

The Joyce Foundation 2004 Annual Report



A teacher affects eternity;
he can never tell where his influence stops.

Henry Adams

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Fifty years after *Brown v. Board of Education*, America's schools still fail to provide many poor and minority children with a quality education.





A big part of the problem: poor and minority children are much more likely than other children to have teachers who are inexperienced, uncertified, or teaching subjects they were not trained to teach.

Yet hope exists: over time, effective teachers can
erase the achievement gap and help kids learn.



PRESIDENT'S LETTER

Among the central challenges facing our nation today is how to provide high-quality education and training to the next generation of adults. It is not an exaggeration to suggest that our competitiveness in a global environment, our security, our democracy, and our quality of life will depend in large part on the success of our education system.

Yet it is also clear that the system we now have in place is stumbling. And when it comes to poor and minority kids, it is often an outright failure. To pick three examples for which we at Joyce have a particular concern: a recent study shows that, in Chicago, a shocking 61 percent of black boys fail to graduate from high school. In Milwaukee and Cleveland, the numbers are even worse. For white boys in those same cities, the numbers are significantly better, though far from perfect. Such statistics, and many others like them, demonstrate clearly that the achievement gap between wealthy white students and their low-income and minority brethren starts early and has a lifetime impact. It also sabotages the potential contribution to society of a huge and growing part of our population. But the gap is neither inevitable nor irreversible. We know some of the solutions to this problem. Research shows that early childhood experiences and the quality of teachers kids encounter in school are two critically important factors in determining achievement. These are two things that we as a society can do something about.

An early start and good teachers can make all the difference in a child's world—and can erase the achievement gap. That is why the Joyce Foundation has chosen to focus the bulk of its education funding on these two areas. This year's Annual Report chronicles the experiences of two bright, enthusiastic new teachers as they make their way through one year in the life of a Chicago elementary school. Their story speaks volumes, not only about what it takes to support and develop new teachers, but about the hopes and challenges we all share for the future of our children and the schools that serve them.

In each of the Foundation's programs, our priorities are shaped by what the research identifies as the most effective strategies to address social challenges. Our goal is to identify and promote evidence-based public policies that will improve the lives of Midwest citizens. The Foundation's board has identified six broad categories of issues that have an impact on our region: education, the environment, employment, gun violence, money and politics, and culture. When determining what to fund within these categories, we consider the severity of a problem, our ability to identify a possible solution, and the likelihood that our resources can make a difference. The projects that we fund almost always include some of the following:

RESEARCH AND ANALYSIS to define a problem and to assess the costs, feasibility, and likely consequences of policy alternatives.

POLICY DEVELOPMENT to offer up options to remedy problems.

COMMUNICATIONS, media outreach, and public education to inform citizens and promote active participation in government.

PERMISSIBLE POLICY ADVOCACY ACTIVITIES, which include participating in official proceedings; informing lawmakers; providing technical assistance when requested; and fostering public discourse among policymakers to explain and defend their policy positions.

DEMONSTRATING PUBLIC SUPPORT for reform through broad-based, diverse, and bipartisan coalition- and constituency-building and grassroots organizing.

MONITORING AND EVALUATING the implementation and enforcement of new policies once they are in place.

Developing ideas that promise to make civic life work better—whether to improve the quality of teaching in our schools, to make our communities safer, or to protect our natural treasures like the Great Lakes—is an old and invaluable tradition of private philanthropy. It is our responsibility to ensure that the work is carried out with the highest integrity, and it is an honor to support those who do this work with the strongest commitment—and the best ideas.

Ellen S. Alberding, President

May 2005

Chicago, Illinois



What does it take to hire, support, and keep good teachers in schools that need them most?

To find out, we followed two new teachers in their first year at a Chicago school.

BACK TO SCHOOL

Across America, September means new backpacks, new kids in class, new things to learn. At Doolittle East School, on Chicago's near South Side, September 2004 meant all that and more.

New kids in class? Try 500 of them, overwhelming Doolittle's previous enrollment of 350. Most were little kids, transferred in from a shuttered primary school next door. They brought new energy, and new challenges, to what had formerly been a middle school. Other children came from other nearby schools that were also closing, as nearby public housing was demolished and the school district seized the opportunity to shut some low-performing schools and start over.

Greeting the 850 kids on September 7 were 20 new teachers—in fact, most of the teachers that day were new to Doolittle. Among them were LaKimbra Brooks, 26, who took one of the new second-grade classrooms; and George McMahon, 50, a new sixth-grade teacher.

"I went down to the auditorium, where the kids were sitting, and held up a sign with my name and the room number so my kids could see me," says LaKimbra. "They were pretty quiet. I told them what I wanted them to do, and they pretty much followed directions: line up in the hallway, once we get to the classroom put your book bag down, go to the rug, sit down: we're going to learn about each other."

George too met an eerie silence. "They sat in their desks and looked at me, quiet as mice. I expected a challenge, someone who'd want to be social, or disruptive. But nothing! Finally I asked, 'when are the *real* sixth-graders going to come in here?'"

If the students were trying to figure out what to expect, so were the teachers. Because for both LaKimbra and George, September 7 was their first day in their new profession as full-fledged teachers.

Neither had followed the standard path to teaching: education major, student teaching, certification. LaKimbra graduated from Barat College in Lake Forest, Illinois, with an English major and looked for a job



in writing or editing. But her pleasure in teaching Sunday school, and a substitute teaching job, pointed her towards teaching. George, by contrast, always wanted to be a teacher. He took education classes at the University of Illinois at Chicago while getting his degree in English. But marriage, children, and a computer programming job at Sears got in the way. Nearly three decades later, restless and dissatisfied working at “just a job,” he saw a late-night TV feature about the Academy for Urban School Leadership and knew instantly, “that’s what I want to do.”

AUSL offers people in other careers, like George and LaKimbra, training and a stipend while they study for the Master of Arts in Teaching degree. Chicago Public Schools, like other urban districts, increasingly look for teacher candidates from such “alternative certification” programs, which generally offer a faster, less expensive route to teaching. One-quarter of the 1,700 new teachers hired by CPS for September 2004 came through such programs.

But Doolittle principal Lori Lennix, informed last June that her school would more than double in size, was skeptical. “I’d never heard of AUSL. When the school board told me they were sending me a cohort of these teachers to interview, I went in kind of fighting it.” She worried that the candidates would not be prepared to teach at Doolittle, where all the students are African-American, 99 percent are poor, and many (though by no means all) are academically at-risk. “But then I recognized that we had to recruit, interview, and select twenty new teachers—whereas in previous years we’d hire one or two—twenty! It was ridiculous.” After visiting an AUSL school, she agreed to interview candidates from there as well as other sources.

Interviewing was a marathon, Lennix recalls. Her team, which included both school staff and representatives from the University of Chicago-based New Teachers Network, interviewed 200 candidates in one week. “We looked for star teachers,” she says. “We asked them, what’s your idea of an at-risk child?



We looked for those who talked about children at risk of failure—not those who thought being at-risk simply meant being poor or black. We gave them scenarios and asked how they would respond; we’re looking for people who are quick, resilient, who seemed like they’d be able to multitask—because there’s a lot to do.” In the end, Lennix hired ten of her twenty new teachers from AUSL. LaKimbra and George got the good news in late July—and soon after started worrying about doing the job.

LaKimbra’s goddaughter lives near Doolittle, so “I’d heard a lot about it, mostly not positive. I knew it was a school on probation. I’d heard it might be closing. And the demographic was similar to the school I’d taught in as a substitute teacher—and that was a tough school.”

In fact, Doolittle has had its share of both struggle and success. When Lennix took over the middle school in 1997, only 14 percent of students were at grade level in reading, 16 percent in math. “We set out to heal ourselves,” says Lennix. By 2003, scores were up to 33 percent in reading and 43 percent in math, though they dipped some in 2004. With so many new kids, and virtually an entire new teaching staff, future progress was hard to predict.

George was anxious about the task ahead. “I didn’t know what to do to get ready,” he recalls. A New Teachers Network workshop the week before school “probably focused me most,” he says. “They said, Just plan: what are you going to do the first ten minutes? The next ten minutes?” His training had helped him learn about being a teacher—“and that’s valuable; but New Teachers Network saved me on the first day.”

Lennix eased the transition by giving teachers keys to the classrooms in August and inviting them to school a full week before classes began, to get to know one another. The fact that everyone was facing change together made things easier. “I felt Doolittle was embracing us,” recalls George. “I’ve been welcomed,” says LaKimbra.

SO FAR SO GOOD

The quiet that both LaKimbra and George encountered on the first day didn't last long.

Several weeks into the school year LaKimbra concentrates on making sure her children understand her rules: raise your hand, instead of shouting out the answer; use your words instead of your fists; stand up, line up, sit down in a reasonably orderly fashion. She learned the hard way during a difficult year as a substitute teacher that classroom management can become a huge challenge. That won't happen again. "I set my expectations early, and the rules haven't changed. I've really stuck to it. And the students see, she's not letting up on this."

