

**F. M. KIRBY FOUNDATION SOLICITATION EVALUATION FORM**

**DATE:** March 7, 2024  
**Program Area:** Education  
**Grant Type:** Board Grant

**REQUEST DATE:** January 11, 2024

**APPLICANT:**  
Trustees of the Lawrenceville School  
P.O. Box 6008  
Lawrenceville, NJ 08648

**CONTACT:** Mr. Stephen Murray, Head of School, The Shelby Cullom Davis '26 Head Master

**AMOUNT REQUESTED:** \$750,000  
**BUDGETED AMOUNT:** \$500,000

**NATURE OF REQUEST:** Support of the Kirby Arts Center Maintenance Fund

**GRANT HISTORY**

**SUPPORT:** 1950-2023

**# OF APPROVED GRANTS:** 70

**TOTAL DOLLARS:** \$34,659,491

**LAST GRANT DATE:** 05/01/2023

**LAST GRANT AMOUNT:** \$600,000

**FYE DATE:** 06/30

**AFS DATE:** 11/14/2023

<b>Year Approved</b>	<b>Approved Amount</b>	<b>Approval Date</b>	<b>Grant Purpose</b>
2023	\$600,000	05/01/2023	The F.M. Kirby Math and Science Center Endowment Fund-\$200,000; The Kirby House Endowment Fund-\$200,000; Reserved for Future Decision-\$200,000
2022	\$500,000	05/02/2022	The F.M. Kirby Math and Science Center Endowment Fund-\$400,000; The Kirby House Endowment Fund-\$100,000
2021	\$500,000	05/03/2021	Support of the Dining and Athletics (DAC) Complex
2020	\$400,000	04/29/2020	Support of the Dining and Athletics (DAC) Complex
2019	\$500,000	04/15/2019	Support of the Dining and Athletics (DAC) Complex

**APPLICANT:** Trustees of the Lawrenceville School

**LAST SITE VISIT DATE:** September 2021

**ENDORSEE:** Jefferson W. Kirby

**FINANCIAL ANALYSIS COMMENTS:** The FY24 expense budget for the Lawrenceville School projects a 6% increase over the prior year actuals. This includes approximately \$800K in placeholders for open positions and market adjustments for staff, as well as operating contingencies. The FY24 revenue budget projects a 4% increase over the prior year actuals. As per the audit, tuition revenue for FY23, net of financial aid of \$16.2M, was \$41.2M. The FY23 audit shows unrestricted net assets totaling \$365.2M, and a cash position of \$43.2M. Investments are valued at \$664.6M. Total endowment value is \$660.7M. Financial assets available for general expenditures within 12 months are \$59.4M (not including lines of credit and board designated endowment funds). In October 2020, the school entered into an agreement for a revolving credit facility which provides for borrowings up to \$30M and is available through October 2025. As of FYE23, there were no amounts outstanding. The school entered into a loan agreement in August 2021 for the issuance of \$42.9M in Series A Bonds and \$20M in Series B Bonds. The total proceeds from the bonds issued was \$62.2M. The proceeds of the A bonds are being used to support the construction of the Tsai Dining and Athletic facility (to which FMKF contributed). The proceeds of the B bonds were used to redeem outstanding 2001 bonds in the amount of \$25M, 1996 bonds in the amount of \$24.1M, and termination fees of \$13.1M associated with interest rate swap agreements. In March 2022, the school also entered into a note purchase agreement in the amount of \$10M. Notes are due in annual installments through January 2037 and are being used to construct buildings and warehouses for campus operations. Interest expense on the outstanding debt totaled \$2.2M for the year ended June 30, 2023. As per the FY23 audit, supporting services represented 28% of functional expenses. FMKF last approved a grant to Lawrenceville in FY23. The amount accounted for 8.1% of annual giving revenue.

