/socialization opportunities;
- Co-presented with the Morris County Chamber of Commerce Health & Wellness Committee;
- Co-presented at the NJ Caregiver Community Forum with state representatives from the Department of Human Services, Caregivers of NJ, and Alzheimer's Association;
- Presented the AT program to DAWN Center for Independent Living staff and caregivers;
- Co-presented at Disability Rights New Jersey's monthly educational forums on Smart Home Tech and Assistive Technology for Medication Management.

Twenty-one Morris County families have successfully “graduated” (completed a full year of support and assessment) and 20 families are progressing through the program. “Of note, the Assistive Technology program is receiving more inquiries from parents of children with disabilities than in previous years.”

Additional Morris County Community Involvement information for 2022 included:

- Managing the federal Emergency Food and Shelter (EFSP) process which in combination with ARPA funds (American Rescue Plan Act) brought \$838K in funds to Morris County to assist residents with rent, emergency shelter, and utilities;
- Advocated for Morris County at the State level by way of committee involvement in New Jersey's State Child Care Advisory Group (DHS) and the New Jersey Council for Young Children (DOE);
- Participated in North Jersey Health Collaborative; Morris County Office on Aging, Disabilities and Community Programming; Morris County Child Care Work Group, and Morris County Transportation Program Advisory Committee.

Perhaps the most impactful news in this request is the expansion of [United in Care](#) in Morris County. The program partners licensed childcare centers with home-based childcare providers to create a shared-services alliance that expands capacity in communities, leverages collective expertise to increase the quality of care, and shares critical resources to promote the financial health of providers. The first successful pilots launched in late November 2022 in Glassboro, Jersey City, and Lopatcong. According to the request, “Data collected in the first two years of the pilot gave the project the credibility needed to secure \$1.1 million in Congressionally directed Community Project funding in 2022-23 for the expansion of the project into District 11 which includes Morris County. And in December 2022, another \$500,000 was appropriated to the next fiscal period of the overall United in Care project to support the four networks (Morris, Hudson, Warren, and Gloucester Counties).” The 4+-year project/pilot budget is \$12.3M.

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In 2022, more than halfway through the pilot, United in Care expanded into Morris County with Parsippany Child Day Care Center as its hub. This location met eligibility criteria (high number of ALICE households in the surrounding area, established a licensed childcare center interested in joining, and established a Resource and Referral Agency at NORWESCAP). This was the first demonstration that “the hub and spoke model pairing a licensed childcare center with up to 10 home childcare providers could be replicated and scaled.” There are currently seven home-based providers in the Morris County network. UWNNJ onboarded nine providers, and there are currently seven (two had to withdraw). The collaborative includes partners from small and minority-owned businesses (the home-based providers), state-supported Childcare Resource and Referral agencies (NORWESCAP in Morris County), leading childcare experts (ACNJ [Advocates for Children NJ] and United in Care Advisory Council members), data analytic “wizards” (BCT Partners and United For ALICE), and philanthropic organizations. The Morris County United in Care Steering Committee (including directors from Children on the Green, Preschool Advantage, P.G. Chambers School, Pro Bono Partnership, Dover Child Care Center, Head Start of Morris County, and community volunteers retired from early education including former representatives from the Morris School District and Mountain Lakes Country Day School) was active in providing guidance and suggestions to the UWNNJ staff team in the expansion pilot. Plans for 2023 include involving the group in setting a strategic direction for the future of the initiative after the conclusion of the pilot phase. I’m happy to read of the progress made in Morris County and hopeful the project will expand further to areas such as Dover, NJ (most definitely an ALICE area).

An additional pilot launched was United for [ALICE@Work](#). Formerly the ALICE Action Network/Elevate ALICE, ALICE@Work is a “business education and certification initiative designed to support both ALICE workers and their employers by helping small and medium-size businesses better understand their low-wage workers' experiences and the factors impacting their workforce.” United for ALICE@Work guides employers through a 6-module, 12-hour course to address benefits and compensation, professional development, scheduling and flexibility, work support and resources, and financial wellness. During the course, each participating business will be invited to develop an action plan and will gain an understanding of how interventions can benefit both ALICE workers and the business using workforce strategies. The ALICE@Work online Workforce Strategies platform features “current data, policies, and case studies demonstrating how specific changes can impact employees, workplace culture, and ultimately employer success by attracting higher-quality employees, retaining valued employees, increasing productivity and engagement, reducing absences and unexpected schedule changes, saving on training costs and downtime, and ensuring a work environment that fosters racial and economic equity.”