LaKimbra says she can tell the difference between children who have been to "really good, meaningful early childhood programs" and those who haven't. "You can tell it academically: they do better on phonetic recognition and on basic addition and subtraction—whereas other kids have no strategies for attacking, say, $2 + 2$. And socially, the kids who've been to preschool come to school knowing what to do. You don't have to tell them, you're here to learn."

Another management challenge is getting her children used to working independently. Some are already reading at the third-grade level while others haven't mastered first-grade skills. The one-size-fits-all reading textbook baffles some kids and bores others. LaKimbra needs to meet each group of children where they're at and help them master the next set of skills, while keeping the rest busy. She's set up a classroom library centered on a round table near the front windows, but she doesn't have enough books at the levels her kids need. Resources generally are in short supply, she laments; in November she's still waiting for some materials she ordered on September 7.

The school's lead literacy teacher has helped her find books. And in fact LaKimbra has welcomed assistance from a number of sources. "I think it's important for a first-year teacher to get support from all



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around,” she says. Other teachers have taught her the ropes on school procedures, like keeping attendance. Most important, the teacher she trained under in her AUSL program has become both a mentor and a friend.

“At the end of the day we share our stories. We’ll brainstorm about how to handle things. I can vent, if need be. But we also talk academics. For example, some of my students are good with basic addition but have trouble with related facts. She’ll say try this book, or try teaching it this way. Or for a student who can read out loud fluently but his comprehension is bad, she tells me, check with him every couple of pages to see if he can tell you what he’s reading. Both academically and personally, she’s a support to me.”

George too takes help wherever he can find it. Early in the semester, a New Teachers Network staffer offered to take over his class one Friday afternoon. “He played Jeopardy with them,” George recalls. “They got really into it! He was able to quiet some kids who always want to be social. So now we play Jeopardy every Friday afternoon, and review four or five subjects. I never would have thought I’d use a game in the classroom. But it’s a high-success activity, for both me and the kids. I leave the classroom feeling good.”

Keeping his sixth-graders engaged is a key to success, George has found. “The hardest thing is consistently planning interesting lessons,” he says. “But the days when I have less interesting lessons, I have the most behavior problems. On the other hand, I’m beginning to feel confident that, when I walk into the classroom with a good, well-planned lesson, that should prove itself in student behavior.”

He looks for ways to connect lessons to what’s going on in the world. This is campaign season, and one of the presidential debates has touched on affirmative action and “separate but equal”—a term his kids have been studying. He’s organizing classroom elections to bring politics home to his students.

Some days are better than others. “You always know when it’s not working. If you’re talking and they’re not listening, you can stop right there.” He asks the AUSL coach for ideas, gets tips from the New Teachers Network staff, and praises a publisher’s workshop that helped him make better use of the textbook (which LaKimbra also found useful). George also checks with other teachers. “We’re always asking one another, how’s it going? Are you getting anywhere with them?”

The school administration helps with discipline problems. When one of his students got in trouble, principal Lennix spent forty minutes talking with him and offering suggestions. “Being in business as long as I was, I’m pretty good at dealing with problem situations,” says George. “But they [the administration] are really experienced in dealing with parents and young kids,” and he’s grateful for their help.

Lennix is watching how her new teachers are doing. If she sees that several are struggling in classroom management or teaching some particular skill, she’ll organize a workshop in that area. Or she’ll offer help—a teaching assistant, or a chance to watch how another teacher handles things. She also knows that some people just aren’t cut out for the job. “Sometimes you have to counsel a teacher right out of the field,” she says. “But very few of the teachers we select end up in that category.”

Not George and LaKimbra, it appears. Both clearly feel challenged—but both also have a developing sense of competence. “I’m reluctant to say it out loud,” George says, “but somehow I’m managing to do this. As much work as it is, day in and day out, as much preparation time as it takes—it’s hard, but I’m keeping my head above water.”

“I feel like I’m growing and learning more each day,” says LaKimbra. “But the more I get into it, the more there is to learn. Just when I’m getting the hang of it, there’s something new I have to do. I say, wait a minute! I thought I was going to get better at this!”

ARE WE GETTING SOMEWHERE?

Facing a bleak Chicago January was tough on everyone. LaKimbra's students, after two weeks' vacation, were slipping back into bad old habits. The video games they got for Christmas didn't help ("MegaDeath, Grand Theft Auto—should kids this age have stuff like that?" she wonders). She found herself constantly reminding them—raise your hand, use your words—"and they're slow to remember and obey." Still, academically the class picked up where it had been before. "We needed some review, but not as much as I thought," she says.

Now, with more than half the school year behind her, she's trying to judge progress. "In curriculum, I'm where I should be, in both reading and math. But in terms of the kids' growth, it's harder to tell." More flexible materials, she believes, would allow her to track students' progress through different skill levels.

LaKimbra (who was once Miss Illinois National Teenager) knows that her confident public presence is one of her strengths as a teacher. "I'm very good on delivery. I'm good at reaching kids at different levels." But she wants to understand more about what she's teaching. "It would help to read more research, so that I understand why this material is necessary, why they need this skill at this time."

George came back after break determined to make a fresh start, especially in establishing civility—a tall order with twelve-year-olds. He's worried that the students are too loud, that they're being rude with one another, that they just want to chat and play. "Something's got to change. The students don't have the motivation to change it, or the strategy. I'm in charge. So I've got to do something."

Still, he can point to progress. For example, he taught them how to decipher an unfamiliar word from its context. The lead literacy teacher suggested he put up a poster summarizing the skill. Now, when the kids puzzle over a word, the poster reminds them what to do. It's working, George says: he can see that his students are mastering this skill.



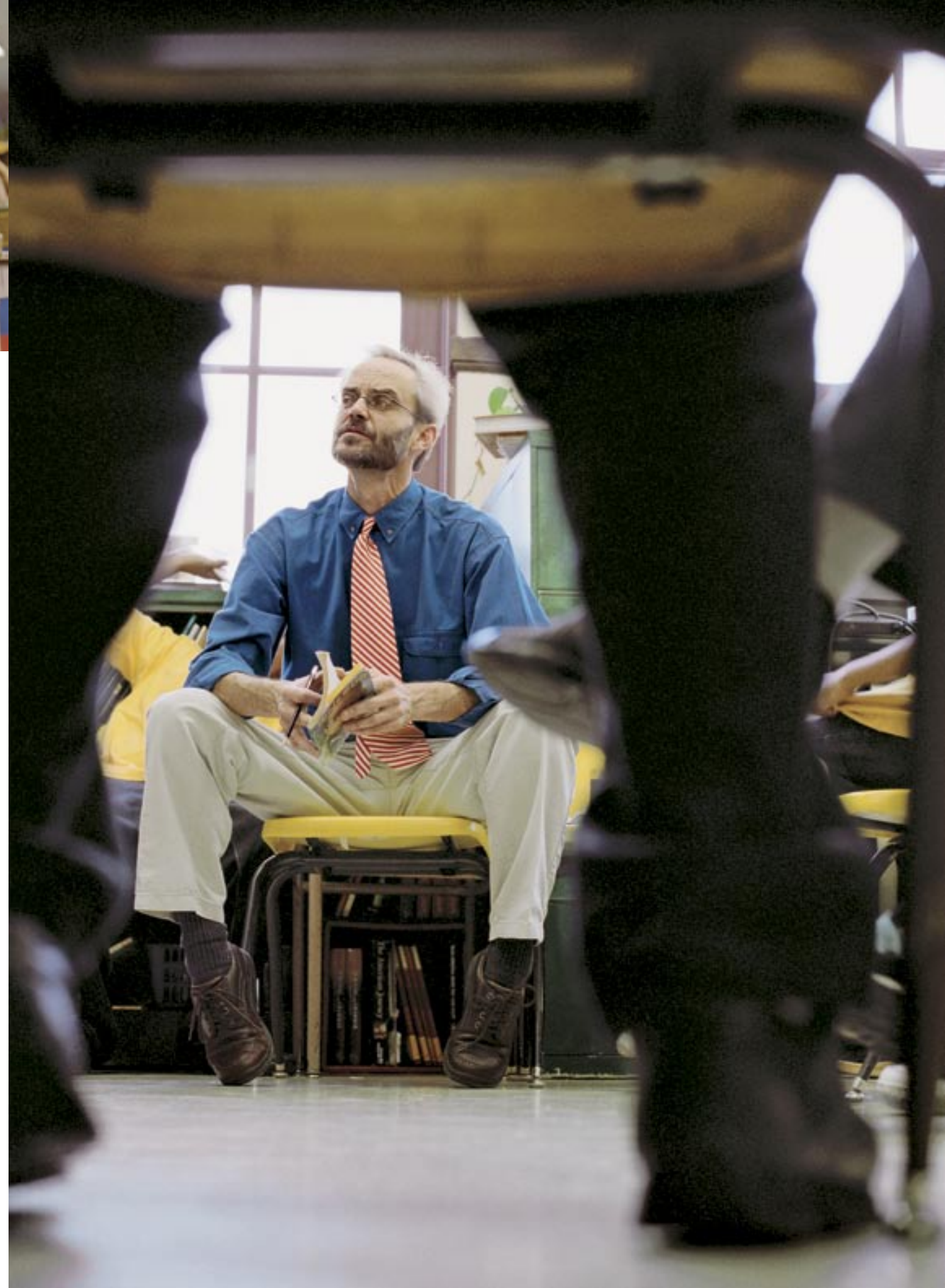


They're also learning something else he's trying to teach, that there are consequences to their actions. When he circulated preliminary first-quarter grades, students ignored them. As a result, some who expected to be on the honor roll dropped off because of missed assignments. The second time around some at least made the effort to hand in "lost" homework. Still, a few weeks into second semester, he worries that perhaps four of his students might have to attend summer school, and one or two might have to repeat sixth grade.

Both George and LaKimbra struggle with planning and paperwork. "With this workload, you really pay for any slipups in your organization," says George. "All of a sudden it's Wednesday, and lesson plans are due tomorrow, and you don't know what you're doing with the kids, and you end up working five or six hours that night to get everything back in order." LaKimbra was especially frustrated by report card paperwork. "I could assign my kids a grade," she says. "But you have to have a certain number of class activities, homework, and tests, and you have to average each of the categories to arrive at a grade, and then turn all that in. I can see the reason for it, but ..."

Lisa Vahey, of New Teachers Network, offers encouragement. "When you spend hours filling in your monthly summary report, it's hard to turn around and find six good poems to use tomorrow. Having the report will keep the administration happy. But without those six poems, your curriculum is not ready, your kids get bored, you raise your voice with them, and suddenly you're having a bad day because you didn't plan." She helps teachers set priorities so that they stay on the good side of the front office but keep a conscious focus on what makes a good day: "having activities well planned, having the material for your science experiment set up, having your read-alouds ready."

Lisa helped LaKimbra produce the highlight of second grade so far, introduction to poetry. "Her kids were writing, but they weren't using interesting language," Lisa says. With LaKimbra watching, she modeled





a writing lesson. She began by reading a book to the children. Then she drew a web with the word “Peace” in the middle and asked: What is peace? “Peace is a sleeping baby,” offered one child. “Peace is a hug from your grandmother,” said another. Lisa wrote it all down. When she next came to class, she brought a lovely poster with their contributions incorporated into a class poem. “They loved seeing their work published,” says LaKimbra. “We put it on the bulletin board in the hallway, and they recited it for the school assembly.” LaKimbra followed up by organizing a Poetry Café for the month of February.

Still, when the month ended the kids grumbled about returning to the normal routine of reading and math, leaving LaKimbra in what she calls “kind of a bumpy place.” Like George, she worries about a couple of kids that she hasn’t yet been able to reach. And she’s wondering if classroom life is really for her—though she insists she doesn’t let those doubts affect her teaching: “I’m doing this with all my heart, because these kids deserve someone who wants to propel them forward.”

George says he sometimes wonders whether he’s making any progress. “I don’t want to get to the point where I resent the work, and that’s a real possibility. I could say, ‘This is too hard, it’s not worth it, they don’t appreciate it, I’ll just give them lessons out of the damn book and watch movies every night and have a beer.’”

“But then I’ll be listening to NPR, and I’ll think, I’ve got to talk to my kids about that. Or I’ll read a book and think, how would I teach this? Or I’ll take my daughter to the zoo, and think, field trip? Everything is a source of ideas, and when they pan out that’s a great satisfaction.”

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deserve someone who wants to propel them forward.*



December

Number	Days	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4				
5	6	7	8	9	10	11	
12	13	14	15	16	17	18	
19	20	21	22	23	24	25	
26	27	28	29	30	31		

Good Writing Traits

Organization

- 1. Write a beginning, middle, and ending.
- 2. Use transitions to connect ideas.
- 3. Use a topic sentence to introduce your main idea.

Lightbulb

- 1. Choose an interesting topic to write.
- 2. Present a clear main idea.
- 3. Give good supporting details.
- 4. Make your readers interested.

Balance

- 1. Use a variety of sentence lengths.
- 2. Use a variety of sentence structures.
- 3. Use a variety of words and phrases.
- 4. Use a variety of punctuation.

Word Choice

- 1. Choose words that make your meaning clear.
- 2. Choose words that are vivid and interesting.
- 3. Use language that is correct.
- 4. Use language that is varied.

Conventions

- 1. Use correct capitalization.
- 2. Use correct punctuation.
- 3. Use correct spelling.
- 4. Use correct grammar.



WHAT DID WE LEARN?

Chicago has finally warmed up to spring. Tests are finished. The end of school is a few weeks off. Doolittle students are ready to jumpstart summer. “I tell my students, testing is over but school isn’t,” says LaKimbra firmly. “Learning will take place in this classroom until the day I say good-bye to them.”

Testing of course is one way to figure out just how much learning has taken place. At Doolittle, tests not only decide who gets promoted or goes to summer school; they also determine whether the school itself gets off probation. Everybody takes tests seriously.

LaKimbra spent two weeks working through practice tests, and reminding her students of strategies they’ve learned for when they get stuck: use a process of elimination and take your best guess. George fit some practice into every day, “without throwing all other instructional plans out the window.” He also schemed to give his kids an edge. He cut back on homework, so they’d be rested; made sure everyone used the bathroom; and gave everyone granola and peppermints. (“The theory is that peppermints stimulate the brain. The school used to hand them out. But this year there’s no budget for that, so I bought a bagful at Aldi.”)

Most scores will be in by June, but results for LaKimbra’s second-graders will come much later. “They’ll be in third grade and I’ll have a whole new set of kids before I know how they did,” she laments.

In the meantime, both teachers reflect on what the year has accomplished. George thinks he sees progress—but he’s not sure. Report cards have improved every quarter since the first. “But are they learning,” he wonders, “or am I unconsciously asking them easier things so they’ll do better?” He does see definite advances. “At first it was hard to get them to sit still for fifteen minutes of silent reading. Now, sometimes we go forty.” They’re writing more thoughtfully in their journals. The AUSL coach complimented him on how engaged his class is—“very affirming,” he says. On the other hand, “math has been a struggle all year long,” although most kids get it eventually.



At first it was hard to get them to sit still for fifteen minutes of silent reading. Now, sometimes we go forty.

Sixth grade is a time of dramatic, if uneven, growth in maturity, which affects achievement. “Some days a student will throw a tantrum, then make some extremely generous gesture to a classmate. It can change by the hour!” George shakes his head: “Inside these adolescent bodies trying to be tough, I can still see the kids inside, and that makes me smile.”

LaKimbra is smiling because, although she too has doubts, she also sees progress. She spent an afternoon recently having students read to her one-on-one. “One boy, at the beginning of the year, he wasn’t reading at all. Today he opened the book, and the story he’d been having a hard time with, now he can read it!” Other kids are also reading better. “One of my goals was to have my kids be readers, be confident, be able to attack a text. It made me feel good to see the progress they’ve made.”

If maturity is the big sixth-grade drama, sheer energy is what makes second graders a challenge. “My kids are so extreme,” LaKimbra marvels. “When they’re frustrated that they can’t learn something—telling time, for example—I think, my God, will we ever get over this hump? But when they get it, they are so excited.” Understanding both sides improves her teaching. “Before, I would think, am I teaching this wrong? Now I understand, they may be frustrated now, but they’ll get it eventually, and when they do, they’ll be proud of themselves.”

Other supports have also helped her become a better teacher. Her AUSL mentor; professional development to identify the best strategies and materials; and New Teachers Network sessions, where first- and second-year teachers share ideas, all have been important, she says.

LaKimbra is “99 percent sure” she’ll come back to Doolittle. Having settled into the school environment, she hopes that next year, “things that surprised me won’t be a surprise. I’ll know the dynamics of the school.”



School dynamics and school culture are essential to attract, and keep, good teachers at a school like Doolittle that faces intense achievement pressures, LaKimbra adds.

“These are children from disadvantaged backgrounds. Their needs go way beyond learning social studies. Having an administration that has your back is definitely the biggest thing to keep teachers in a school. You think, I’m not in this alone, other people care and want to see these kids succeed like I do.” Similarly, a school culture that supports learning is critical: “If I’m a new teacher, and I’ve been taught that every child can learn—if I get to a school where the teacher next door is constantly berating the kids, it’s difficult. A new teacher is going to want to stay in a school where everybody wants to make positive change, not one where everybody has a crazy different way, and there’s no common vision.”

George says he is definitely coming back to “the best teaching job in Chicago.” He loves the kids, he loves his “gorgeous classroom with beautiful light,” he finds the administration supportive: “I’ve felt from the beginning that they had a commitment to do whatever it takes to help these kids learn, and as part of that a commitment to help every teacher.”

Asked what he thinks would attract good teachers to low-scoring schools, George says he’d like to see schools have the resources to keep classes small. Doolittle principal Lennix held class sizes low this year, though next year might be different. George is grateful that he started teaching with 25 students (now down to 19), and he feels the administration has, within reason, given him the resources he needs to teach them. “When somebody invests that kind of trust in me, that makes me want to try harder.”

Besides, George says, he came to Doolittle, in part, because it was a low-scoring school. “Anybody can teach kids who are all at grade level. Me, I’ve always liked a challenge. And I want to teach kids who need good teachers.”



The Joyce Foundation is committing \$15 million to efforts to improve federal, state, and district policies so that high-need schools in Chicago, Cleveland, and Milwaukee can attract and keep first-rate teachers. Joyce also supports expanding access to early childhood education and exploring such innovations as small schools and charter schools.





HIRING AND RECRUITING Many talented and qualified teachers are willing to teach in urban schools. But hiring delays, lack of information, and other problems too often keep them away. In Cleveland, one-third of teachers are hired after school starts—by which time the best teachers have found jobs elsewhere.

Joyce grants support development and implementation of policies to break down such barriers. Promising strategies include identifying budgets and staffing needs earlier in the school year; giving teachers incentives to decide early whether they intend to retire or resign; setting timelines and staffing to make recruiting for high-need schools a priority; streamlining the often-bureaucratic application process; and working with unions to make sure teacher contracts don't unintentionally disadvantage high-need schools.

ALTERNATIVE ROUTES TO TEACHING Not all teachers are born knowing that's what they want to do. People in other careers often find themselves drawn to teaching, and they can bring real-world experience to the classroom. Alternative certification programs offer those people a faster and less expensive route into the classroom than most traditional preparation programs. They're an increasingly popular solution for districts seeking candidates for hard-to-fill positions, especially in math, science, and special education. Nationally, one-third of newly trained teachers in 2003 came through such programs, and half of those teachers said they would not have become a teacher if an alternative route weren't available.

Joyce grants support efforts to expand high-quality alternative certification programs through improved state- and district-level policies, evaluate the effectiveness of alternative routes into teaching, and promote awareness of this option among potential teachers.



NEW TEACHER SUPPORT New teachers can feel overwhelmed by the difficulty of the job, and many don't stick around. Most estimates suggest that almost half of beginning teachers leave within their first five years. But support—in the form of high-quality mentoring from experienced teachers—can make a huge difference. Research shows that only 18 percent of new teachers who get extensive support leave teaching after their first year, compared to 41 percent of those who get no support. Even more important, teachers who get such support can be just as effective as veteran teachers at boosting student achievement. **Joyce grants support** efforts to spotlight model programs, improve standards and funding for mentoring programs at the state and district level, and develop other initiatives to help new teachers.

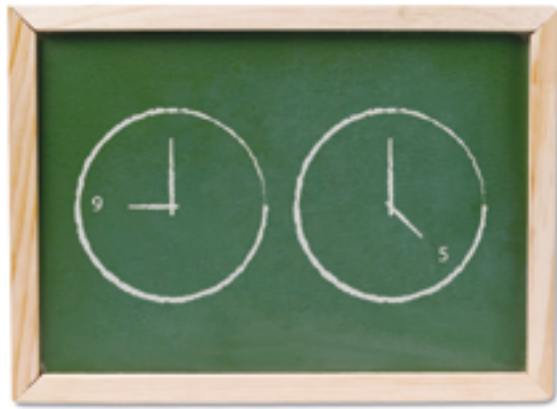
EVALUATION AND COMPENSATION Schools determined to close achievement gaps can't offer higher salaries to attract the best teachers. All teachers are paid the same no matter how skillful they are or how challenging their assignment. Some school districts, such as Denver, are experimenting with incentives for taking on tough assignments and for helping children make extra progress toward achieving at grade level. **Joyce grants support** research and planning, in collaboration with teachers' unions, to explore reforms to teacher compensation to evaluate and reward good teacher performance and to attract top teachers to schools that need them most.



PRINCIPAL LEADERSHIP Good teachers are attracted to schools with strong principals; they avoid schools with weak or dysfunctional leadership. Good principals create conditions in which talented teachers thrive. But, like teaching, being a principal is a demanding job, one that requires a strong educational vision, managerial ability, leadership, stamina, resiliency, diplomatic skills, and a sense of humor all rolled into one. *Joyce grants support* work to establish sound criteria for choosing principals, build a pipeline of strong candidates, attract them to schools where the need is greatest, provide coaching and other support to help them do the job well, and give them the power and autonomy to attract and keep first-rate teachers.

EARLY CHILDHOOD EDUCATION Also critical in determining student achievement is exposure to the excitement of learning in early childhood. High-quality early care and education can reinforce children's natural curiosity and help them develop socially, emotionally, and cognitively—all essential for school readiness. But too few low-income children have access to such programs. *Joyce grants support* state-level efforts to enhance the educational possibilities of community-based child care, by improving training and standards for child care workers, working with community groups to offer flexible preschool programs in community settings, and pursuing other strategies for integrating early care and education.

INNOVATIONS With a long history of supporting educational innovation, Joyce continues to explore other strategies for closing the achievement gap, especially policy-oriented efforts to expand the supply of high-quality charter schools and small schools in Chicago, Cleveland, and Milwaukee.

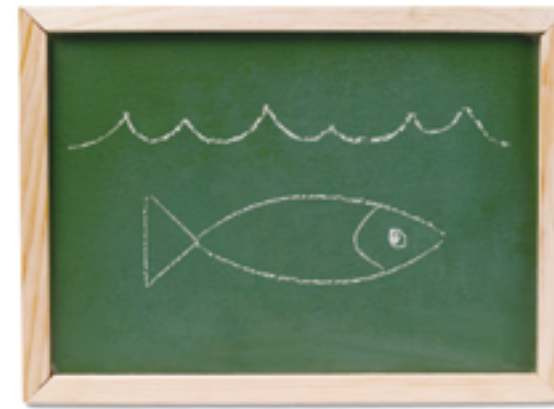


EMPLOYMENT

Employment policy emerged as an important issue during the 2004 presidential campaign. Job growth remained stagnant, especially in Great Lakes states, despite the nation's overall recovery from the 2001 recession. Troubles in the Midwest's manufacturing sector continued to whittle away at solid jobs that represent a way up and out of poverty for many families. Incomes of people on the lower rungs of the economic ladder suffered because wage income and the wage-related earned income tax credit both fell. They were not replaced, as in former times, by welfare payments or by unemployment insurance, the usual cushion for working families. Polls—notably by the Workforce Alliance, a Joyce grantee—suggested that finding a sound policy for stimulating job creation, including investments in job-training and education, rated high on voters' priority lists.

Yet despite the campaign rhetoric, congressional action on employment-related legislation remained stalled. The 1996 welfare reform, originally scheduled for reauthorization in 2002, has yet to come up for consideration. The Workforce Investment Act and the Higher Education Act, which fund job-training and education for low-income workers, are similarly frozen. In the meantime, work support programs, including Medicaid, food stamps, and education and training programs, are facing severe cuts in a Congress determined to reduce deficits, extend tax cuts, and fund military and security operations.

Joyce grantees have continued to call for investments to prepare workers for the 21st century economy, and to maintain the importance of the supports (child care, health insurance, food stamps) that keep working families stably employed. They have also spotlighted such promising strategies as transitional jobs, for those who are new to the workforce, and high-quality short-term skills training as a path to better-paying jobs. Midwest governors, alarmed at the decline of manufacturing jobs, have got the message: several have proposed investments in infrastructure, training and education, and other policies to benefit low-income workers.



ENVIRONMENT

Proposals to protect the Great Lakes made some headlines in 2004, and they're still winding their way through the policy process. Bills to allocate \$4 to \$6 billion for comprehensive Great Lakes Restoration, which died with the end of the last Congress, have been reintroduced. In the meantime, President Bush created a Great Lakes Regional Collaboration that promised to hold regional hearings, determine priorities, and draft a plan for cleaning up the lakes; the proposals are due late in 2005.

Summer 2004 saw release of a long-awaited draft agreement between Great Lakes states and Canadian provinces outlining rules for withdrawing water from the lakes. At stake is the need to conserve lake water at a time of rising demand from both within and outside the region. The proposal (called the "Annex"), a product of extensive consultation with Joyce-funded groups and other regional leaders, is currently being revised in response to public comments. The final version is scheduled for release in summer 2005.

Meanwhile, the threat to the lakes posed by non-native species continues to raise concern. Officials hope that a new electric barrier will halt the advance of the Asian carp, a giant invader heading toward Lake Michigan. But the National Wildlife Federation issued a disturbing report showing how invasive species already in the lakes threaten to disrupt the entire food web of the ecosystem. Such species as the alewife, spiny water flea, and zebra mussel have had adverse effects on native species like the lake trout and whitefish, the report found. "This report is a wake-up call," said Andy Buchsbaum, director of the Wildlife Federation's Great Lakes office. "We are witnessing profound and rapid changes in the Great Lakes food web that are unprecedented in the recorded history of the Great Lakes. Our Great Lakes are in trouble, and we need to act to save them."



GUN VIOLENCE

With firearms deaths continuing at a rate of 30,000 a year, and with prospects bleak at the federal level, public health advocates increasingly look to the states for policies to reduce gun violence. The federal assault weapons ban expired in September, with virtually no congressional consideration given to renewing, let alone strengthening, the measure. But following California's lead, legislators in Illinois and Wisconsin proposed state-level assault weapons bans that would be more comprehensive and effective than the now-expired federal law. The Illinois measure is part of a larger package of proposals that at this writing awaits action in the legislature; others include measures to require sales of trigger locks with all new firearms, institute background checks at gun shows, and limit handgun sales to one per month.

An issue that came to the forefront in 2004 is the marketing and sale to civilians of .50 caliber sniper rifles. The CBS program *60 Minutes*, with an assist from New York Police Chief Raymond Kelly, demonstrated the unique power and accuracy of this military weapon, while the Violence Policy Center pointed out the risks it could pose in the hands of terrorists and criminals. Both Illinois and Wisconsin are considering legislation to control or ban these extremely powerful sniper rifles.

Midwest states were also facing pressures to enact laws allowing carrying of concealed weapons. Minnesota's law, passed in 2003, failed legal challenges in 2004 and is still in the courts; at this writing the legislature was debating a revised bill with some substantial limitations. The Wisconsin legislature passed a concealed carry law, but the governor vetoed it. The proposal never got through the Illinois legislature.

Joyce grantees, including the Illinois Council Against Handgun Violence and the Wisconsin-based WAVE Educational Fund, have continued to identify the risks posed by assault weapons, .50 caliber sniper rifles, and other types of firearms that pose an unreasonable risk to public health and safety in the absence of any comprehensive consumer product oversight of the firearms industry.

MONEY AND POLITICS

The Bipartisan Campaign Reform Act got its first road test in the 2004 election. With Joyce funding, the Campaign Legal Center put out a handy roadmap to help parties and candidates navigate the new rules. At year's end, reformers were celebrating what they saw as major successes of the new law and plotting the course toward further reforms.

Not that BCRA took money out of politics. Despite predictions of reform opponents, more money flowed to parties and candidates in 2004 than ever before. Energized by the campaigns, taking advantage of online giving options—and with new higher contribution limits enacted by BCRA—individuals increased their giving by two-thirds, from \$1.5 billion to \$2.5 billion. What was largely absent was soft money, the huge unregulated contributions that had overwhelmed campaign laws in the late 1990s. Even so, the two parties together raised more in 2004 than the total of both hard and soft money raised for the 2000 election. Some of what would have been soft money got redirected into voter registration efforts, and some went to the “527 committees” that emerged as newly important, quasi-independent political actors. These committees (named for their section of the tax code) raised \$405 million from corporations, unions, and especially from individuals: some 265 individuals gave \$100,000 or more to 527 groups in 2004, reports the Campaign Finance Institute.

The Institute and other reform groups developed policy ideas to deal with the issues raised by the 2004 campaign. Ideas include reforming the Federal Election Commission, whose ruling opened the floodgates for 527 contributions, and imposing contribution limits on the committees similar to those governing parties. Another proposal would shore up public financing for presidential campaigns; the three leading candidates in 2004 declined public funding in the primaries as inadequate. Finally, state judicial elections, which have become increasingly expensive (nearly \$10 million in one Illinois district), have drawn proposals to reform state laws and judicial candidates' codes of ethics and better educate the public about the judiciary.



CULTURE

Chicago drew the attention of art lovers around the world in summer 2004 with the opening of Millennium Park. The city's latest lakefront attraction includes not only the traditional greenspace and recreation, but dramatic sculptures and fountains, a Frank Gehry-designed bandshell for outdoor concerts, and a mid-sized theatre for music and dance. Critics raved, and Chicagoans loved it: they came out in huge numbers on the opening weekend, not only to explore the park, but also to enjoy performances by arts groups as diverse, and extraordinary, as the city itself.

And that's the point about Chicago: its cultural life is rich, both downtown and in the ethnically diverse neighborhoods. Joyce funding has worked to connect the two.

Grants have supported the Latino Theater Festival at the top-drawer Goodman Theatre; staging by the Ravinia Festival of the Zulu opera, "Princess Magogo"; a performance series at the Museum of Contemporary Arts featuring outstanding performers, many of color, who attract a young and diverse audience; and a collaboration between the Adler Planetarium and the Mexican Fine Arts Center Museum to bring the wonders of astronomy to Chicagoans whose primary language is Spanish.

At the same time, Joyce has also supported smaller arts groups that bring arts programming, and a vibrant presence, to the city's neighborhoods: groups such as the Black Ensemble Theatre, Muntu Dance Theatre, Teatro Vista, and Congo Square. More communities will have a chance to make arts part of their future as the Foundation announced in early 2005 a grant to the Local Initiatives Support Corporation to incorporate arts into neighborhood development plans of three Chicago communities.

EDUCATION

The Joyce Foundation supports efforts to ensure that all Midwest children receive an education that prepares them for lives as thoughtful and productive citizens. In particular, the Foundation works to close the achievement gap that separates low-income and minority children from their peers by expanding their access to educational opportunities in early childhood, improving the quality of teachers they encounter in school, and exploring such innovations as small schools and charter schools.

EARLY CHILDHOOD EDUCATION

Increasing preschool accessibility for all three- to five-year-olds in Illinois, Michigan, and Wisconsin by enhancing quality, increasing capacity, and incorporating appropriate educational standards and practices.

Action Against Crime and Violence Education Fund

Fight Crime: Invest in Kids

Washington, DC \$250,000
To educate state and federal policymakers in Illinois about the crime prevention impact and other benefits of high-quality pre-kindergarten for children. (2 yrs.)

Action for Children

Chicago, IL \$700,000
To develop models for delivering state-funded pre-K to children in license-exempt child-care settings toward the goal of designing a comprehensive system for early care and education in Illinois, especially for children from low-income working families and those at risk of academic failure. (2 yrs.)

City Colleges of Chicago

Chicago, IL \$200,000
For the Child Development Studies Initiative, an effort to enhance early child development degree programs across the colleges. (2 yrs.)

Council of Michigan Foundations, Inc.

Grand Haven, MI \$1,030,000
To support the Michigan Early Learning Project's efforts to promote universal access to high-quality preschool in Michigan. (2 yrs.)

Illinois Facilities Fund—Chicago

Chicago, IL \$85,000
For a study on the economic impact of Illinois' early care and education industry with a secondary report focusing on the metropolitan Chicago area. (1 yr.)

Illinois Network of Child Care Resource and Referral Agencies

Bloomington, IL \$200,000
For planning, research, and policy-related activities necessary to implement the Illinois Early Childhood Career Lattice. (2 yrs.)

National Association for the Education of Young Children

Washington, DC \$64,000
To develop a system for accrediting early childhood associate degree programs. (2 yrs.)

National-Louis University

Center for Early Childhood Leadership
Wheeling, IL \$200,000
To educate policymakers and stakeholders about the importance of highly qualified early childhood program directors for universal preschool. (2 yrs.)

Ounce of Prevention Fund

Chicago, IL \$250,000
For its work to expand the availability of high-quality early childhood education in Illinois. (2 yrs.)

Rutgers University Foundation

National Institute for Early Education Research
New Brunswick, NJ \$200,000
To help two to three Midwestern states evaluate the impact of their preschool programs. (1 yr.)

Voices for Illinois Children

Chicago, IL \$200,000
To build support within Illinois' K-12 education community for early childhood education. (2 yrs.)

Wisconsin Council on Children and Families, Inc.

Madison, WI \$1,300,000
To support Early Education Matters, a statewide collaboration focused on building partnerships between school districts and community-based childcare providers to expand the delivery of preschool and to document and disseminate the lessons learned. (2 yrs.)

TEACHER QUALITY

Improving teacher quality in low-performing public schools in Chicago, Cleveland, and Milwaukee through high-quality alternative certification, improved district hiring and retention practices, reformed teacher compensation systems, mentoring and induction, and strong principal leadership.

Center on Education Policy

Washington, DC \$600,000
To support a national study of the implementation of the No Child Left Behind Act. (2 yrs.)

Cleveland Initiative for Education

Cleveland, OH \$400,000
To strengthen principal leadership in high-need schools, improve teacher quality, and develop policy recommendations for improving teacher induction and retention in Cleveland. (1 yr.)

Council of Chief State School Officers

Washington, DC \$514,666
To help state education agencies analyze, plan, and implement strategies that will strengthen teacher quality, particularly in high-poverty, low-performing schools, and create a more equitable distribution of teachers. (2 yrs.)

Eastern Illinois University

Charleston, IL \$120,000
To conduct a survey of all first-year teachers who graduated from the 12 public colleges of education in Illinois about their teacher training programs. (1 yr.)

Education Trust

Washington, DC \$1,055,998
To develop and analyze strategies to improve the distribution of effective teachers to low-income and minority students in Illinois, Ohio, and Wisconsin. (2 yrs.)

Johns Hopkins University Center for Teacher Leadership

Rockville, MD \$50,000
To develop an institute dedicated to progressive teacher union leadership. (1 yr.)