**ORGANIZATIONAL DESCRIPTION:** In the 2022-23 school year, Lawrenceville was comprised of 815 students who participated in more than 140 student clubs and 70 athletic teams, including 32 varsity teams across 21 interscholastic sports. Students represented 36 U.S. states and 40 countries, and 16% of the students body was international. Nearly 40% of students benefited from some level of financial aid. Aid extended beyond tuition, room, and board, providing students opportunities to engage in travel experiences and on-campus activities, such as sports and clubs. As per the FY23 audit, student allowances (financial aid) were 28% of gross tuition and fees at \$16.2M and are projected to come in at \$16.8M in FY24.

**EMILY PRINCE COMMENTS:** In FY24, the Lawrenceville School seeks a \$750K grant to be applied to the Allan P. Kirby Arts Center **Maintenance** Fund. The fund's market value as of 6/30/23 was approximately \$3.1M, while the Allan P. Kirby Arts Center **Income** Fund value was approximately \$6.8M. In total, the market value of **ALL** Kirby endowment funds as of the same date was approximately \$36.1M. Another strong application and report from Lawrenceville, with operational and academic data weaved in with endowment updates and statements from staff.

In June 2022, Mary Kate Barnes, Senior Advisor, Office of Alumni and Development shared with FMKF that Pete DeVine, COO, Facilities Services, had informed leadership that, in a few years the Allan P. Kirby Arts Center (KAC) would be in serious need of repair. Over the summer, the school

**APPLICANT:** Trustees of the Lawrenceville School

replaced the top Masonite layer of the KAC stage, and one of the larger planned maintenance projects this year is the upgrade/installation of the dance floors in both the KAC Dance Studio and Studio 1. Both were previously installed in 2011; high traffic, sprung Marley dance floors have a recommended service life of 10 years. Additionally, the school has sourced a provider to bring its internal headset communications system up to current standards to allow for improved backstage and show communications. This process began in 2021 and was stretched over time as acquiring technical components proved challenging with pandemic-related supply chain interruptions. Building off this, the school will also be looking to upgrade its sound and projection technology in the KAC classroom, main areas, and Studio 1. Lastly, it has become evident that the 150 static photos displayed on the walls from the previous decades' productions are a complicated project to sustain. The decision has been made to archive those photos, clean up the ground floor walls of the KAC, and install a digital, interactive display which will feature production stills and current events.

Budgets were not provided for current and anticipated repairs, but subsequent communications offered a ballpark figure of \$150K for those in progress and \$30K for those recently completed. There are also ongoing costs of \$10,800 related to the loading and unloading fees to set up the school's current Black Box Theatre, which is beginning to show signs of wear and will cost upwards of \$50K to replace eventually. An expansion to permanently add a Black Box Theatre to the building will need to be scoped out and is not currently on the horizon. We also discussed why Lawrenceville opted to request Fund support versus a direct grant for the above purposes. As per the Director of Budget, Financial Planning and Analysis, Lawrenceville's projects often take place in chunks, with fluid dates, and full costs not always known. Oftentimes it is easier to ask for replenishment of funds drawn, which allows them to manage operational tasks and upgrades more effectively over time and continue growing a sustainable financial model that supports not just immediate needs but ongoing maintenance and improvements.

KAC is the nucleus of Lawrenceville life, as the only campus space that can seat the entire student body plus faculty for performances, lectures, weekly all-school meetings, and other special events. Yet, it is the only purpose-built facility on campus that has not seen an upgrade in its lifetime. The original purposes, capacities, and school program needs have changed since its opening in 1962, but the creative output continues. Despite the need for renovations and upgrades, Lawrenceville launched its exciting 131<sup>st</sup> season with a new theatre curriculum and robust production schedule, which included staged productions, readings, and concerts. Keeping this important campus resource functioning as intended is critical to Lawrenceville's education goals and to several aspects of their new school-wide strategic plan: "House, Harkness, Heart: A New Era for Community Wellbeing."

Other notable narrative highlights included updates on the Tsai Field House, the F. M. Kirby Math & Science Center, and Kirby House.

- Tsai Field House entered Phase II of construction, targeting a completion date in spring 2024. Phase I opened in fall 2022, with a new pool, hockey rink, dining facility, and lobby. Phase II entails renovation of the existing Field House, including the gymnasiums and squash courts, indoor track, field house arena, wrestling room, community fitness center, and sports performance center. The new rink seems to have ushered in some good luck, as the school won the Lawrenceville Invitational Boys' Ice Hockey Tournament, the oldest

**APPLICANT:** Trustees of the Lawrenceville School

prep school hockey tournament in North America, for the first time last year. In total, FMKF contributed \$4.45M to the project.

- The Math and Science Departments continued to adjust and adapt curriculum to meet students' needs, including offering more opportunities to conduct research in the classroom. One particularly exciting opportunity was the "Stan-X network," a partnership of 19 secondary schools and 3 universities working together on a research program, which has allowed student participants to tackle tough new problems while experiencing the collaborative nature of the professional scientific community.
- Kirby House kicked off the 2022-23 school year with a victory, winning the Adams Cup for community service then concluded the year with the Katherine W. Dresdner Cup, which is presented to the Crescent House which has the best record in both Crescent House and School Athletics.

The Foundation's funding relationship with Lawrenceville began in 1950, with a \$2K award. The first six-figure grant was awarded in 1962 (\$200K), with awards fluctuating up and down until 1990, when the first seven-figure grant was awarded (\$1M for Kirby House and RFD). Multiple \$1M RFD grants followed, with a \$5.8M contribution to the Science Center occurring in 1996 (a mix of RFD and new grant awards). Additional \$1M RFD, capital, and endowment grants followed in the late 90s and early 2000s. The 2010s saw grants settling into the \$700K range until SDK and JWK made the intentional decision to decrease annual grants to \$500k in 2017 (because of the Kirby Alliance distribution, a \$2.5M RFD distribution towards the Tsai Field House project, and other economic factors). A modest increase to \$600K in FY23 was made possible due to overall budget flexibility and relatively good market performance, recognizing that the same flexibility would not likely be available in FY24 due to several large capital campaigns in the Education portfolio. Therefore, in FY24, I am recommending a new grant of \$500K towards the Allan P. Kirby Arts Center Maintenance Fund.

**RECOMMENDATION:** In FY24, I recommend a grant of \$500K in support of the Kirby Arts Center Maintenance Fund.

**JUSTIN J. KICZEK COMMENTS:** I am grateful for the history ECP includes here of FMKF support, which can help both newer staff members and new Board guests appreciate the history of the Foundation's relationship with Lawrenceville. Moreover, both ECP's history and the proposal itself gives one a keen sense of just how multi-faceted the support from FMKF has been, supporting capital needs, faculty positions, speaker series, ongoing maintenance, student housing, etc.

All that said, one of the oldest buildings that have benefitted from the Kirby Foundation is the Arts Center. It is rather astonishing that the Kirby Arts Center plays such a central role in the life of the campus, yet has not seen an upgrade. Perhaps a good testament, in part, to the solidity and ingenuity of its original construction! That said, the proposal captures well Lawrenceville's intentional approach to ensuring the Center receives another 60+ years of solid use. It becomes clear in reading the proposal that the principal stewards of the KAC – both the facilities managers and the Performing Arts faculty – carefully considered both capital and programmatic needs.

**APPLICANT:** Trustees of the Lawrenceville School

**RECOMMENDATION:** I recommend a grant of \$500,000 in support of the Kirby Arts Center Maintenance Fund.

**APPLICANT:** Trustees of the Lawrenceville School

**DISPOSITION:**

- Declination
- Hold for review on/about:
- Approval for: **\$500,000**
- Recommended Grant Payment(s):  
**2024:**  
**2025:**  
**2026:**
- Hold for Board Review: **April 26, 2024**
- Payee Other Than Addressee:
- Insert Information: **Support of the Kirby Arts Center Maintenance Fund**
- Other:

Initials: JK

Date: 03/27/2024

Check #                     

Date: