
the **James Irvine** foundation
Expanding Opportunity for the People of California

2008 ANNUAL PERFORMANCE REPORT

FEBRUARY 2009



TABLE OF CONTENTS

INTRODUCTION	1
PROGRAM IMPACT	3
GRANTMAKING	4
OUTCOMES	13
RESULTS, LEARNING AND REFINEMENT	22
PROGRAM CONTEXT INDICATORS	24
INSTITUTIONAL EFFECTIVENESS	31
EXERCISING LEADERSHIP	32
CONSTITUENT FEEDBACK	38
FINANCE AND ORGANIZATION	39

INTRODUCTION

In December 2005, the Board of Directors approved a Performance Assessment Framework to clarify Irvine's approach to foundation-wide assessment and our yearly reporting on the Foundation's performance. This Annual Performance Report is based on that framework and reports on Irvine's activities in 2008. The report includes selective and targeted information, based on the guidelines provided by the framework.

The framework established two broad domains for analyzing the Foundation's performance: program impact and institutional effectiveness. In each domain, we developed the following sections and key questions to address:

PROGRAM IMPACT

- **Grantmaking:** Where are our grants going?
- **Outcomes:** Are we achieving what we set out to achieve?
- **Results, Learning and Refinement:** How do lessons from our program work improve our approach?

INSTITUTIONAL EFFECTIVENESS

- **Exercising Leadership:** How is the Foundation exercising leadership?
- **Constituent Feedback:** How do key stakeholders perceive us, and how do their perceptions inform our work?
- **Finance and Organization:** How are we performing along measures of financial health and organizational effectiveness?

We also include a Program Context section, added last year, to present selected indicators used by program staff to track the larger context within which our programs operate. These are not measures that we expect to affect directly but they are important for us to track and understand for planning purposes. We have placed them in a separate section to make this distinction clear.

In year's past, the Constituent Feedback section has discussed grantee and stakeholder perceptions of Irvine, and our responses. This year, we focus on feedback about our Web site and email newsletter.

Several assumptions inform Irvine's Performance Assessment Framework. As mentioned above, we have been selective in our measurement, and have not set out to assign a letter grade or pass/fail judgment on our work. We also expect this to be an iterative process and look forward to receiving feedback from the board to improve this report in future years. The report will also evolve as our strategies and goals change so that we are holding ourselves accountable to relevant outcomes. Finally, we hope this report provokes candid discussions when results do not go as planned, as well as insights about how to build on the successes indicated herein.

PROGRAM IMPACT

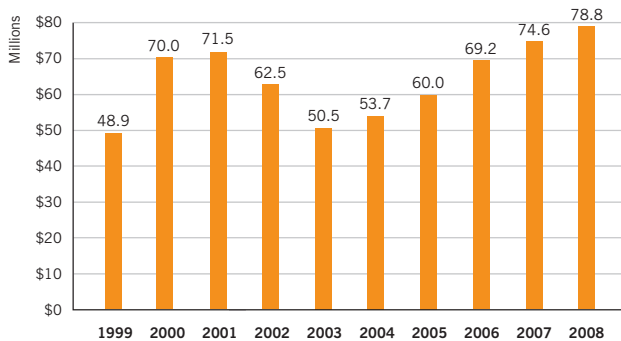


GRANTMAKING

We believe it is important to track our grantmaking along a range of indicators in order to have an informed understanding of the range of institutions we are supporting and to ensure that our grantmaking reflects our strategic priorities and our values. This section of the Annual Performance Report provides analysis of grantmaking across our program areas and priorities, how it changes over time, and the geographic distribution of grants across California’s regions.

The chart below displays the total amount of grants approved each year over the past 10 years.

TOTAL GRANTMAKING, 1999–2008



Total grantmaking reached \$78.8 million in 2008, the largest amount the Foundation granted in a single year in its history. Levels of grantmaking over time are based on the size of the endowment in a given year. Changes in grantmaking usually lag overall market conditions. With this in mind, while our grantmaking is projected to be flat in 2009, it is likely to decline in future years as we experience the effect of a significant economic downturn.

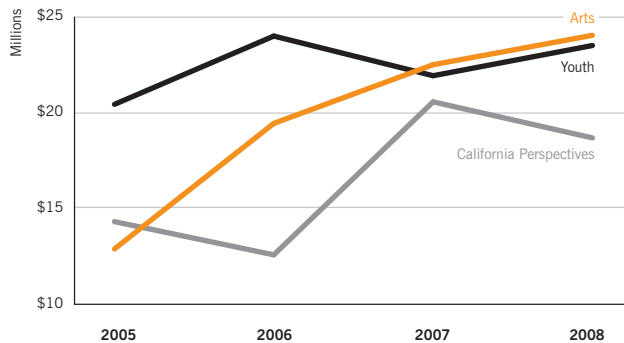
TOTAL GRANTMAKING BY PROGRAM AREA

Program Area	2008 Grant Dollars	
Arts	\$24,061,168	30.5%
California Perspectives	18,717,180	23.8%
Youth	23,530,618	29.9%
Special Opportunities	3,550,000	4.5%
Cross-Program	7,629,628	9.7%
Board and Staff Discretionary Grants	811,500	1.0%
Memberships/Sponsorships	488,500	0.6%
Total Grantmaking	\$78,788,594	100%

As in past years, 85 percent of our grants were devoted to work in our core programs of Arts, California Perspectives and Youth. Cross-Program grantmaking was somewhat higher in 2008 due to renewal grants for the Community Foundations Initiative II, which totaled \$4.75 million. Special Opportunities grantmaking made up \$3.5 million as the result of a major capital grant and a significant investment in a neighborhood change initiative in Los Angeles.

The chart below illustrates trends in grantmaking levels among our three core program areas over the past four years.

GRANTMAKING BY CORE PROGRAM



Note: Chart excludes Youth grants for the CORAL initiative (2005–07), which preceded our current program strategies.

TOTAL GRANTMAKING FOR CORE PROGRAMS, 2005–08

(DOLLARS IN MILLIONS)

Program Area	2005		2006		2007		2008	
Arts	\$12.9	22%	\$19.5	28%	\$22.5	30%	\$24.1	30%
California Perspectives	14.4	24%	12.6	18%	20.6	28%	18.7	24%
Youth	20.5	34%	24.0	35%	22.0	29%	23.5	30%
Other	12.2	20%	13.1	19%	9.5	13%	12.5	16%
Total Grantmaking	\$60.0	100%	\$69.2	100%	\$74.6	100%	\$78.8	100%

Note: “Other” category includes Special Opportunities, Cross-Program, Board and Staff Discretionary grants, and Memberships and Sponsorships.

The table above shows the proportion of total grantmaking by each of our core program areas. The category “Other” includes grants for Cross Program grants, Special Opportunities grants, Board and Staff Discretionary grants, and Memberships and Sponsorships.

The steady growth in Arts grantmaking since 2005 is the result of increasing numbers of grants in the multiyear arts leadership initiatives: the Arts Innovation Fund and the Arts Regional Initiative. Each of these initiatives has added new cohorts in different regions of California in successive years. In 2008, total grantmaking in the Arts program was increased by nearly \$4 million to fund renewal and new grants to community foundations in the Communities Advancing the Arts initiative.

Grantmaking under California Perspectives has fluctuated more year-to-year as a result of the timing of grants for different program initiatives and our major grant to launch California Forward in 2007. The California Votes Initiative, which received grants in 2005 and 2007, concludes this year.

The Youth program trend (excluding grants from the CORAL initiative) represents the continued implementation of the multiple pathways priority, with increasing numbers of grants for school-level demonstrations and additional preparations for expanding to district-level multiple pathways. We anticipate that our allocations within this priority will increase in future years as we launch new demonstrations in schools and districts across California, and complement those efforts with support for related policy reforms, coalition building, leadership development and other systemic changes.

Given the expectation of fewer grantmaking resources in the future, we recognize the need to carefully consider opportunity costs when allocating additional funds to one program over another. In developing grants budgets for the respective programs in 2009, we will continue to weigh factors such as: clarity of programmatic goals and objectives; feasibility of accomplishing the short- and longer-term objectives; and the program’s ability to leverage Irvine’s capacity, expertise, resources and partners for greater impact.

GRANTMAKING BY PRIORITY AREA

The following three tables provide detailed analysis of dollars and the number of grants awarded within each of our core program areas by programmatic priority and initiative. In making decisions about the allocation of resources within each program, the program directors consider the goals for each priority and initiative, what we seek to accomplish in each area, our potential for leverage or impact, and the size of investment required relative to the scale of impact.

Within this context, each program also has a special projects budget to allow each program team to respond to special situations and opportunities; to participate in relevant collaborative projects with peer funders; or to support particularly innovative ideas, usually at an early stage of testing or development. These special projects advance the broader goals of the program, but may not necessarily align with specific priorities or initiatives.

ARTS

GRANTMAKING BY PRIORITY AND INITIATIVE, 2008

Priority	Number of Grants	Amount (Millions)	
Arts Leadership	23	\$8.4	35%
Arts Regional Initiative	17	5.1	
Arts Innovation Fund	6	3.3	
Artistic Creativity	40	7.0	29%
Core Artistic Creativity Grants	22	6.4	
Creative Connections Fund	18	0.6	
Cultural Participation	48	4.2	17%
Core Cultural Participation	19	3.0	
Creative Connections Fund	29	1.2	
Special Projects	23	4.5	19%
Communities Advancing the Arts	9	3.8	
Other Special Projects	14	0.7	
Total	134	\$24.1	100%

Grantmaking in the Arts program reached a new high this year due to new and renewal grants in all three of the major initiatives. The Arts Regional Initiative added a new cohort of grantees in the Central Coast, stretching from Santa Cruz to Ventura counties. The Arts Innovation Fund added a third cluster of the state’s largest cultural institutions. The new Arts Innovation Fund grantees in this cluster will each take a unique approach to developing new programming to attract new audiences.

Arts grantmaking also included continuing support to community foundations that are successfully building new funding resources for local arts communities through the Communities Advancing the Arts initiative. The goals for this initiative are creating permanent revenue streams for the arts, increasing arts grantmaking by participating community foundations and improving leadership in local arts sectors.

Last year marked the first year of grantmaking in the Creative Connections Fund, which targets small and midsize arts organizations with projects and ideas that relate to our priorities of Artistic Creativity and Cultural Participation. Small organizations play an important role in the arts ecosystem, enabling grassroots creativity and adding to the cultural offerings of the neighborhoods and cities they serve, which, in turn, adds to the cultural vibrancy of the state. In 2008, we awarded a total of \$1.8 million in grants to 47 smaller arts organizations through the Creative Connections Fund.

The majority of our grantees in the Arts program tend to be smaller, community-based, and regionally focused. Since grants to those organizations are smaller, we note that the Arts program awarded the largest dollar amount in 2008 but also has more than twice the number of grants as either California Perspectives or Youth.

As in past years, grants for the Mobilizing Californians priority, which fosters involvement of underrepresented communities in public decision making, constituted the largest proportion of grantmaking in the California Perspectives program. The largest 2008 grant in that priority was awarded to the intermediary organization charged with implementing the Families Improving Education Initiative, a competitive small grants program to support organizations in the San Joaquin Valley and Inland Empire that help families deepen their involvement in policymaking regarding their local schools.

CALIFORNIA PERSPECTIVES

GRANTMAKING BY PRIORITY AND INITIATIVE, 2008

Priority	Number of Grants	Amount (Millions)	
Infusing New Ideas and Perspectives	3	\$2.9	16%
Informing Californians	11	6.4	34%
Mobilizing Californians	22	7.2	39%
Leadership Awards Program	17	2.0	10%
Special Projects	1	0.2	1%
Total	54	\$18.7	100%

There were also two major grants in 2008 related to the Informing Californians priority to support promising approaches to improve news coverage of significant state policy issues and increase Californians’ understanding of state governance and policy. One of these grants supported the launch of a Sacramento-based news bureau that would partner with existing news outlets to produce and disseminate in-depth coverage of significant state issues. The other will enhance coverage of state policy and governance issues among the state’s ethnic media, thus reaching a significant audience of diverse Californians.

The Youth program is principally focused on advancing multiple pathways by supporting practice, public will and policy. These sub-priorities were introduced in the June 2008 strategy update to the board.

Practice grants, which were the majority of Youth grantmaking in 2008, focused on demonstration projects, development of standards for curriculum and work-based learning, leadership development and teacher training, and other technical assistance.

YOUTH

GRANTMAKING BY PRIORITY AND INITIATIVE, 2008

Priority	Number of Grants	Amount (Millions)	
Multiple Pathways: Career and Technical Education	36	\$19.4	83%
Practice	28	16.7	
Public Will	5	1.5	
Policy	3	1.2	
College and Career Connections Fund	2	1.7	7%
Special Projects	11	2.4	10%
Total	49	\$23.5	100%

This area dominated the Youth program’s work in the past year, including \$6.4 million in grants to lay the groundwork for the District Initiative to Expand Pathways, to be implemented in 2009 in five to eight high school districts across California. Specific practice grants in 2008 also included support for the development of a law and justice curriculum, a pilot effort to incorporate multiple pathways into teacher credentialing programs, and the creation of a leadership development program for staff in schools and districts that are developing multiple pathways programs.

Grants for the College and Career Connections Fund focused on planning and start-up work for this new priority, which will support partnerships between community colleges and nonprofits in the Inland Empire that work with youth aged 16 to 24 who have dropped out of school and are not employed, helping them reconnect to pathways for a variety of career and college education options. The College and Career Connections Fund is managed by an intermediary organization that will award grants, provide technical assistance, organize convenings and conduct an assessment. The first round of implementation grants will be made by the intermediary in early 2009 to community-based organizations in the Inland Empire.

REGIONAL DISTRIBUTION OF GRANTMAKING

In the context of Irvine’s mandate to serve the people of California, one of our core grantmaking principles is to focus on place. While Irvine is committed to its statewide funding role, we are also aware of the divergent needs and resources in different regions of the state. With this in mind, we continually track whether grants awarded will address statewide goals or target one or more regions in the state. The table below summarizes our regionally focused grantmaking.

Over the past two years the proportion of our grantmaking to statewide organizations and activities has increased as we have made major commitments to organizations such as California Forward that are focused on statewide policy change. Similarly in the Youth portfolio, we made several large grants to develop curriculum standards and provide teacher training and leadership development to improve multiple pathways efforts across California.

REGIONALLY FOCUSED GRANTMAKING
(DOLLARS IN MILLIONS)

	2005		2006		2007		2008	
Regional Grants	\$38.5	66%	\$41.7	61%	\$41.9	57%	\$41.7	58%
Statewide Grants	20.0	34%	26.4	39%	31.4	43%	35.7	42%
Total Grantmaking	\$58.5	100%	\$68.1	100%	\$73.3	100%	\$77.4	100%

Note: Excludes memberships, sponsorships and discretionary grants.

REGIONAL VIEW OF CALIFORNIA



The table below breaks down regional grantmaking for 2008 and shows the amount in the active portfolio, which reflects all of our active grants at the end of the year. The active portfolio column offers a longer view of grants awarded over the past two to three years. Irvine has a particular commitment to serving the Central Valley (this priority region was refined to focus on the San Joaquin Valley in October 2008) and Inland Empire, regions of the state that have been underserved by philanthropy, are home to a disproportionate number of low-income Californians, and are experiencing rapid population growth. There are no quotas for regional grantmaking, but we compare our grantmaking distribution to population distribution as a benchmark.

Our regional grantmaking in 2008 was distributed broadly, with more focus on the Inland Empire and Central Coast regions than in years past as illustrated by the active portfolio. For the Central Coast, this can be explained by significant grants awarded in 2008 to a new cohort of the Arts Regional Initiative. For the Inland Empire, this change was due to grants supporting the launch of our small grants programs in California Perspectives and Youth that focus on this region.

Overall, in 2008, more than 50 percent of our regional grantmaking was directed to Los Angeles and our priority regions of the Inland Empire and the Central Valley. However, those figures, especially for the Inland Empire and Central Valley, are biased by large

upfront investments in two intermediary organizations for regranteeing in those regions in future years in the Youth and California Perspectives programs, as described above. Building a larger presence in the Inland Empire and Central Valley continues to be a challenge. We have sought to strengthen partnerships with intermediary organizations or other partners in the region in order to expand our reach. Our grantmaking in the Central Valley was less robust in 2008 than in past years when we dedicated a significant portion of grant dollars to this region compared to the population benchmark. In 2009, we expect a greater proportion of grants to focus on the Central Valley.

At our board meeting in October 2008, we reaffirmed our focus on California’s inland priority regions and the importance of sustaining our commitment to these regions in the upcoming years. We plan to build on recent efforts to identify and support new approaches that are tailored to the unique needs and context of these regions in order to fund promising projects and strengthen the local nonprofit infrastructure. An important part of this work will be realized through our collaboration with other funders to build the capacity of minority-led and other grassroots organizations serving low-income and/or diverse communities. This support for grassroots organizations will focus first on the San Francisco Bay Area, the Central Coast and Central Valley, and we hope to expand to the Inland Empire in the future.

GRANTMAKING BY REGION

Region	2008 Grantmaking		Active Portfolio (as of 12/31/08)		Population
North Coast and North State	\$910,000	2%	\$985,000	1%	1%
Sierra	67,500	0%	422,500	<1%	1%
Bay Area	8,047,500	19%	22,884,000	21%	19%
Central Coast	6,748,000	16%	5,958,000	5%	6%
Central Valley	5,108,500	12%	19,864,875	18%	18%
Los Angeles	11,995,000	29%	42,735,000	39%	27%
Inland Empire	4,552,500	11%	9,392,375	9%	11%
South Coast and Border	4,329,000	11%	6,898,750	6%	17%
Total Regional Grants	\$41,758,000	100%	\$109,140,500	100%	100%

Note: Excludes memberships, sponsorships and discretionary grants.

OUTCOMES

Evaluation advances Irvine's mission in several ways. It demonstrates accountability and provides direct measures of the impact and effectiveness of our program work. Evaluation helps us identify promising approaches and effective solutions and thereby informs our grantmaking strategies and grantmaking activities. We share evaluation findings with our grantees in order to help them refine and sustain their work. We also share our evaluation findings and lessons with organizations and funders active in the fields in which we work.

Irvine engages in evaluation at multiple levels. Although we monitor every grant, we reserve formal evaluations for program initiatives in which we fund several grantees with common strategies and goals over a multiyear period. These evaluations present us with an opportunity to measure progress against outcomes that are achieved over a longer timeframe and to learn from other organizations doing similar work and facing similar challenges.

We do not have a single approach to evaluation across all situations. Rather, program staff determine the appropriate approach in accordance with Irvine's evaluation policies and guidelines, consideration of the evaluation questions, intended users of the evaluation findings, degree of rigor required, and available resources.

After five years of grantmaking in our new program directions established in 2003, we have a significant number of ongoing evaluations, with interim and final reports coming in on a regular basis. Below is an overview of our current evaluations with reporting activities for 2008 and 2009.

Evaluation	Evaluation Period	REPORTING ACTIVITIES	
		2008	2009
ARTS			
Arts Innovation Fund	2006–2010	Initiative and grant-specific logic models (March)	Interim report (March)
Arts Regional Initiative	2006–2011	Interim report on Southern California cohort (June)	Interim report on Central Valley cohort (June)
Communities Advancing the Arts	2007–2011	Annual benchmarks data (February)	Annual benchmarks data (February)
CALIFORNIA PERSPECTIVES			
California Forward	2008–2010		Evaluation design (February) Interim report (September)
California Votes Initiative	2006–2009	Interim report (September)	Interim report on November 2008 election (April) Final report (June)
YOUTH			
ConnectEd Network of Schools	2006–2008		Final report (February)
Student Support Partnership Integrating Resources and Education (SSPIRE)	2007–2008		Final report (March)
Concurrent Courses	2007–2010	Evaluation design (June)	First interim report (March)
District Initiative to Expand Pathways	2009–2012		Evaluation design (June) Evaluation launch (September)
CROSS-PROGRAM			
Community Foundations Initiative II	2006–2011	Interim report (May)	Interim report (May)
Fund for Leadership Advancement	2006–2008	Interim report (August)	Final report (January)

On the following pages we report on several evaluations for which we received reports in 2008. Evaluations for the Student Support Partnership Integrating Resources and Education (SSPIRE) and the ConnectEd Network of Schools concluded in this year. We are also concluding the evaluation of the first three years of the Fund for Leadership Advancement (FLA), although FLA will continue as an active priority in our Cross Program work. We also report on interim findings of ongoing evaluations for the Community Foundations Initiative II, the Arts Regional Initiative and the California Votes Initiative.

ARTS REGIONAL INITIATIVE (ARI)

INTERIM EVALUATION

GOAL:

To improve the financial sustainability, management, governance and growth capacity of leading California arts organizations outside of the major metropolitan areas of Los Angeles, San Francisco and San Diego.

TIMEFRAME:

2006–2013

BUDGET:

Initiative: \$14.5 million (to date)
Evaluation: \$490,000 (3.4% of budget)

GRANTEES:

Twelve midsize and large arts organizations in the Inland Empire and South Coast were assessed in this interim progress report

KEY FINDINGS:

Grantees in this cohort have achieved important improvements in their governance, management and technical capacities, including:

- Comprehensive strategic plans produced (often for the first time) with substantial board engagement.
- Improved governance and board functioning.
- New board members and movement toward board composition that is more representative of the community.
- New organizational structures and positions created that allow the executive director to be more external as a spokesperson and to build external partnerships.
- New staff or newly acquired skills were achieved in key areas of marketing, fundraising and financial management.
- About two-thirds of ARI grantees experienced staff turnover, which is understood as an indicator of an organization engaging in transformative change by acquiring new leadership or staff skills.

Although these organizational improvements were documented across ARI grantees, the gains have not yet translated into actual or sustained improvements in financial status or expanded audiences, key outcomes for the initiative.

CHALLENGES AND NEXT STEPS:

With these evaluation findings, it became apparent that many of the ARI grantees were overly ambitious in their capacity-building plans. In subsequent cohorts, we have required that each grantee focus its attention and identify a maximum of three capacity-building objectives.

As part of ARI we funded newly created staff positions, focusing on development or marketing. ARI grantees now face a big challenge, especially in the current economic environment, to sustain these new positions. Wherever possible, we direct funding to staff positions that can generate new revenues to sustain the positions, but careful planning, tracking and decision making are crucial.

Refinements to ARI based on these evaluation findings and challenges are described in the following chapter of the report. Additionally, the evaluation of ARI continues with a midpoint evaluation report for the Central Valley cohort due in 2009.

DISSEMINATION:

This evaluation report was for internal purposes only to inform Irvine and ARI grantees, so it was not disseminated externally. The evaluator presented the results to the ARI cohort from the Inland Empire and South Coast in July 2008.

CALIFORNIA VOTES INITIATIVE

INTERIM EVALUATION

GOAL:

To increase electoral participation among infrequent voters, particularly those in low-income, ethnic communities.

Recognizing that our funding for voter mobilization can only reach a portion of California's infrequent voters, this evaluation also focuses on demonstrating to funders and other civic organizations the best strategies for mobilizing these voters, and encouraging policymakers to be more attentive to the concerns of low-income, ethnic communities.

TIMEFRAME:

2006–2009

BUDGET:

Initiative: \$7.7 million

Evaluation: \$785,000 (10.2% of budget)

GRANTEES:

Nine community organizations in the San Joaquin Valley and Los Angeles, Orange, Riverside and San Bernardino counties

KEY FINDINGS:

This phase of the evaluation focused on testing theories from last year's report through field experiments. The results helped to refine some of the previously reported best practices.

Best practices confirmed in this phase of the evaluation include:

- Importance of recruiting voter outreach canvassers from communities close to the target voters. Canvassers from the same neighborhoods as targeted voters increased turnout by 8.5 percentage points, while canvassers from outside the area increased it by 5.2 percentage points.
- Canvassing should not begin more than four weeks before Election Day. In initiative experiments, conducting outreach within four weeks of the election resulted in an 8.5 percentage point increase in voter turnout.
- Face-to-face contact is most effective, although it can be economically and logistically challenging. Pooled results across 21 door-to-door experiments increased voter turnout an average of 9 percentage points.
- Phone banking is enhanced by screening for working numbers, using multilingual teams and following up with people who say they are likely to vote. Improvements in voter turnout attributable to these practices ranged from 4 to 11 percentage points.

CHALLENGES AND NEXT STEPS:

While the activities supported by this initiative showed that voter outreach efforts can motivate infrequent voters to participate in elections, these efforts require considerable resources. The final report on this initiative will provide detailed information about the costs associated with the various outreach strategies.

The 2008 presidential election was the final election included in the California Votes Initiative. The evaluators plan to use data from that election to further study whether people mobilized in one election are more likely to participate in subsequent elections, and how many contacts it takes to turn a low-propensity voter into a habitual voter. The use of social networks and the relative effects of outreach efforts on sub-populations such as youth will be analyzed in more depth. Irvine will publish and disseminate a final report on the evaluation findings in summer 2009.

DISSEMINATION:

We sought to reach various audiences for this evaluation: civic organizations and funders interested in improving voter outreach methods; and policymakers and political candidates who need to be informed about the potential for growth in voter participation among low-income and ethnic communities. Evaluation findings were disseminated to target audiences online, through media coverage and presentations at funder conferences.

CONNECTED NETWORK OF SCHOOLS

FINAL EVALUATION

GOAL:

Strengthen, document and replicate innovative and effective multiple pathways programs in California high schools that prepare students for success in college and career.

TIMEFRAME:

2006–2008

BUDGET:

Initiative: \$3.53 million

Evaluation: \$150,000 (4.3% of budget)

GRANTEES:

Sixteen multiple pathways demonstration sites in high schools across California, regranted through ConnectEd

KEY FINDINGS:

The sites in the ConnectEd Network used different pathways models and therefore represented a variety of structures and scope: small, autonomous high schools; academies within schools; regional occupation programs; and elective course sequences. Sites were selected based on student population served, curriculum design, instructional practices and school organization and climate.

The evaluation was not designed to test a causal relationship between participation in the multiple pathways model and academic outcomes but rather to document the outcomes and explore the relationship between various program features, student participation and student outcomes. The variation in program size and structure prevents us from making general conclusions about which features of program implementation are associated with better outcomes.

College Eligibility: The evaluation found that 98 percent of seniors graduated and, excluding one outlier site, 52 percent fulfilled the “a to g” course requirements for admission to the University of California, more than double the statewide averages. For comparison, 25 percent of Hispanic and African American students statewide completed those course requirements.

CALIFORNIA HIGH SCHOOL EXIT EXAM PASS RATES

2007–2008 10TH-GRADE STUDENTS

	ENGLISH LANGUAGE ARTS		MATHEMATICS	
	Network	Statewide	Network	Statewide
Hispanic	79	70	76	70
African American	78	68	68	62
Asian	92	88	92	94
White	93	90	91	89
Overall	83	80	80	78

Exit Exam Pass Rates: The table above shows that, consistent with the previous year, students enrolled in pathways were more likely to pass the California High School Exit Exam (CAHSEE) on their first attempt in 10th grade than were high school students generally. The CAHSEE is a prerequisite to earning a high school diploma.

Standards Test Scores: The high school California Standards Tests are administered at the end of a subject course. The table on page 17 shows the proportion of students scoring at a “proficient” or “advanced” level on each test. Scores are broken out by student race/ethnicity but do not control for student motivation, socioeconomic status or English language proficiency. The outcomes on these subject tests are mixed.

- While the overall results are mixed, Hispanic and African American students enrolled in pathways at network sites generally performed better on tests in English, Earth Science, Life Science and Biology compared to students statewide. Asian and White students fared worse on those tests. Overall, students at network sites fared poorly in chemistry and physics when compared to students statewide.
- As documented last year, mathematics achievement of students at network sites was poor, consistent with mathematics achievement statewide.

STUDENT ACHIEVEMENT ON CALIFORNIA STANDARDS TEST
 PROPORTION OF STUDENTS SCORING AT “PROFICIENT” OR “ADVANCED” LEVEL

	HISPANIC		AFRICAN AMERICAN		ASIAN		WHITE	
	Network	Statewide	Network	Statewide	Network	Statewide	Network	Statewide
ENGLISH								
English 9	33	34	45	34	59	73	58	68
English 10	34	27	41	26	52	64	52	57
English 11	35	22	28	22	27	58	52	53
SCIENCE								
Earth Science 9	31	20	31	16	48	43	54	48
Life Science 10	27	25	30	23	53	64	48	56
Biology 10	30	23	33	22	68	53	55	52
Chemistry 11	7	12	6	10	13	43	20	36
Physics	10	22	8	17	20	62	34	56
MATHEMATICS								
Algebra 1	13	12	8	6	17	39	14	28
Algebra 2	11	22	31	18	19	56	30	42
Geometry	7	7	3	5	21	28	9	20

Program Quality: ConnectEd’s core components for multiple pathways specify that multiple pathways curricula must be both academically rigorous and technically demanding. According to the evaluation results, most sites had achieved some progress toward that standard but still have work to do. On the ConnectEd Multiple Pathways Program Assessment Rubric, the average score for “Rigorous Curriculum” was 2.44 on a scale of one to four; the average score for “Integrated Problem/Project-Based Curriculum and Instruction” was 2.69.

These areas are the central focus for Irvine funding in 2009.

CHALLENGES AND NEXT STEPS:

Teacher quality, curriculum integration and work-based learning also represent challenges for pathways programs: A guiding principle for multiple pathways is connecting academic concepts to real-world applications and integrating challenging academics with demanding career and technical curricula. The level of integration and quality of curriculum and instruction varied widely across the sites and need to improve to meet the standard of multiple pathways.

- Teaching is the key factor affecting the quality of program implementation. Training, coaching and other teacher supports are necessary components of the pathways programs but there are few established or formal programs.

- Mathematics has been particularly challenging to integrate into the pathways in terms of curriculum, instruction and class scheduling.
- A key component of multiple pathways is work-based learning, yet the availability, quality and oversight of work-based learning experiences have been inconsistent.

Much of the evidence from these school-based demonstrations is encouraging, but our field scan documented the need for a large-scale, system-wide demonstration to prove the feasibility and impact of multiple pathways at a district level. ConnectEd has begun to plan a district-level initiative to expand multiple pathways in California high schools, expected to launch in June 2009.

DISSEMINATION:

In the coming months, ConnectEd will integrate these evaluation findings into its communications work to advance specific policy reforms that support pathways. The evaluation findings will also inform the network schools as they showcase model pathways and host visits by staff from the districts selected to participate in the District Initiative to Expand Pathways. The full evaluation report and accompanying targeted summaries will be publically available by May 2009.

STUDENT SUPPORT PARTNERSHIP INTEGRATING RESOURCES AND EDUCATION (SSPIRE)

FINAL EVALUATION

GOAL:

To improve the academic achievement and graduation rates among low-income and underprepared community college students by improving the integration of academic instruction and traditional student services.

TIMEFRAME:

2005–2008

BUDGET:

Initiative: \$4.2 million

Evaluation: \$225,000 (5.4% of budget)

GRANTEES:

Nine community colleges across California, regranted through MDRC

KEY FINDINGS:

The participating community colleges implemented new programs and practices under SSPIRE. All of the programs focused on assisting underprepared students to pass remedial English and math courses so they could advance to college-level course work. The colleges developed or expanded programs along the following models:

- Five colleges used learning communities where a cohort of students take two or more linked courses with a shared curriculum and cooperative learning experiences.
- Two colleges used a case management approach.
- One college created a drop-in study center for students to access academic tutoring and counseling services by faculty and trained peer mentors.
- One college created an intensive summer program offering remedial education and college orientation for new students.

All of the SSPIRE community colleges collected data on demographics and academic outcomes for students who participated in a SSPIRE program, and three colleges gathered comparative data for students taking the same remedial courses but not enrolled in SSPIRE. At Merced and DeAnza colleges, students who participated in SSPIRE programs performed better in their remedial courses and persisted to the next term at higher rates than students enrolled in the same courses but without supportive services.

Pasadena City College recruited a group of students for their intensive math preparedness course who were much less prepared for their remedial math courses than the average student taking remedial math. Poor student performance in year one motivated the college to change the structure and focus of these programs. In the second year, pass rates for SSPIRE students improved but were still lower than the comparison group.

REMEDIAL COURSE SUCCESS RATE

	SSPIRE students	Non-SSPIRE students*
Merced College Drop-in Center		
English	78	54
Math	56	47
DeAnza College Learning Community		
English	82	77
Pasadena City College Summer Program		
Math (Year one)	28	49
Math (Year two)	31	46

*Note: Comparisons do not control for student backgrounds or motivation.

Overall, evaluation findings show that successful programs had clear goals, supportive senior leadership, engaged faculty and staff, and used data to track student outcomes. The major determinant of successful integration of academic instruction and traditional student support services is the level and quality of collaboration between instructional and student services faculty and staff.

CHALLENGES AND NEXT STEPS:

2008 marks the end of our support for the SSPIRE initiative. However, lessons from this evaluation are relevant to the multiple pathways model because integrating support services and academic instruction is important to help guide students through a complete program of class work and coordinated work-based learning.

DISSEMINATION:

The models and lessons from SSPIRE can inform current efforts across the California Community College System to strengthen its remedial education programs. MDRC will publish and disseminate the evaluation findings in spring 2009, targeting community college administrators, faculty and student services staff who make decisions about remedial education program innovations.

COMMUNITY FOUNDATIONS INITIATIVE II

INTERIM EVALUATION

GOAL:

Accelerate the growth and development of a group of California's smaller community foundations located in areas of the state underserved by philanthropy, helping them become more robust, local philanthropic organizations.

TIMEFRAME:

2005–2011

BUDGET:

Initiative: \$11.7 million planned; \$11.2 million to date
Evaluation: \$650,000 (5.5% of budget)

GRANTEES:

The original cohort of nine emerging community foundations across California was reduced to seven in 2008, based upon performance in the first grant period and potential to build upon positive results during the second grant period. Continuing grantees are located in the following counties:

- Central California: Shasta, Placer, Fresno and Kern
- Northern and Central Coast: Mendocino and San Luis Obispo
- Bay Area: Napa

KEY FINDINGS:

This interim evaluation reports on grantee performance as of year-end 2007.

- Community foundation assets grew from \$64.8 million at the beginning of the initiative to \$143.8 million at the end of 2007. That is an annual growth rate of 33 percent, far beyond the 20 percent average growth rate for comparable community foundations nationally. The strong, sustained growth rate is largely based on members of the community establishing new funds and increasing existing funds, signaling increased confidence in these foundations and ability to attract local philanthropic resources.
- Other indicators also show that cohort members are making progress toward greater operating stability. Average fund size increased from \$110,000 to \$158,000, and the percentage of operating costs covered by fee revenue increased from 36 percent to 41 percent.
- Community foundation grants to local nonprofit organizations in 2007 were \$13.8 million, a decline from their 2006 high of \$16.7 million, the result of reduced giving by donor-advised funds which are not controlled by community foundation staff. Grant distributions are still higher than at the start of the initiative in 2005, when they were only \$10.1 million.
- Investments in board development have improved governance practices and increased understanding among board members of their responsibilities and the strategic issues faced by their foundations.

CHALLENGES AND NEXT STEPS:

2008 was the midpoint of this six-year initiative, and we adjusted our work to address several challenges that have affected progress thus far. For example, community foundations participating in CFI II tend to be small, with fewer than five staff and no second-tier leadership, which limits these institutions as they experience significant growth and seek to achieve greater community engagement and impact. The ability of each community foundation to take on an expanded role has depended in large part on the CEO's individual strengths and weaknesses.

Midcourse refinements to CFI II are discussed in the following chapter about Results, Learning and Refinement.

DISSEMINATION:

The primary audience was the Community Foundations Initiative II (CFI II) cohort. Findings were shared with grantees in a convening, and each community foundation also received an individual dashboard-style report of its particular performance. In 2009, we will share some of the lessons of CFI II with the broader field through two new publications, board member engagement and marketing.

FUND FOR LEADERSHIP ADVANCEMENT

FINAL EVALUATION OF A CONTINUING INITIATIVE

GOAL:

To increase the organizational effectiveness of select grantee organizations by enhancing the leadership capacities of their executive directors.

TIMEFRAME:

2006–2008

BUDGET:

Grants: \$2.7 million

Evaluation: \$120,000 (4% of budget)

GRANTEES:

Twenty-one organizations who received grants in the first three rounds of the Fund for Leadership Advancement

KEY FINDINGS:

While the Fund for Leadership Advancement (FLA) is an ongoing initiative, we contracted for an evaluation focusing on the experiences of the first three cohorts in order to have a rigorous analysis of program impacts.

Grants from the fund last for one-and-a-half to two years, and typically involve executive coaching and organizational or board development consulting. Many participants also attend executive seminars or related professional training. Since the fund focuses on the development of the participating leader in order to make the organization more effective, there were impacts at two levels: for the leader and for the organization.

The evaluation shows that, at an individual level, participants:

- Strengthened their leadership skills and ability to work with senior staff and their boards.
- Reported higher job satisfaction and felt less likely to burn out.
- Improved their access to leadership and management information for ongoing professional development.

At an organizational level, colleagues around the leader reported:

- Increased organizational capacity and functioning, including more strategic actions, a more effective leadership team and a better organizational vision.
- Improved internal structures, policies and processes to distribute leadership among senior staff, allowing leaders to focus more on external activities.
- Enhanced board engagement through an improved sense of purpose and direction, as well as clarified roles and expectations.

CHALLENGES AND NEXT STEPS:

Based on grantee reports and the evaluation findings, the team has continually refined procedures and criteria for our grantmaking. Examples of specific challenges include:

- To date, FLA grantees have focused on mature organizations with a senior staff structure capable of absorbing more responsibility from executives and supporting their leadership growth. The FLA team is considering ways to structure grants for smaller organizations with fewer staff.
- Recognizing that board development work often occurs later in the grant, we are recommending longer grant periods to provide more time for leaders to engage their boards.

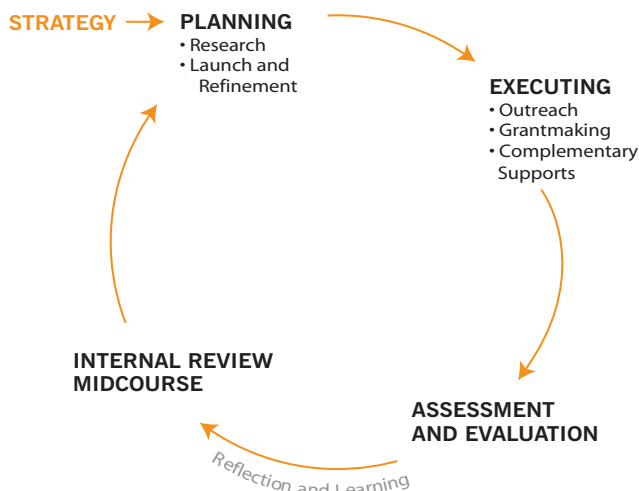
FLA is an ongoing initiative, managed by an internal cross-disciplinary team and an organizational development consultant. In 2009, we expect to make five to eight grants to support the leaders of organizations in our active grant portfolio.

DISSEMINATION:

Leadership development has been a continual interest in the foundation community, but there are few significant reports of experience in funding this type of organizational support for a sustained period of time. With more than 40 grants through the FLA, Irvine staff recognizes an opportunity to inform the field. We plan to issue a report about this initiative in 2009 that will couple these evaluation findings with other insights from later grants.

RESULTS, LEARNING AND REFINEMENT

At Irvine, we value and expect ongoing program review and refinement. In developing a new program strategy or initiative, our program staff undertakes an iterative process of planning, executing, assessing and refining. We design and fund evaluations to measure results and provide a credible analysis of what works to support our program work. We complement these formal evaluations with our own monitoring of grants which involve interactions with grantees and observations and feedback from the field. Together, this body of information is then analyzed, interpreted and used to inform refinements of the program goal, grantmaking strategies and program decision-making at key junctures in the life of a program initiative.



One natural opportunity for program assessment and refinement occurs at the midpoint of a program initiative when the initial grants are up for renewal, which occurred in several initiatives in 2008. The midcourse reviews were a planned event in each of these initiatives, examples of which are described further below.

Overall, these midcourse reviews were valuable because they provided a structured opportunity to assess, reflect and recalibrate an initiative. The midcourse reviews involved external perspectives, internal reflection on grantee performance and initiative design, and a more reflective understanding of Irvine’s goals and priorities. Based on the findings, staff identified lessons, took corrective action and sharpened the program goal and strategy. These midcourse reviews have renewed attention to the program goals, allowed us to question underlying assumptions, and moreover, invigorated staff and grantees alike.

Arts Regional Initiative (ARI): As a result of the midcourse review, we proposed a second phase to the initiative. The interim evaluation results documented the progress achieved by Arts Regional Initiative (ARI) grantees in developing new awareness, knowledge and commitment to organizational capacity-building efforts and in making some initial concrete organizational improvements. However, the review showed that grantees need more time to achieve the initiative’s overall goal of improved financial sustainability, management, governance and growth capacities of the participating arts organizations.

The review findings prompted several changes for the second phase. The Foundation will help grantees to continue to improve organizational functioning and also shift their attention externally to increase cultural participation, particularly among diverse audiences in their communities. We will target the technical assistance on developing the skills and abilities of board and executive leadership in their roles to achieve ARI outcomes of improved financial sustainability and cultural participation. To support grantees, the review also indicated that we need to better explain how the various elements of the program reinforce one another. Lastly, staff made several process refinements to the initiative to improve the quality and use of coaching assistance, peer exchanges, grantee convenings and to bolster tracking systems employed by ARI grantees.

Communities Advancing the Arts (CAA): Based on the results from the first three years of CAA, we decided to extend the initiative for a second, three-year period to make more progress toward the initiative’s goal of increasing permanent assets dedicated to the arts. The results were impressive in the first three years, with arts-related assets at participating community foundations growing 69 percent, compared to overall asset growth of 24 percent.

We refined the initiative’s framework to respond to lessons from the first phase, as well as to board feedback and guidance. Changes included the following: a sharper goal statement; clear outcomes and measures of success; a more explicit focus on linking grantmaking and donor-outreach activities at each community foundation; and the expectation and funding for CAA community foundations to exercise leadership in their respective communities to raise the visibility and support of the arts sector. Complementary technical assistance was augmented to include coaching and tools for the participating community foundations to support their donor outreach and other communications efforts and for networking among the cohort.

James Irvine Foundation Leadership Awards:

We commissioned an external assessment of the program after two years of program implementation. Based on the assessment results, we decided to continue the program while also making a number of adjustments. We sharpened the goal statement, challenged ourselves to develop a three-year vision and measures of success for the program, made plans to tailor the communications assistance to the award’s purpose, and augmented our outreach, communications and convening activities for the award recipients. The program refinements should serve to focus and enhance the visibility of the awards and Irvine among target audiences.

Community Foundations Initiative II (CFI II): We have made several refinements to the initiative based on a midcourse review. Evaluation results indicated that the initiative is largely on course, with most cohort members having achieved important early milestones. The most important driver of performance has been CEO and board-level leadership. The first three years had largely focused on building the internal capacity of the participating community foundations, with less attention to regranteeing or leveraging the grantmaking as an asset development opportunity. In the first round, the initiative also focused effort and expended resources on lower performers in the cohort to bring them to a higher level of capacity, rather than investing in and pushing high performers even more.

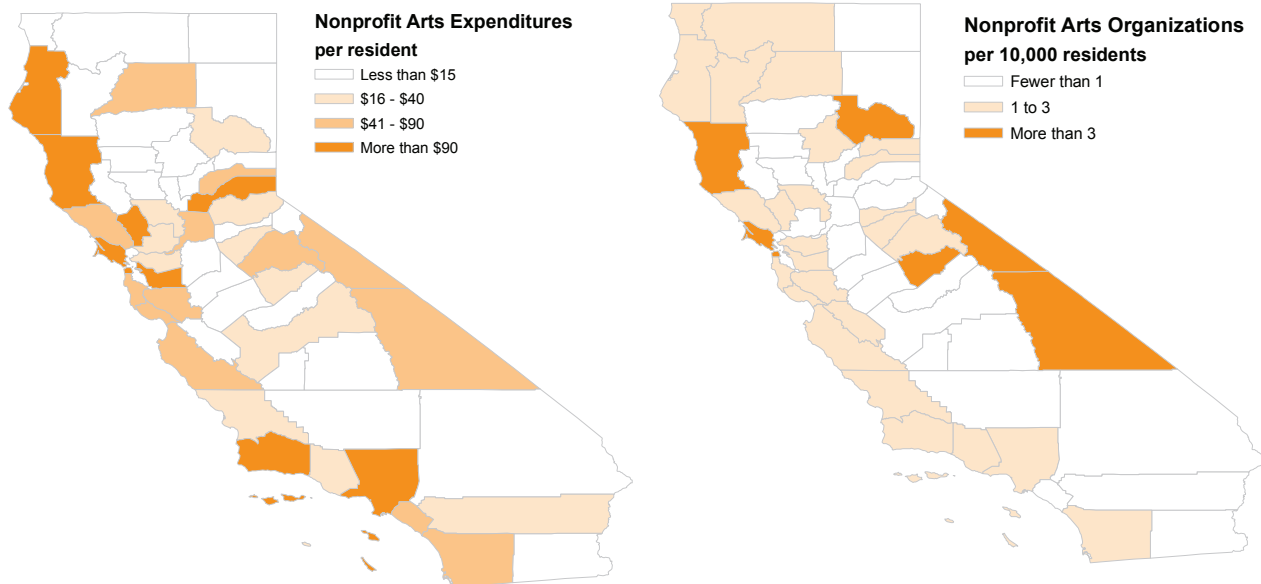
In response to the review findings, the level and focus of the complementary technical assistance and convening activities were also redesigned to focus more explicitly on grantmaking skills and executive and board leadership. Moreover, the consulting team has now shifted its focus from the lower performers, which were not recommended for renewal funding, to accelerating the progress of high-performing community foundations. The technical assistance has continued to support board development, given the important gains in this area, but has also shifted from a focus on governance basics to supporting board members in their external roles in the community as ambassadors for the organization. And finally, the evaluation was retooled to provide more practical, timely and meaningful results linked to CEO and board leadership capacities, financial strategy and sustainability, external relations and grantmaking.

PROGRAM CONTEXT INDICATORS

This marks the second year of reporting on context indicators related to our program areas, which help staff to understand trends in the fields where we are actively funding. The data presented here provides important context by describing the general conditions and statewide trends in California. We selected data that are publicly available and, in many cases, the indicators represent proxies for data points that are not available at this time. There are several grants in our active portfolio which support the data collection needed to track these indicators. We are also funding efforts to refine and improve data available, particularly in the Arts.

ARTS

NONPROFIT ARTS ACTIVITY AND ACCESS



Source: National Center for Charitable Statistics, CA Department of Finance

The arts landscape in California continues to be a story of two regions, coastal versus inland. The map of nonprofit arts expenditures per resident shows that major metropolitan areas in Los Angeles and San Francisco have much more arts activity in the formal nonprofit sector. The Sacramento metropolitan region and North Coast region also score high on this measure.

The map of arts organizations per resident shows that metropolitan areas and sparsely populated rural areas have a greater proportion of formal arts organizations compared to inland regions. These same inland regions are the subject of the Cultural Engagement report released in October 2008, which showed that there is relevant arts and cultural activity occurring outside of the types of traditional arts venues represented in these maps. This contrast reinforces an important distinction between formal versus informal arts activities.

STATE GOVERNMENT FUNDING FOR SELECTED STATE ARTS AGENCIES

State	Arts Agency Revenue from State FY2008	State Funds Per Capita	Ranking
Connecticut	\$ 9,879,823	\$ 5.21	2
New Jersey	28,498,000	3.40	4
New York	51,793,000	2.72	8
Minnesota	10,215,000	2.12	11
Massachusetts	12,268,259	2.06	12
Louisiana	6,715,439	1.71	18
Pennsylvania	15,225,000	1.29	27
Illinois	15,205,400	1.25	29
Florida	15,576,088	0.89	38
Washington	2,578,000	0.83	41
California	4,002,000	0.14	50

Source: National Assembly of State Arts Agencies, Legislative Appropriations Annual Survey

State revenue for California’s state arts council remained flat in 2008 according to data from the National Assembly of State Arts Agencies. In a state of more than 37 million people, these dollars are severely stretched. California still ranks last on state funds per capita for support of the state arts agency.

PRIVATE FOUNDATION GRANTMAKING TO ARTS AND CULTURE, 2007

PROPORTION BY STATE

State	Total Amount to Arts and Culture (\$ millions)	Proportion of United States Arts and Culture Grantmaking	Proportion of United States Population
New York	\$588.9	25.7%	6.4%
California	271.6	11.8%	12.1%
Pennsylvania	194.4	8.5%	4.1%
Texas	134.4	5.9%	7.9%
Michigan	100.6	4.4%	3.3%
Missouri	78.4	3.4%	2.0%
Florida	74.4	3.2%	6.0%
Massachusetts	69.8	3.0%	2.1%

Source: Foundation Center

The table above shows grantmaking information from the Foundation Center based on their data for grants over \$10,000 by the 1,200 largest foundations in the United States. This shows that California receives a large proportion of the available grant dollars for arts and culture, almost equal to the state’s proportion of the U.S. population. Comparable figures for New York and Pennsylvania illustrate that well-developed arts and culture sectors can attract much greater proportions of foundation support.

CALIFORNIA PERSPECTIVES

The data presented below provide indicators of political participation in California. There was higher voter turnout for the 2008 presidential election in most parts of the state, although the overall pattern of lower turnout in Los Angeles, the Inland Empire and San Joaquin Valley persists.

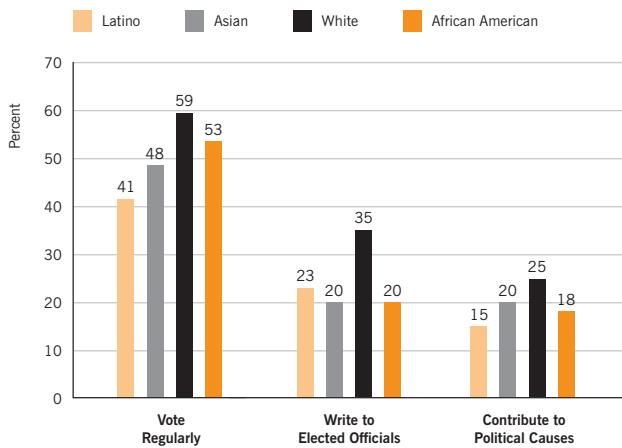
VOTER TURNOUT BY REGION OF CALIFORNIA

Region	2004 General Election	2008 General Election
Sierras	70.5%	71.2%
Central Coast	63.5%	64.8%
Bay Area	61.8%	64.1%
North State	63.7%	62.6%
Sacramento Valley	59.8%	61.8%
South Coast and Border	59.0%	61.3%
Statewide	57.0%	59.2%
Los Angeles	54.5%	58.3%
Inland Empire	48.9%	50.6%
San Joaquin Valley	49.3%	49.7%

Data: CA Secretary of State, Statement of Vote

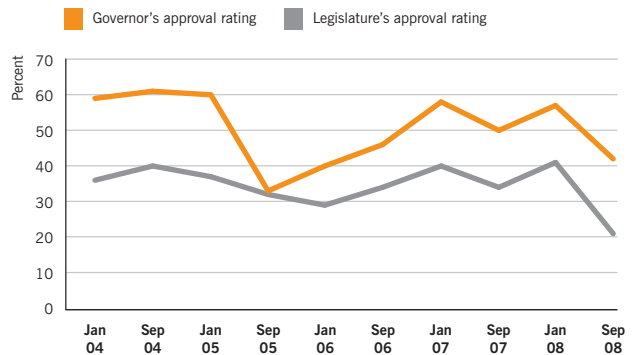
Data in the chart below on civic engagement illustrates that ethnic Californians are less likely than their white counterparts to vote regularly, write to elected officials or contribute to political causes.

CIVIC ENGAGEMENT BY CALIFORNIANS
PARTICIPATION IN VARIOUS TYPES OF POLITICAL
ACTIVITIES, 2002



Source: PPIC Statewide Surveys, August-October 2002. Taken from Ramakrishnan, S.K. 2005. Democracy in Immigrant America. Stanford, CA: Stanford University Press
Data is for third generation or later immigrants, or non-immigrants.

APPROVAL RATINGS FOR ELECTED OFFICIALS

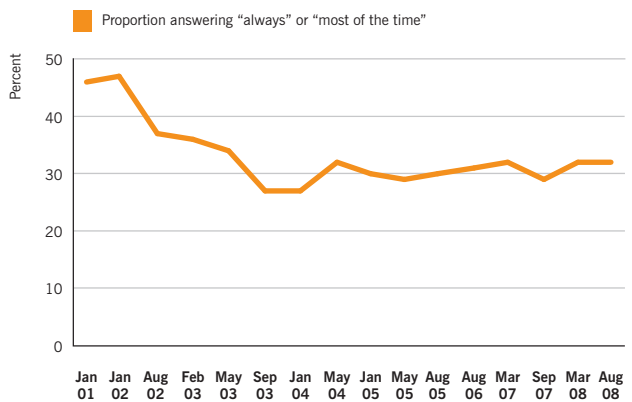


Source: Public Policy Institute of California, Statewide Survey

As the state's budget situation continues to worsen, public opinion of state officials has dropped to record lows. As the graph below demonstrates, for most of this decade, fewer than half of all Californians felt that they could trust state government to do what is right most or all of the time.

CONFIDENCE IN STATE GOVERNMENT

"HOW MUCH OF THE TIME DO YOU THINK YOU CAN TRUST THE GOVERNMENT IN SACRAMENTO TO DO WHAT IS RIGHT?"



Source: Public Policy Institute of California, Statewide Survey

EFFECTIVE GOVERNANCE RANKING

California earned a “C” in 2008 from the Pew Center on the State’s Government Performance Project. The national average grade was “B-,” and 41 states earned a higher rank. The last time that these grades were assigned in 2005, California received a “C-.”

Overall	C
Money	D+
People	C-
Infrastructure	B-
Information	C+

PUBLIC INTEREST IN GOVERNANCE REFORMS

The Public Policy Institute of California’s statewide surveys indicate that Californians are ready to see changes to the process of drawing political districts, the budget process and the initiative process. These are positive signs for the potential to make governance reforms that could result in smarter fiscal decisions and greater public trust.

“Do you think the redistricting process in California is in need of...”

Major changes	Minor changes	Fine as is	Don't know
43	26	16	15

“Do you think the state budget process, in terms of both

Major changes	Minor changes	Fine as is	Don't know
76	17	4	3

“In California’s initiative process, would you favor or oppose a period of time in which the initiative sponsor and the legislature could meet to see if there is a compromise

Favor	Oppose	Don't know
80	15	5

“In California’s initiative process, would you favor or oppose increasing public disclosure of funding sources for signature gathering and initiative campaigns?”

Favor	Oppose	Don't know
77	17	6

The public is not receptive to changing some governing structures, such as term limits. The survey question below shows that many Californians are satisfied with the status of current term limits and some would even like to

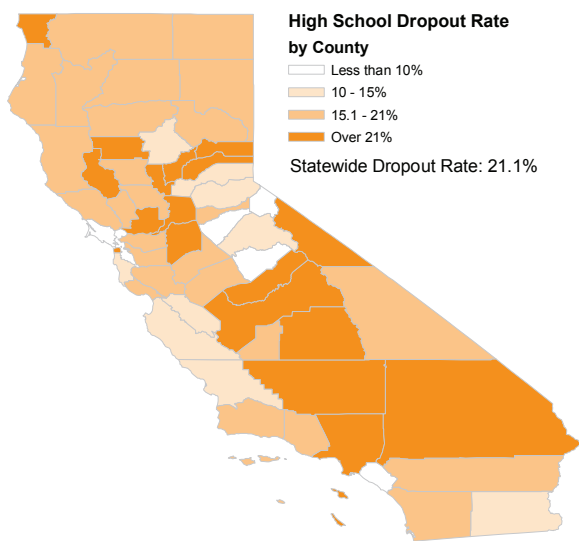
“Do you think the current term limits give state legislators too little, too much, or the right amount of time in

Too little	Too much	Right amount	Don't know
21	17	56	6

YOUTH

HIGH SCHOOL DROPOUTS

2006–07 marks the first year of student-level dropout tracking in California, which is based on unique student identifiers rather than simply measuring the change in the total number of students enrolled after four years. This new method of tracking provides more accurate information than was previously available about high school dropouts. This improved data shows that the statewide dropout rate is actually 21.1 percent, compared to 13 percent in 2005–06.

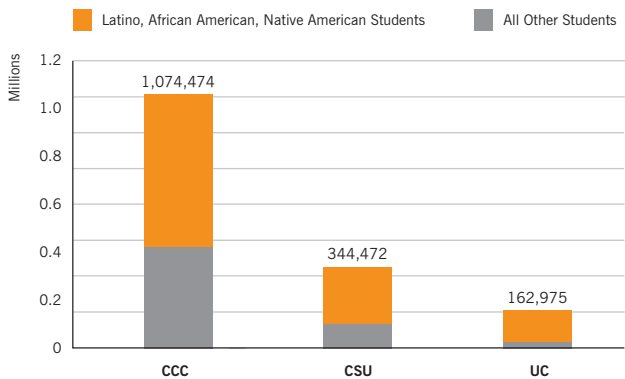


Data: DataQuest, California Department of Education

The map above shows that many counties in the inland regions of California have dropout rates exceeding the statewide rate. The counties with high dropout rates in the southern portion of the state such as Fresno and Los Angeles also have much larger student populations than counties in the more sparsely populated northern parts of California.

The chart below breaks down enrollment of students actively working to earn a degree in each of California’s three postsecondary education systems by race/ethnicity. This data shows the community college system enrolls many more degree-seeking students and that these students are more likely to be Hispanic, African American or Native American.

CALIFORNIA PUBLIC POSTSECONDARY ENROLLMENT BY SYSTEM AND RACE/ETHNICITY, 2006



Data: California Postsecondary Education Commission (excludes non-credit enrollment and enrollment of bachelor’s degree holders in the community college system)

The table below shows that overall completion rates are low in California’s community colleges, particularly for Hispanic and African American students.

COMMUNITY COLLEGE COMPLETION RATES BY RACE/ETHNICITY

	Completion Rate
All Degree-Seekers	24%
By Race/Ethnicity:	
Asian	33%
White	27%
Hispanic	18%
African American	15%

Source: Moore, C. & Shulock, N. (2007). Beyond the open door: Increasing student success in the California Community Colleges. Sacramento, CA: Institute for Higher Education Leadership & Policy, California State University, Sacramento

Note: Completion rate defined as the number of degree-seekers who completed a certificate, degree or transfer within six years, divided by the total number of degree-seekers.

In order to understand the current status and scale of California’s multiple pathways field, we collected the following data on the dominant multiple pathways models in California.

NUMBER OF MULTIPLE PATHWAY PROGRAMS IN CALIFORNIA

Career Academies (600+) – The career academy approach consists of three structural elements:

- A small learning community, comprising a group of students within a larger high school that take classes together for at least two years, taught by a team of teachers from different disciplines
- A college preparatory curriculum with a career theme, enabling students to see relationships among academic subjects and their application to a broad field of work
- Partnerships with employers, the community and local colleges to improve student motivation and achievement

California Partnership Academies (approximately 340) – Academies are 10th- to 12th-grade career academies consisting of the following components:

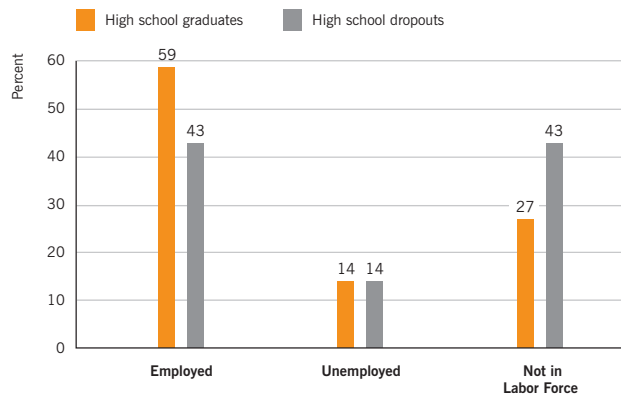
- Curriculum focused on a career theme and coordinated with related academic classes
- Voluntary student selection process
- Team of teachers who work together to plan and implement the program
- Motivational activities with private-sector involvement to encourage academic and occupational preparation, such as integrated and project-based curriculum, mentor program, exploration of postsecondary and career options
- Workplace learning opportunities such as job shadowing and student internships

ConnectEd Model Programs (16) – ConnectEd model programs consist of four core elements:

- An academic core that prepares students to transition to the state’s colleges and universities, as well as apprenticeship and formal employment training programs
- A technical core of four or more courses that can give young people a head start on a successful career
- A series of work-based learning opportunities, including mentoring, job shadowing and internships
- Supplemental services, including supplemental instruction that helps students master the advance academic and technical content

The table below shows that 16- to 19-year-olds who have dropped out of school are less likely to be employed.

EMPLOYMENT FOR YOUTH AGED 16 TO 19 NOT ENROLLED IN SCHOOL



Source: 2000 U.S. Census, SF3

INSTITUTIONAL EFFECTIVENESS



EXERCISING LEADERSHIP

The Foundation exercises leadership by helping frame understanding of key issues facing California, supporting the formation and implementation of solutions to those challenges, and working collaboratively with others to achieve its mission and goals. We go beyond grantmaking when opportunities arise to highlight grantee activities, share accumulated knowledge and use our access to valued resources beyond funding. In this chapter we provide illustrative examples of leadership in each of our program fields and across the Foundation.

ARTS

In the fall of 2008 we published results of a study about cultural engagement in the San Joaquin Valley and the Inland Empire. The study continues a theme of highlighting gaps and emerging issues in arts and philanthropy by showing future directions for arts engagement. This research reframes cultural engagement with a more inclusive definition of arts and culture that includes nontraditional venues beyond museums and theaters. This survey research reveals a breadth and depth of cultural engagement in Irvine's priority regions, and the report offers insights about the range of individual and community activities in music, theater, writing, dance and visual arts. The Arts team has been promoting this work in California through presentations to the Fresno Coalition for Arts, Science & History and to grantees in our Arts Regional Initiative, encouraging them to consider the range of cultural activity happening outside the traditional infrastructure of nonprofit arts sector. We also targeted other funders by organizing two sessions about the report at the national conference of Grantmakers in the Arts.

Another significant leadership activity is the Arts team's engagement in the California Cultural Data Project (CACDP), an effort to collect standardized information about the state's cultural nonprofits. Although we made the grant to support the CACDP in 2007, the public launch was in January 2008 and Irvine continued to be engaged throughout the year. During the planning for the public launch, we guided the development of a California-focused communications strategy, resulting in news coverage in outlets such as the *Los Angeles Times*. As one of the lead funders for the CACDP, Program Director John McGuirk participated on the CACDP working group and supported its expansion by helping attract resources from additional California funders. By requiring that grantees submit their Cultural Data Profile with their proposal materials, the Arts program also helped drive more organizations to contribute

information for the database. At the end of the first year almost 700 arts organizations in California had created 1,700 fiscal year profiles in the CACDP. Their goal is to have 5,000 profiles by the end of the third year.

CALIFORNIA PERSPECTIVES

Irvine engaged in a unique partnership among five major foundations to help launch California Forward, a bipartisan effort to advance governance and fiscal reforms. Irvine's president worked with other foundations to recruit high-caliber, bipartisan co-chairs for California Forward's Leadership Council and served as the spokesperson on behalf of the foundations at the March press conference announcing the organization's launch. California Forward garnered substantial early media coverage in the *Los Angeles Times*, *Sacramento Bee*, *San Francisco Chronicle* and other news outlets, all of which mentioned the foundations' involvement. Irvine has continued to serve as the lead organizer to guide California Forward, facilitating its development of relationships with organizations representing diverse constituencies throughout the state, which will help California Forward build a broad coalition for governance and fiscal reforms.

In 2008, Irvine informed foundations and civic organizations about effective nonpartisan strategies for increasing voter participation by publishing the latest evaluation findings from the California Votes Initiative. We are aggressive in communicating about our evaluations where we think others can learn from our work and, for California Perspectives in particular, where the information provided can help Californians engage in civic life and make informed decisions. Through the dissemination work described in the Outcomes section, and with outside public relations expertise, we aimed to help individuals and organizations be more effective in their work to increase voter participation among traditionally underrepresented communities.

Our outreach related to this evaluation also sought to educate elected officials, political consultants and those who run political campaigns about the potential for higher voter participation among ethnic and low-income Californians. The substantial media coverage, plus our targeted dissemination efforts, served to reach this audience.

YOUTH

The Youth program focused its leadership work in 2008 on defining, developing and building support for the field of multiple pathways. Our leadership activities included:

- Irvine, ConnectEd and other Irvine grantees provided policy analysis about strategies for expanding pathways. This background information informed the legislative debate on a range of education legislation, including AB 2648. That bill, which passed in September, established multiple pathways in the California Education Code and commissioned a study to define policy requirements for expanding multiple pathways.
- Irvine commissioned a major field analysis to assess the state of the multiple pathways field and identify key opportunities and challenges. This field analysis will guide Irvine's ongoing strategy refinements and was also shared with field leaders to deepen their understanding and further build support for strengthening the field.
- Irvine helped form an advisory committee of two dozen key leaders across the spectrum of organizations whose active engagement is needed to further develop multiple pathways. These leaders, including state policymakers, education leaders, business leaders and academics, were actively involved in the field analysis and were engaged in ways that deepened their commitment to multiple pathways. The committee meetings have helped build relationships that can help overcome the divisions that often undermine significant education reform in California. These advisors will continue to provide leadership and direction for the field in 2009 and beyond.

- Youth program staff participated in numerous funder briefings to share expertise and seek funding partnerships that can continue to build support for multiple pathways.

The Youth program also worked to improve understanding of the challenges facing California's community college system by sponsoring and promoting research on improving student success in the community college system. A 2008 report by Nancy Shulock at CSU Sacramento provides a concrete agenda for policy reform and specific policy recommendations to address issues of affordability of community colleges and increasing completion rates through more effective placement of students. The report garnered attention from key policymakers and helped to reframe the debate from providing access to students to focusing on the outcome of student success. Key legislative leaders requested assistance from the report authors to help craft legislation that sets goals for increasing transfer rates from the community colleges. The California Community College System made increasing student success a cornerstone of the implementation of its strategic plan and publicly acknowledged that student completion rates are too low.

MEDIA OUTREACH

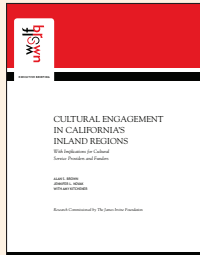
Garnering media coverage is a tactic that is regularly applied across our full range of institutional and programmatic goals. Within our leadership aspirations, media is an important means of framing understanding of key issues and sharing our results and learning. Examples of how media coverage helped frame understanding can be found throughout the Exercising Leadership section beginning on page 32. Examples of the use of media to share results and learning are included in the Dissemination sections of specific evaluation results, outlined in the Outcomes section beginning on page 13.

Overall, Irvine garnered news coverage across all major daily newspapers in California (e.g., *Sacramento Bee*, *Los Angeles Times*, *San Francisco Chronicle*, *San Diego Union-Tribune*, *San Jose Mercury News*, *Fresno Bee*, *Bakersfield Californian*, *Orange County Register*, *Riverside Press-Enterprise*). Coverage was also garnered in national print publications (e.g., *New York Times*, *USA Today*, *U.S. News and World Report*), industry-specific publications (e.g., *EdWeek*, *Chronicle of Philanthropy*), local radio and local television news.

Combining these various uses of media coverage into one statistic is of limited value, but it does give an indication of Irvine's presence in the media and a broad sense of how media coverage is applied across the range of institutional and programmatic goals. There were a total of 132 news articles in 2008 that mentioned the Irvine Foundation in some capacity (excluding calendar listings that happen to mention Irvine funding). Articles that were published in multiple newspapers were only included once in this count. We will report on this number in future years for comparative purposes.

PUBLICATIONS

Through the publication of evaluation results and relevant research findings we are able to share our results and learning and frame understanding of key programmatic issues. Below are summaries of significant publications in 2008.



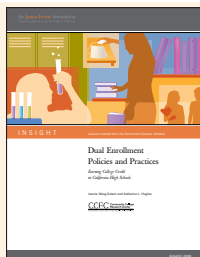
CULTURAL ENGAGEMENT IN CALIFORNIA'S INLAND REGIONS

The study surveyed more than 6,000 people and uncovered a range of cultural activity in music, theater and drama, reading and writing, dance, and visual arts and crafts — much of which occurs off the radar of the traditional infrastructure of nonprofit arts organizations and facilities.



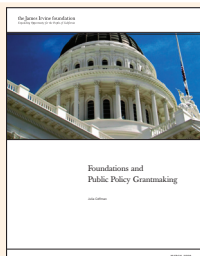
NEW EXPERIMENTS IN MINORITY VOTER MOBILIZATION

Report findings show how specific approaches for contacting potential voters can raise participation — particularly among population groups who are underrepresented at the ballot box.



'DUAL ENROLLMENT' OPPORTUNITIES IN CALIFORNIA

A new report from the Community College Research Center demonstrates the feasibility of using dual enrollment programs to enhance college and career pathways for low-income youth who are struggling academically or who are within populations historically underrepresented in higher education.



FOUNDATIONS AND PUBLIC POLICY GRANTMAKING

An Irvine-commissioned white paper considers how private foundations can engage in public policy and suggests specific lessons that foundations should keep in mind when considering policy-related grantmaking.



WHAT MATTERS, WHAT WORKS: ADVANCING ACHIEVEMENT AFTER SCHOOL

This brief summarizes the outcomes research on CORAL and demonstrates the importance of program quality and youth engagement in order for after-school programs to improve academic achievement.

STAFF ACTIVITIES

The tables below list representative staff activities that served our goal of enhancing our intellectual presence in philanthropy and our program fields. The first table focuses on presentations and speaking engagements, while the second provides examples of staff service on boards and committees.

Philanthropy affinity groups such as Grantmakers in the Arts and Grantmakers for Effective Organizations are a useful way to share our knowledge with peers at other foundations. Presentations in our priority regions help to raise Irvine’s profile in those communities.

SELECTED SPEAKING ENGAGEMENTS

Title/Topic	Organizer	Staff
ARTS		
Cultural Engagement research	Fresno Coalition for Arts Science and History	John McGuirk
Cultural Engagement research	Grantmakers in the Arts Conference	John McGuirk
Diversity from the Inside Out	California Association of Museums Annual Conference (Fresno)	John McGuirk
The Cultural Data Project: Lessons Learned	Grantmakers for Effective Organizations National Conference	John McGuirk
Shifting Ground: How Theaters are Changing Programming in Response to Changing Demographics	Theatre Bay Area Annual Conference	Ted Russell
CALIFORNIA PERSPECTIVES		
Advancing the Practice: New Frontiers and Evidence of What Works to Engage Voters of Color and Low-Income Voters	Northern California Grantmakers, Voter Engagement Funders Briefing	Latonya Slack
Passion Won't Pay the Bills: Sustaining Movement Anchors Through Capacity Building	Neighborhood Funders Group Annual Conference (Los Angeles)	Latonya Slack
YOUTH		
Welcome Remarks	California Mayors' Education Roundtable	Anne Stanton
CROSS-PROGRAM		
Reflection and Redesign: Using Learning to Transform Strategy and Capacity	Grantmakers for Effective Organizations National Conference	Marty Campbell
COMMUNICATIONS		
Role of communications in public policy grantmaking	Communications Network Annual Conference	Daniel Silverman
Shaping Opinions by Telling Our Story	Independent Sector Annual Conference	Daniel Silverman
EXECUTIVE OFFICE		
Irvine in the Inland Empire	The Community Foundation Serving Riverside and San Bernardino Counties	Jim Canales
The Advantage of Sharing Failures	Council on Foundations, 2008 Leadership Summit	Jim Canales
Testimony on AB 624	California State Senate, Hearing for the Business, Professions & Economic Development Committee	Jim Canales
INVESTMENTS		
The Modern CIO-Leading an Endowment/Foundation in Turbulent Markets	NMS Winter Forum 2008	John Jenks
Emerging Markets: Assessing the Risks and Opportunities in a Changing Environment	Institutional Investor Search for Alpha Conference	Anne Matlock
Key Issues and Challenges for Endowment Managers Today	Thomas Weisel Partners Management Conference	Anne Matlock

SELECTED LEADERSHIP POSITIONS

Title/Topic	Organizer	Staff
CALIFORNIA PERSPECTIVES		
Board of Directors, Secretary	Southern California Grantmakers	Latonya Slack
YOUTH		
Statewide P-16 Council	California Superintendent of Instruction California Department of Education	Anne Stanton
Program Committee	Grantmakers for Education Annual Conference	Anne Stanton
CROSS-PROGRAM		
Board of Directors	Grantmakers for Effective Organizations	Marty Campbell
Editorial Board	The Foundation Review	Marty Campbell
COMMUNICATIONS		
Communications and Marketing Task Force	Independent Sector	Daniel Silverman
INVESTMENTS		
Board of Directors, Investment Program Committee	Foundation Financial Officers Group	John Jenks
TECHNOLOGY		
Board of Directors	Technology Affinity Group	Jeff Brandenburg

CONSTITUENT FEEDBACK

At Irvine, we gather formal and informal input from key constituents in order to understand their perceptions about certain aspects of the Foundation's performance. In fall 2006, we surveyed key constituents through the Grantee Perception Report and Stakeholder Assessment Report. We will repeat these surveys in 2010 to compare feedback over time, and to continue to compare perceptions of Irvine to other foundations that use the same survey instruments.

In 2008, we completed two surveys on specific outreach and communications efforts, one to evaluate our newly redesigned Web site and the other to evaluate our newsletter, the Irvine Quarterly. We engaged an independent consultant, Neimand Collaborative, to design, execute and report on the surveys.

The sample sizes for each survey were slightly more than 100 individual respondents, with a margin of error of +/- 10 percent. Although small, the surveys do provide both statistically reliable measures on many points, as well as thematic or directional insights. We believe the survey results represent a meaningful evaluation because of the general consistency of the findings and the high quality of the respondents.

RESEARCH CONCLUSIONS

WEB SITE

- The new Web site is viewed as an improvement, with 74 percent of respondents saying that the new Web site is better.
- The Web site gets very positive ratings across all key dimensions of design and function.
- Respondent expectations and Web site performance are very well aligned on most dimensions, with some opportunity to better communicate results.
- Potential improvements include ease of navigation and legibility of specific headlines and labels.

IRVINE QUARTERLY

- The Irvine Quarterly receives solid positive ratings for its performance across broad elements of design and function, with 70 to 75 percent of respondents saying they are satisfied or very satisfied with all elements of the newsletter. The newsletter has a loyal readership, and the various content areas all have generally strong appeal.

- Audience expectations and newsletter performance reveal an overall opportunity to improve performance. Current performance levels are good, but expectations are very high. There are no indications of negatives or areas that must be fixed, rather, opportunities to improve on a solid existing product.
- Respondents would like to better understand the Foundation's rationale for its strategies and priorities and our future vision. This interest comes from a desire for more thought leadership as opposed to a skeptical or critical perspective.

IMPLICATIONS

Although we are pleased with these survey results, we believe there is room for improvement.

Regarding the Web site content, we are considering better ways to present the results and impact of our funding. We also plan to take a closer look at the site's written content, with an eye toward making it more accessible and less verbose. We also will continue to add new photography to the site. Regarding the Web site design, we believe some further enhancements to the site's navigation, fonts and colors will make it easier to use and read.

Currently, Irvine Quarterly articles focus primarily on grantees but the survey shows that readers are just as interested in what goes on inside Irvine. As a result, we plan to strike more of a balance between grantee-focused versus Irvine-focused content. We will run more content, such as interviews with Irvine staff, aimed at giving readers a better understanding of who we are, how we think about important issues, and how we develop specific strategies and initiatives. These changes are particularly timely given the program strategy refinements planned for 2009. We will look for opportunities to feature these refinements in the newsletter as a way to address the need for greater transparency that some newsletter readers are seeking.

FINANCE AND ORGANIZATION

INVESTMENT PERFORMANCE

This past year has created dramatic challenges for the financial markets. After several years of growth, the Foundation’s assets declined in 2008, although less than the market overall.

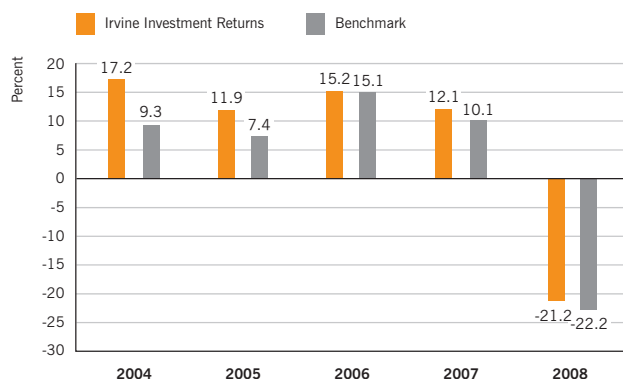
OVERVIEW OF ASSETS AND EXPENDITURES, 2004–2008

	2004	2005	2006	2007	2008*
Assets	\$ 1,542,049,509	\$ 1,610,480,320	\$ 1,802,605,768	\$ 1,882,772,223	\$ 1,413,624,695
Expenditures (Grants, Operating and Investments)	64,380,792	75,394,606	80,555,392	94,592,072	93,957,726

*Unaudited figures

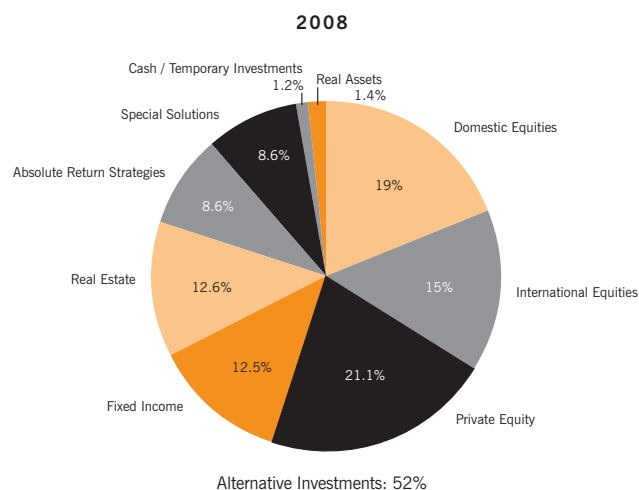
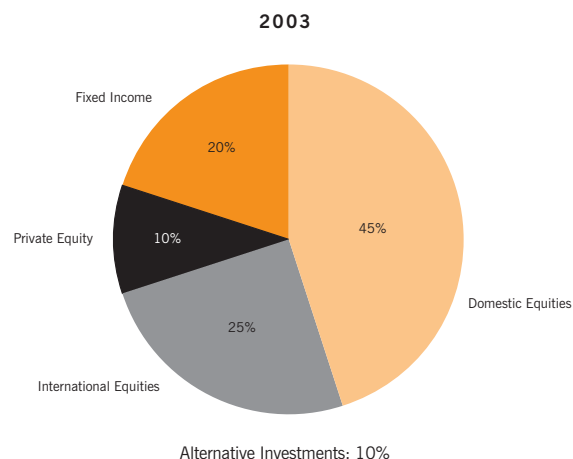
The board receives detailed quarterly statements on investment returns from Callan Associates that analyze Irvine’s performance across various time periods, relative to other foundations and endowments, by specific asset classes, and by individual managers, among other dimensions. Since those reports are reviewed each quarter by the board, we have not provided that level of detail in this annual performance report.

The chart below shows our investment returns relative to our benchmark for each of the past five years. The data presented here show that total financial assets in the Foundation’s endowment decreased in 2008. The past year was marked by deteriorating economic conditions and a global financial crisis. The poor performance in the financial markets was so widespread that not a single benchmark for any publicly traded asset class had a positive return in 2008.



With this in mind, the Foundation’s endowment performance was relatively good compared to our peer foundations and the S&P 500, which was down 38 percent at the end of the year.

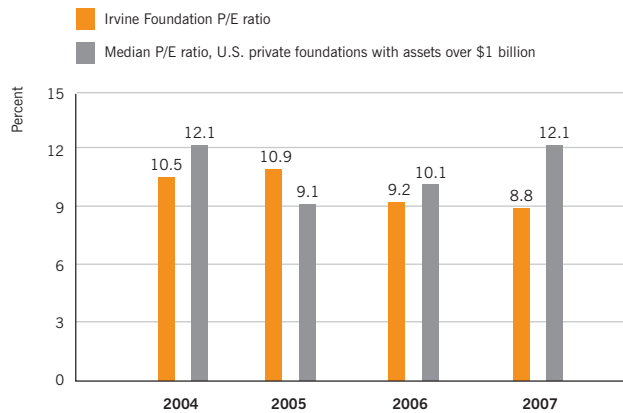
The charts below show the continued diversification of the investment portfolio from 2003 to 2008 based on the decision to increase Irvine’s allocations to alternative asset classes.



GRANTMAKING AND EXPENSES

The operating efficiency of private foundations can be measured by the Program Expense ratio (P/E ratio), which is the ratio of total operating expenses allocated to program divided by total grantmaking. We examine this data closely because we have access to similar data from other foundations for comparative purposes. Our target has been to maintain a P/E ratio in the range of 10 to 12 percent.

Comparative data on P/E ratios is compiled by the Foundation Financial Officers Group’s (FFOG) administrative costs survey, which provides a benchmark group of approximately 30 private U.S. foundations with assets over \$1 billion.



This chart shows that our P/E ratio has declined from 2005 to 2007. This has occurred because our program expenses remained relatively flat while our grantmaking grew in proportion to the growth of the Foundation’s endowment. In 2008 our P/E ratio was 9.8% (not shown in the chart because the comparison data is not available). The 2009 budget projects a 10.5% P/E ratio. In an environment of flat or declining grantmaking, as we anticipate in the near future, we expect to see this growth in Irvine’s P/E ratio.

PERSONNEL

The demographic data provided below demonstrate Irvine’s continuing commitment to maintaining a diverse board and staff. As the tables below illustrate, we have made very good progress in the past four years in further diversifying our staff. We recognize the particular importance of maintaining a diverse program staff, given their external orientation – as of December 2008, 51 percent of program staff are people of color.

Note that as we look ahead to impending retirements on the board, we will want to remain attentive to maintaining our diversity.

STAFF DEMOGRAPHICS

GENDER	2005		2006		2007		2008	
Female	21	64%	21	60%	22	58%	25	64%
Male	12	36%	14	40%	16	42%	14	36%
ETHNICITY								
Hispanic	4	12%	4	11%	4	10%	3	8%
Asian	7	21%	7	20%	9	24%	10	25%
African American	3	9%	4	12%	5	13%	7	18%
White	19	58%	20	57%	20	53%	19	49%
Total	33	100%	35	100%	38	100%	39	100%

BOARD OF DIRECTORS DEMOGRAPHICS

GENDER	2005		2006		2007		2008	
Female	3	27%	4	36%	5	38%	5	38%
Male	8	73%	7	64%	8	62%	8	62%
ETHNICITY								
Hispanic	2	18%	2	18%	2	15%	2	15%
Asian	2	18%	2	18%	2	15%	2	15%
African American	1	9%	1	9%	1	8%	1	8%
White	6	55%	6	55%	8	62%	8	62%
Total	11	100%	11	100%	13	100%	13	100%

Note: This data excludes the President and CEO, who is an ex-officio member of the board.

Because of the nature of the philanthropic field, it is our expectation that we would have annual turnover in the 10–15 percent range (or four to five staff per year). Turnover was above that target range in 2005 as we continued to align our staffing with new program directions, but has leveled off to be consistently within our expected percentage.

STAFF HEADCOUNT AND TURNOVER

	2005	2006	2007	2008
Number of Staff	36	36	38	39
Transitions	10	5	4	5
Turnover rate	27.8%	13.9%	10.5%	12.8%

Median Tenure of current staff – 3.08 years

KEY INSTITUTIONAL DEVELOPMENTS

BOARD PERFORMANCE ASSESSMENT

In the spring of 2008, the Irvine board commissioned a Comparative Board Report, conducted by the Center for Effective Philanthropy. This report is based on the findings of a survey that was completed by the full board and those senior staff members who attend board meetings and have at least a year of experience working with the board. The analysis provided by the Center for Effective Philanthropy includes results for Irvine with comparisons to the aggregate responses of other foundations that have been surveyed. With the survey design, the report focuses on enabling the board to self-assess its performance and activities. The comparative analysis places this assessment in relation to the self perception of other foundation boards.

The report showed that the board feels positive about its engagement with Foundation staff, and it reinforced areas for improvement that have been touched upon in the past. In particular, directors expressed a desire for continued education on program areas and the grantmaking process. It was also agreed that staff will continue to explore opportunities for directors to engage constructively and substantively in strategy discussions, such as the upcoming board retreat in March 2009.

BUSINESS CONTINUITY PLAN

The Foundation completed a Business Continuity Plan in 2008 to ensure that Irvine is adequately prepared for a major disaster that would impair our operations. Business continuity planning is considered a best practice that will help protect Foundation staff, assets and facilities and we hope will shorten the recovery time necessary to return to business-as-usual in the event of a major disruption. The plan approved by the Irvine board in December 2008 includes grantmaking guidelines in the aftermath of a major disaster and plans for emergency CEO succession.

REVISED GRANTMAKING MANUAL

Also in 2008, a task force of program staff, led by the Vice President for Programs, undertook a comprehensive revision of our Grantmaking Manual, which serves as a compendium of all grantmaking policies, processes and related resources of the Foundation. The goal of this revision was to ensure that the Foundation has established clear, realistic expectations to guide staff interactions with grantees so that they reflect Irvine’s values, acknowledge the Foundation’s staffing levels and respond to grantee feedback received in prior years.

