

F.M. KIRBY FOUNDATION SOLICITATION EVALUATION FORM

DATE: March 13, 2023

REQUEST DATE: February 16, 2023

Last grant acknowledgment: Yes

Program Area: Arts, Culture, Humanities

APPLICANT:

National Constitution Center
Independence Mall
525 Arch Street
Philadelphia, PA 19106

CONTACT: Mr. Jeffrey Rosen, President and CEO

PHONE: 215-409-6600

PAYEE OTHER THAN ADDRESSEE:

AMOUNT REQUESTED: \$90,000 **NATURE OF REQUEST:** For general operating support

GRANT HISTORY

SUPPORT: 2000 - 2021 **# OF GRANTS:** 17 **TOTAL DOLLARS:** \$4,055,000

LAST GRANT DATE: 12/20/2021

LAST GRANT AMOUNT: \$100,000

FYE DATE: 9/30/2022

AFS DATE: 2/9/2023

2015	\$75,000	11/30/2015	Toward support of the Freedom Rising program
2016	\$67,500	11/30/2016	Toward support of the Freedom Rising program
2017	\$67,500	12/22/2017	Toward support of the Freedom Rising program
2020	\$75,000	12/22/2020	
2021	\$100,000	12/20/2021	

DLK COMMENTS: Financial analysis attached.

GEB COMMENTS: The National Constitution Center executes its mission to “bring together people of all ages and perspectives, across America and around the world, to learn about, debate, and celebrate the greatest vision of human freedom in history, the U.S. Constitution” by serving three primary functions: as the Museum of We The People, America’s Town Hall, and a Headquarters for Civic Education. I will use these three functions to organize this report on NCC’s extensive and impressive programming.

Serving as the Museum of We The People, NCC reopened its doors to visitors in 2021 and the FY22 audit shows that admissions revenue increased by 120% in 2022. As JFT, JJK, LHV, and LMD learned during an October 2022 site visit, the F. M. Kirby Auditorium, which hosts Town Hall events and civic holiday events like for Martin Luther King Jr. Day, is in the process of being updated. Named with a \$2.5M grant from FMKF in 2000, the Auditorium will receive updated audio-visual capabilities, new flooring and carpets, and new seats. NCC hopes to complete these updates in 2023. In May 2022, NCC installed a 50-foot marble tablet engraved with the words of the First Amendment, previously housed at the Newseum in Washington, DC, in their Grand Hall Overlook. This new addition will be the focal point of an in-progress First Amendment Gallery, planned to open in 2023. A full marketing and outreach campaign will celebrate this new exhibit,

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intended to educate guests to NCC about the evolution of the First Amendment over time and debates about its meaning occurring today. This powerful addition has already served as the backdrop to such events as the 2022 NCC Liberty Medal Ceremony. This event honored Ukrainian President Volodymyr Zelenskyy for his efforts to secure the blessings of liberty to people around the globe. President Zelenskyy accepted the Liberty Medal with comments issued virtually. The full, very moving, speech can be found on the NCC website and I have included an excerpt below. I believe the values of President Zelenskyy, including courage and conviction in the face of adversity, celebrated with this medal represent those that NCC is committed to supporting and protecting in our own country:

“When after the beginnings of the Russian invasion, I said, ‘the president is here,’ when millions of Ukrainians decided at the same time ‘we are here’ and we will not surrender, and when the world supported us, saying ‘democracies are here,’ then it meant and still means – freedom is here, human dignity is here, law is here. And one day it will definitely mean peace is here.”

NCC is in the process of refreshing its original core exhibit with the addition of smaller, more focused galleries. One such gallery currently in the works is *America’s Founding Principles*, which will inform guests about the origin and writing of the Constitution. As we learned last year, NCC adapted to the virtual format made necessary by the pandemic in myriad and creative ways. Now that guests can once again visit in-person, NCC has continued to utilize virtual educational opportunities, both with resources to supplement a visit and with platforms to bring the experience of the museum to those unable to attend.

As America’s Town Hall, NCC seeks to teach Americans how to “disagree without being disagreeable,” a much-needed virtue. In addition to virtual and in-person America’s Town Hall meetings with guest speakers, NCC also produces a weekly We The People Podcast hosted by President and CEO Jeremy Rosen, in which he invites experts to speak on topics like the civil rights era speeches of MLK Jr., Supreme Court previews and reviews of current important cases, and how to strengthen democratic institutions. NCC also has special programming, such as the Constitution Drafting Project. This project brought together teams of conservative, libertarian, and progressive scholars in a virtual constitutional convention, in which the three teams collaborated to produce five constitutional amendments, thus demonstrating “the possibility for agreement across the political and ideological spectrum on some practical and important reforms.”

Finally, as a Headquarters for Civic Education, NCC aims to teach learners to separate their “political views from their constitutional views and to think like constitutional scholars.” The reach of NCC’s educational programming is broad, having reached nearly 150,000 students, teachers, and other learners during the 2021/22 academic year. The most notable accomplishment in this realm is the recent launch of NCC’s *Constitution 101* course. This 15-unit curriculum intended for high school students aims to provide students with a basic understanding of the Constitution’s text, history, development, and meaning over time. Each module includes resources for the teacher and students, as well as activities and videos to accompany the lessons. The *Constitution 101* course is quite impressive and NCC is clearly devoted to promoting the curriculum and improving the program. NCC will utilize their Teacher Advisory Board to engage schools in targeted states where NCC has strong relationships and to receive feedback regarding how the program is being integrated into established curriculum. The Constitutional Fellows program will allow a group of high school teachers to pilot the program, give feedback, and receive personalized coaching on its implementation. *Constitution 101* is being offered completely free on NCC’s website and has already garnered a lot of attention; the *Constitution 101* web page has been viewed 47,000 unique

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times and the videos have been viewed 95,000 times since the program's launch in September. Though this program is currently only available for high school students, NCC is working on developing a *Constitution 101* course targeting fifth through eighth grade students.

