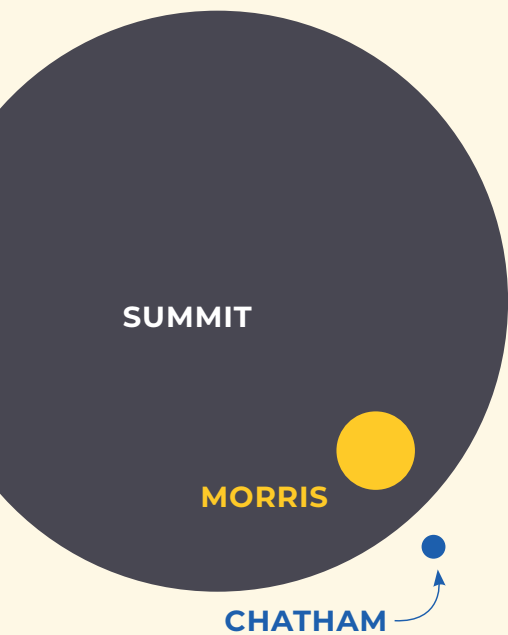


2020-21 Endowment Report



Reach Higher



THE \$4M ENDOWMENT TARGET WAS BASED ON COMPARISONS TO PEER SCHOOL DISTRICTS

As of 6/30/2018:

- Summit Educational Foundation had an endowment of ~\$1,266/ student.
- Morris Educational Foundation had an endowment of ~\$171/student.
- Chatham Education Foundation had an endowment of ~\$52/student.
- If Chatham achieves \$4M target, endowment would become \$1,000/student.

INTRODUCTION

Chatham Education Foundation began receiving philanthropic donations in 1997, and over \$1.5M in grants and scholarships have been made to the school district since that time. Annual grant giving to the school district has grown to average over \$100k/year. Chatham Education Foundation received its first endowment gift in December 2011. In years when Chatham Education Foundation income from donations and events exceeds SDOC grant requests, the Board of Trustees votes to add surplus funds from working capital needs to the Quasi endowment. The first permanent and term endowment gifts were given in 2018. Distributions from the permanent endowment began in 2020–21. The permanent endowment funded \$11k in grants in fiscal year 2021–22 and is estimated to fund over \$20k in 2022–23. The endowment will bring increased stability to grant funding, as well as help the School District of the Chathams (SDOC) deal with budget shocks. It will also lessen Chatham Education Foundation's dependence on hard-to-staff fundraising events and changes in donation levels due the economic climate.

The market value of the endowment as of March 31, 2022 was \$1.4 million. An initial **\$4 million endowment target** has been set, comprising:

- ★ A \$3 million Permanent Endowment to provide a stable \$150,000/year grant-giving level (estimating that the invested assets would produce income of approximately 5%/yr).
- ★ A \$1 million Term Endowment to mitigate the impact of school budget shocks.

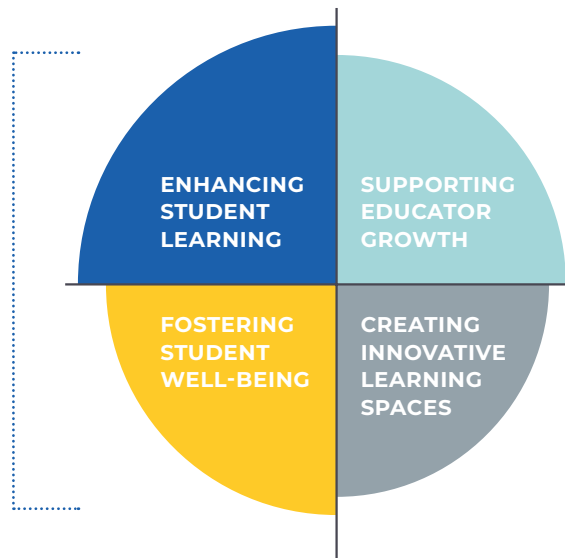
Chatham Education Foundation maintains all three classes of endowment: Quasi, Term, and Permanent.

Quasi endowment funds can be added or withdrawn at the discretion of the Board of Trustees. These funds can be used to match new donations, converting them to Permanent and Term Endowment Funds. Term and Permanent endowment funds are specified in individual endowment agreements, typically 25% Term and 75% Permanent. The Term endowment can be withdrawn when SDOC experiences a significant budget shortfall, such as when NJ cut state aid by \$2.6M in 2010 on short notice. The Permanent endowment is maintained in perpetuity, as specified by individual endowment agreements and administered according to the Foundation's Investment and Spending Policy.

PROGRAM DESCRIPTION

Chatham Education Foundation supports initiatives that would not otherwise be funded through the traditional SDOC budget.

The Foundation structures its grant-making around four principal goals:



Within those broad outlines, the Foundation funds grants that:

- ★ enhance the existing academic program, curriculum, guidance or counseling functions, and staff development of SDOC;
- ★ enrich—not duplicate or replace—the current curriculum and educational structure of SDOC;
- ★ reflect the goals of SDOC;
- ★ are innovative and creative in teaching and/or learning;
- ★ implement new and experimental methods of teaching; and
- ★ can be evaluated by some measure of quality and be expanded and replicated if successful.

The **most impactful grants** have been those that help SDOC be on the leading edge of implementing new educational research and technology.

To that end, since its inception, Chatham Education Foundation has granted over **\$1.5 million** to teachers and administrators to support **innovative** and **creative** educational programs and special projects to enrich the experiences of all **3,700 students** enrolled in the SDOC's six public schools.

As Superintendent of Schools, I can think of no better cause to support the School District of the Chathams than Chatham Education Foundation's Endowment Campaign.

Dr. Michael LaSusa



Thinking Classroom in Chatham High School Math Department.

By way of example, recent grants include the following:

The Thinking Classroom — Phase 2 (CHS)

This \$23,222 grant expands the *Thinking Classroom* within the CHS mathematics wing to four additional classrooms. The initial phase of CEF's *Thinking Classroom* grant in 2018 demonstrated the validity of the current research that supports students working on whiteboard surfaces in the mathematics classroom, resulting in observed increases in student productivity, critical thinking, and wellness. These design changes include vertical non-permanent writing surfaces on flexible seating/standing tables, and the de-fronting of the traditional classroom setting.

Enriching Kindergarten Reading Workshop and Word Study Programs (WAS & MAS)

Four kindergarten classrooms at WAS and MAS are enriched in this \$2,136 grant with materials to enhance reading and writing, including boogie board tablets, consonant-vowel-consonant games, and manipulatives. The grant materials are supported by research showing that students learn best when learning with a multi-sensory approach. The boogie board tablets allow students to participate in interactive writing activities, apply letter-sound and spelling knowledge with a quick, easily erasable alternative to paper and pencil and dry erase boards, and can be used for math and other curricular areas.

Self-Contained Classroom Furniture (CMS)

Two self-contained special education classrooms at CMS will now receive updated, flexible furniture and seating options with this \$5,342 grant award. Rocking chairs and floor rocker seats encourage healthy movement and a moderate range of motion, and wheelchair accessible desks with adjustable leg heights fit those that need it. By having flexible seating options, the students will have the opportunity to be in a conducive learning environment tailored for them and their various educational, social, and emotional needs.

District Choral Festival

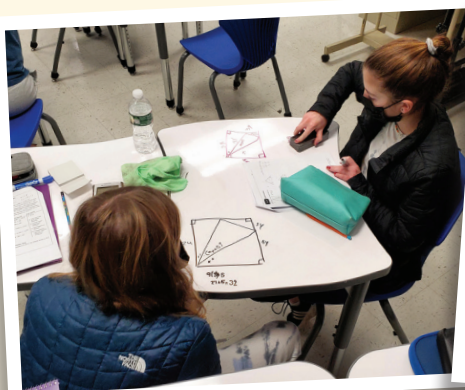
This grant award of \$2,330 for a first ever district-wide *Choral Festival*. The grant brought all the choirs in grades 4-12 together on March 10, 2022 for a day of learning, singing, and program development. The students were taught for the day by legendary composer and musical artist, *Stacey V. Gibbs*. During the event, Mr. Gibbs worked with the students on pieces they are familiar with, including a piece of his that has yet to be premiered, on text expression, music history, and vocal technique, both as individual schools and as a whole unit. In addition to working together musically, they incorporated social-emotional learning through various musical and non-musical team building activities. The final performance of the students performing together was recorded with high audio recording devices, which were funded by a prior grant from CEF.

This grant was funded in part by the Ryan T. Ganley Memorial Endowment Fund (Metviner Family)

Reimagining Geometry (CMS)

Building off the success of the *Thinking Classroom*, this \$31,524 grant award allows for the redesign of Chatham Middle School math classrooms to coincide with a curriculum sequence change in which 8th grade Chatham Middle School students now take Geometry prior to Algebra 1. This sequence change provided an opportunity to reimagine what students can do with the knowledge of Geometry, and this grant provides the technology and materials to allow students to demonstrate this new knowledge. All three 8th grade math classrooms will be transformed into thinking classrooms, and the grant provides whiteboard vertical spaces and whiteboard desks and tables of different and adjustable heights for students to complete problems. Some of the whiteboards can even be brought into the math hallway, extending the classroom reach so that all students can work on math while social distancing.

Reimagining
CMS Geometry.



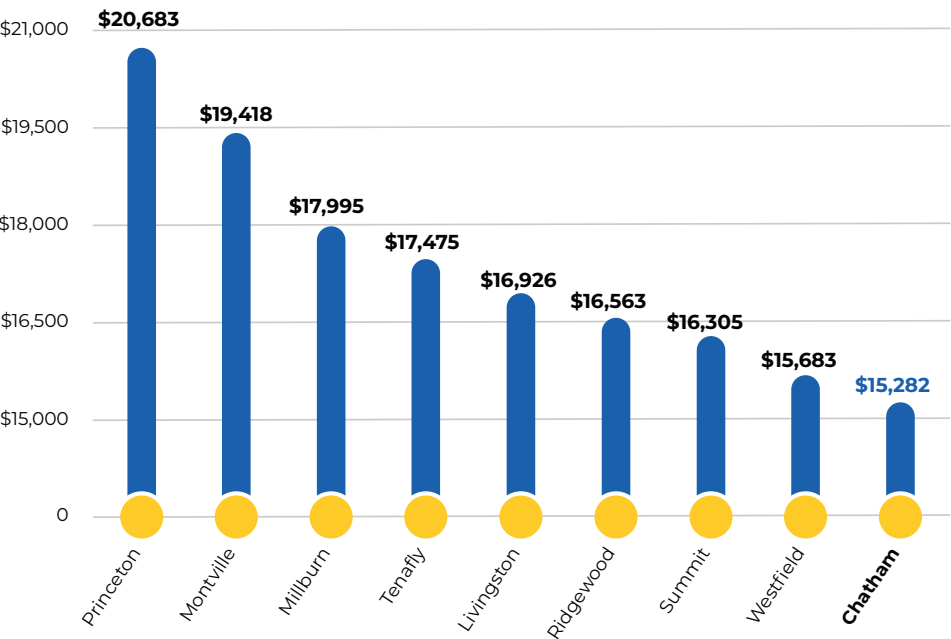
Self Contained
Classroom Furniture.



NEED FOR SUPPORT

SDOC’s per-pupil spending is below peer schools and the NJ and the Morris county average.

2019–20 Education Spending Per Pupil



When the Board of Education annually reviews the school budget, one consistently stated desire is to hire more teachers, fund additional teacher development, and provide new innovative programs to introduce new leading edge technology. However, SDOC is often forced to forgo some of these needs in its budget because it cannot raise enough revenue through local tax levies, and has therefore had to rely on private funding to supplement its stretched budget.

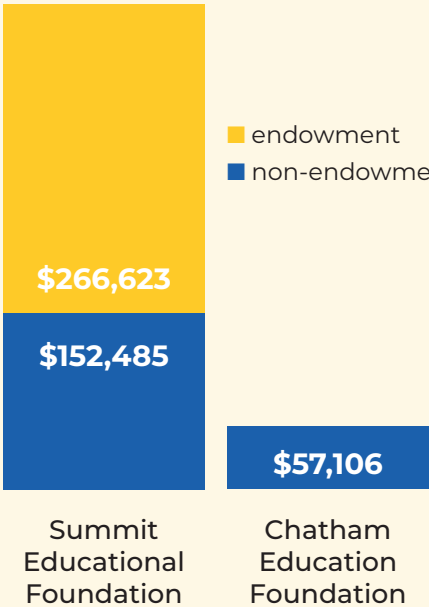


District-wide Choral Festival partly funded by endowment donors.

EDUCATION FOUNDATION GIFTS TO SCHOOLS

On a comparable basis, Summit Educational Foundation gives much more to their public schools. Both Summit and Chatham public school systems have about the same number of students; Summit has a higher per pupil tax levy than Chatham. One major difference between what Chatham and Summit Education Foundations give to public schools is attributed to the \$5M+ endowment which Summit has raised. Chatham’s goal is to raise an endowment comparable to that in Summit in order to substantially increase support.

Education Foundation Grants to Schools FY 2019–20



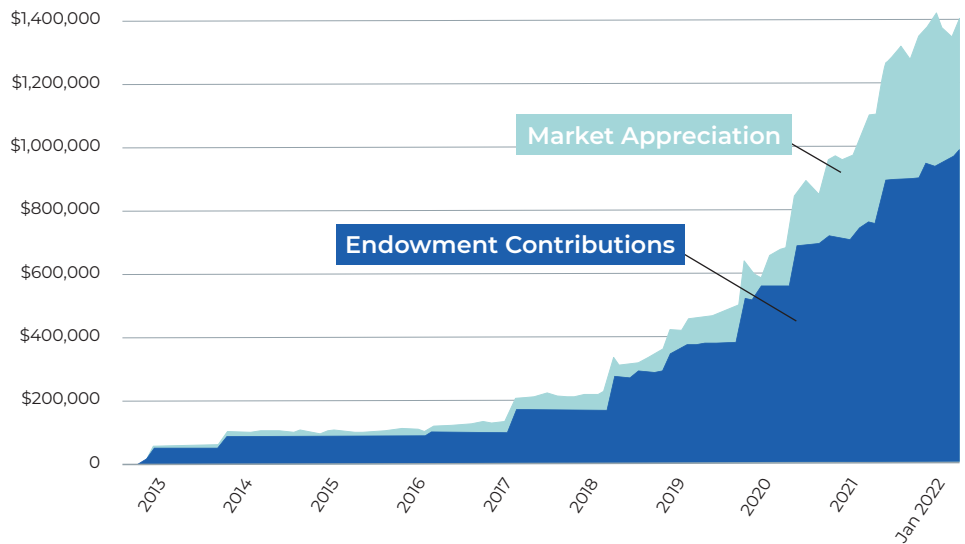
ENDOWMENT HISTORY

If we did not have CEF to help support the science program, the science classes would not be able to experience the 21st century technologies that we see in the science labs. Students experience what scientists do in the field and CEF grants allow teachers to give them 21st century skills that prepare them for college and future careers.

Kristen Crawford,
Science Supervisor

Beginning July, 2018, Chatham Education Foundation embarked on the **quiet phase** of its first endowment campaign. The endowment has grown to approximately **\$1.4M**.

Endowment Growth



Gifts in the Permanent Endowment are held by Chatham Education Foundation in perpetuity. The initial gift is invested, and a portion of the average annual investment return is spent for the purpose designated by the donor. The remaining income is added to the principal as protection against inflation. Thus a permanent endowment gift today will have relatively the same value for future generations.



21st century classroom furniture.



Outdoor Classroom at Milton Avenue School.

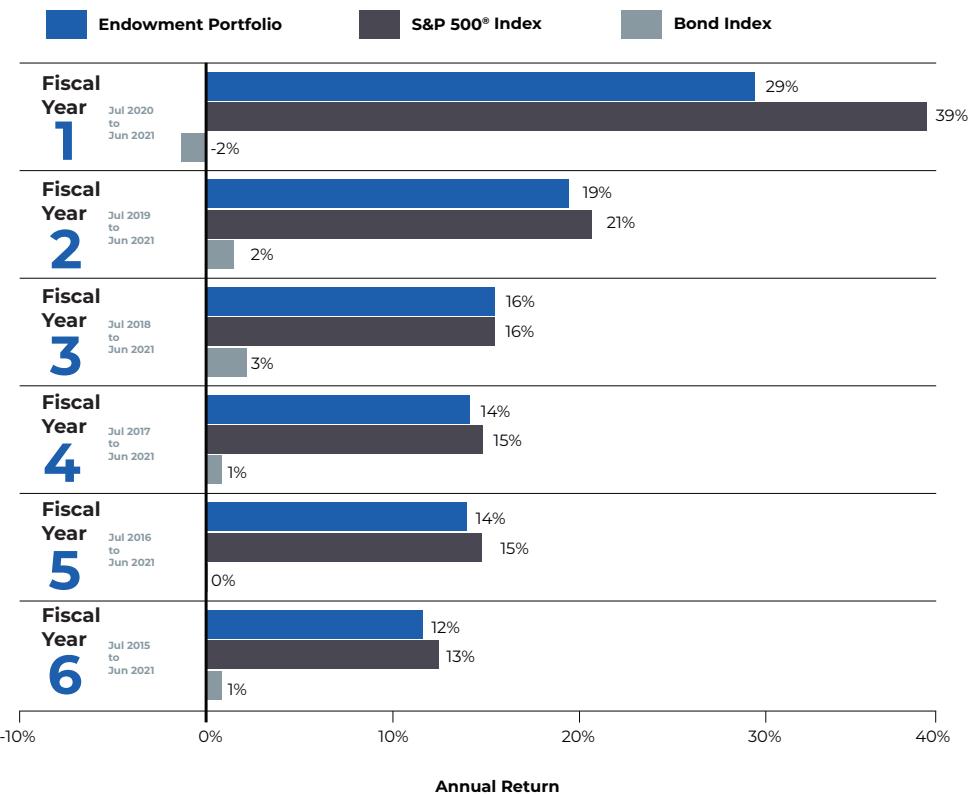
ENDOWMENT INVESTMENT AND SPENDING

Chatham Education Foundation’s commingled long term investment pool includes Quasi, Term, and Permanent endowment funds. The Chatham Education Foundation endowment portfolio is broadly diversified, with 75% of the portfolio invested in a low cost Vanguard S&P 500 mutual fund, and 25% in a low cost Vanguard intermediate-term bond fund.

The spending policy for the permanent endowment, reviewed annually by the Finance Committee, currently specifies that 5% of a 12 quarter rolling average of the permanent endowment will be allocated to endowment spending to support teacher grants.

Funds must be in the endowment for six months prior to being subject to the spending policy. Quasi and Term endowments maintain their investments with no allocation to spending.

Annual Compound Return



Our gift to the CEF endowment reflects our family’s strong belief that private funding directly to the schools benefits both our children and our entire community. The endowment provides long-term, sustainable funding for enrichment programming, facilities upgrades, and teacher training that public school budgets alone can’t fund.

Kristine Dickson,
Parent and Endowment Donor



Thinking Classroom.

INAUGURAL ENDOWMENT DONORS

The following donors have funded endowments

Endowment Fund for Environmental Sustainability (*Abbott Family*)

Allen Family Endowment Fund

Anonymous Endowment Funds

Battiato Family Endowment Fund

Blue Foundry Bank Endowment Fund

Dickson Family Endowment Fund

Epstein Family Endowment Fund

Karpowic Family Endowment Fund

Kuppenheimer Family Endowment Fund

Ryan T. Ganley Memorial Endowment Fund (*Metviner Family*)

PriVikNik Endowment Fund

Prael Family Endowment Fund

PTO Endowment Fund

Quon Family Endowment Fund

Rooney Family Endowment Fund

Routh Family Endowment Fund

STEM Endowment Fund (*Anonymous*)

The minimum endowment gift is \$20,000,
with funding spread over up to five years.



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