

# Natural Heritage Trust

## Performance Measures Report FY 2022-2023

### Report Background

The 2009 Public Authorities Reform Act requires public authorities to develop performance measures to assist their organization in determining how effectively it is fulfilling its mission. The Natural Heritage Trust (NHT) submitted its performance measures to the Authorities Budget Office and NHT is required to prepare a measurement report annually to ensure the performance goals continue to support NHT's mission.

### Mission Statement

The NHT's mission is to receive and administer gifts, grants, devises and bequests of real and personal property to further conservation, outdoor recreation, historic preservation and waterfront and community revitalization.

The NHT accomplishes its mission by facilitating private investment for these purposes. The NHT ensures the safekeeping, prudent investment and appropriate expenditure of funds on cooperative programs and projects with its agency partners: New York State Office of Parks, Recreation and Historic Preservation (OPRHP), Department of Environmental Conservation (DEC) and the Department of State (DOS). The NHT also partners with other public and private entities, not-for-profits and friends groups that share mission-compatible goals and purposes.

### Measure 1

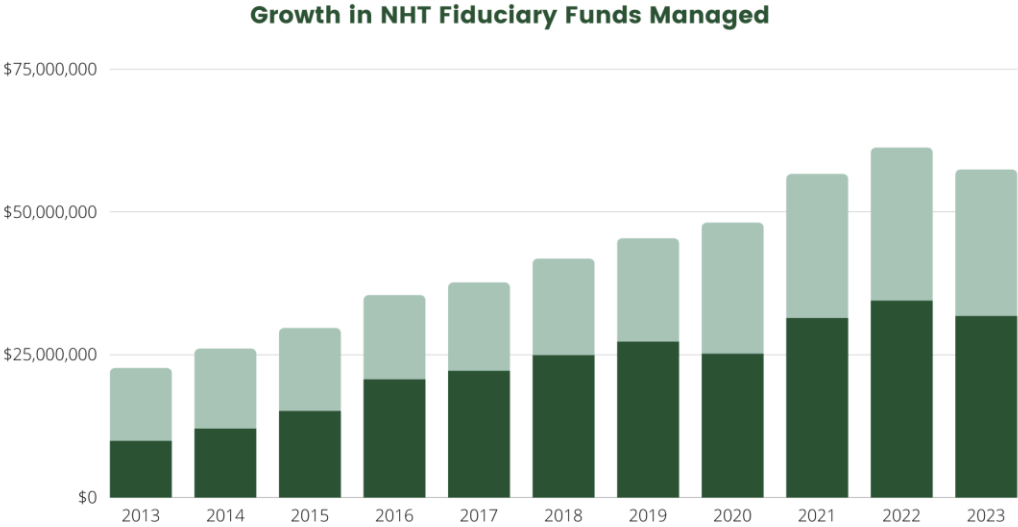
*Assist agency partners in facilitating private investment in New York State parks and historic sites, environmental conservation and education and waterfront restoration/revitalization efforts.*

➔ *Utilize the Trust's 501(c)(3) not-for-profit status and ability to accept restricted gifts to increase donation potential*

The NHT has continued to support its agency partners by securing private resources for environment, preservation and recreational programs and projects in a variety of ways. In FY 2022-2023, the NHT brought in approximately \$15.4 million in gifts, grants and other funds in support of these purposes. As of year-end, the NHT had assets totaling over \$62.5 million. Of that, \$57.3 million is managed in a fiduciary capacity for the NHT's agency partners.

As of 3/31/23, the NHT managed approximately \$31.8 million for park and facility-specific endowments and \$25.6 million for a wide variety environmental, historic, cultural and recreational purposes statewide.

The following chart summarizes the fiduciary growth in endowments and programs managed by the NHT over the last 10+ years:



- ➔ *Increase public awareness of the existence of the NHT through promotional materials*
- ➔ *Adhere to donor requirements as specified in gift agreements*

Although the majority of donations to the NHT are of smaller dollar amounts, the larger gifts generally have an associated gift agreement. While each agreement varies depending on the nature and duration of the project, the NHT has complied with the terms of each gift agreement by ensuring that all expenditures are made in accordance with the specified terms and by providing income and expense reports, investment summaries and other reports relating to the administration of the gift.