KnowledgeWorks Foundation

Cincinnati, OH \$50,000
To support the Ohio Eight Coalition, a collaboration of the superintendents and teachers union presidents of Ohio's eight largest urban school districts. (1 yr.)

Learning Point Associates

Naperville, IL \$139,560
To interview teachers in Illinois, Ohio, and Wisconsin to help policymakers identify policies to recruit and retain high-quality teachers in hard-to-staff schools. (1 yr.)

Milwaukee Teachers Education Association

Milwaukee, WI \$65,824
To explore development of a differentiated compensation system for Milwaukee Public School teachers. The Milwaukee Partnership Academy would help implement the project. (1 yr.)

New Teacher Project, Inc.

New York, NY \$460,000
To help the Cleveland Municipal School District to improve its ability to recruit and hire quality teachers, particularly in hard-to-staff schools. (2 yrs.)

Rethinking Schools, Ltd.

Milwaukee, WI \$50,000
To produce a series of articles on the quality of teachers in high-need schools. (1 yr.)

University of California

Santa Cruz, CA \$120,058
To support its New Teacher Center's Midwest Teacher Induction Policy Summit. (1 yr.)

University of Chicago

Center for Urban School Improvement
Chicago, IL \$684,822
To expand New Teachers Network, a two-year induction program for newly certified Chicago Public School teachers. (2 yrs.)

University of Cincinnati Foundation Ohio Partnership for Accountability

Cincinnati, OH \$200,000
To examine the relationship between Ohio's teacher education programs and the effectiveness of teachers prepared by those programs. (1 yr.)

University of Illinois at Chicago

College of Education
Chicago, IL \$434,500
To analyze alternative certification programs in Chicago. (2 yrs.)

University of Wisconsin—Milwaukee School of Education

Milwaukee, WI \$100,703
For an evaluation of the effectiveness of Milwaukee's new school-based learning teams as vehicles for improving professional development and induction. The Milwaukee Partnership Academy would help to implement this project. (1 yr.)

INNOVATION GRANTS

Supporting other efforts to close the achievement gap, especially expanding the supply of high-quality charter schools and small schools.

Business and Professional People for the Public Interest

Chicago, IL \$100,000
To organize and co-sponsor (with Leadership for Quality Education) the Chicago Schools Alliance for Innovation and Excellence, a coalition of innovative small, charter, and contract schools. (1 yr.)

Urban School News

Chicago, IL \$370,000
To support *Catalyst Cleveland*. (2 yrs.)

Total Education \$10,195,131

EMPLOYMENT

One out of four workers in the Midwest earns a wage that, even with full-time, year-round work, cannot lift a family of four out of poverty. The Foundation supports the development of policies that can improve the education, skills, learning opportunities, job stability, and advancement potential of low-wage workers, enabling them to move into the workforce, hold onto jobs, make ends meet, and move up the job ladder.

ADVANCING TO BETTER JOBS

Increasing resources for and access to quality training and education programs that lead to higher-paying jobs.

Center for Labor and Community Research

Chicago, IL \$125,000
To advocate for the development of state policies that would promote career pathways in manufacturing at the local and state levels. (1 yr.)

Center for Law and Social Policy

Washington, DC \$800,000
For research, policy analysis, technical assistance, and advocacy on five major employment policy issues. (2 yrs.)

Indiana Coalition on Housing and Homeless Issues, Inc.

Indianapolis, IN \$487,465
For continued support of the Indiana Institute for Working Families, a research, policy analysis, and advocacy think tank. (2 yrs.)

MDRC

New York, NY \$300,000
To support a demonstration project called "Opening Doors" that would test whether enhanced student services lead to increased student retention, academic advancement, and better employment outcomes. (3 yrs.)

Michigan League for Human Services

Lansing, MI \$313,513
To continue its policy analysis, research, and advocacy on welfare and workforce issues in Michigan. (2 yrs.)

**Northern Illinois University
Office for Social Policy Research**
DeKalb, IL \$469,914
To compile easy-to-use data about prevailing labor market conditions and their consequences for Illinois working families. (2 yrs.)

Policy Matters Ohio
Cleveland, OH \$200,000
To support its research about and advocacy on behalf of low-income working and unemployed Ohioans. (2 yrs.)

**University of Wisconsin–Madison
Center on Wisconsin Strategy**
Madison, WI \$300,000
For technical assistance to the Wisconsin Department of Workforce Development on the creation of career advancement pathways for low-income workers. (2 yrs.)

Urban Institute
Washington, DC \$104,737
To sponsor a conference in the summer of 2005 on workforce policy and the changing labor market. (1 yr.)

**Wisconsin Council on Children
and Families, Inc.**
Madison, WI \$450,000
To improve access to job-training and education, and to protect and expand access to workforce supports, such as child care and health insurance. (2 yrs.)

Women Employed Institute
Chicago, IL \$60,000
To conduct focus groups with current, potential, and former "non-traditional" community college students to determine the need for student services, analyze public funding streams for these services, and develop a report for policy advocacy. (1 yr.)

Workforce Alliance
Washington, DC \$550,000
To support its policy analysis, technical assistance, and advocacy for education and training policies that support the advancement of low-wage workers. (2 yrs.)

Workforce Strategy Center, Inc.
Brooklyn, NY \$232,300
To provide technical assistance to state advocates to improve connections between workforce development and community college programs targeting low-skilled and low-wage workers. (1 yr.)

JOB RETENTION AND STABILITY
Expanding access to policies that improve job retention and stability, including work-related benefits such as the Earned Income Tax Credit, food stamps, health insurance, unemployment insurance, and child care.

9 to 5 Working Women Education Fund
Milwaukee, WI \$50,000
For policy analysis and advocacy work on a Wisconsin task force aimed at improving access to work-related benefits, such as childcare subsidies, food stamps, and child health insurance. (1 yr.)

Center for Community Solutions
Cleveland, OH \$250,000
To conduct policy and tax analyses to educate legislators and human services providers about the impact of potential funding cuts to child care, health care, education, and training programs for low-income workers. (2 yrs.)

Center on Budget and Policy Priorities
Washington, DC \$700,000
For state-level technical assistance on programs that help low-income working families, and to support the Center's federal work. (2 yrs.)

Children's Defense Fund–Minnesota
St. Paul, MN \$200,000
For an advocacy campaign to improve funding for work-related benefits, such as the state's child health insurance program and its subsidized childcare program. (2 yrs.)

Economic Policy Institute
Washington, DC \$250,000
For labor market analysis at the national level and for technical assistance to Midwest state organizations engaged in similar analysis. (2 yrs.)

MDRC
New York, NY \$200,000
For its Work Advancement and Support Center demonstration project that would test whether comprehensive case management delivery has a positive impact on job retention, use of work-related benefits, and family income. (2 yrs.)

**University of Chicago
Chapin Hall Center for Children**
Chicago, IL \$342,799
To develop a comprehensive database that illustrates how public benefits, such as child care and food stamps, increase employment retention and how such benefits are used in Illinois and two other Great Lakes states. (2 yrs.)

**University of Wisconsin–Madison
Institute for Research on Poverty**
Madison, WI \$300,000
To support the Welfare Peer Assistance Network. (2 yrs.)

Urban Institute
Washington, DC \$225,361
To research access to and retention of childcare subsidies in seven Midwest states. (1 yr.)

MOVING TO WORK
Strengthening policy initiatives that help the hard-to-employ gain skills to enter the labor market.

Chicago Jobs Council
Chicago, IL \$406,000
To support federal, state, and local policy advocacy aimed at increasing access to work supports, education, training, and career advancement opportunities in Illinois. (2 yrs.)

**Community Renewal Society
The Chicago Reporter**
Chicago, IL \$95,000
To support *The Chicago Reporter's* investigative journalism series on ex-offender reentry with a focus on employment. (1 yr.)

**Heartland Alliance for Human Needs
and Human Rights**
Chicago, IL \$100,000
To support the National Transitional Jobs Network. (1 yr.)

Lifetrack Resources, Inc.
St. Paul, MN \$100,000
For a strategic communications campaign to promote transitional, publicly funded jobs as a leading employment policy solution for hard-to-employ individuals. (18 mos.)

New Hope Project, Inc.
Milwaukee, WI \$75,000
To continue a statewide advocacy campaign to build support for transitional jobs programs in Wisconsin. (1 yr.)

**Sargent Shriver National Center on
Poverty Law, Inc.**
Chicago, IL \$425,000
For continued advocacy efforts on welfare reauthorization, work-related benefits, and experimentation with transitional jobs programs. (2 yrs.)

**University of Chicago
Chapin Hall Center for Children**
Chicago, IL \$150,000
For support of the Chapin Hall Center for Children, its Illinois Welfare Policy Symposium, and a series of Welfare Research Briefing Sessions. (2 yrs.)

Total Employment \$8,262,089

ENVIRONMENT

Protecting the natural environment of the Great Lakes region has been a long-time commitment of the Joyce Foundation. The Foundation supports the development, testing, and implementation of policy-based, prevention-oriented, scientifically sound solutions to the environmental challenges facing the region, especially those that center around water.

ENERGY PRODUCTION AND USE
Documenting the environmental and economic benefits of clean energy sources and promoting their inclusion in state energy policies and utility planning.

**American Council for an Energy-
Efficient Economy**
Washington, DC \$100,000
To support analysis and advocacy directed towards new state policies to cut energy waste in Michigan and Wisconsin. (2 yrs.)

Delta Institute
Chicago, IL \$150,000
To support the development of the Great Lakes Pollution Prevention and Energy Efficiency Fund, a revolving loan fund to help manufacturers modernize their operations and reduce environmental pollution. (1 yr.)

Izaak Walton League of America, Inc.
St. Paul, MN \$300,000
To assist state regulators and electric suppliers in designing a renewable energy credit trading system for the upper Midwest and the Dakotas. (2 yrs.)

Midwest Energy Efficiency Alliance
Chicago, IL \$100,000
To promote improved building codes in Illinois, Indiana, Iowa, and Michigan. (2 yrs.)

**Minnesotans for an Energy-
Efficient Economy**
St. Paul, MN \$350,000
To advance policies for renewable energy and energy efficiency in Minnesota. (2 yrs.)

Natural Resources Defense Council, Inc.
New York, NY \$220,000
To establish new regulatory incentives in Wisconsin for investments in energy efficiency and to encourage electric utility managers in Illinois to advocate for more aggressive policies regarding climate change. (2 yrs.)

**Public Interest Fund of the
Citizens Utility Board**
Madison, WI \$300,000
To promote energy efficiency and renewable energy by reviving comprehensive utility planning policies in Wisconsin. (2 yrs.)

Union of Concerned Scientists, Inc.
Cambridge, MA \$200,000
To promote policies supporting renewable energy resources, such as wind, solar, and energy from crops in Illinois, Iowa, Minnesota, and Wisconsin. (2 yrs.)

**GREAT LAKES WATER:
CLIMATE CHANGE**
Supporting state-level innovation in response to climate change.

Energy Center of Wisconsin, Inc.
Madison, WI \$250,000
To convene state government officials and business leaders to develop a climate policy road map for Wisconsin. (2 yrs.)

**International Council for Local
Environmental Initiatives USA, Inc.**
Berkeley, CA \$200,000
To convene municipal officials from U.S. and Canadian cities around the Great Lakes in a series of meetings to develop climate policy responses for towns and cities. (2 yrs.)

Strategies for the Global Environment, Inc.
Arlington, VA \$193,838
For its Pew Center on Global Climate Change to develop broad support in the Ohio business community for state action addressing global climate change. (2 yrs.)

Union of Concerned Scientists, Inc.

Cambridge, MA \$200,000

To engage state and local officials in Illinois, Michigan, and Wisconsin in discussions of potential policy responses to the impact of global climate change on the waters of the Great Lakes. (2 yrs.)

GREAT LAKES WATER: INFRASTRUCTURE

Promoting policies that encourage water infrastructure projects to be less capital intensive and more environmentally sensitive, as well as more cost effective; and examining the pros and cons of privatizing water systems management and disseminating the results to policymakers and others.

Action, Inc.

Gloucester, MA \$95,000

To prepare a report on funding opportunities for alternative approaches to water management and greater integration of water resources management. (1 yr.)

American Rivers, Inc.

Washington, DC \$250,000

To educate local water, sewer, and stormwater utilities managers in Wisconsin and Michigan about "soft path" infrastructure investments, and to streamline the processes for getting state and federal funding for such projects. (2 yrs.)

Center for Neighborhood Technology

Chicago, IL \$197,777

To develop a mechanism to evaluate the costs and benefits of traditionally engineered water systems versus alternatives composed of either renewable, "green" systems or systems that combine the two. (1 yr.)

Northwest Michigan Onsite Wastewater Task Force

Traverse City, MI \$69,000

To promote the preservation and protection of drinking and surface water quality through the adoption of innovative, appropriate onsite wastewater treatment system technologies. (1 yr.)

Openlands Project

Chicago, IL \$50,000

To apply its new database and maps to efforts to improve and protect water resources in the Lake Michigan basin. (1 yr.)

Pacific Institute for Studies in Development, Environment, and Security

Oakland, CA \$168,500

To develop and disseminate a guide to water privatization for elected officials in the upper Midwest region. (16 mos.)

Public Policy Forum, Inc.

Researching Community Issues

Milwaukee, WI \$100,000

For policy and funding recommendations for Milwaukee River watershed communities and the City of Milwaukee to address wastewater management and sewer overflows comprehensively. (1 yr.)

Taxpayers for Common Sense

Washington, DC \$75,000

To build support for economically and environmentally sustainable water infrastructure systems in the Great Lakes region. (1 yr.)

GREAT LAKES WATER: QUALITY

Strengthening current regulatory protections such as the Clean Water Act, developing improved regulatory approaches, and making improved water quality a goal of state and federal policies.

Center for Agricultural Partnerships, Inc.

Asheville, NC \$90,500

To continue a project to improve water quality by increasing upper Midwest farmers' participation in agricultural conservation programs. (1 yr.)

Center for Rural Affairs

Lyons, NE \$125,000

To collect information on the implementation of agricultural conservation programs to further improve the programs and broaden the constituency for conservation spending. (1 yr.)

Clean Wisconsin, Inc.

Madison, WI \$202,680

To develop constituents on local and Great Lakes issues such as groundwater protection and conservation, Great Lakes restoration, and the need to protect water quality. (2 yrs.)

Collaborative Research and Designs for Agriculture

Sacramento, CA \$139,150

To add water quality to the environmentally friendly crop standards it is developing, and to work with officials in Minnesota and Wisconsin to enable growers to use its Protected Harvest certification as proof of compliance with state water quality programs. (1 yr.)

EcoCity Cleveland

Cleveland, OH \$274,000

To protect watersheds in the Lake Erie basin by supporting a public-private process promoting balanced growth. (2 yrs.)

Environmental Defense, Inc.

New York, NY \$500,000

For protection of Great Lakes water resources through implementation of the federal farm conservation programs in Midwest states. (2 yrs.)

Great Lakes Commission

Ann Arbor, MI \$69,476

To complete its inventory of Great Lakes water quality monitoring programs and to promote its recommendations to policymakers. (1 yr.)

Great Lakes United

Buffalo, NY \$50,000

For general support of its efforts to protect the Great Lakes-St. Lawrence ecosystem. (1 yr.)

Great Lakes United

Buffalo, NY \$97,500

To support its participation in a coalition of environmental groups working on Great Lakes restoration, promotion of basin-wide restoration in Canada, and organizing on water quantity policy. (1 yr.)

Illinois Environmental Council Education Fund

Springfield, IL \$160,000

To support its efforts to improve state policies governing Illinois' water resources. (2 yrs.)

Institute for Agriculture and Trade Policy

Minneapolis, MN \$35,000

To participate in discussions about Great Lakes water management. (1 yr.)

Iowa Policy Project

Mt. Vernon, IA \$175,000

To prepare and disseminate six research reports addressing priority environmental issues in Iowa. (2 yrs.)

Lake Michigan Federation

Chicago, IL \$350,000

To work with a coalition of Great Lakes environmental groups to advance a comprehensive Great Lakes restoration initiative and to conduct activities in support of the protection of Lake Michigan. (2 yrs.)

Land Stewardship Project

White Bear Lake, MN \$172,000

To improve the design and implementation of agricultural conservation programs, to promote the adoption of an outcomes-based approach in farm policies and programs, and to develop and advance state policies that encourage farmers to protect Great Lakes water quality. (2 yrs.)

Metropolitan Planning Council

Chicago, IL \$350,000

For a collaboration with the Openlands Project to improve state and local public policy on water quality and quantity in northeastern Illinois. (2 yrs.)

Michigan Environmental Council

Lansing, MI \$154,628

For ongoing water protection and conservation efforts in Michigan. (2 yrs.)

National Audubon Society

Washington, DC \$350,000

To build support for environmental protection and restoration of water-based ecosystems through its Ohio chapter. (2 yrs.)

National Wildlife Federation

Reston, VA \$135,285

For its Great Lakes Natural Resource Center to work with a coalition of environmental groups to advance a comprehensive Great Lakes restoration initiative. (1 yr.)

Natural Resources Defense Council, Inc.

New York, NY \$100,000

To encourage stronger implementation of the Clean Water Act in the upper Midwest. (1 yr.)

Nature Conservancy

Arlington, VA \$255,000

To support its Great Lakes Program in efforts to incorporate the sciences of land conservation and hydrology into major Great Lakes policy forums and to support policy work and additional scientific expertise. (2 yrs.)

Northeast-Midwest Institute

Washington, DC \$393,000

To continue to advance the protection and restoration of the Great Lakes through the Great Lakes Cities Initiative. (2 yrs.)

Ohio Environmental Council

Columbus, OH \$200,000

For continued support of its efforts to improve Ohio policies governing the protection and restoration of the state's rivers, streams, and lakes, including Lake Erie. (2 yrs.)