To date, the United for ALICE@Work team has:

- Entered partnerships with 3 foundations: Provident Bank, Robert Wood Johnson, and Ewing Marion Kauffman;
- Developed a 3-day, 12-hour curriculum;
- Integrated the Caregivers Coalition and Assistive Technology as priority workforce strategies;
- Recruited 2 instructors, combining skills in EOE, HR, workforce development, talent acquisition, and retention;
- Beta tested 6 modules and presented 2 ALICE case studies;

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- Worked with Tovuti (an innovative and user-friendly platform designed to offer engaging online learning experiences) to build a Learning Management System (access to course materials, templates, and surveys);
- Received approval to issue CEU credits to HR professionals who participate in our course to become SHRM (Society for HR Management) certified.

The pilot launched its first cohort of partner United Ways to beta test the course curriculum; the second cohort will be by invitation only in March 2023. Four (or five) cohorts are anticipated by the end of 2023.

Regarding DEI, UWNNJ has refined strategic goals, aligned staff roles and skills to performance metrics, developed an 18-month staff professional development plan in DEI, and assessed wellness. As ALICE is a very diverse population, I think that the UWNNJ has a great understanding of the value of productive culture and climate in their workforce and community.

JJK, LDC, and I had a Zoom meeting on 2/23/23 with Kiran Gaudio, Chief Executive Officer; Joanne Hala, Community Impact & Grants; and Theresa Leamy, Chief Equity and Innovation Officer. One of the topics discussed was the 2020, \$10M Mackenzie Scott grant and how they are utilizing the funds. Kiran was very vague, stating, “The funds have given them the breathing room to build on and design new expertise on ALICE, provide financial stability, and create equity in work both locally and internally.” The only mention of the grant in the proposal was “Prompted by the pandemic, the horrific murder of George Floyd, significant changes in the philanthropic landscape, and the unexpected \$10 million gift from Mackenzie Scott (invested for fiscal stability)...” I followed up with Joanne Hala asking, “Are you utilizing any funds from the investment (income or principal)?” Her reply was, “Yes, we have utilized funds. From the inception of the gift, the United Way board of trustees and leadership team have crafted and implemented a strategic plan for investing these funds and ensuring that we maximize its potential as we work to create an equitable future for ALICE.” I have trouble reconciling “investing these funds” and how the funds are impacting the community.

Another disappointing topic of our meeting was that Joanne asked if it would be appropriate to request general operating support instead of Morris County Programs designation. JJK advised the group that funding would likely always be recommended for Morris County, but we could change the designation to Morris County operations in lieu of programs.

The 23-member Board saw 3 members transition off and added 3 new members.

I often find the “conceptual” nature of UWNNJ’s work troubling in contrast to the FMKF’s funding of the United Way of the Greater Triangle ([UWGT 2022 Impact Report](#) for comparison) and the United Way of Wyoming Valley. I have no doubt that UWNNJ is making an impact in the community through tax prep and filing, providing childcare resources (and in some cases, financial assistance), financial education, providing referral resources, ALICE reporting (new report due in April 2023), and more, but outputs and outcomes that are defined do not come close to those of the UWGT or UWWV. And yet, supporting services (administration and fundraising) rose by \$962K (49%) in FY22. I will say that outcomes derived from the extensive ALICE reporting resulted in the origin of the above-noted pilots, which I believe hold promise and progress in addressing the plight of ALICE in childcare and the workplace.

I remain skeptical of how they are “utilizing” the Scott funding and considered endorsing a pass on support this year. But I recommend continued funding at the budgeted \$150K (a 14.3% decrease

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from 2022), trusting Kiran and her team to best use FMKF funds for the benefit of the Morris County community.

JJK COMMENTS: While I share JFT's sense that UWNNJ's work can feel very *conceptual* when compared to the tangible, outcome-oriented work of United Way of Greater Triangle or United Way of Wyoming Valley, I was far more impressed this year with the progress UWNNJ has made and the attention they are getting from lawmakers, corporations, and foundations.

The organization has cracked a nut that I have seen many others fail to do: organizing family childcare providers to learn from one another, share resources, and develop best practices. This has been a huge challenge, as family childcare providers do not need a license to operate in New Jersey (reason being that legislators did not want to "regulate grandma"), so many have flown under the radar. However, given the shortage of high-quality, affordable infant and toddler "seats" in childcare centers, family care providers have long been seen as our best hope of making child care more accessible for working families, particularly those in childcare deserts. I am delighted to see the pilot expand to Morris County, though it should be noted for our Board that the program is fully funded and FMKF funds will not be directed to this. That said, if the pilot expands or it becomes more robust, this could represent a strong opportunity for FMKF to strengthen early care and education in this county, which is critically important for both children's developmental outcomes and ALICE working parents.

While tax preparation might be the vanilla ice cream of social impact programs, it is well worth remembering that this program represents *cash in hand* for ALICE workers who need it. According to UWNNJ's reporting, the average client had \$1,800 more dollars at the end of the service (combined federal and state refunds with saved accountant costs), which can mean, for the average ALICE family, a stocked fridge, diapers for the baby, new clothes for summer, etc. This is an impactful anti-poverty program.

Organizationally, I will note that UWNNJ just filled an important new role of the Chief Operating Officer with Giovanni Restrepo, whom I met when he was with an organization called Vision to Learn. I hope we get to meet him soon.

I am feeling more optimistic about UWNNJ lately. Their partnerships with Rep. Sherrill and local legislators have helped give them a lift. Their LinkedIn presence forces me to conclude they have a very strong communications team, which I hope will perhaps help reinvigorate individual and corporate giving. I am not opposed to the decreased \$150K allocation this year, given that United in Care is fully funded, but I would also not be opposed to returning to \$175K, pending that program's success.

Considering a high-demand human services budget this year, I recommend \$150K for Morris County operations.

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Financial Statement Analysis			
Grantee Name:	United Way of Northern NJ	Date:	3/22/2023
Prepared By:	DLK		
Grant Request Amt.	\$ 175,000	Type of Financial Report Submitted	Audit
Recommended Amt.	\$ 150,000	Period Covered in Financial Report	FYE 6/30/22
Board Approved Amt.			
Audit Firm	Sax LLP	Date of Report Issuance	12/14/2022
Opinion	Presents fairly		
Basis of Acctg.	GAAP		
Current Ratio (Liquidity Ratio/Working Capital Ratio)	4.09	Amount of Unrestricted Net Assets (Operating Reserve)	\$ 11,416,777

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	6/30/2022	%	Must Read Financial Statement Notes
A. Program Service Expenses	\$ 5,017,249	63%	Ideally program expenses should be
B. Management and General	\$ 808,500	10%	at least 70% of total budget.
C. Fundraising	\$ 2,132,075	27%	
D. Total Expenses	\$ 7,957,824	100%	

Comments/ Notes:

FY23 Budget: The FY23 budget for Morris County is projecting a deficit of \$344K vs a deficit of \$595K for FY22. Revenues are projected to increase \$1.7M or 130%, primarily in grants (up \$1.3M/243%) and contributions (up \$73K/12%). Investments are projected to grow \$919K over FY22. Program services are budgeted to increase \$1.1M (109%), primarily in program expenses (up \$924K/424%) and people costs (up \$358K/72%), while distributions and grants are budgeted to decline \$236K (463%). Support services are budgeted to grow \$395K (42%), with people costs up \$78K (11%) and increased gifts in kind of \$254K. The budgeted FMKF grant of \$150K would account for 8% of Morris County's total grants. Morris County accounts for approximately 33% of UWWNJ's total expense budget.

FY22 Audit: UWNNJ had a deficit of \$2.1M for FY22 vs a surplus of \$11.7M for the prior year. Total FY22 support declined by \$12.0M (67%) with FY21 including a \$10M gift from MacKenzie Scott. Contributions (both cash and non-financial) increased \$236K (7%) and special event revenue grew \$316K (9%). There was a negative swing in investment income of \$3.2M and a smaller gain on the sale of an asset (Cedar Knolls) \$794K vs \$1.5M (Montclair) in FY21. Program services expense grew \$798K (19%), primarily in gifts in kind (up \$342K/251%), professional services (up \$287K/31%), and salaries/benefits (up \$92K/4%). Distributions and grants only increased \$27K (3%). Support services increased \$962K (49%). UWNNJ investments totaled \$12.1M as of June 30, 2022, of which \$1.8M were endowment-related. UWNNJ received forgiveness on its second PPP loan and \$686K was recognized as income for FY22. The audit did not identify any deficiencies in internal control considered to be material weaknesses.

