

F. M. KIRBY FOUNDATION SOLICITATION EVALUATION FORM

DATE: April 12, 2024

REQUEST DATE: February 26, 2024

Program Area: Human Services > Disaster Relief

Grant Type: Board Grant

APPLICANT:

American National Red Cross / Northern New Jersey Region
209 Fairfield Road
Fairfield, NJ 07004

CONTACT: Ms. Rosie Taravella, Regional CEO, New Jersey

AMOUNT REQUESTED: \$80,000

BUDGETED AMOUNT: \$80,000

NATURE OF REQUEST: Support of disaster services and blood collection in Morris County.

GRANT HISTORY

SUPPORT: 1970-2023

OF APPROVED GRANTS: 44

TOTAL DOLLARS: \$1,883,850

LAST GRANT DATE: 05/01/2023

LAST GRANT AMOUNT: \$80,000

FYE DATE: 06/30

AFS DATE: 10/26/2023

Year Approved	Approved Amount	Approval Date	Grant Purpose
2023	\$80,000	05/01/2023	Support of disaster relief in Morris County-\$70,000; toward blood donor program in Morris County-\$10,000
2022	\$130,000	05/02/2022	Toward disaster relief in Morris County, NJ-\$70,000; toward blood donor program in Morris County, NJ-\$10,000; toward Sickle Cell Initiative-\$50,000
2021	\$80,000	05/03/2021	Toward disaster relief in Morris County, NJ-\$70,000; toward blood donor programs in Morris County, NJ-\$10,000
2011	\$112,500	04/25/2011	Toward disaster relief and blood donor programs in Morris County-\$90,000; toward like purpose for the Morris County communities served by the Colonial Crossroads Chapter-\$22,500
2010	\$90,000	04/26/2010	Toward disaster relief and blood donor programs in Morris County

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LAST SITE VISIT DATE: December 20, 2023

ENDORSEE: N/A

FINANCIAL ANALYSIS COMMENTS: The local Morris County budget projects a 17% increase in the upcoming year, with a projected 14% increase in revenue. Half of the projected budget is designated for disaster services, while biomedical services comprise a mere 2% (**JJK: Surprised by this, considering the equipment needed for such services!**). Employee benefits and compensation comprise approximately 60% of the total County budget. The 2023 FMKF grant accounted for 8.23% of the County budget, 17% of the County Disaster budget, and 64.4% of the County's biomedical services budget in the 2023 fiscal year. Morris County operations comprised 12% of the total ARC/NNJ budget in FY23.

All audit comments pertain to the National organization for the period from July 1, 2022 to June 30, 2023 (Fiscal Year 2023). The auditors' opinion is unqualified. ARC-National had an operating surplus of \$207M versus a surplus of \$134M for FY22. Revenue and expenses stayed mostly level over the previous fiscal year, while total net assets grew by 12% (\$319.7M). Within revenue line items, Biomedical Services comprised 63% (\$2B) of all revenue. Corporate/Foundation/Individual giving comprised 22% (\$709M) of total revenue (representing the second highest source of revenue) and decreased by 15% (\$122.7M) over the PFY. The FMKF grant from FY23 of \$300,000 for the National organization comprised 0.04% of total contributions and 0.01% of total revenue. Program services comprised 90.7% of the total operating budget and personnel costs comprised 51% of the total operating budget. The organization had investments totaling \$2.3B as of June 30, 2023, of which \$1.2B were endowment-related. Overall, there were no red flags as a result of my review.

ORGANIZATION DESCRIPTION: The American Red Cross prevents and alleviates human suffering in the face of emergencies by mobilizing the power of volunteers and the generosity of donors.

LIZ CROWLEY COMMENTS: The request provides updates for the entire Northern New Jersey Chapter and Morris County-specific data (Response and Recovery, Disaster Cycles Services, Preparedness, and Blood Collection). In FY23, the New Jersey Region saw disaster responses exceed 1,000 for the second year in a row. Northern New Jersey, specifically, saw a 13% increase in incidences (still mostly home fires). 30 incidents were located in Morris County, including one hotel fire in Whippany that affected 48 families who were utilizing the hotel as a long-term residence. Morristown saw three house fires including one multi-family home. In FY23, the region distributed nearly \$1.6M in financial assistance to displaced families. In the first half of FY24, ARC/NNJ has already responded to 12 disaster incidents in Morris County. It's interesting to note that such a large proportion of house fires occur in multifamily residences and, unfortunately, this is reflective of the fact that house fires disproportionately affect low-income renters. Reasons for this disparity include improper usage of heating devices (to supplement low-quality or broken structural heating systems), overload of electrical systems, and outdated or insufficient fire prevention and alarm systems.

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In terms of prevention, the “Sound the Alarm” program, which has Red Cross volunteers (and first responders) going door-to-door to install smoke detectors and ensure current detectors are operable and correctly placed, installed 4,232 smoke alarms in New Jersey (175 in Morris County). For context, of the approximately 2,200 people who die in unintentional home fires, nearly two-thirds are in homes without smoke alarms or with smoke alarms that do not work. In 2015, I volunteered with this program and, in one outing, installed or updated smoke alarms in nearly 15 houses in one neighborhood that either completely lacked alarms or had not updated the batteries in years! Additional prevention efforts include youth fire safety education via the Pillowcase Project and other youth education efforts.

As severe weather events become more frequent and more devastating in New Jersey, ARC/NNJ finds itself responding to more disasters relating to flooding throughout the year. This past December 2023/January 2024 winter season saw two severe flooding events affecting the same areas. Like home fires, flooding tends to disproportionately impact low-income individuals who own or rent homes in flood zones and/or in urban areas with large amounts of impervious surface cover (covering that does not absorb rainwater) and outdated water management systems. The impact of flooding in these areas is exacerbated by the fact that they experience the consequences of every extreme weather event due to the topography and systematic challenges that cause rainwater to follow the same flooding patterns repeatedly. **(JJK: Yes, Rosie stressed this at my site visit: “As Rosie put it, a family who keeps getting hit by flooding will never be able to rise out of poverty. As such, they are focusing on being at the table to develop more community solutions, using data to look at communities and consider how to prepare for a wetter future.” ARC NNJ recently hired a Climate Adaptation Program Manager to help the organization better plan for and meet these needs.)**

A small portion of our annual grant goes toward blood donor services. In FY23, ARC/NNJ held 402 blood drives in Northern New Jersey, including 113 in Morris County, resulting in nearly 89,000 units of blood collected for donation. In the first half of 2024, ARC/NNJ held 235 blood drives in Northern New Jersey, including 71 in Morris County. In December, JJK conducted a site visit of ARC/NNJ Fairfield Headquarters (I was unable to attend due to COVID) and included the following information in the site visit report:

“Rosie (Taravella) highlighted the fact that the FDA has finally approved of blood donations from homosexual men, which has meant a lot to the LGBTQ community. ARC NNJ has also been working hard at engaging with and building more trusted partnerships with communities of color. For example, sickle cell disease disproportionately affects African Americans. The disease requires a specific blood match for people who suffer from it, and African Americans are more likely to match. Thus, ARC NNJ has been hard at work, partnering with leaders like Mayor Ras Baraka in Newark, to drive up Black participation in blood drives and Rosie reported this is going well.”

JJK’s summary of the visit includes important information that is relevant to the National organization, namely, the impending retirement of ARC/National’s Executive Director, Gail McGovern. She will be succeeded by the current Chief Operating Officer, Cliff Holtz. These leadership transitions will go into effect in July 2024. In terms of ARC/NNJ’s leadership, Executive Director Sarah Huisling has been in her position for approximately 1.5 years at this

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point. This past year Janet Hines was replaced by our new Development contact, Robert Elko, who has been very proactive regarding current events and updates. I receive emails from him regarding the ARC's response following local storms, national disasters, and international incidences. The ARC/NNJ board currently has 18 members, six of whom joined in the past 18 months. The proposal notes that the Board of Directors has also committed to increasing its financial commitment by raising the average gift amount per Board member.

I recommend continued support of the ARC/NNJ at the budgeted \$80K as designated below..

RECOMMENDATION: I recommend a grant of \$80,000, payable over 1 year designated for:

- \$70,000 for disaster services in Morris County.
- \$10,000 for blood collection services in Morris County.

JUSTIN J. KICZEK COMMENTS: My December site visit impressed upon me the significance of volunteers for the achievement of the Red Cross's mission. I suppose this should not come as much of a surprise, considering the legacy of Clara Barton, but considering the sophistication of the logistics, as well as the global recognition of the Red Cross, I was nonetheless surprised to learn that NJ only has 48 employees across the state, but the statewide organization is powered by 4,000 volunteers (about 2,000 of whom are "active"). These are the very people who are quick to comfort those who have lost a home due to flooding or fire. As the volunteer I met at that site visit put it, when a family comes into the orbit of ARC, it is usually at one of the lowest points in their lives. As such, the care and concern that ARC has long been respected for is *best* expressed not by the employees but by the selfless volunteers. When I asked, later in the meeting, what their biggest challenge is, they informed me that it is volunteer recruitment, because volunteers are simply essential to all that ARC does. As we see a national downward trend in volunteerism, this is something to keep an eye with organizations like ARC that depend on volunteers.

I also appreciated learning in that same site visit the NNJ Executive Director Sarah Huisking has prioritized building relationship with the communities in Dover and also with YMCAs, two areas of interest of this foundation.

I continue to champion FMKF's proactive and consistent disaster philanthropy.

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DISPOSITION:

- Declination
- Hold for review on/about:
- Approval for: **\$80,000**
- Recommended Grant Payment(s):
 - 2024:**
 - 2025:**
 - 2026:**
- Hold for Board Review: **April 26, 2024**
- Payee Other Than Addressee: **American National Red Cross**
- Insert Information:
 - Support of disaster services in Morris County - \$70,000**
 - Support of blood collection services in Morris County - \$10,000**
- Other: **Include ANRC NNJ Region on check memo.**

Initials: JK

Date: 04/15/2024

Check #

Date: