ABOUT JAMES IRVINE

A native Californian, James Irvine devoted most of his life to his business interests in San Francisco and the development of his 110,000-acre ranch in Orange County, which he inherited from his father in 1886.

Mr. Irvine believed that significant community responsibility came with his ownership of the ranch, and his philanthropic activities culminated with the formation in 1937 of The James Irvine Foundation. He directed that grants from the Foundation promote the general welfare of the people of California. Mr. Irvine died in 1947.

Since its founding in 1937, the Foundation has made grants totaling more than $800 million for the people of California.

ABOUT THE ILLUSTRATOR

Nicholas Wilton created the illustrations throughout this annual report. A California native, Mr. Wilton is an accomplished illustrator, artist, and teacher. Mr. Wilton attended the College of Creative Studies at the University of California, Santa Barbara, and is a graduate of Art Center College of Design in Los Angeles, a former Irvine Foundation grantee. He lives in northern California with his wife and two daughters.

The Irvine Foundation has supported the arts since its inception and today remains one of the largest funders of the arts in California. We are pleased to be supporting and highlighting the work of one of California’s artists in this annual report.
The mission of The James Irvine Foundation is to expand opportunity for the people of California to participate in a vibrant, successful, and inclusive society. In pursuit of this mission, the Foundation is guided by the following goals: **Advance** the educational and economic prospects of low-income Californians to create and share in the state’s prosperity; **Engage** a broad cross-section of Californians in the civic and cultural life of their communities and the state; **Enhance** mutual understanding and communications among diverse racial, ethnic, and socioeconomic groups; and **Enrich** the state’s intellectual and creative environment.
Effective philanthropy results from informed choices, and at The James Irvine Foundation, 2003 marked the culmination of a strategic planning process that required such choices. In this essay, I would like to review our new mission and program goals and to reflect on some of the tensions that framed these choices, tensions that are fundamental to the work of any grantmaking institution.

As we highlighted in last year’s annual report, Irvine’s new mission is to expand opportunity for the people of California. Specifically, we seek to focus on how our interventions today could bring long-term benefits to the people of California, especially those who face challenging prospects.

Within this framework, we naturally chose youth as one of our program areas. With an emphasis on low-income populations between the ages of 14 and 24, we aim to support a range of efforts that will increase options for young people seeking to become successful, productive, and engaged citizens.

We also chose to maintain our statewide arts program. Our planning process affirmed the power of the arts to build communities, foster
cross-cultural communications, and demonstrate the best of human potential. At a time when funding for the arts in California has diminished significantly, Irvine remains one of the largest private funders in the state, a role we are proud to fulfill.

Finally, we created a new program area called California Perspectives, which focuses on informing understanding and improving decision-making on critical issues of long-term consequence to the state. Focused in the near-term on effective governance, California Perspectives supports new approaches to solving problems that California faces and seeks to amplify the public’s voice on these problems.

While these three programs represent the concrete results of our strategic planning work, the process of defining these programs brought to light a number of tensions that are inherent to philanthropy. I hope the following pages contribute to a greater appreciation of these tensions and stimulate thoughtful dialogue about them.
How can we maintain a rigorous focus while remaining adaptable and open to new ideas?

Foundations are often criticized as rigid institutions that do not adapt quickly to changing circumstances and that stubbornly adhere to their defined agendas. At the same time, foundations are accused of shifting their priorities too often and trying to be all things to all people. In some cases, these seemingly contradictory criticisms are leveled at the same institution.

One of the most challenging tasks facing any philanthropic organization is to focus its grantmaking for greatest impact. It is difficult to resist the temptation to do a little of everything, in a quest for breadth and a well-intentioned desire to help. For Irvine, it was taking a close look at this very issue that led the Foundation to reduce its grantmaking agenda from six program areas to three. In doing so, we understood that the areas we have now identified require both patience and sustained investments. We have accordingly made a long-term commitment to these three areas.

In this context, however, how does a foundation ensure that it retains some flexibility and agility to be responsive to a changing environment? Certainly within our program areas, we acknowledge there’s a measure of flexibility necessary even with a clear focus. As the environment in which we work shifts, we aim to strike a careful balance between incorporating changes to our agenda without shifting priorities in any fundamental way. We acknowledge that solutions are not developed by the Foundation in isolation; rather, they are crafted in partnership with our grantees. To the extent that we listen carefully, stay attuned to the realities faced by those we seek to serve, and remain receptive to our partners’ authentic needs, we will continue to be an adaptable institution.

“We acknowledge that solutions are not developed by the Foundation in isolation; rather, they are crafted in partnership with our grantees.”
How do we demonstrate a sustained commitment to our grantees as we seek out and embrace new partners?

In conducting an analysis of our grantmaking over a period of several years, we discovered that three-quarters of our grants each year were awarded to institutions that had a prior relationship with the Irvine Foundation. What were we to make of that? Had we become a closed system with little opportunity for new organizations to receive Irvine funding, or had we demonstrated the importance of sustained, long-term partnership with our grantees? Therein lies the tension, as those who received Irvine support valued the Foundation’s sustained partnership, while those who did not receive Irvine funding viewed such data as proof of a closed process.

As we move forward, we remain committed to long-term partnership with our grantees. Moreover, where there is tight alignment between a grantee’s core mission and Irvine’s program goals, we maintain a predisposition to unrestricted operating support. Of course, such ongoing support will only be provided to those institutions that demonstrate forward progress, organizational effectiveness, and an ability to have positive impact.

At the same time, we are mindful that we want to find additional ways to identify new partners, and we are actively pursuing two concrete strategies to do that. First, after a period of some introspection due to our strategic planning process, our program staff now spends a significant portion of time in the field, not only meeting with prospective partners, but also actively working to identify new prospects for the Foundation’s investment. Second, in an effort to broaden our scope, we inaugurated in early 2004 an online application process to provide easy access for organizations, often smaller and not connected to our existing networks, to present their projects and activities to the Foundation, and we have set aside resources to fund such efforts.
What is the proper role for a foundation to play with its grantee partners?

“Venture philanthropy” was all the buzz just a few years ago—in the new vernacular, grants became investments, grantees were portfolio organizations, program officers sat on grantee boards, and impact was measured as a social return on investment. At their best, these are authentic relationships through which each side learns and improves as a result of the partnership. Whether the vocabulary is right or not, there have been valuable contributions made by this new mode of grantmaking. At their worst, however, foundations have been accused of overstepping, becoming overly directive, and meddling in the work of their grantees.

How then should a foundation exercise leadership and take initiative while respecting the important work of its grantees? In last year’s annual report, I observed that, at times, the best role for a foundation is to make a grant and get out of the way. I have been surprised by the number of people for whom that simple—and to me, obvious—statement resonated; yet that fact speaks to an alarming tendency for foundations to become overly intrusive.

As we consider how to best strike this balance at Irvine, we view our responsibility as leading people to issues of significant importance for California, as investing in leaders and organizations that can address those issues intelligently and effectively, and as serving as engaged and active partners with our grantees. In this mode of partnership, the goal is to learn with and from our grantees, to determine jointly what succeeds and what fails, and to identify ways to communicate those lessons constructively and as broadly as possible. In doing so, we do not shirk our obligation to exercise leadership, but rather we ensure that we remain connected to the communities we serve and to the day-to-day realities of the organizations we support.

“We view our responsibility as leading people to issues of significant importance for California... and as serving as engaged and active partners with our grantees.”
**In determining success and impact, what should be measured?**

Ultimately, both nonprofit organizations and foundations must at some point ask the question: Are we making a difference? On the nonprofit side, consideration of this question has led to a greater emphasis in recent years on developing “logic models” and “theories of change,” essentially processes that force clarity about desired outcomes and the necessary steps to achieve them. When these processes help us to think more rigorously and to strive for greater clarity about what we are trying to achieve, they are helpful.

On the philanthropic side, good progress has been made in recent years in helping foundations to consider the various measures of grantmaking effectiveness. Certainly assessing the work of our grantees is one key measure, but there are others related to cost-effectiveness, investment performance, customer service, and influence on the fields in which we work.

Since all of what I have described has merit, where then is the tension? The problem is that an emphasis on measurement, impact, and results can at times eclipse the more nuanced work of philanthropy. Because our institutions have great flexibility and freedom, accompanied by significant resources, we can often do what others cannot: take risks, foster innovation, explore novel ideas and approaches, and, not insignificantly, fail without much downside. In doing so, we often take leaps of faith and pursue new paths, and therein lies the tension. As we aim for clarity, identify benchmarks, and seek to measure impact, we must do so in a way that stimulates creativity rather than stifling it, and fosters risk-taking rather than discouraging it. While it is both easy and tempting to focus on those issues and areas that are measurable, we know too well that doing so can lead us to ignore, at great peril, the more intractable and challenging issues facing California.

“As we aim for clarity ... and seek to measure impact, we must do so in a way that stimulates creativity rather than stifling it, and fosters risk-taking rather than discouraging it.”
These tensions are real within philanthropy, and it is an ongoing commitment to their continued exploration that makes for effective philanthropy. Various foundations may well take differing approaches to resolving them, but as we pursue different paths toward the same goals, we must remember these constants in our field: foundations are fundamentally public service institutions, endowed not only with significant resources but with enormous responsibility to steward those resources prudently and strategically. We have an obligation to the highest standards of performance and accountability, and we owe it to those we were created to serve to ensure this responsibility remains at the forefront.

At The James Irvine Foundation, as we aim to balance and resolve these tensions as best we can, we will continue to fulfill the awesome responsibility we have been given by our founder with a profound sense of clarity and purpose, with an abiding commitment to authentic partnership, and with a deep recognition of the privilege of our work.

James E. Canales
President and Chief Executive Officer
August 2004
In the following pages, we report the Foundation’s grantmaking activities for 2003. During the year, 405 grants were awarded, totaling $50.5 million. We have divided our grants list into three sections. First, we report on grants that reflect the Foundation’s new mission and program directions in the Arts, California Perspectives, and Youth. Second, we list transition grants awarded to support organizations in program areas the Foundation concluded in 2003. Third, we list “regrantees” that received Irvine dollars through community-based intermediaries, a process that allows Irvine to reach a more diverse base of nonprofit organizations.
The goal of the Arts program is to promote a vibrant and inclusive artistic and cultural environment in California.

**Artistic Creativity**

Promote the creation and reinterpretation of art and innovative programming to infuse the Arts field with new ideas and methods of creative expression.

**California Institute of the Arts Valencia**

To support the Community Arts Partnership and its provision of free, college-level arts education workshops for teenagers in low-income Los Angeles neighborhoods.

$50,000 / 8 months

**The Creative Capital Foundation New York, New York**

For continued support of California artists through a venture capital fund for innovative artists’ projects.

$200,000 / 3 years

**Dance/USA Washington, D.C.**

To continue the Irvine Dance in California Program, a fellowship program for California dance artists representing a broad range of voices, genres, cultural traditions, and regions of the state.

$1,000,000 / 3 years

**East West Players, Inc. Los Angeles**

To refine and continue the New Works Development Program.

$200,000 / 3 years

**Kronos Performing Arts Association San Francisco**

To support new innovative publishing, commissioning, recording, and production programs.

$200,000 / 3 years

**Margaret Jenkins Dance Studio, Inc. San Francisco**

For support of the Choreographers in Mentorship Exchange (CHIME) Project, which enriches the development of emerging California choreographers.

$200,000 / 2 years

**Oakland East Bay Symphony Oakland**

To implement Words & Music, an initiative that brings together California writers and composers in a multidisciplinary approach to commissioning and performance of works for the orchestral repertoire.

$350,000 / 4 years

**San Jose Repertory Theatre San Jose**

To support the development and production of a new interpretation of *A Midsummer Night’s Dream* in partnership with the Saratoga International Theatre Institute.

$120,000 / 1 year

**Theatre and Arts Foundation of San Diego County La Jolla**

To enhance new play development programs and to support efforts to more fully engage the community to ensure programmatic sustainability.

$350,000 / 3 years

**Theatre Bay Area San Francisco**

To support the ‘CASH’ (Creative Assistance for the Small [Organization] and Hungry [Artist]) regranting program for individual artists and small organizations and to explore replication of the program model throughout California.

$160,000 / 3 years

**Alliance for California Traditional Arts Fresno**

To strengthen the infrastructure in the folk and traditional arts field and to support regranting for apprenticeships and technical assistance.

$175,000 / 2 years

**American Friends Service Committee San Francisco**

To develop regional cultural exchanges, including Tamejavi festivals, that encourage cross-cultural civic engagement and community building through cultural expression in the Central Valley.

$280,000 / 2 years

**American Indian Film Institute San Francisco**

To support the Tribal Touring Program providing Native American media and cultural arts presentations to six reservations in California.

$120,000 / 2 years

**Asian Art Museum Foundation of San Francisco San Francisco**

For *AsiaAlive*, a new educationally based audience development initiative.

$150,000 / 1 year

**Connection Through Cultural Participation**

Foster cross-cultural understanding and mutual respect through the active engagement of Californians from all socioeconomic and ethnic backgrounds with quality art.

**Alliance for California Traditional Arts Fresno**

To strengthen the infrastructure in the folk and traditional arts field and to support regranting for apprenticeships and technical assistance.

$175,000 / 2 years

**American Friends Service Committee San Francisco**

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**Asian Art Museum Foundation of San Francisco San Francisco**

For *AsiaAlive*, a new educationally based audience development initiative.

$150,000 / 1 year
How can California’s artistic creativity continue to flourish? Three recent grantees reveal the Irvine Foundation’s approach to nurturing creativity in the state’s theater arts.

Since 1999, East West Players has run a highly successful New Works Development Program, with support from Irvine, training writers from Asian and Pacific Islander communities, developing their plays, and presenting their works on stage. The La Jolla Playhouse has also used Irvine funding to develop new works and take them from the reading and workshop phases to full-scale production. And the San Jose Repertory Theatre has received an Irvine grant for a reinterpretation and production of *A Midsummer Night’s Dream*, set in California’s Salinas Valley.

“Funding the artistic process, and involving the community in that process, allows Irvine grants to reach beyond the traditional boundaries of arts funding,” says Elisa Callow, Irvine’s Program Director for the Arts. “It allows artists to produce more complex works and to build tremendous bonds with their audiences.”

When an audience sees a read-through or workshop version of a play, says Callow, it’s a different experience from simply buying a ticket, seeing a play, and going home. “The audience gains a sense of what actors, writers, and directors go through,” says Callow. “It enriches their understanding of the exacting and intense nature of the artistic process that can add tremendously to their appreciation of the final work.”

For Tim Dang of East West Players, which celebrates its 40th anniversary next year, the key ingredient in the recipe is encouragement. “What we do is encourage Asian American writers to recognize that their experience and perspectives are unique,” he says. “Everyone has an individual story to tell about how they came to America, or what their experience is today. What’s important is that they write those experiences down.”
EAST BAY CENTER FOR THE
PERFORMING ARTS
RICHMOND
To support core programming activities and the first year of the Community Leadership through Arts Study and Service (CLASS) program.
$250,000 / 2 years

THE FUND FOR FOLK CULTURE
SANTA FE, NEW MEXICO
To support a statewide regranting program for folk arts and traditional culture in California.
$200,000 / 2 years

JAPANESE AMERICAN
CULTURAL AND COMMUNITY CENTER
LOS ANGELES
To support the Asian and Pacific Islander Artist Presenting Initiative (API/2), an artistic strengthening and community engagement program in Los Angeles.
$300,000 / 3 years

JEWISH COMMUNITY CENTER
OF SAN FRANCISCO
SAN FRANCISCO
To launch a new arts program celebrating San Francisco’s ethnic diversity.
$200,000 / 3 years

THE LATINO MUSEUM OF
HISTORY, ART AND CULTURE
LOS ANGELES
To support the implementation of an organizational business plan.
$100,000 / 18 months

MERCED COUNTY ARTS COUNCIL, INC.
MERCED
To support participatory art workshops and performances for K-14 youth that promote civic engagement and cross-cultural communication.
$100,000 / 3 years

MUSEUM OF CONTEMPORARY ART SAN DIEGO
LA JOLLA
For continued support of the San Diego Arts and Culture Initiative, which fosters civic involvement and participation across San Diego’s diverse arts and cultural community.
$50,000 / 2 years

OAKLAND MUSEUM OF CALIFORNIA FOUNDATION
OAKLAND
To support the exhibition Next Stop Vietnam: California and Vietnam Transformed and its three-year tour to 17 cultural institutions throughout the state.
$200,000 / 2 years

THE RUTH & SHERMAN LEE INSTITUTE FOR JAPANESE ART
AT THE CLARK CENTER
HANFORD
For the development of curriculum and an education series to further the Institute’s public outreach.
$100,000 / 2 years

SAN DIEGO FOUNDATION
SAN DIEGO
To establish an Arts and Culture Working Group to regrant funds to arts organizations and build philanthropic support for the arts in San Diego.
$25,000 / 1 year

SAN DIEGO MUSEUM OF ART
SAN DIEGO
To support a comprehensive effort to develop Latino audiences through exhibitions and programs focused on Latino culture.
$200,000 / 2 years

SAN DIEGO REPERTORY THEATRE, INC.
SAN DIEGO
To support the First Decade Project for the commissioning, development, and production of works of contemporary theater and performance, addressing the changing cultural landscape of 21st-century America.
$250,000 / 3 years

SAN FRANCISCO COMMUNITY MUSIC CENTER
SAN FRANCISCO
To continue support for music instruction and performance programs for low-income youth.
$100,000 / 2 years

SANTA CECILIA OPERA AND ORCHESTRA ASSOCIATION
LOS ANGELES
To support Discovering Music, an elementary school music program serving primarily economically disadvantaged and Latino communities.
$80,000 / 2 years

ST. ELMO VILLAGE, INC.
LOS ANGELES
To support a series of art workshops in the community to foster a greater awareness of creativity as an integral part of everyday life.
$75,000 / 3 years

WESTERN FOLKLIFE CENTER
ELKO, NEVADA
To support Voices of Youth, a multimedia educational program for teenagers in California’s San Joaquin Valley.
$50,000 / 1 year

Special Projects in the Arts

CALIFORNIA COUNCIL FOR THE HUMANITIES
SAN FRANCISCO
To support research on the development of a cultural policy in California.
$25,000 / 8 months

CENTER FOR CULTURAL INNOVATION
CULVER CITY
To support the continued dissemination of findings from the Urban Institute report, Investing in Creativity.
$5,000 / 6 months

SOUTHERN CALIFORNIA ASSOCIATION FOR PHILANTHROPY
LOS ANGELES
To conduct a survey of arts giving in the Los Angeles region, charting trends in 1998-2002, to foster awareness among grantmakers.
$15,000 / 10 months

SOUTHERN CALIFORNIA CENTER FOR NONPROFIT MANAGEMENT
LOS ANGELES
To establish an Arts Loan Fund to provide short-term loans to arts organizations in the Los Angeles area to help bridge gaps in cash flow.
$250,000 / 3 years
Engaging Californians for Effective Governance
Promote greater and broad-based civic engagement in public policy formation and decision-making processes.

THE AMERICAN DOCUMENTARY, INC.
SAN FRANCISCO
To support the strategic use of documentary film to enable Californians to engage in productive dialogue related to the state’s rapidly changing demographics.
$350,000 / 2 years

ASIAN PACIFIC AMERICAN LEGAL CENTER OF SOUTHERN CALIFORNIA
LOS ANGELES
To support the California Voter Empowerment Circle, a network of voting rights advocates, to conduct statewide demographic research and create a statewide demographic profile of Asian Pacific Islander communities.
$150,000 / 18 months

CALIFORNIA BUDGET PROJECT
SACRAMENTO
To support fiscal policy analysis and related public education efforts aimed at improving the social and economic well-being of low and middle-income Californians.
$75,000 / 1 year

CALIFORNIA VOTER FOUNDATION
DAVIS
To educate Californians throughout the 2004 election and to promote understanding of California voter participation barriers and incentives, with particular focus on under-represented groups.
$350,000 / 15 months

CENTER FOR GOVERNMENTAL STUDIES
LOS ANGELES
To increase civic participation in government through campaign finance, governance, and media reforms, and to strengthen core operations.
$200,000 / 1 year

CHINESE AMERICAN VOTERS EDUCATION COMMITTEE
SAN FRANCISCO
To increase and enhance Asian American civic and voter participation in all aspects of public life.
$200,000 / 2 years

THE COMMONWEALTH CLUB OF CALIFORNIA
SAN FRANCISCO
To stimulate public discussion in California about needed reforms in the state’s system of governance and foster an effective movement to implement reforms.
$400,000 / 2 years

COMMUNITY TELEVISION OF SOUTHERN CALIFORNIA/KCET
LOS ANGELES
For support of the third season of California Connected, a public affairs television program.
$1,250,000 / 1 year

COMMUNITY TELEVISION OF SOUTHERN CALIFORNIA/KCET
LOS ANGELES
To support the production and presentation of a one-hour special edition of California Connected, focusing on the issues driving the 2003 Recall Election.
$135,000 / 6 months

DEMS: A NETWORK FOR IDEAS AND ACTION
NEW YORK, NEW YORK
To enact California election reforms that reduce barriers to voting, especially among underrepresented populations.
$75,000 / 1 year

FOUNDATION FOR AMERICAN COMMUNICATIONS
PASADENA
To support a series of educational programs for journalists on the state’s fiscal crisis.
$100,000 / 1 year

INSTITUTE OF REGIONAL AND URBAN STUDIES
PALO ALTO
To support the preparation of a report on California budget issues and disseminate the findings through presentations, briefings, website postings, and other outreach efforts.
$100,000 / 9 months

KQED, INC.
SAN FRANCISCO
To support radio news coverage of the Central Valley by supporting a Central Valley bureau of The California Report.
$175,000 / 1 year

LITERACYWORKS
EMERYVILLE
For increased dissemination of the Easy Voter Guide for the October 2003 Special Election.
$75,000 / 4 months

POLICYLINK
OAKLAND
To develop, publish, and disseminate two reports regarding the state’s infrastructure needs and to support the development of a state-level initiative addressing economic and social disparities in infrastructure investment throughout California.
$150,000 / 1 year

UNIVERSITY OF SOUTHERN CALIFORNIA
LOS ANGELES
To support the Institute for Justice and Journalism in improving media coverage of California’s diverse communities.
$100,000 / 1 year

VIEWPOINT LEARNING, INC.
LOS ANGELES
To experiment with new ways of rebuilding public trust between the people of California and their government.
$400,000 / 8 months
**Infusing New Ideas and Perspectives for Effective Governance**

Support the development of new policy ideas and information about public preferences to advance state and local governance reforms.

**CENTER FOR GOVERNMENTAL STUDIES**
**LOS ANGELES**

To support a five-month feasibility study to assess the information sources and needs of Sacramento policymakers and strategies for brokering, synthesizing, and disseminating policy research to maximize its use and impact in policy decisions.

$100,000 / 5 months

**NEW AMERICA FOUNDATION**
**WASHINGTON, D.C.**

For the planning of a California-based Fellows Program, to nurture a new generation of public policy writers and thinkers to help create solutions to California’s most pressing problems.

$50,000 / 5 months

**PACIFIC NEWS SERVICE**
**SAN FRANCISCO**

To strengthen Pacific News Service’s capacity to bring under-represented voices into public discourse and promote the role of ethnic media in California.

$525,000 / 15 months

**PUBLIC POLICY INSTITUTE OF CALIFORNIA**
**SAN FRANCISCO**

To produce a series of two public opinion surveys on budget and taxation issues in California.

$150,000 / 1 year

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**PolicyLink, Dell’Arte, California Voter Foundation**

By most accounts, California is experiencing a serious civic participation deficit. Just about half of Californians who are eligible to vote actually do so. And those who do vote do not reflect the state’s racial and ethnic diversity.

Recent Irvine grants provide a glimpse into the evolving art and science of encouraging citizens to participate in California’s vibrant civic life. PolicyLink, based in Oakland, mobilizes underserved communities to influence policymaking. For example, the group developed a toolkit for advocates to use in promoting equitable land development, an especially critical issue in an ever-developing state. “What PolicyLink does is the core of civic engagement: providing people with the information they need to take action on issues they care about,” says Amy Dominguez-Arms, Program Director for California Perspectives. Irvine funding supports PolicyLink’s efforts to educate and mobilize Californians in promoting governance reforms.

In Blue Lake, on the far north coast of the state, Dell’Arte provides an innovative example of motivating Californians to participate. As the nation’s premier center for physical theater traditions, Dell’Arte productions often address local civic and political issues—hot-button topics such as forest management and immigration—so persuasively that they spur citizens to action.

And in Sacramento, the California Voter Foundation is using Irvine funding to research barriers to voting, with a focus on communities of color. “There are huge numbers of voters who haven’t been courted,” says Kim Alexander, CVF president and founder. “We can’t wait for traditional campaigns to reach them, because they don’t reach out to people who are less likely to vote.”

“Providing people with clear, relevant information linking civic issues to their own lives improves the odds that people will vote and that the resulting public decisions will reflect the interests of our whole population,” says Dominguez-Arms.
Special Projects in California Perspectives

**THE ADVANCEMENT PROJECT**
**LOS ANGELES**
For core support to implement strategies for promoting equity and reforms of policing, criminal justice, and K-12 education systems in Los Angeles County.

$500,000 / 3 years

**THE GREENLINING INSTITUTE**
**BERKELEY**
For core support.

$100,000 / 1 year

**LATINO ISSUES FORUM**
**SAN FRANCISCO**
For strategic planning.

$9,000 / 1 year

**MEXICAN AMERICAN LEGAL DEFENSE AND EDUCATIONAL FUND**
**LOS ANGELES**
To support an executive leadership transition.

$35,000 / 1 year

**UNITED WAY, INC.**
**LOS ANGELES**
To support the Latino Scorecard Project.

$25,000 / 1 year

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**FOCUS ON PLACE**

Why does Raul Ramirez, director of news and public affairs for KQED public radio, call reporting on the Central Valley one of the most exciting jobs in American journalism? "You can argue that the Central Valley is really where the future of California is," Ramirez says. "Population growth, economics, diversity, environment, land use, immigration, even politics—all the changes the state is undergoing are happening in a concentrated way in this region."

The Central Valley’s status as epicenter of statewide seismic changes is the reason the Irvine Foundation has made it one of three priority regions for grantmaking—and why KQED has received a grant to increase coverage of the Central Valley through its popular statewide radio show *The California Report*. Along with Los Angeles County and the Inland Empire, the Central Valley has been identified as a region of strategic importance to the state, and to the Irvine Foundation. Priority areas were selected because each is underserved by philanthropy, is experiencing major demographic shifts, and is home to low-income Californians in disproportionate numbers.

“Place matters,” says Martha Campbell, the Irvine Foundation’s Vice President for Programs. “We want our grantmaking to make a difference where the needs are greatest. To figure out how we can be the most supportive, we have to really understand the unique circumstances of a region’s economy, demographics, and history.”

Ramirez believes that few Californians outside the Central Valley understand the region, in part because few news media outlets cover regions or communities beyond their base. Because of its unique role as a statewide broadcast, *The California Report* may be one of the best opportunities to overcome this built-in parochialism in media and bring the Central Valley to the rest of Californians.
YOUTH
The goal of the Youth program is to enhance the academic preparation of low-income youth, aged 14 to 24, for successful transition to post-secondary opportunities, the workplace, and citizenship.

College Knowledge, Transitions and Completion
Increase access and successful transitions to, rates of retention in, and completion of post-secondary education for low-income youth.

F R E S N O
For the Central Valley Higher Education Consortium to promote programs, policies, and performance aimed at increasing college enrollment and completion among underrepresented youth in the San Joaquin Valley.
$250,000 / 2 years

C A L I F O R N I A N S  F O R  J U S T I C E  E D U C A T I O N  F U N D
O A K L A N D
To involve youth and parents in underserved communities in improving opportunities for graduation and post-secondary education, through organizing, research, media, and state and local policy development.
$100,000 / 1 year

C O L L E G E  S U M M I T, I N C.
W A S H I N G T O N, D C
To implement the Senior Class Model in two school districts to increase college enrollment rates among college-ready, low-income students in California.
$400,000 / 2 years

C O L L E G E  T R A C K, I N C.
E A S T  P A L O  A L T O
To support the expansion of College Track’s Oakland program in order to increase the number of low-income high school students making a successful transition to college.
$100,000 / 2 years

N E W  E N G L A N D  F O U N D A T I O N  F O R  T H E  A R T S
B O S T O N, M A S S A C H U S E T T S
To support the production and promotion of the PBS series Access to College in targeted California communities.
$100,000 / 1 year

O C C I D E N T A L  C O L L E G E
L O S  A N G E L E S
To support a broad coalition that assists California families in understanding and accessing financial aid for higher education.
$200,000 / 2 years

O C C I D E N T A L  C O L L E G E
L O S  A N G E L E S
To support the Pathways to College Network, a coalition of foundations and researchers seeking to improve college access and success for low-income and minority students.
$200,000 / 3 years

P R O J E C T  G R A D
L O S  A N G E L E S, I N C.
N O R T H  H O L L Y W O O D
To support the College Liaison Program to increase college attendance and successful graduation from four-year colleges among Latino students in the Northeastern San Fernando Valley.
$200,000 / 2 years

T H E  T O M A S  R I V E R A  P O L I C Y  I N S T I T U T E
L O S  A N G E L E S
To improve educational attainment and achievement in Latino communities through a two-year statewide college information and outreach program.
$200,000 / 2 years

A c a d e m i c  E n g a g e m e n t  a n d  S u c c e s s
Increase student engagement and motivation in learning, and prepare students for post-secondary opportunities, the workplace, and citizenship.

1 0 0  B L A C K  M E N  O F  L O S  A N G E L E S, I N C.
I N G L E W O O D
To support the Young Black Scholars Program and other efforts to increase the percentage of African American students competitively prepared for admission and success in college.
$200,000 / 2 years

A S P I R E  P U B L I C  S C H O O L S
R E D W O O D  C I T Y
To develop and implement the Hire and Higher Program, a replicable, innovative model of secondary school-based career links for students in California’s low-income communities.
$250,000 / 2 years

S A N T A  C R U Z
To develop and track sound, reliable data on the status of teaching in California and to extend regional K-18 strategies to cultivate, train, and sustain qualified teachers for all classrooms.
$500,000 / 2 years

E A S T  B A Y  C O M M U N I T Y  T R U S T, I N C.
O A K L A N D
To support the expansion of the Youth to College program in targeted California communities.
$300,000 / 2 years

E D U C A T I O N  T R U S T, I N C.
O A K L A N D
To support the Youth to College program, a career and education success program, that assists California families in understanding and accessing financial aid for higher education.
$30,000 / 6 months

W A S H I N G T O N, D C
To support the College Liaison Program in order to increase the number of low-income high school students making a successful transition to college.
$200,000 / 2 years

U N I T E D  W A Y  O F  K E R N  C O U N T Y
B A K E R S F I E L D
For the KernLearn Project to improve the academic achievement of students in Kern County through enhanced access and use of an innovative, self-paced academic and career assessment and tutorial Web-based program.
$220,000 / 30 months

Y O S E M I T E  N A T I O N A L  I N S T I T U T E S
S A U S A L I T O
To support the production and promotion of the PBS series Access to College in targeted California communities.
$230,000 / 2 years

Y O M E S T I M A N T  N A T I O N A L  I N S T I T U T E S
S A U S A L I T O
To support the Diversity Initiative Endowment and provide scholarships for low-income students from the Central Valley to attend YNI programs.
$200,000 / 14 months
Communities Organizing Resources to Advance Learning (CORAL) Initiative: Increase the academic achievement of youth, with an emphasis on elementary school students, by involving students, families, schools, and organizations in high quality out-of-school learning opportunities.

CATHOLIC CHARITIES OF SAN JOSE
SAN JOSE
For the continued implementation of the Communities Organizing Resources to Advance Learning (CORAL) Initiative in San Jose.

$1,600,000 / 1 year

THE FINANCE PROJECT
WASHINGTON, DC
To support the after-school field in developing effective plans for sustaining high-quality programs to better serve California’s youth.

$250,000 / 1 year

FRESNO CORAL, INC.
FRESNO
For the implementation of the Communities Organizing Resources to Advance Learning (CORAL) Initiative in Fresno.

$1,600,000 / 1 year

SACRAMENTO CHILDREN’S HOME
SACRAMENTO
For the continued implementation of the Communities Organizing Resources to Advance Learning (CORAL) Initiative in Sacramento.

$1,600,000 / 1 year

THE SAN FRANCISCO FOUNDATION COMMUNITY INITIATIVE FUNDS
SAN FRANCISCO
For the Foundation Consortium for California’s Children & Youth to support the California AfterSchool Partnership.

$200,000 / 2 years

SRI INTERNATIONAL MENLO PARK
To assess the implementation of the CORAL Initiative, building capacity to understand and apply evaluation findings to improve the educational achievement of California’s young people.

$750,000 / 1 year

SRI INTERNATIONAL MENLO PARK
To complete the 2003-04 evaluation of the CORAL Initiative.

$27,500 / 3 months

THE TIDES CENTER
SAN FRANCISCO
For the California Community Technology Policy Group, to continue statewide efforts to promote a public policy agenda that supports community technology within after-school programs.

$100,000 / 1 year

YOUNG MEN’S CHRISTIAN ASSOCIATION OF GREATER LONG BEACH
LONG BEACH
For continued implementation of the Communities Organizing Resources to Advance Learning (CORAL) Initiative in Long Beach.

$2,000,000 / 1 year

FOR FOUNDATION-ADMINISTERED PROJECTS:
To support statewide technical assistance, conferences, and publications related to the Communities Organizing Resources to Advance Learning (CORAL) Initiative.

$404,236 / 1 year

To maintain a technical support infrastructure for the technology needs of the CORAL Initiative and its online Web environment, CORALConnect.

$161,399 / 1 year

Special Projects in Youth

BERKELEY BIOTECHNOLOGY EDUCATION, INC.
BERKELEY
To support an Executive Director search.

$16,000 / 6 months

OCCUR COMMUNITY INFORMATION SERVICE, INC.
OAKLAND
For the Eastmont Computing Center, for technology equipment and upgrades to sustain community programs.

$15,000 / 3 months

URBAN EDUCATION PARTNERSHIP
LOS ANGELES
To support the California Institute for School Boards, a training program to transform newly elected board members into effective leaders for school reform.

$150,000 / 1 year

SPECIAL OPPORTUNITIES
The Foundation’s Special Opportunities Fund exists to respond to compelling one-time opportunities consistent with our mission, charter, and history.

LOS ANGELES COUNTY MUSEUM OF NATURAL HISTORY FOUNDATION
LOS ANGELES
To support LA: Light, Motion, Dreams, a multimedia exhibition to educate the public about cultural and environmental change in Los Angeles.

$250,000 / 1 year

SAN DIEGO FOUNDATION
SAN DIEGO
For the After-the-Fire plan to help rebuild San Diego’s fire-damaged communities.

$75,000 / 18 months

THE COMMUNITY FOUNDATION RIVERSIDE
RIVERSIDE
To provide assistance to nonprofit organizations providing relief services in Riverside and San Bernardino Counties following the wildfires of 2003.

$75,000 / 1 year

THE WORLD AFFAIRS COUNCIL OF NORTHERN CALIFORNIA
SAN FRANCISCO
To support a full-scale, integrated marketing campaign, including syndicating the radio show, It’s Your World, and building phase three of the Council’s Web site.

$100,000 / 1 year
Connecting Youth

Oakland Community Organizations,
San Bernadino Alliance for Education, Posse Foundation

How can a foundation help to elevate educational achievement for California students? Recent grants by the Irvine Foundation suggest a simple and powerful approach: partnerships.

In Oakland, a grassroots coalition of congregations and community groups called Oakland Community Organizations (OCO) is mobilizing for high school reform—and having remarkable success. Creating new partnerships between parents and educators, the group has been the community’s driving force to transform several large schools into 15 autonomous small schools. Over the next three years, OCO will be funded by Irvine to engage parents and students to help design, implement, and improve 10 new high schools in Oakland.

About 400 miles to the south, in San Bernardino, the partnership strategy is also beginning to bear fruit in the form of a coalition of leaders from education, business, and community-based organizations. Supported by the Irvine Foundation, the Alliance for Education is setting its sights on major education reform in San Bernardino County.

And in Los Angeles, the New York-based Posse Foundation is establishing a program that selects urban high school students with extraordinary academic and leadership potential and supports them as they attend college. In addition to awarding them four-year scholarships, Posse places the students in supportive, multicultural teams (called “Posses”) of 10 students each. Once on college campuses, Posse Scholars partner with and support each other.

“Linking young people with each other builds their capacity to succeed in new environments,” says Anne Stanton, Irvine’s Program Director for Youth. “It helps students not only enter post-secondary education but also stay there and succeed.”

Cross-Program Grants

The Foundation allocates a limited portion of its grant-making budget to fund projects that relate to the goals of two or more program areas, or that relate to the Foundation’s interests in its priority regions of the Central Valley, Inland Empire (Riverside and San Bernardino Counties), and Los Angeles County.

Great Valley Center, Inc.
Modesto
To strengthen the economic and civic capacity of the Central Valley.
$650,000 / 15 months

Multicultural Collaborative
Los Angeles
For core support of the Multi-Cultural Collaborative’s work to strengthen relationships between diverse communities, develop emerging leaders, and help leaders build effective networks and connections in Los Angeles.
$200,000 / 2 years

Public Policy Institute of California
San Francisco
To document and analyze trends in both domestic and international migration to and from the Central Valley and to publish a report on the findings.
$120,000 / 14 months

Southern California Association for Philanthropy
Los Angeles
For support of the Los Angeles Urban Funders Initiative.
$400,000 / 4 years
DI D Y O U K N O W ?

The California Arts Council’s budget for fiscal year 2003-2004 was $3.1 million, the lowest-ranking allocation (50th) among state art agencies in per capita annual arts spending.

PER CAPITA ARTS SPENDING 2003

- California: $0.03
- U.S. Average: $1.10
- European Nations: $5.00

TRANSITION GRANTS

The Foundation devoted significant resources in 2003 to support a responsible transition for those organizations that had been funded in program areas that the Foundation will no longer continue. The following grants were made as part of that transition support.

A

ACTION PAJARO VALLEY
WATSONVILLE
For core support and organizational capacity-building.
$300,000 / 18 months

ALLIANCE OF REDDING MUSEUMS
REDDING
For the final year of the Museum Youth Initiative, to increase the academic achievement of elementary school students through out-of-school educational and youth development opportunities.
$50,000 / 1 year

AMERICAN FRIENDS SERVICE COMMITTEE
SAN FRANCISCO
For support of the Pan Valley Institute, as a part of the Central Valley Partnership for Citizenship.
$125,000 / 1 year

ASIAN AMERICANS / PACIFIC ISLANDERS IN PHILANTHROPY
SAN FRANCISCO
For core operating and capacity-building support for the collaboration among Asian Americans/Pacific Islanders in Philanthropy, Bay Area Blacks in Philanthropy, and Hispanics in Philanthropy.
$150,000 / 2 years

B

BAY AREA COUNCIL
SAN FRANCISCO
For the Bay Area Alliance for Sustainable Communities.
$175,000 / 15 months

BAY AREA DISCOVERY MUSEUM
SAN FRANCISCO
For the final year of the Museum Youth Initiative, to increase the academic achievement of elementary school students through out-of-school educational and youth development opportunities.
$50,000 / 1 year

THE BAY AREA VIDEO COALITION, INC., SAN FRANCISCO
For a donor management database and targeted consulting services to increase the organization’s capacity to cultivate, solicit, and steward philanthropic support.
$100,000 / 1 year

BOARDSOURCE
WASHINGTON, DC
To support programs for California nonprofits that promote and teach effective governance.
$200,000 / 2 years

C

CALIFORNIA CENTER FOR REGIONAL LEADERSHIP
SAN FRANCISCO
To assist the Collaborative Regional Initiatives through program and policy work and to help the California Center for Regional Leadership achieve financial sustainability.
$600,000 / 21 months

CALIFORNIA COUNCIL FOR THE HUMANITIES
SAN FRANCISCO
For the California Stories project.
$400,000 / 2 years

THE CALIFORNIA INSTITUTE FOR RURAL STUDIES
DAVIS
For support of the Civic Action Network, as a part of the Central Valley Partnership for Citizenship.
$345,000 / 1 year

CALIFORNIA LUTHERAN UNIVERSITY
THOUSAND OAKS
To increase student, faculty, and staff diversity and transform the organizational culture, as part of the Campus Diversity Initiative.
$400,000 / 3 years

CALIFORNIA RURAL LEGAL ASSISTANCE FOUNDATION
SACRAMENTO
For support of the Central Valley Immigrant Leadership Fellowship Program.
$150,000 / 9 months

CHARLES W. BOWERS MUSEUM CORPORATION
SANTA ANA
For the final year of the Museum Youth Initiative, to increase the academic achievement of elementary and middle school students through out-of-school educational and youth development opportunities.
$50,000 / 1 year

CHILDREN AND FAMILY FUTURES, INC., IRVINE
To strengthen planning, policies, and programs that will improve the quality of life for children and families in the City of Irvine.
$25,000 / 6 months

DID YOU KNOW?

The California Arts Council’s budget for fiscal year 2003-2004 was $3.1 million, the lowest-ranking allocation (50th) among state art agencies in per capita annual arts spending.

-california: $0.03
-u.s. average: $1.10
-european nations: $5.00

Did you know?

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Per capita arts spending 2003

- california: $0.03
- u.s. average: $1.10
- european nations: $5.00

24
COLLEGE SUMMIT, INC.  
WASHINGTON, DC
To fund an independent evaluation of College Summit’s program in several California high schools.
$140,000 / 30 months

COLLINS CENTER FOR PUBLIC POLICY, INC.  
MIAMI, FLORIDA
To support the Funders’ Network for Smart Growth and Livable Communities to engage its California-based members to implement collaborative efforts to promote sustainable development across the state.
$25,000 / 6 months

COMMUNITY COALITION FOR SUBSTANCE ABUSE PREVENTION & TREATMENT  
LOS ANGELES
To increase the numbers of South Los Angeles youth achieving a post-secondary education and to decrease the numbers of children in South Los Angeles entering the formal foster care system.
$175,000 / 1 year

COMMUNITY DEVELOPMENT TECHNOLOGIES CENTER  
LOS ANGELES
For the Business Technology Assistance and Careers (BTAC) Program, a technology workforce training program for low-income, inner-city residents and businesses in South Los Angeles.
$150,000 / 18 months

COMMUNITY FOUNDATION OF SANTA CRUZ COUNTY  
SOQUEL
To support underprepared Latino youth for career advancement through the Watsonville Digital Bridge Academy.
$150,000 / 16 months

COMMUNITY NETWORK FOR YOUTH DEVELOPMENT  
SAN FRANCISCO
To expand professional support to youth development organizations to improve the quality and impact of their work with young people in the Bay Area and statewide.
$350,000 / 2 years

COMPASSPOINT NONPROFIT SERVICES  
SAN FRANCISCO
For core support, to increase the effectiveness and impact of the people working and volunteering in the nonprofit sector.
$400,000 / 2 years

THE COMPUMENTOR PROJECT  
SAN FRANCISCO
To support technology assistance and training to the Central Valley Partnership for Citizenship.
$100,000 / 1 year
To help nonprofits use technology as a tool to achieve greater impact.
$250,000 / 3 years

CORO SOUTHERN CALIFORNIA, INC.  
LOS ANGELES
For continued support of the Neighborhood Leadership Program for Emerging Neighborhood Councils.
$175,000 / 1 year

DEVELOPMENTAL STUDIES CENTER  
OAKLAND
To support a five-year business plan, including expanding dissemination of after-school reading and mathematics programs to new sites in California.
$250,000 / 1 year

THE EXPLORATORIUM  
SAN FRANCISCO
To support a traveling bilingual science education exhibit.
$200,000 / 1 year

FAITH INITIATIVE OF SANTA BARBARA COUNTY  
ISLA VISTA
For core support.
$100,000 / 1 year

DID YOU KNOW?
The nonprofit arts community of California contributes $5.4 billion annually to the state’s economy, employs more than 160,000 individuals, and attracts more than 71 million attendees each year, including 6 million tourists.
To increase faculty and student diversity and enhance multicultural understanding and acceptance throughout the institution, as part of the Campus Diversity Initiative.

$350,000 / 3 years

For the Fresno County Youth Services Network Office, a resource center helping agencies collaborate to better address the needs of Fresno youth.

$70,000 / 1 year

To support career training for young adults in the logistics industry in Southern California.

$150,000 / 1 year

To provide internships and training for the Industrial Services Job Training project.

$150,000 / 9 months

To provide leadership training and organizational development to improve conditions related to health, employment, education, housing, and safety in immigrant and underserved communities, as a part of the Central Valley Partnership for Citizenship.

$150,000 / 1 year

To engage in school reform and youth development initiatives utilizing parent academies and key institutions in San Francisco, Los Angeles, and the Central Coast.

$300,000 / 2 years

To further build the collaborative capacity of the San Bernardino-Riverside region to enhance the quality of life, economic condition, and social well-being of the region’s residents.

$250,000 / 2 years

To support the publication of two policy briefs related to water quality and infrastructure investment in Latino communities and two community forums on water policy.

$100,000 / 1 year

To build the capacity of member congregations in the Inland Empire to address criminal justice and smart growth issues.

$150,000 / 2 years

To strengthen the capacity of small- and mid-size churches to address community development issues related to equal access to parks, health disparities in South Central Los Angeles, and to train new and emerging leaders.

$275,000 / 2 years
LOS ANGELES PHILHARMONIC ASSOCIATION
LOS ANGELES
To support core programming activities as part of the Cornerstone Arts Organizations program.
$750,000 / 3 years

M
THE MEXICAN MUSEUM
SAN FRANCISCO
For the final year of the Museum Youth Initiative, to increase the academic achievement of middle school students through out-of-school educational and youth development opportunities.
$50,000 / 1 year

MUSEUM ASSOCIATES, LOS ANGELES COUNTY
MUSEUM OF ART
LOS ANGELES
To support core program activities, as part of the Cornerstone Arts Organizations program.
$700,000 / 3 years

N
NATIONAL CENTER
FOR FAMILY PHILANTHROPY
WASHINGTON, DC
For dissemination and education activities connected with the report, What Do California Donors Want: In Their Own Words, to encourage more effective and knowledgeable community philanthropy.
$32,000 / 6 months

NATIONAL FEDERATION OF COMMUNITY BROADCASTERS
OAKLAND
To support a radio documentary on Native American women veterans.
$35,000 / 1 year

NORTH VALLEY SPONSORING COMMITTEE
SACRAMENTO
To increase immigrant civic participation in Northern California counties through broad-based organizing that involves multi-denominational and multiethnic faith-based organizations, organized labor, and community groups.
$100,000 / 9 months

ORANGE COUNTY BUSINESS COUNCIL
IRVINE
For the Center for a New Orange County, to address and improve infrastructure issues in Orange County.
$150,000 / 12 months
To provide career training and advancement to low-income immigrant residents in Orange County.
$150,000 / 12 months

ORANGE COUNTY CONGREGATION COMMUNITY ORGANIZATIONS
ANAHEIM
For core support and to implement an evaluation strategy to measure impact on community leadership and participating congregations.
$100,000 / 15 months

PACIFIC NEWS SERVICE
SAN FRANCISCO
To develop the communication and leadership skills of marginalized, incarcerated, homeless, and underemployed youth in the Bay Area.
$300,000 / 2 years

PACIFIC NEWS SERVICE
SAN FRANCISCO
PALM SPRINGS DESERT MUSEUM
PALM SPRINGS
For the final year of the Museum Youth Initiative, to increase the academic achievement of middle school students through out-of-school educational and youth development opportunities.
$50,000 / 1 year

PENINSULA COMMUNITY FOUNDATION
SAN MATEO
For the League of California Community Foundations to undertake targeted professional development, capacity-building, and knowledge-development activities.
$200,000 / 2 years

PUBLIC POLICY ASSOCIATES, INC.
LANSING, MICHIGAN
To complete the assessment of the Community Foundations Initiative in California.
$60,000 / 6 months
To complete the evaluation of regional workforce development collaboratives in San Francisco and Oakland.
$35,000 / 1 year

RAINBOW RESEARCH, INC.
MINNEAPOLIS, MINNESOTA
For support of the final evaluation phase of the Foundation’s Organized Religion portfolio.
$300,000 / 2 years

SAN BERNARDINO COUNTY MUSEUM ASSOCIATION
REDLANDS
For the final year of the Museum Youth Initiative, to increase the academic achievement of middle and high school students through out-of-school educational and youth development opportunities.
$50,000 / 1 year

SAN DIEGO DISTRICT UNITED METHODIST UNION
SAN DIEGO
For continued support of the Faith Based Leadership Institute to increase the capacity of faith community leaders to be actively involved in civic engagement strategies.
$175,000 / 2 years

DID YOU KNOW?
Latino adults are more likely to attend local meetings compared to white adults (43 percent compared to 37 percent), yet Latino adults eligible to vote are considerably less likely to do so compared to their white peers (53 percent compared to 73 percent).
SAN DIEGO OPERA ASSOCIATION
SAN DIEGO
To support core program activities, as part of the Cornerstone Arts Organizations program.
$650,000 / 3 years

SAN DIEGO SOCIETY OF NATURAL HISTORY, INC.
SAN DIEGO
For the final year of the Museum Youth Initiative, to increase the academic achievement of elementary school students through out-of-school educational and youth development opportunities.
$50,000 / 1 year

THE SAN FRANCISCO FOUNDATION COMMUNITY INITIATIVE FUNDS
SAN FRANCISCO
To support The Volunteerism Project in a responsible transition and conclusion of its programming.
$30,000 / 6 months

SAN FRANCISCO SYMPHONY
SAN FRANCISCO
To support core program activities, as part of the Cornerstone Arts Organizations program.
$700,000 / 3 years

SAN JOAQUIN COUNTY HISTORICAL SOCIETY & MUSEUM
LODI
For the final year of the Museum Youth Initiative, to increase the academic achievement of middle school students through out-of-school educational and youth development opportunities.
$50,000 / 1 year

SAN JOSE MUSEUM OF ART ASSOCIATION
SAN JOSE
For the final year of the Museum Youth Initiative, to increase the academic achievement of high school students through out-of-school educational and youth development opportunities.
$50,000 / 1 year

SANTA BARBARA MUSEUM OF NATURAL HISTORY
SANTA BARBARA
For the final year of the Museum Youth Initiative, to increase the academic achievement of high school students through out-of-school educational and youth development opportunities.
$50,000 / 1 year

SANTA BARBARA REGION ECONOMIC COMMUNITY PROJECT
SANTA BARBARA
To use the Regional Impacts of Growth study to improve regional decision-making concerning land use.
$150,000 / 18 months

SIERRA BUSINESS COUNCIL
TRUCKEE
For core support and organizational capacity-building.
$150,000 / 1 year

SOUTHERN CALIFORNIA CENTER FOR NONPROFIT MANAGEMENT
LOS ANGELES
For core support in providing management and technical assistance to small and mid-size nonprofits in Los Angeles.
$250,000 / 2 years

ST. MARY’S COLLEGE OF CALIFORNIA
MORAGA
To increase student, faculty, and staff diversity and improve academic success among students of color, as part of the Campus Diversity Initiative.
$350,000 / 3 years

THE TIDES CENTER
SAN FRANCISCO
For Eureka San Francisco Bay Area, to strengthen nonprofit agency capacity by enhancing leadership and management skills of nonprofit executives, fostering agency partnerships, and developing a sustainable learning community of leaders in the region.
$200,000 / 24 months

THE TIDES FOUNDATION
SAN FRANCISCO
To support the California Fund for Youth Organizing, a regranting program promoting youth civic participation in underserved communities.
$100,000 / 1 year

TRI-VALLEY BUSINESS COUNCIL EDUCATION COLLABORATIVE, INC.
LIVERMORE
To continue support of Vision 2010 to promote the preservation of open space and the development of a strong economy within the Tri-Valley region.
$200,000 / 18 months

UNITED AFRICAN AMERICAN MINISTERIAL ACTION COUNCIL
SAN DIEGO
To evaluate a community organizing campaign to create a special needs employment resource center for ex-offenders in the Barrio-Logan community of San Diego.
$75,000 / 1 year

DID YOU KNOW?
Ethnic media outlets are an important information source for Californians, reaching 84 percent of the state’s Latino, Asian American, and African American residents.

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Ethnic media outlets are an important information source for Californians, reaching 84 percent of the state’s Latino, Asian American, and African American residents.
UNITED WAY OF TULARE COUNTY
TULARE
For the Tulare County Youth Coalition to support capacity-building and improved coordination among rural youth-serving organizations throughout Tulare County.
$100,000 / 1 year

UNIVERSITY OF HOUSTON
HOUSTON, TEXAS
For research and publication of books on Latino civil rights issues and history in California.
$100,000 / 18 months

UNIVERSITY OF LA VERNE
LA VERNE
To improve academic success among underrepresented students, as part of the Campus Diversity Initiative.
$400,000 / 38 months

UNIVERSITY OF REDLANDS
REDLANDS
To increase faculty diversity and improve academic success among students of color, as part of the Campus Diversity Initiative.
$500,000 / 3 years

UNIVERSITY OF SAN DIEGO
SAN DIEGO
To increase enrollment, retention, and academic success of under-represented students.
$100,000 / 2 years

UNIVERSITY OF SOUTHERN CALIFORNIA
LOS ANGELES
For core support to the Center for Religion and Civic Culture.
$200,000 / 18 months
To conduct an evaluation of the Los Angeles Neighborhood Council system, and to support the capacity-building and leadership development of local residents through a series of workshops.
$100,000 / 1 year

URBAN ECOLOGY, INC.
OAKLAND
For core support to help Urban Ecology transition into a more strategic land-use advocacy organization.
$300,000 / 2 years

WATER EDUCATION FOUNDATION
SACRAMENTO
To educate decision-makers in the California State Assembly and Senate about water issues.
$120,000 / 2 years

WHITTIER COLLEGE
WHITTIER
To increase faculty diversity, transform curricular and co-curricular programs, and improve academic success among underrepresented students, as part of the Campus Diversity Initiative.
$350,000 / 3 years

YOUTH IN FOCUS
DAVIS
To support youth-led research, evaluation and planning projects to promote educational equity in the Central Valley, and to provide administrative support to the Central Valley Partnership.
$140,000 / 1 year

YOUTH RADIO
BERKELEY
To strengthen operations, increase outreach to Latino and incarcerated youth, and extend Internet-based training opportunities to a broader youth audience.
$300,000 / 2 years

VENTURA COUNTY COMMUNITY FOUNDATION
CAMARILLO
For the Regional Alliance for Ventura County, to support a strategic plan.
$300,000 / 21 months

FOR FOUNDATION-ADMINISTERED PROJECTS:

TO SUPPORT DATA COLLECTION AND ANALYSIS, NETWORKING ACTIVITIES AND EVALUATION OF THE MUSEUM YOUTH INITIATIVE.
$165,505 / 1 year

TO EVALUATE THE CAMPUS DIVERSITY INITIATIVE, ASSIST GRANTEES IN ASSESSING THEIR OWN DIVERSITY NEEDS AND EFFORTS, AND FACILITATE INFORMATION-SHARING AMONG INSTITUTIONS AND RESEARCHERS.
$515,501 / 1 year

TO PROVIDE TECHNICAL ASSISTANCE TO THE CENTRAL VALLEY PARTNERSHIP FOR CITIZENSHIP.
$193,776 / 1 year

TO PROVIDE COORDINATION AND TECHNICAL ASSISTANCE TO GRANTEES UNDER THE LAND USE INITIATIVE.
$10,521 / 1 year

TO CONVENE WORKFORCE DEVELOPMENT GRANTEES AND SUPPORT WORKFORCE DEVELOPMENT EVALUATION ACTIVITIES.
$30,423 / 9 months

FOR COMMUNICATIONS AND PEER-LEARNING ACTIVITIES RELATED TO THE COMMUNITY FOUNDATIONS INITIATIVE.
$20,171 / 1 year

TO SUPPORT RESEARCH AND THE DEVELOPMENT OF PUBLIC/PRIVATE PARTNERSHIPS THAT WILL STRENGTHEN CALIFORNIA’S AFTER-SCHOOL WORKFORCE.
$15,225 / 1 year

DID YOU KNOW?
One in four Californians is an immigrant and one of every two children has an immigrant parent.
REGRANTEES
The Foundation seeks to extend the reach and effectiveness of its grant-making by tapping the expertise, local knowledge, and infrastructure of intermediary organizations across the state, which regrant Irvine dollars to smaller organizations. The use of intermediaries allows Irvine to reach a more diverse set of grantee organizations and, ultimately, to more effectively advance our program goals.

Following is a listing of intermediary organizations that regranted Irvine dollars in 2003 and the recipients of Irvine’s regranted funds. While the original grant to the intermediary might have been awarded in a previous year, the information presented below reports on Irvine funds that were regranted in 2003, which totaled more than $6 million.

Regrating total for each intermediary organization is rounded to the nearest $1,000.

CALIFORNIA COUNCIL FOR THE HUMANITIES
$203,000
The Dunes Center
Inland Mexican Heritage
Jacoby Center
Marin Arts Council
Media Arts Center
San Diego Public Library
Southern California Library for Social Studies
Western Neighborhoods Project

CALIFORNIA TRADITIONAL ARTS ADVANCEMENT PROGRAM
$84,000
Advocates for Indigenous California Language
Arhoolie Foundation
California Chinese Orchestra
California Indian Basketweavers Association
California Indian Storytelling Association
Clapperstick Institute
Hmong Association of Long Beach
Ink People Center for the Arts
Kampuchean Buddhist Association
Kayamanan Ng Lahi Philippine Folk Arts
Khmer Arts Academy
Living Traditions Hungarian Ethnic Arts Organization
Los Cenzontles Mexican Arts Center
Mendocino Latinos para la Comunidad/Nuestra Casa
Oakland Interfaith Gospel Choir
Opening Doors, Inc.
Voice of Roma

FRESNO COMMUNITIES ORGANIZING RESOURCES TO ADVANCE LEARNING (CORAL)
$298,000
Big Brothers/Big Sisters
Boy Scouts
Boys & Girls Clubs
Buckingham Images
Dance Empowerment
Encourage Tomorrow
Fresno Center for New Americans
Fresno Covenant Foundation
Good Company Players
Keep Families
Myrick Communications
One by One Leadership
San Joaquin River Parkway
Tree Fresno
United Blackmen

GREAT VALLEY CENTER
$427,000
FOR THE SACRAMENTO REGIONAL LAND USE PLAN
American Lung Association of Sacramento Emigrant Trails
Carol Borden African American Clean Air and Transportation Collaborative of Sacramento
El Dorado County Chamber of Commerce
Environment Council of Sacramento
Green Valley Alliance
La Familia
Legal Services of Northern California
Mutual Assistance Network of Del Paso
Para Transit
Sacramento Asian Pacific Chamber of Commerce
Sacramento Association for Community Organizations

DID YOU KNOW?
More than 97 percent of young people in California say they would like some form of higher education, and 63 percent enroll. Yet two-thirds of them are not adequately prepared to enter college.
Did You Know?

Nearly 1 million young adults in California ages 18 to 24 do not have high school diplomas. This represents approximately 30 percent of this population.

Sacramento Lao Family Community, Inc.
Sierra Nevada Alliance
Valley Vision
Yuba-Sutter Chamber of Commerce

Great Valley Center
$313,000
Through the Land Use, Economic Development, Growth, Agriculture and Community Investment (LEGACI) Program

Airport Neighbors United
Alliance for Hispanic Advancement
Asian Pacific Self-Development and Residential Association
Bakersfield Police Activities League
Boys and Girls Club of Stockton
Business and Nonprofit Development Center of Eastern Madera County
California Black Chamber of Commerce
California State University Fresno Foundation
California State University Stanislaus
California Wine Education Foundation
Cambodian Reconciliation Committee
Capital Public Radio
Center for Agricultural Partnerships
Center for Energy Efficiency and Renewable Technologies
Center of Four Generations of Elders and Youth
Central Sacramento Valley Resource Conservation and Development Council
Central Valley Alliance for the Preservation of Mariachi
Central Valley Business Incubator
Ceres Partnership for Healthy Children
Church of Christ Christian Ministries
Conservation Tillage Workgroup, Kearney Ag Center
Corcoran Youth Center
County of San Joaquin Land Trust Steering Committee
Cowboy Museum
East Merced Resource Conservation District
Economic Development Corporation of Tulare County
Encourage Tomorrow
Explorit Science Center
Family Leadership Connection
Family Resource Center
First Native American Housing Corporation
Fresno Area Sky Train Committee
Fresno Barrios Unidos
Fresno Business Council
Galt Community Concilio
Girl Scouts Muir Trail Council
Goodwill Industries of San Joaquin Valley
Grayson Neighborhood Council
Hmong American Association
Hmong American Community, Inc.
Hmong Student Inter-Collegiate Coalition
Housing Authority of the County of Kern
Job Training Center of Tehama County
Knights Landing Resource Center
KVIE-TV Channel 6
Lao Family Community of Stockton
Madera Coalition for Community Justice
Madera Opportunities for Resident Enhancement and Services
McHenry Museum Historical Society
Merced County Arts Council, Inc.
Merced County Farmland and Open Space Trust
Mercy Housing of California
Micro-Entrepreneurs Support Association
North Fork Chamber of Commerce
Northern California World Trade Center
Odyssey
Pixley Foundation
Planet Drum Foundation
Planning and Conservation League Foundation
Ray of Hope

Did You Know?

While 73 percent of Californians say the state budget gap is a big problem, four in 10 Californians say they know very little about how their state and local governments spend and raise money.
Real Alternatives for Youth Organization
Rooted Seeds
Sacramento Neighborhood Housing Services
Self-Help Enterprises
Shasta Land Trust
Smart Growth Coalition of Kern County
Solano Resource Conservation District
Springville Chamber of Commerce
Squaw Valley Herb Gardens
Stanislaus County Department of Employment and Training
State Center Community College Foundation for Reedley College
State Theatre for the Arts
Teatro Aztlan
UC Cooperative Extension
Yolo County
Westside Housing and Economic Network
Willows Area Chamber of Commerce
YMCA of Stanislaus County
Yuba Historical Society

**DID YOU KNOW?**
Ratio of guidance counselors to students in California’s K-12 schools: 1 to 1,011

**DID YOU KNOW?**
Languages currently spoken in the California school system: 56

**HUMBOLDT AREA FOUNDATION**
$191,000
**THROUGH THE NATIVE CULTURES FUND**
Advocates for Indigenous California Language Survival
American Indian Center of Central California
Chappa-de Indian Health Clinic
DQ University
Elk Valley Rancheria
Graton Rancheria

**LIBERTY HILL FOUNDATION**
$1,139,000
**THROUGH THE FUND FOR A NEW LOS ANGELES**
Californians for Justice Education Fund
Clergy and Laity United for Economic Justice
Coalition for Humane Immigrant Rights of Los Angeles
Los Angeles Coalition to End Hunger and Homelessness
Los Angeles Community Action Network
Los Angeles Metropolitan Churches

**NEW VISION PARTNERS**
$1,139,000
Bridging Resources in Technology and Education
Hillsides Altadena Family Center
CORAL After School Program at Jefferson Elementary
Neighborhood Urban Family Center
Neighbors Acting Together Helping All
Students and Tutors Achieving Real Success
The Sycamores Family Resource Center

PACIFIC INSTITUTE FOR COMMUNITY ORGANIZATION (PICO) $238,000
Berkeley Organizing Congregations for Action
Congregations Building Community
Congregations for Civic Action
Congregations Organizing for Renewal
Contra Costa County Interfaith Supporting Community Organization
Fresno Area Congregations Together
Greater Long Beach Interfaith Community Organization
Hollywood Interfaith Sponsoring Committee
Inland Congregations United for Change
Oakland Community Organizations
Orange County Congregation Community Organization
Peninsula Interfaith Action
People Acting in Community Together
People and Community Together
Sacramento Area Congregations Together
San Diego Organizing Project
San Francisco Organizing Project

SACRAMENTO CHILDREN’S HOME $1,285,000
Boys and Girls Club
Center for Fathers and Families
Hmong Women’s Heritage Association
Meadowview Community Action
Robert’s Family Development Center
Sacramento Chinese Community Service Center
We Care

THEATRE BAY AREA THROUGH THE CASH PROGRAM $100,000
African Queens Youth Performance Troupe
Alchemy Works/Professional Enrichment Program
Bindlestiff Pinay Collective
Carnival of Chaos
Chameleon Theatre Company
Dusk Beat Circus
Erika Shuch Performance Project
Facing East Dance and Music
Flyaway Productions
FoolsFURY
Inkboat
Kate Corby and Dancers
Kunst-Stoff
Liss Fain Dance
Nina Haft and Company
PlayWorks Productions
Potrzebie Dance Project
Rapt
Reality Theater
Savage Jazz Dance Company
Scott Wells and Dancers
Shahrazad Dance Academy
Strangefruit Theatre Ensemble
Three Wise Monkeys Theatre Company
Vine Jelly Theatre

TIDES FOUNDATION $229,000 FOR CALIFORNIA FUND FOR YOUTH ORGANIZING
American Friends Service Committee
Communities for a Better Environment
Community Coalition for Substance Abuse Prevention and Treatment
Environmental Health Coalition
Southeast Asian Community Alliance

DID YOU KNOW?
By 2020, the population in California’s Central Valley will match that of the San Francisco Bay Area, with each region having approximately 18 percent of the state’s total population. Los Angeles County is expected to remain the largest population center, with 25 percent of the state’s population.

2020 POPULATION
SAN FRANCISCO BAY AREA 18%
LOS ANGELES COUNTY 25%
CENTRAL VALLEY 18%

Wise Up!
InnerCity Struggle
Khmer Girls in Action
Southern Californians for Youth
San Diego Youth Organizing Communities
Youth Action Network
Youth Justice Coalition
Q-Team
Gay-Straight Alliance Network

YMCA OF GREATER LONG BEACH $1,585,000
Camp Fire USA
Downtown YMCA
Girl Scout Council of Greater Long Beach
YMCA Community Development Branch
To advance our mission of expanding opportunity for the people of California, The James Irvine Foundation makes grants to nonprofit organizations throughout the state. Although a majority of our grants are made to organizations that we seek out to advance specific program goals and for particular program initiatives, we welcome applications from nonprofit organizations that meet our eligibility requirements and that align with our funding priorities.

Eligibility

The Foundation primarily supports organizations that are tax-exempt under section 501(c)(3) of the Internal Revenue Code. By provision of Mr. Irvine’s original trust, established in 1937, we support only programs and organizations that provide direct benefits to Californians. In addition, the trust restricts us from providing core support to organizations that are agencies of government, are financed substantially through taxation, or primarily benefit public entities.

Program Areas

Our grantmaking is organized in three program areas: Arts, California Perspectives, and Youth. In addition, Irvine has identified three priority regions of the state – Los Angeles County, the Central Valley, and Riverside and San Bernardino Counties. These regions were selected because historically they have been underserved by philanthropy, are experiencing major demographic shifts, and are home to a large proportion of low-income residents. While these are regional priorities for the Irvine Foundation, we remain a statewide funder.

Submitting an Application

We encourage prospective applicants to review carefully the guidelines for the grantmaking program from which they anticipate seeking support by consulting our Web site, www.irvine.org. If, after reviewing our guidelines, you believe your proposal meets our eligibility requirements and is aligned with our program goals and strategies, you may submit a grant application online. We evaluate unsolicited grant applications three times a year and make funding decisions in March, June, and October.
Last year, in the first comprehensive investment update to appear in the Foundation’s annual report, I described the Foundation’s long-term investment philosophy and plans to improve long-term investment results. This year, I will report on our investment results in 2003 and some changes we have made to our investment portfolio as we look to the future.

By the end of 2002, the Foundation’s assets and net grantmaking had declined materially as a result of three very difficult years in the financial markets (see graph 1). In response, the Foundation took steps to reduce expenses and align our staffing and cost structure with our new strategic focus and reduced asset level. As a result of those adjustments, administrative costs in 2003 were 27 percent less than in 2002, which permitted us to grant an additional $2.4 million in 2003. The Board and management of the Foundation remain committed to maintaining the appropriate balance of operating expenses and grantmaking in support of the Foundation’s mission.

As I described last year, the Foundation maintains a long-term view with respect to its investment activity, with the objective of earning at least 5.5 percent after inflation and investment fees. The Foundation carefully balances this earnings objective against the risk or volatility that it must accept to achieve this ambitious objective. This level of earnings allows the real or inflation-adjusted value of the Foundation’s endowment to grow slightly, while enabling the Foundation to expend 5.5 percent of its endowment each year on grants and expenses.

This approach has served the Foundation and the grantees it supports well. Graph 1, on the facing page, shows the total assets and grants made over the last 10 years. Over that 10-year period, grants increased by an average of 5.8 percent per year, well above the rate of inflation. However, in 2003, there was a marked decline in grants, reflecting the significant decline in assets over the previous three years.

Having made major progress on the strategic review of grantmaking, which began in 2002, the Foundation committed a large portion of its 2003 grants to providing for a responsible transition for those grantees in program areas the Foundation would no longer continue to serve (see graph 2). Approximately 43 percent of all 2003 grant dollars were directed toward such transition grants, with 57 percent of grant dollars going to organizations that are aligned with our new strategic directions.

During 2003, the Foundation was rewarded handsomely for its disciplined investment approach. With a return of 26.2 percent for the year, the Foundation’s investment return ranked in the top 15 percent of all funds with assets of more than $1 billion. This spectacular performance was driven by very strong equity markets, both domestic and international; however, such strong equity returns are unlikely in the near future. With that in mind, the Board approved a new strategic asset allocation with an eye toward meeting the long-term investment goal while reducing volatility.

The Foundation’s asset allocation, or its decision to invest in various broad asset classes such as domestic or international stocks, is a critical factor in the overall performance of the Foundation’s investments. Various studies reveal that asset allocation drives more than 90 percent of a portfolio’s returns. Graph 3 shows how the Foundation has invested its endowment as of the end of 2003, while Graph 4 shows our new strategic asset allocation. During 2004, the Foundation will carefully transition toward this new asset allocation.

In 2003, the Board of the Irvine Foundation adopted a new mission, to expand opportunity for the people of California, capturing the same spirit that led James Irvine to create this Foundation in 1937. His mandate to benefit the people of California is best served by a steady and growing ability to make thoughtful and strategic grants to that end. Our investment program exists solely to advance that purpose, and I look forward to continuing to share in future years our progress in this important area of the Foundation’s work.

John R. Jenks
Chief Investment Officer, Treasurer, and Corporate Secretary
August 2004
1. TOTAL ASSETS AND NET GRANTMAKING 1994-2003

2. GRANTS BY PROGRAM AREA 2003

3. INVESTMENT PORTFOLIO AS OF DECEMBER 31, 2003

4. NEW STRATEGIC ASSET ALLOCATION

TOTAL GRANTS FOR 2003: $50,530,557
We have audited the accompanying statements of financial position of The James Irvine Foundation (the “Foundation”) as of December 31, 2003 and 2002, and the related statements of activities and changes in net assets and of cash flows for the years then ended. These financial statements are the responsibility of the Foundation’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2003 and 2002, and the results of its activities and changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

June 3, 2004
### Statements of Financial Position

**Years ended December 31, 2003 and 2002**

#### Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash—Interest-Bearing Deposits</td>
<td>$ 62,649</td>
<td>$ 257,771</td>
</tr>
<tr>
<td>Receivable from Sales of Securities</td>
<td>529,566</td>
<td>5,205,985</td>
</tr>
<tr>
<td>Interest and Dividends Receivable</td>
<td>3,892,570</td>
<td>4,561,650</td>
</tr>
<tr>
<td><strong>Investments:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term, fixed-income</td>
<td>37,481,368</td>
<td>24,438,951</td>
</tr>
<tr>
<td>Equity securities</td>
<td>859,045,484</td>
<td>682,015,210</td>
</tr>
<tr>
<td>Limited partnerships</td>
<td>149,536,416</td>
<td>100,233,543</td>
</tr>
<tr>
<td>Fixed-income securities</td>
<td>312,778,252</td>
<td>313,270,451</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td>1,358,841,520</td>
<td>1,119,958,155</td>
</tr>
<tr>
<td>Program Related Investment Fund Loan</td>
<td>—</td>
<td>718,615</td>
</tr>
<tr>
<td>Property and Equipment—Net</td>
<td>1,200,493</td>
<td>1,805,625</td>
</tr>
<tr>
<td>Prepaid Excise Taxes and Other</td>
<td>394,153</td>
<td>82,147</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 1,364,920,951</td>
<td>$ 1,132,589,948</td>
</tr>
</tbody>
</table>

#### Liabilities and Net Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payable for purchases of securities</td>
<td>$ 6,332,268</td>
<td>$ 231,665</td>
</tr>
<tr>
<td>Accounts payable and other accrued liabilities</td>
<td>2,051,845</td>
<td>4,360,765</td>
</tr>
<tr>
<td>Grants payable—net</td>
<td>35,355,579</td>
<td>39,731,850</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>43,739,692</td>
<td>44,324,280</td>
</tr>
<tr>
<td>Net Assets—Unrestricted</td>
<td>1,321,181,259</td>
<td>1,088,265,668</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 1,364,920,951</td>
<td>$ 1,132,589,948</td>
</tr>
</tbody>
</table>

See Notes to Financial Statements
### Investment Income (Loss):

<table>
<thead>
<tr>
<th>Description</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>$14,903,140</td>
<td>$22,948,154</td>
</tr>
<tr>
<td>Dividends</td>
<td>13,621,673</td>
<td>11,911,639</td>
</tr>
<tr>
<td>Operating loss from limited partnerships</td>
<td>(4,392,321)</td>
<td>(5,922,498)</td>
</tr>
<tr>
<td>Fee income</td>
<td>226,412</td>
<td>218,037</td>
</tr>
</tbody>
</table>

Investment income before net realized and unrealized gains (losses) on investments: 24,358,904 29,155,332

Net realized and unrealized gains (losses) on investments: 273,091,409 (182,226,340)

Total investment income (loss): 297,450,313 (153,071,008)

### Investment Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Expenses</td>
<td>6,097,415</td>
<td>7,208,859</td>
</tr>
</tbody>
</table>

### Net Investment Gain (Loss) Before Federal Excise Taxes

<table>
<thead>
<tr>
<th>Description</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Investment Gain (Loss) Before Federal Excise Taxes</td>
<td>291,352,898</td>
<td>(160,279,867)</td>
</tr>
<tr>
<td>Federal Excise Taxes</td>
<td>546,766</td>
<td>271,571</td>
</tr>
</tbody>
</table>

Net Investment Gain (Loss): 290,806,132 (160,551,438)

### Expenses:

<table>
<thead>
<tr>
<th>Description</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants approved by the Board of Directors</td>
<td>50,530,557</td>
<td>62,567,487</td>
</tr>
<tr>
<td>Conditional grant activity and other—net</td>
<td>921,686</td>
<td>3,221,527</td>
</tr>
<tr>
<td>Grant expense—net</td>
<td>51,452,243</td>
<td>65,780,014</td>
</tr>
<tr>
<td>Program administration expenses</td>
<td>6,438,298</td>
<td>9,293,977</td>
</tr>
</tbody>
</table>

Total expenses: 57,890,541 75,082,991

### Change in Net Assets—Unrestricted

<table>
<thead>
<tr>
<th>Description</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in Net Assets—Unrestricted</td>
<td>232,915,591</td>
<td>(235,634,429)</td>
</tr>
</tbody>
</table>

### Net Assets—Unrestricted:

<table>
<thead>
<tr>
<th>Description</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of year</td>
<td>1,088,265,668</td>
<td>1,323,900,007</td>
</tr>
</tbody>
</table>

End of year: $1,321,181,259 $1,088,265,668

See Notes to Financial Statements
### Statements of Cash Flows

**Years ended December 31, 2003 and 2002**

**2003**  
**2002**

#### Cash Flows from Operating Activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in Net Assets—Unrestricted</td>
<td>$ 232,915,591</td>
<td>$(235,634,429)</td>
</tr>
</tbody>
</table>

Adjustments to reconcile change in net assets—unrestricted to net cash and equivalents used in operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation and amortization</td>
<td>554,673</td>
<td>596,834</td>
</tr>
<tr>
<td>Property and equipment write-offs</td>
<td>96,328</td>
<td>245,154</td>
</tr>
<tr>
<td>Net realized and unrealized gains/losses on investments</td>
<td>$(273,091,409)</td>
<td>182,226,340</td>
</tr>
<tr>
<td>Operating loss from limited partnerships</td>
<td>4,392,321</td>
<td>5,922,498</td>
</tr>
</tbody>
</table>

Changes in operating assets and liabilities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and dividends receivable</td>
<td>669,080</td>
<td>948,193</td>
</tr>
<tr>
<td>Prepaid excise taxes and other</td>
<td>(312,006)</td>
<td>355,717</td>
</tr>
<tr>
<td>Accounts payable and other accrued liabilities</td>
<td>(2,308,920)</td>
<td>1,260,795</td>
</tr>
<tr>
<td>Grants payable</td>
<td>(4,376,271)</td>
<td>(10,483,733)</td>
</tr>
</tbody>
</table>

Net cash and equivalents used in operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$(41,460,613)</td>
<td>$(54,564,651)</td>
</tr>
</tbody>
</table>

#### Cash Flows from Investing Activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from sales of equity and fixed-income securities</td>
<td>857,864,889</td>
<td>660,693,718</td>
</tr>
<tr>
<td>Purchases of equity and fixed-income securities</td>
<td>(784,991,933)</td>
<td>(636,146,731)</td>
</tr>
<tr>
<td>Contributions to limited partnerships</td>
<td>(48,353,372)</td>
<td>(17,773,977)</td>
</tr>
<tr>
<td>Distributions from limited partnerships</td>
<td>29,115,578</td>
<td>5,853,880</td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>(45,869)</td>
<td>(232,532)</td>
</tr>
<tr>
<td>Proceeds from sales of equipment</td>
<td></td>
<td>11,000</td>
</tr>
<tr>
<td>Principal repayments from Program Related Investment Fund</td>
<td></td>
<td></td>
</tr>
<tr>
<td>loan recipients</td>
<td>718,615</td>
<td>60,512</td>
</tr>
</tbody>
</table>

Net cash and equivalents provided by investing activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>54,307,908</td>
<td>12,465,870</td>
</tr>
</tbody>
</table>

Increase (Decrease) in Cash and Equivalents:

<table>
<thead>
<tr>
<th>Description</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12,847,295</td>
<td>(42,098,781)</td>
</tr>
</tbody>
</table>

Cash and Equivalents, Beginning of Year:

<table>
<thead>
<tr>
<th>Description</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>24,696,722</td>
<td>66,795,503</td>
</tr>
</tbody>
</table>

Cash and Equivalents, End of Year:

<table>
<thead>
<tr>
<th>Description</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 37,544,417</td>
<td>$ 24,696,722</td>
</tr>
</tbody>
</table>

#### Supplemental Disclosure of Cash Flow

<table>
<thead>
<tr>
<th>Description</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information—Federal excise taxes paid</td>
<td>$ 700,519</td>
<td></td>
</tr>
</tbody>
</table>

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See Notes to Financial Statements
1. **Organization**

The James Irvine Foundation (the “Foundation”) is a private foundation dedicated to expanding opportunity for the people of California to participate in a vibrant, successful, and inclusive society. Flowing from the mission, the Foundation has identified three areas of concentration for its grantmaking program: Youth, the Arts, and California Perspectives, which focuses on research and information about significant issues facing the state and its regions.

2. **Significant Accounting Policies**

**Basis of Presentation** — The accompanying financial statements are presented on the basis of unrestricted, temporarily restricted, and permanently restricted net assets. At December 31, 2003 and 2002, the Foundation had no temporarily or permanently restricted net assets.

**Cash and equivalents** consist of cash and short-term, fixed-income investments with maturities of three months or less at date of purchase as follows at December 31:

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash, interest-bearing deposits</td>
<td>$62,649</td>
<td>$257,771</td>
</tr>
<tr>
<td>Short-term, fixed-income investments</td>
<td>37,481,368</td>
<td>24,438,951</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$37,544,017</strong></td>
<td><strong>$24,696,722</strong></td>
</tr>
</tbody>
</table>

**Investments** are stated at quoted market prices or estimated fair values, which are based on independent valuations. Investment expenses include investment management fees, custodial fees and an allocation of the Foundation’s operating expenses. The Foundation maintains the following categories of investments:

- Short-term, fixed income investments include commercial paper, demand notes, foreign currency and corporate and government bonds. For statement of cash flows presentation purposes, these securities are considered to be cash equivalents as such securities have original maturities of three months or less.

- Equity securities primarily consist of investments in both domestic and foreign corporate common stock securities.

- Limited partnerships represent investments in private equity limited partnerships and hedge funds.

- Fixed-income securities include holdings in corporate and municipal bonds, as well as U.S. government securities and convertible corporate debentures.

**Program Related Investment Fund Loan** — The Foundation had a program related investment fund loan of $718,615 at December 31, 2002. Such loan had an interest rate of 2.9 percent and was repaid during 2003.

**Property and Equipment** is stated at cost and depreciated using the straight-line method over estimated useful lives of the assets ranging from three to 10 years. Leasehold improvements are amortized over the lesser of the asset’s useful life or the lease term.

**Fee Income** — A securities lending program is managed by the Foundation’s investment custodian. This program permits the custodian to loan certain of the Foundation’s stocks and bonds included in its investment...
portfolio. The Foundation’s investment custodian has indemnified the Foundation against the counterparty risk, and the Foundation receives a fee from the custodian related to securities loaned under the program.

Grants are expensed when the unconditional promise to give is approved by the Board of Directors. Conditional promises to give, consisting primarily of grants with matching requirements, are recognized as grant expense in the period in which the recipient meets the terms of the condition. Such conditions may also include other requirements, such as the requirement for a newly formed organization to successfully establish its 501(c)(3) status before the grant becomes unconditional. Grant refunds are recorded as a reduction of grant expense at the time the Foundation becomes aware the grant will be refunded.

Functional Expense Allocations — Expenses, such as salaries and payroll taxes, travel and meeting expense, depreciation and amortization, and rent, are allocated among investment expenses and program administration expenses based on employee ratios and estimates made by the Foundation’s management.

Pension Plan — The Foundation provides a defined contribution pension plan for all its employees. The plan is funded by the Foundation and maintained by an independent trustee. Contributions to the plan were approximately $554,000 and $739,000 in 2003 and 2002, respectively.

Estimated Fair Value of Financial Instruments — The carrying amounts of cash, receivable from sales of securities, interest and dividends receivable, payable for purchases of securities, and accounts payable and other accrued liabilities approximate fair value because of the short maturity of these financial instruments. Investments are held at estimated fair value. The limited partnership investments represent investments in private equity limited partnerships, which include nonmarketable and restricted investment securities whose values have been estimated by the general partner of the limited partnership in the absence of readily ascertainable market values. Because of the inherent uncertainty of valuation of nonmarketable and restricted investments, those estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material. The carrying amount of program related investment fund loans in 2002 approximates fair value, which was determined based on current interest rates available to such loan recipient with similar remaining maturities and terms. The carrying amount of grants payable approximates fair value because such liabilities are recorded at estimated net present value based on anticipated future cash flows.

Concentrations of Credit Risk — Financial instruments, which potentially subject the Foundation to credit risk, consist primarily of cash, cash equivalents, investments, and program related investment fund loans. The Foundation maintains cash and cash equivalents with major financial institutions. At times, such amounts may exceed FDIC limits. The Foundation’s investments have been placed with high-quality counter parties. The Foundation closely monitors these investments and program related investment fund loans and has not experienced significant credit losses.
The Foundation made capital contributions totaling $48,353,372 and $17,773,977 in 2003 and 2002, respectively, to the limited partnerships as called for by the partnership agreements. As of December 31, 2003, the Foundation has commitments under partnership agreements to make additional capital contributions of $84,632,846.

The Foundation has an investment in a limited partnership, which was valued at approximately $9,353,000 and $9,374,000 as of December 31, 2003 and 2002, respectively, in which a member of the Foundation’s Board of Directors, through June 2003, was a managing director. As of December 31, 2003, the Foundation has commitments under this partnership agreement to make additional capital contributions of $7,948,387, which is included in the amount disclosed in the above paragraph.

4. PROPERTY AND EQUIPMENT

Property and equipment as of December 31 consists of:

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office furniture and equipment</td>
<td>$2,313,130</td>
<td>$2,431,367</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>2,378,321</td>
<td>2,378,321</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,691,451</strong></td>
<td><strong>4,809,688</strong></td>
</tr>
<tr>
<td>Accumulated depreciation and amortization</td>
<td>(3,490,958)</td>
<td>(3,004,063)</td>
</tr>
<tr>
<td>Property and equipment—net</td>
<td>$1,200,493</td>
<td>$1,805,625</td>
</tr>
</tbody>
</table>

3. INVESTMENTS

Investments are stated at quoted market prices or estimated fair values, which are based on independent valuations. The net realized and unrealized gains (losses) on investments for the years ended December 31, 2003 and 2002 are comprised as follows:

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net realized gains (losses) on investments sold</td>
<td>$31,365,593</td>
<td>$(12,830,193)</td>
</tr>
<tr>
<td>Net unrealized gains (losses) on investments</td>
<td>241,725,816</td>
<td>169,396,147</td>
</tr>
<tr>
<td>Net realized and unrealized gains (losses) on investments</td>
<td>$273,091,409</td>
<td>$(182,226,340)</td>
</tr>
</tbody>
</table>

Tax Exempt Status — The Foundation is a private foundation and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from California franchise and/or income taxes under Section 23701(d) of the Revenue and Taxation Code.

Use of Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant accounting estimates reflected in the Foundation’s financial statements include the determination of the fair value of investments (including private equity limited partnerships), the discount on grants payable, the calculation of federal excise taxes expense, and the functional expense allocation. Actual results could differ from those estimates.
The following table summarizes the Foundation’s grant activity for the years ended December 31, 2003 and 2002:

<table>
<thead>
<tr>
<th>Grants approved by the Board of Directors</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 50,530,557</td>
<td>$ 62,567,487</td>
</tr>
<tr>
<td>Add (deduct):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conditional grants made</td>
<td>(148,500)</td>
<td>(15,000)</td>
</tr>
<tr>
<td>Conditions met on conditional grant made in prior years</td>
<td>758,500</td>
<td>2,576,500</td>
</tr>
<tr>
<td>Change in discounts on multi-year grants – net</td>
<td>(14,982)</td>
<td>296,265</td>
</tr>
<tr>
<td>Matching gifts program</td>
<td>332,850</td>
<td>368,835</td>
</tr>
<tr>
<td>Grants refunded</td>
<td>(6,182)</td>
<td>(5,073)</td>
</tr>
<tr>
<td>Conditional grant activity and other – net</td>
<td>921,686</td>
<td>3,221,527</td>
</tr>
<tr>
<td>Grant expense – net</td>
<td>$ 51,452,243</td>
<td>$ 65,789,014</td>
</tr>
</tbody>
</table>

Future minimum grant disbursements scheduled are as follows as of December 31, 2003:

<table>
<thead>
<tr>
<th>Year ending December 31</th>
<th>Unconditional</th>
<th>Conditional</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>$ 29,282,794</td>
<td>$ 50,000</td>
<td>$ 29,332,794</td>
</tr>
<tr>
<td>2005</td>
<td>3,299,000</td>
<td>5,299,000</td>
<td>8,598,000</td>
</tr>
<tr>
<td>2006</td>
<td>929,000</td>
<td>98,500</td>
<td>1,027,500</td>
</tr>
<tr>
<td>Total</td>
<td>35,310,794</td>
<td>148,500</td>
<td>35,459,294</td>
</tr>
</tbody>
</table>

| Less discounts on multi-year grants | (155,215) |       | (155,215) |
| Grants payable—net                | $ 35,355,579 | $ 148,500 | $ 35,504,079 |

In accordance with the applicable provisions of the Internal Revenue Code, the Foundation is subject to an excise tax of 2 percent (1 percent if minimum payout requirements prescribed by the Internal Revenue Code are met) on its net investment income, excluding unrealized gains, as defined. The Foundation was subject to the 1 percent rate in 2003 and 2002. In addition, the Internal Revenue Code requires that certain minimum distributions be made in accordance with a specified formula. At December 31, 2003 and 2002, the Foundation had made the required minimum distributions.

The Foundation leases its facilities under long-term non-cancelable operating leases. Approximate future minimum lease payments, subject to adjustments based on changes in real property taxes and maintenance expenses, as of December 31, 2003 are as follows:

<table>
<thead>
<tr>
<th>Year ending December 31</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>$ 686,934</td>
</tr>
<tr>
<td>2005</td>
<td>663,858</td>
</tr>
<tr>
<td>2006</td>
<td>663,858</td>
</tr>
<tr>
<td>Total</td>
<td>$ 2,014,650</td>
</tr>
</tbody>
</table>

Rent expense was approximately $741,000 and $777,000 in 2003 and 2002, respectively.
BOARD OF DIRECTORS

Officers
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Gary B. Pruitt
Vice Chair
James E. Canales
President and Chief Executive Officer
John R. Jenks
Chief Investment Officer, Treasurer, and Corporate Secretary

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Menlo Park
Greg Avis
Palo Alto
James E. Canales
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Laguna Niguel
David Mas Masumoto
Del Rey
Molly Munger
Los Angeles
Patricia S. Pineda
Fremont
Gary B. Pruitt
Sacramento
Toby Rosenblatt
San Francisco
Steven A. Schroeder
San Francisco
Peter W. Stanley
Claremont
Peter J. Taylor
Los Angeles

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Special Assistant to the President
Drusilla Jones
Administrative Assistant

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Vice President for Programs
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Program Director, Arts
Amy Dominguez-Arms
Program Director, California Perspectives
Anne B. Stanton
Program Director, Youth
Lande Ajose
Senior Program Officer, California Perspectives
Jorge Ruiz de Velasco
Senior Program Officer, Youth
Jason Torres Hancock
Program Associate, California Perspectives
Jeanne Sakamoto
Program Associate, Arts
Kenji M. Treanor
Program Associate, Youth

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Director of Communications
Mark E. Pothier
Communications Manager

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Chief Investment Officer, Treasurer, and Corporate Secretary
Jeffrey W. Kumataka
Director of Finance
Jeff Brandenburg
Manager of Information Technology
Colette Clark
Accounting Manager
Susan R. Fujii
Information Technology/Web Specialist
Anne A. Matlock
Investment Analyst
Robert Oliver
Staff Accountant
Lavinia Tiu-Mondala
Staff Accountant
Micky Shirley
Administrative Assistant

Administration
Ann L. Clarke
Director of Administration
Dana Brownfield
Conference Manager
Ann K. Gomes
Operations Manager
Dion Hudson
Human Resources Manager
Kelly Martin
Grants Manager
Angie Aguilar
Receptionist and Administrative Assistant
Evan Carlson
Los Angeles Office Manager and Administrative Assistant
Kathryn (Katie) L. Wheeler, the granddaughter of James Irvine and the Foundation’s longest-serving director, died in 2003.

Katie served as an active member of the Board of Directors from 1950 until 1997, and as an honorary director from 1998 until her death last year.

Katie frequently reminded us that her grandfather cared deeply about enabling Californians to become educated and productive members of their communities. We honor her steadfast contribution to our work, and to the people of California.

We will miss Katie’s presence at the Foundation and will always remember her warmth, spirit, and genuine commitment to philanthropy.
REFERENCES

PAGE 24
National Assembly of State Arts Agencies, California Arts Council (2004).

PAGE 25

PAGE 26
California Arts Council (2004).

PAGE 27
Public Policy Institute of California: The Ties That Bind: Changing Demographics and Civic Engagement in California (2004) and How Race, Ethnicity, and Immigration Shape the California Electorate (2002); voter data is from the 2000 election.

PAGE 28
New California Media poll (April 2002).

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PAGE 30
State Superintendent of Schools Jack O’Connell, State of California Education Address (February 2004).

PAGE 31 LEFT
The National Center for Public Policy and Higher Education: Ensuring Access with Quality to California Community Colleges (May 2004).

PAGE 31 RIGHT
Public Policy Institute of California: Special Survey on the State Budget (May 2004).

PAGE 32 LEFT

PAGE 32 RIGHT
California Department of Education (July 2004).

PAGE 33
native Californian, James Irvine devoted most of his life to his business interests in San Francisco and the development of his 110,000-acre ranch in Orange County, which he inherited from his father in 1886.

Mr. Irvine believed that significant community responsibility came with his ownership of the ranch, and his philanthropic activities culminated with the formation in 1937 of The James Irvine Foundation. He directed that grants from the Foundation promote the general welfare of the people of California. Mr. Irvine died in 1947.

Since its founding in 1937, the Foundation has made grants totaling more than $800 million for the people of California.

Nickolas Wilton created the illustrations throughout this annual report. A California native, Mr. Wilton is an accomplished illustrator, artist, and teacher. Mr. Wilton attended the College of Creative Studies at the University of California, Santa Barbara, and is a graduate of Art Center College of Design in Los Angeles, a former Irvine Foundation grantee. He lives in northern California with his wife and two daughters.

The Irvine Foundation has supported the arts since its inception and today remains one of the largest funders of the arts in California. We are pleased to be supporting and highlighting the work of one of California’s artists in this annual report.