

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

**DATE:** April 11, 2024

**REQUEST DATE:** March 1, 2024

**Program Area:** Environment/Animals

**Grant Type:** Board Grant

**APPLICANT:**

Nature Conservancy  
Elizabeth D. Kay Environmental Center  
200 Pottersville Road  
Chester, NJ 07930

**CONTACT:** Ms. Jennifer Morris, Chief Executive Officer

**AMOUNT REQUESTED:** \$120,000

**BUDGETED AMOUNT:** \$110,000

**NATURE OF REQUEST:** General Operating support for the New Jersey Chapter

**GRANT HISTORY**

**SUPPORT:** 1982-2023

**# OF APPROVED GRANTS:** 42

**TOTAL DOLLARS:** \$3,515,500

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

**LAST GRANT AMOUNT:** \$140,000

**FYE DATE:** 06/30

**AFS DATE:** 12/20/2023

<b>Year Approved</b>	<b>Approved Amount</b>	<b>Approval Date</b>	<b>Grant Purpose</b>
2023	\$140,000	05/01/2023	General Operating Support-\$100,000; toward support of the New Jersey Chapter operations endowment-\$40,000
2022	\$140,000	05/02/2022	Toward the New Jersey Chapter Operations endowment-\$40,000
2021	\$140,000	05/03/2021	Toward the New Jersey Chapter Operations endowment-\$40,000
2020	\$140,000	04/29/2020	Toward the New Jersey Chapter Operations endowment-\$40,000
2019	\$130,000	04/15/2019	Toward the New Jersey Chapter Operations endowment-\$50,000

**LAST SITE VISIT DATE:** February 2021

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**ENDORSEE:** N/A

**FINANCIAL ANALYSIS COMMENTS:** The included budget is for the New Jersey branch specifically and provides FY23 actuals with FY24 projections (though we are halfway through FY24 at this point). The budget projects a 39% (\$3M) increase in expenses and a 17% (\$1M) increase in revenue for a total operating budget of \$7.14M with a projected deficit of \$3.5M (over a \$1.6M deficit in FY22 and a projected \$2.5M deficit for FY23). The 111% (\$1M) projected increase in sub-awards is matched by a projected \$1M increase in government grants. The proposal notes grants received from the New Jersey Department of Environmental Protection Green Acres Program and the U.S. Fish & Wildlife Service National Fish Passage program. Personnel costs are projected to increase by 22%. The FMKF grant of \$140,000 comprised 2% of total revenue and 3% of expenses for the NJ program in FY23.

The audited financial statements are for the parent company, a global organization operating in over 70 countries, for the fiscal year ending June 30, 2023. The auditor's comments are unqualified. The organization saw a 13.7% (\$162M) increase in revenue and a 21% (\$219.6M) increase in expenses over the previous fiscal year, with a balance of \$71.6M at the time of the audit. TNC booked \$138M in government grants and contracts. Personnel expenses comprised 43% (\$554M) of the operating budget and program expenses comprised 68.5% (\$722M) of the operating budget. TNC's Board contributed approximately \$2.9M in FY2023, not including pledges and bequests. TNC also has a \$10M zero-interest loan agreement to a current Board member that is payable in full in 2026. Total endowment funds stood at \$1.5B. There were no red flags as a result of my review.

**ORGANIZATION DESCRIPTION:** The Nature Conservancy (TNC) has been working since 1951 to create a world where people and nature thrive. Today, we're facing the most complex challenges of our lives, and we have years, not decades, to address the interconnected climate and biodiversity crises. Our work, globally and in New Jersey, is focused on two themes – Healthy Lands and Freshwater, and Climate Adaptation and Mitigation – to deal with these crises. Together, we find a way to overcome barriers to progress to achieve our biggest, most ambitious goals yet. Active in New Jersey since 1955, TNC-NJ has built upon our roots in land protection to address our state's vital and varied conservation needs.

**LIZ CROWLEY COMMENTS:** Since the inception of the NJ branch of TNC (TNC-NJ), the organization has conserved 60,000 acres statewide; contributed to the first land "rematriation" to Indigenous Peoples in the state; completed the largest dam removal in New Jersey's history; co-founded and led a Statewide Dam Removal Partnership; planted more than 58,000 trees in the Paulins Kill watershed; led innovative demonstration projects using nature-based solutions to strengthen coastal resilience to sea-level rise; and supported a clean energy future for New Jersey. Their current work is focused on land protection, freshwater restoration, coastal resilience, climate adaptation, urban greening, and promoting public policies that support conservation, climate adaptation, and mitigation. The 2024 report/application is divided into the same categories that TNC-NJ addresses annually. Because of the length of this report and the size of our grant, I will provide some highlights of the past year and a high-level review of organizational updates and 2024 projections. I want to note that TNC-NJ met and even exceeded most of the goals and objectives that they had put in place for 2024 in their last application.

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### **Conservation and Land Preservation**

Historically, TNC-NJ has been heavily involved in large-scale restoration of the Highlands area in New Jersey and participated heavily in the creation of the Highlands Conservation Act, which has helped protect and restore forests and watersheds in the Highlands region of New Jersey. Their specific interest in the Highlands region stems from its geographic overlap with the portion of the Appalachian Mountains that falls within NJ's state borders. The Appalachian Mountains in New Jersey (also known as the Ridge and Valley Province) are the home to a diverse array of rare and endangered plant and animal species, provide a crucial source of clean drinking water for the state, and play an important role in mitigating the impacts of climate change through carbon sequestration (not to mention wonderful recreation opportunities). On a national level, TNC has identified the Appalachian corridor as one of the four major high-priority migratory pathways to conserve as part of its "Stay Connected" initiative. At present, just 26% of the Appalachians' globally important landscape is protected.

In 2023, TNC-NJ preserved a total of 257 acres in partnership with other organizations, including FMKF grantee The Land Conservancy of New Jersey (21 acres were added to the Yards Creek Preserve in Warren County, which is part of the Ridge and Valley province). TNC-NJ also partnered with a small land trust, the Ridge and Valley Conservancy (R&VC), based out of Sussex and Warren County, to preserve 131 acres which R&VC has taken ownership of and will preserve in perpetuity. In this same region, TNC-NJ is working on re-routing a portion of the 1,300-mile multistate September 11<sup>th</sup> National Memorial Trail and, in support of this effort, acquired 42 wooded acres which will be utilized to create a more scenic portion of the trail to represent New Jersey. The trail connects New York City's National September 11th Memorial and Museum with the Flight 93 National Memorial near Shanksville, Pennsylvania, and the National 9/11 Pentagon Memorial in Virginia via a 1,300-mile, multi-use trail. After the trail is rerouted by TNC, the acreage will be transferred to the State's ownership.

Finally, in 2023 TNC-NJ partnered with the New Jersey Conservation Foundation and the New Jersey Department of Environmental Protection (NJDEP) to assist the Native American Advancement Corporation (NAAC) with the purchase of a 63-acre property in Southern New Jersey. NAAC is a nonprofit founded and led by members of the Nanticoke-Lenape Tribal Nation, a state-recognized tribal confederation consisting of over 3,000 citizens who are the ancestors of Algonquin-speaking Nanticoke and Lenape peoples who inhabited Delaware, Eastern Pennsylvania, and Southern New Jersey. The property has been conveyed to the nonprofit and is now known as the Cohanzick Nature Reserve. This is the first "rematriation" (a term used to describe the process in which land is relayed back to the original Native American owners) that has taken place in New Jersey.

The conservation rate in New Jersey continues to decline as less and less open space is available for preservation. TNC-NJ continues to work with the Conservation Blueprint (another FMKF grantee, via Rowan University Foundation) to identify the most ecologically valuable land in NJ left to conserve. Their goal is to conserve 50% of the remaining available land in NJ by 2050.

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### **River Restoration**

As more attention is given to the ecological health of rivers and streams, there has been a growing movement in the U.S. to remove dams that are no longer serving their original purpose and are causing negative impacts on the ecosystem. Dams can create barriers to fish migration, alter water flow and sediment transport, and change the physical and chemical characteristics of the river. From a conservation perspective, dam removal allows for the restoration of natural river flow which creates a habitat for fish, birds, and other wildlife. The dam removal process involves accessing funding, applying for permits, engaging the local community, and working within local, state, and even federal bureaucracies. Additionally, if done incorrectly, dam removal can end up causing more damage to the ecology of rivers and streams. Currently, there are about 19 dams in Northern NJ that are considered “high-priority” for removal. TNC-NJ leads the NJ Dam Removal Partnership (SDRP), a group of nonprofits that collaborate to conduct ecologically sound dam removals. TNC-NJ has also recently developed a Dam Removal Project Management Training that teaches the dam removal process to smaller organizations and provides certification. TNC-NJ held the first Dam Removal training in 2023 for 45 people, and they are also working with the U.S. Fish & Wildlife Service to develop a shorter (one-day) Fish Passage training.

For the past few years, TNC-NJ has been working to remove a series of three dams from the Paulinskill River (a tributary of the Delaware River in Northwest New Jersey that provides water to the NJ Highlands region) which pose a significant hazard to the surrounding area. TNC-NJ finally began the removal of the main dam, the Paulina Dam, in the Fall of 2023 and anticipates completion of the removal this summer. In addition to this effort, TNC-NJ is leading the removal of four dams on the Pequest River.

### **Greening Our Cities**

In 2020, TNC-NJ launched the Greening Our Cities program. The initiative utilizes nature-based solutions, such as tree-planting, to address these urban-specific climate-related challenges at no cost to the municipalities (TNC applies for and manages the grant funding for these projects). After extensive outreach and partner engagement, the program is primarily focused in Newark and, in 2023, TNC-NJ partnered with the New Jersey Institute of Technology and the City of Newark to develop the Newark Tree Canopy Initiative and plant 331 new trees with funding from NJDEP.

Also in 2023, TNC worked with 11 Newark partners to secure an \$8 million U. S. Forest Service Urban and Community Forestry Grant that will be used to fund the planting of 2,700 trees in Newark over five years! The program will also include workforce development training for Newark residents. The partnership includes five departments of the City of Newark and three additional local environmental groups including FMKF partner Greater Newark Conservancy. Newark is rated as having the second worst urban heat island in the country due to a lack of pervious surfaces and shade trees. The project will utilize the NJ Conservation Blueprint (mentioned above) to identify the areas that have the most dire need for shade.

TNC-NJ hopes to bring the Greening Our Cities project to Paterson and Elizabeth eventually, but they have been met with some challenges related to government relations (this seems to be a pattern with our NJ conservation groups in these locations). They are currently working with Paterson to create a “Greenprint”, which is based on their Treen Canopy Initiative in Newark. Additionally, they received a grant from NJDEP to create an “Urban Green Street” in Paterson that

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will mitigate flooding by capturing stormwater runoff through green engineering. Currently, this process is in the community planning phase, and I am hopeful that I will be able to tour the neighborhood with TNC-NJ this summer. Hopefully, the success in Newark and future success in Paterson will lead to more funding opportunities and better relationships with other municipalities.

**Organizational Updates**

This year, Barbara Brummer celebrated her 20<sup>th</sup> year at TNC-NJ and she does not plan to retire in the very near future. However, the Chapter is now beginning an update to their strategic plan that will go through 2030 and succession planning will be part of this process. There are several candidates within TNC-NJ who Barbara may be priming for succession to her role, but ultimately these decisions are made by folks at higher levels of the organization.

Thanks in part to Erin Daly's excellent work as a grant writer (she was instrumental in securing the \$8M grant mentioned above), TNC-NJ remains one of the few NJ conservation nonprofits that is not struggling financially. Thus far, they have been minimally affected by the Dodge and Victoria Foundation disinvestments that have wreaked havoc in the conservation nonprofit ecosystem and have successfully maintained strong relations with individual donors. This year, in consideration of other one-time budgeting prospects in our Environment & Animals docket, we have had to trim our larger EA grants including our annual TNC-NJ grant. I informed Barbara Brummer and inquired about whether they would still like us to split the grant into endowment support and annual support. The decision was made that TNC-NJ would request only operating support for this year. I feel that TNC-NJ remains a worthwhile investment for FMKF's conservation portfolio. However, in future years, a grant of \$120-\$125K may be appropriate and we should inquire about the continued need for endowment support. I recommend the budgeted \$110,000 for general operating support in 2024.

**RECOMMENDATION:** \$110,000 in general operating support for the New Jersey chapter in 2024

**JUSTIN J. KICZEK COMMENTS:** I am proud to see FMKF grantees like Nature Conservancy, Trust for Public Land, and Greater Newark Conservancy coming together to bring 25% more trees to Newark. With continued global warming expected, these trees will do their part to store carbon, provide shade to people and buildings, and beautify Newark streets. It is worth noting here that TNC claims that they were chosen to submit for this grant on behalf of this large coalition because "as a global organization, we have the legal and grants staff capacity to administer this complex grant and its many sub-awards, which many of community partners do not." This is a very positive development for TNC-NJ which for years seemed to struggle with their urban work.

I was quite impressed with the many wins TNC-NJ also had this year in conservation. Each victory seems quite strategic in being near or connected to TNC preserves or rivers; this should, of course, come as no surprise given TNC-NJ's pioneering development and use of the Blueprint. On that note, I also wanted to capture here a further improvement to the Conservation Blueprint, considering FMKF's longtime support of this very important mapping tool. The proposal notes that there is now Blueprint +, which prioritizes land based on parcel, not patches. This allows conservation groups like TNC to be more targeted and strategic in their efforts.

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Really strong work accomplished this year from TNC-NJ. I appreciate in particular the way in which, as a global organization, they see a big picture in terms of the work here in our small state. In other words, the work being done here in NJ not only benefits our state and citizens; TNC-NJ has a keen sense for how it fits in a larger, national if not global mission to protect species, increase biodiversity, and mitigate climate change.

**RECOMMENDATION:** I recommend \$110,000 in general operating support for the New Jersey chapter.

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**DISPOSITION:**

- Declination
- Hold for review on/about:
- Approval for: **\$110,000**
- Recommended Grant Payment(s):  
**2024:**  
**2025:**  
**2026:**
- Hold for Board Review: **April 26, 2024**
- Payee Other Than Addressee:
- Insert Information: **General Operating Support of the New Jersey Chapter**
- Other: **Include For New Jersey Chapter on check memo.**

Initials: JK

Date: 04/12/2024

Check # \_\_\_\_\_

Date: \_\_\_\_\_