The Honorable Stephen G Breyer, former Associate Justice of the Supreme Court, was appointed honorary co-chair of the 31-member Board of Trustees this year.

The programming, both in-person and virtual, provided by NCC is extensive, but all supports the organization's mission of bolstering civic knowledge in learners of all ages and increasing our ability to engage in civil dispute. I believe NCC is very effective in its goal of being truly non-partisan and promoting civil discourse, making our funding of NCC a nice complement to organizations like Braver Angels. As the mission of their educational programming demonstrates, one with true regard for the Constitution will be able to separate political views from constitutional. The success of the cross-party collaboration in the Constitution Drafting Project shows that this is possible. Given the positive site visit to NCC in October and the flexibility in the arts budget, I am in support of meeting NCC's request for general operating support at \$90k. With all the new programming and exhibits that NCC has planned, and the Foundation's continued interest in bolstering civic education, I feel that it will be money well invested.

JJK COMMENTS: The F. M. Kirby Auditorium is indeed in need of a facelift, as we noted some frayed carpets and otherwise worn-down seating, though still a handsome space overall. The Auditorium has provided a stage to many Presidents (Barack Obama's famous "race" speech was given here), Senators, Supreme Court Justices, and other dignitaries. Thus, it is a good investment for NCC to ensure that it remains a place where major announcements can happen and where virtual audience can join the conversation.

I agree with GEB that NCC's facility and, more importantly, its educational programming are fine complements to Braver Angels and Bill of Rights Institute. To a certain extent, NCC and BRI are now treading very similar terrain when it comes to educational content. I would like to suggest that, after ECP does a site visit to BRI at the end of March, we explore what each has to offer and ask if there are any redundancies here that would merit reconsideration of grant amounts for either grantee.

We should note that NCC is partnering with Khan Academy for the development of its *Constitution 101* program. Khan Academy is the one of the world's foremost providers of free online educational content. Khan has 7.74M YouTube subscribers and has reportedly reached 70 million people since its founding in 2008. Naturally, Khan's large audience should help NCC reach many more students and teachers.

I recommend \$90K in general operating support.

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Financial Statement Analysis			
Grantee Name:	National Constitution Center	Date:	3/2/2023
Prepared By:	DLK		
Grant Request Amt. Budgeted Amount	\$ 90,000 150,000 (incl cap. Support)	Type of Financial Report Submitted	Audit
		Period Covered in Financial Report	9/30/2022
Audit Firm	BBD, LLP	Date of Report Issuance	2/9/2023
Opinion	Present fairly		
Basis of Acctg.	GAAP		
Current Ratio (Liquidity Ratio/Working Capital Ratio)	5.24	Amount of Unrestricted Net Assets (Operating Reserve)	\$ 107,395,606
<p>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.</p>			
Allocation of Functional Expenses	FY 9/30/22	%	Must Read Financial Statement Notes
A. Program Service Expenses	\$ 13,420,136	74%	Ideally program expenses should be at least 70% of total budget.
B. Management and General	\$ 4,350,835	24%	
C. Fundraising	\$ 285,421	2%	
D. Total Expenses	\$ 18,056,392	100%	
Comments/ Notes:			
<p><u>FY23 Budget</u> - The budget projects net income of \$174K vs \$2.6M for FY22. Total revenues are budgeted to decline \$583K (3%), with earned income growing \$390K (18%) and government funding down \$847K (77%) due to Shuttered Venue grant monies in FY22. Programming monies raised in FY22 shifted from the contributed support line to release of temporarily restricted funds. The net difference between those two revenue lines is a decrease of \$125K. Total expenses are budgeted to increase \$1.9M (13%), with \$1.5M of that in personnel costs. The budget noted that grant funded personnel will be hired to move strategic initiatives, such as Constitution 101 courses. We budgeted \$150K (\$75K GOS/\$75K exhibit support) but the Center did not include a request for exhibit support this year.</p> <p><u>FY22 Audit</u> - The Center had a \$7.4M deficit for FY22 vs a surplus of \$8.5M for FY21. Total revenue and support declined by \$12.6M (54%) due to a large decline in investment income (down \$22.9M/174%). Contributions grew by \$10.6M (181%) and admissions revenues were up \$1.4M (160%). Program expenses grew \$2.3M (21%), primarily in museum programming and town hall. Supporting services also increased, up \$1.1M (29%). The Center had investments of \$60.7M, of which \$60.4M are endowment-related. During 2022, a member of the Center's Board of Trustees provided professional services to the Center amounting to approximately \$49K. The Center has a \$4.0M line of credit, with no balance outstanding as of September 30, 2022. There was no interest expense incurred in FY22 for the line of credit. The Center received a Shuttered Venue Operators Grant in FY22 for \$781.7K. There were no red flags raised as a result of my review.</p>			

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DISPOSITION:

- Declination
- Hold for review on/about:
- Approval for: **\$90,000**
- Hold for Board Review
- Insert Information:
- Other:

Initials: JJK Date: 3/27/23
Check #: _____ Date: _____