The Donor Perfect fundraising software not only tracks donor and donation information, but also provides features like reminders for foundation grant reporting deadlines. Additionally, the software’s donation form function is used exclusively to collect online donations, which allows for more customization of donation pages.

NHT debuted its own standalone website, email distribution lists and social media presence in June 2021. These new channels provide a more streamlined donor experience as well attracting new and engaging current donors directly. The site provides much-needed autonomy that allows for more efficient communication management and site maintenance, enhancing the user and administrator experience.

These new platforms have allowed NHT to expand its fundraising reach, disseminate more information to the public about the programs and projects it supports, and work with agency partners to develop more donor opportunities. For instance, the new website includes a detailed landing page for DEC which highlights many public programs that agency oversees as well as offers donors the opportunity to give directly to DEC properties.

In 2022, NHT worked with agency partners DEC and State Parks on a new program with the state's campground reservation system, Reserve America. This program offers campers the opportunity to "round-up" when completing payment for camping reservations, with donations going to the NHT to support state-operated campgrounds. Participation has been robust, with more than 20,000 round-ups completed.

These initiatives have strengthened the NHT's identity as the charitable partner to New York's public lands.

## Measure 2

*Ensure continued receipt of revenues and safekeeping of funds held in the Trust.*

- ➔ Invest funds in a manner consistent with the objective(s) of the gift, grant, program and/or project
- ➔ Maximize investment returns consistent with the investment policy statements for operating funds, capital/reserve funds, and endowment funds

The Board has adopted three Investment Policy Statements (IPS's) that supplement the NHT's Investment and Banking Policy. Each IPS serves as the blueprint of the investment strategy for the types of funds the NHT manages: Operating, Capital/Reserve and Endowment funds. In January 2021, the Board adopted a resolution to incorporate an Environmental, Social and Governance (ESG) investment strategy into each IPS in order to better align its investments with the organization's core mission of supporting parks and the environment. FY 2022-2023 was the second full year with an ESG portfolio.

Investments in FY 2022-2023 were down the first two quarters and rebounded in the second two quarters, but still ended the year down overall, largely mimicking the activity of the broader financial and major capital markets. The total portfolio ended the year down about -4.03%.

As of Fiscal Year-End, the NHT had 20 investment accounts. The total returns equated to:

- -0.08% return on the Main (Project/Program) Management account (Benchmark = -0.25%)
  - As of FYE the Main (Project/Program) Management Account was valued at \$22.8 million (representing about 41% of total investments)
- -5.15% on the 2 Capital/Reserve accounts (Benchmark = - 4.81%)
  - Capital/Reserve accounts were valued at \$1.7 million (about 3% of total investments)
- -5.79% on Endowment/Long-term Investment accounts (Benchmark = -5.46%)
  - Long-term investment accounts were valued at \$33.5 million (about 56% of total investments)

**Comparison of Total Return by Investment Strategy & Total Portfolio Return  
2021 - 2023**



### Measure 3

*Participate in cooperative programs and projects with the Trust’s agency partners: the Office of Parks, Recreation and Historic Preservation, the Department of Environmental Conservation, and the Department of State.*

➔ *Where applicable, provide goods and services, including staffing resources to complete projects and program objectives*

As of FYE, the NHT supported 15 program areas that required full-time staff including: Historic Preservation, Natural Resource Stewardship, Park Planning, Bayard Cutting/Community Sponsored Farming, the Niagara River Greenway, Rockefeller State Park Preserve, Ladders to the Outdoors, Ganondagan State Historic Site, Lucy Waletzky Environmental Stewardship, Connect Kids to Parks, South Shore Estuary, Coastal Consistency Review, two habitat programs, and Ocean and Great Lakes.

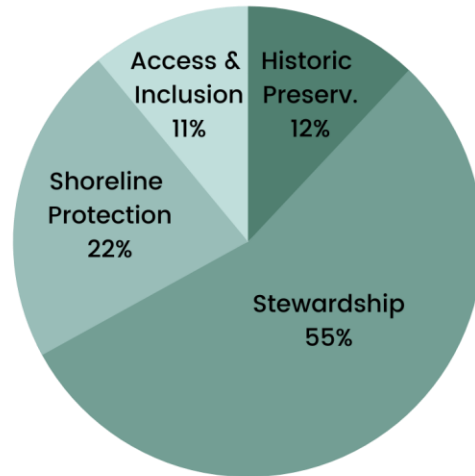
In 2022, the NHT worked with State Parks to support three new staffing position to advance important agency priorities:

1. “Our Whole History”: A new position within the State Historic Preservation Office will inform and assist with the development and incorporation of Indigenous stories into the interpretation of its thirty-five state historic sites and state parks with historic resources.
2. Environmental Stewardship: The new Waletzky Environmental Stewardship Fellowship, administered by the Trust, began work with the State Park’s Division of Environmental Stewardship and Planning focused on initiatives to combat climate change and ensure healthy habitats for wildlife and biodiversity.

3. Ladders to the Outdoors: The Statewide Ladders to the Outdoors Coordinator will oversee the expansion of this program that expands access to outdoor recreation in public lands among underserved youth and communities.

As of FYE, there were 62 employees on the payroll in support of these programmatic purposes. This staffing level increased about 10% from the previous fiscal year.

### Employees by Mission Priorities



The NHT was also instrumental in facilitating several large equipment purchases, capital expenses as well as smaller purchases for a variety of programs and projects

In total, the NHT expended about \$16.3 million on capital projects, program staffing, and goods and services in support of cooperative programs and initiatives undertaken with the NHT's agency and other partners.

- ➔ *Adhere to requirements as specified in grant and funding agreements*

The NHT has complied with the terms of its funding agreements. Where applicable, financial and grant status and budget reports have been submitted in a timely manner. Program expenses have also remained within budget targets, where applicable.

### Measure 4

*Build partnerships with other public and private entities having mutual interests and purposes.*

- ➔ *Collaborate with Friends Groups*
- ➔ *Provide support to committees, boards and commissions that share mission-compatible goals*

The NHT continued to partner with the Palisades Interstate Park Commission in accepting some small grants for expanding programming in some Palisade regions parks. The NHT was also instrumental in

fundraising for the maintenance endowment for the Autism Nature Trail at Letchworth State Park. Finally, the NHT continued its partnership with the Hudson River Valley Greenway to complete five Empire State Trail Gateways. The NHT also facilitated improvements to regional trails along the Genesee Valley Greenway through the acceptance of grant funds from the Ralph C. Wilson, Jr. Foundation. The NHT also facilitated receipt and administration of a grant the Niagara River Greenway Commission will use to build stewardship in the Greater Tonawanda community.

Throughout the fiscal year, the NHT and its agency partners worked in partnership with 57 foundations, not-for-profits, commissions and other government partners. The NHT annual report summarizes many of these collaborative efforts and includes a full list of supporters.

In 2023, NHT supported the NYS Parks 2024 Centennial Steering Committee including outreach and coordination with statewide partners, the State Council of Parks and regional park commissions, and Friends groups in support of projects, programs and new initiatives that will commemorate the 100<sup>th</sup> anniversary of the New York State Park system as well as ignite support among a new generation of park visitors.

➔ *Solicit private sponsorships*

The NHT received support from over 63 corporate contributors and activity sponsors. These contributors and sponsors provided extra support for many projects and programs that would not happen otherwise.

## **Measure 5**

*Implement and follow best practices related to the functions of the Board of Directors, organizational governance and transparency.*

The NHT Board of Directors meets three times per year to review and adopt the NHT's budget, review and approve the investment and procurement policies, receive annual updates from the NHT's investment management team and to review the results of the independent audit and investment review. The Board also receives regular updates on programs and projects supported the NHT. All Board activity is recorded and posted to the NHT's website. All NHT Board Meetings are open to the public both in person and via webcast.

In 2022, the NHT reconstituted its Governance Committee to keep the Board informed of current best practices in corporate governance, review corporate governance trends for their applicability to the Trust, and recommend updates to the Trust's corporate governance principles and governance practices. The Governance Committee also reviews written NHT policies, procedures and any documents related to the governance of the organization.

In 2023, the NHT updated its bylaws to reflect current organizational and administrative practices. The NHT executive staff worked closely with the Governance Committee to ensure that the bylaws reflect best practices in Board management.