Rocky Mountain Institute

Snowmass, CO \$77,140

For its project with the Cuyahoga Valley Initiative to plan the redevelopment of a brownfield watershed feeding into Lake Erie. (1 yr.)

Smart Growth America

Washington, DC \$100,000

To make the case that federal transportation policy and new transportation projects should take into account the impact of road construction on water quality. (1 yr.)

Tip of the Mitt Watershed Council

Petoskey, MI \$79,829

To work with a coalition of Great Lakes environmental groups to advance a comprehensive Great Lakes restoration initiative. (2 yrs.)

University of Maryland Foundation, Inc.

Adelphi, MD \$126,830

For its Environmental Compliance Consortium, a network of state environmental officials whose purpose is to share ideas and best practices to achieve more measurable environmental outcomes. (1 yr.)

GREAT LAKES WATER: QUANTITY

Establishing a better understanding of the supply of and demand for Great Lakes water, and advocating for policies to promote conservation of this precious natural resource.

Michigan Land Use Institute

Beulah, MI \$80,000

To cultivate support in the business community for protection of Michigan's water resources. (1 yr.)

National Wildlife Federation

Reston, VA \$85,029

For its Great Lakes Natural Resource Center to assist states in implementing a new regional system for managing water use that improves the basin's ecological health. (1 yr.)

Northwestern University

J. L. Kellogg Graduate School of Management

Evanston, IL \$440,000

For a feasibility study of a new tool to manage the use of Great Lakes water, through a system of establishing, pricing, and trading water use credits. (16 mos.)

Pollution Probe Foundation

Toronto, Ontario, Canada \$100,000

To demonstrate the concept of "net gain," or environmental improvement, in the management of watersheds feeding Lake Ontario, and for a binational forum on Great Lakes management issues. (1 yr.)

Wisconsin Wildlife Federation

Madison, WI \$138,000

To research gaps in Wisconsin's new groundwater protection legislation and to recommend improvements. (2 yrs.)

PUBLIC AWARENESS

A limited number of grants to build public awareness of the importance of protecting the Great Lakes.

University of Michigan

Great Lakes Radio Consortium

Ann Arbor, MI \$200,000

For coverage of water-related stories in the region. (2 yrs.)

Valerie Denney Communications

Chicago, IL \$40,000

To support media efforts informing the public about the restoration needs of the Great Lakes ecosystem. (6 mos.)

Valerie Denney Communications

Chicago, IL \$25,000

For continued support of a Great Lakes restoration communication campaign. (4 mos.)

TRANSPORTATION

Creating transportation alternatives to reduce overreliance on automobiles.

1000 Friends of Wisconsin

Land Use Institute, Inc.

Madison, WI \$240,000

To provide state policymakers with recommendations and analysis supporting transportation policy reforms in the state, and to hire a development director. (2 yrs.)

Center for Neighborhood Technology

Chicago, IL \$400,000

To support its research and input into federal, state, and local transportation decision making. (2 yrs.)

Environmental Law and Policy

Center of the Midwest

Chicago, IL \$150,000

For continued transportation efforts in Illinois and Michigan advocating for high-speed rail, and to provide technical assistance to advocates of transportation reform in the region. (1 yr.)

Funders' Network for Smart Growth and Livable Communities

Coral Gables, FL \$40,000

To support strategic planning among organizations working on transportation reform. (1 yr.)

Metropolitan Planning Council

Chicago, IL \$175,000

To support transportation efficiency and smart growth in northern Illinois. (1 yr.)

Michigan Land Use Institute

Beulah, MI \$180,000

To promote reforms to transportation policies in Michigan. (2 yrs.)

Minnesota Center for Environmental Advocacy

St. Paul, MN \$217,077

To build business support for a new funding mechanism for public transit projects in Minnesota. (2 yrs.)

Rails to Trails Conservancy

Washington, DC \$89,935

To advocate for the continuation and expansion of federal transportation programs that support nonmotorized forms of transportation such as walking and biking. (18 mos.)

Southeastern Wisconsin Coalition for Transit Now, Inc.

Sussex, WI \$100,000

To build consensus for a plan to extend commuter rail service that would connect Chicago and Kenosha with Racine and Milwaukee. (2 yrs.)

Surface Transportation Policy Project

Washington, DC \$200,000

To develop a new communications strategy that would support federal transportation policy provisions that protect clean water, energy independence, and healthy communities; and to strengthen a coalition that can support further environmental reforms and increased investment in trains and buses in future policy. (1 yr.)

Sustain

Chicago, IL \$150,000

To help Midwest transportation advocates sharpen their message and communications. (1 yr.)

Transit for Livable Communities

St. Paul, MN \$150,000

To advocate for new public transportation policies in Minnesota to support new transit projects, such as the proposed Northstar light rail project. (2 yrs.)

OTHER

Edmund S. Muskie Foundation

Bethesda, MD \$200,000

To recruit new members to the National Caucus of Environmental Legislators, to convene an annual issues forum in 2004 and 2005, and to recruit a more bipartisan membership. (2 yrs.)

Environmental Defence Canada, Inc.

Toronto, Ontario, Canada \$180,000

To continue to expand and enhance its Pollution-Watch website and to link its information about environmental contamination with policy initiatives related to Great Lakes water quality. (18 mos.)

Grand Valley State University

Grand Rapids, MI \$61,000

To study the potential economic consequences in the region if ocean-going vessels could no longer enter the St. Lawrence Seaway. (6 mos.)

Michigan Environmental Council

Lansing, MI \$75,000

To produce environmental briefing books for policymakers and opinion leaders in Michigan, Illinois, and Wisconsin. (1 yr.)

Redefining Progress

Oakland, CA \$200,000

To promote new ideas for tax policy innovations that will lead to environmental benefits in the Midwest. (2 yrs.)

Total Environment \$12,247,174

GUN VIOLENCE

Gun violence takes nearly 30,000 American lives each year, second only to automobile crashes among causes of injury-related death. But while safety regulations have dramatically reduced highway fatalities, firearms remain virtually unregulated. The Gun Violence Program supports efforts to bring the firearms industry under comprehensive consumer product health and safety oversight as the most promising long-term strategy for reducing deaths and injuries from handguns and other firearms.

CONSUMER PRODUCT

Promoting state and federal public health policies on firearms, including consumer product oversight of the firearms industry.

Boston University

School of Public Health

Boston, MA \$40,000

To support the Join Together Gun Violence Prevention Project. (6 mos.)

Citizens for a Safer Minnesota

Education Fund

St. Paul, MN \$32,000

To support gun violence prevention policies in Minnesota. (6 mos.)

Consumer Federation of America

Washington, DC \$75,000

To expand efforts to educate the public and policymakers about the public health and safety impact of failing to regulate guns, particularly assault weapons, as consumer products. (9 mos.)

Entertainment Industries Council, Inc.

Reston, VA \$125,000

To work with the entertainment community to accurately and responsibly address gun violence on television. (18 mos.)

Handgun-Free America

Arlington, VA \$35,000

To coordinate and support efforts on college campuses across the country to educate students, the public, and policymakers about the dangers of civilian access to assault weapons. (1 yr.)

Illinois Council Against Handgun Violence

Chicago, IL \$300,000

To create a new network of state-based gun violence prevention groups. (1 yr.)

Indiana University

Department of Pediatrics

Indianapolis, IN \$40,000

To support the Indiana Partnership to Prevent Gun Violence. (1 yr.)

Iowans for the Prevention of Gun Violence

Cedar Rapids, IA \$250,000

For its state and national work to promote public health strategies to prevent gun-related deaths and injuries. (2 yrs.)

Legal Community Against Violence

San Francisco, CA \$125,000

To provide legal assistance to state and local policymakers and advocates working on gun violence prevention measures and to launch a national membership program for lawyers interested in the issue. (18 mos.)

Physicians for Social Responsibility

Washington, DC \$100,000

To train, expand, and mobilize its membership around firearm injury prevention with a particular focus on assault weapons and on the nexus between firearms and domestic violence. (1 yr.)

WAVE Educational Fund

Milwaukee, WI \$40,000

To support a coalition to reduce gun violence in Wisconsin. (6 mos.)

NATIONAL VIOLENT DEATH REPORTING SYSTEM

Strengthening and building public and policymaker support for full implementation of the National Violent Death Reporting System, which gathers vital public health data on violence-related fatalities.

Children's Memorial Hospital

Chicago, IL \$100,000

For its Child Health Data Lab to support the development and implementation of the Illinois Violent Death Reporting System and the state's reapplication for federal funding in 2005. (1 yr.)

Fenton Communications

New York, NY \$175,000

To provide communications support to promote the expansion of the National Violent Death Reporting System across all 50 states with particular focus on Midwestern states including Indiana, Ohio, and Iowa. (2 yrs.)

Indiana University

Department of Pediatrics

Indianapolis, IN \$150,000

To develop a statewide firearm death and injury data collection system and to position the state to apply for National Violent Death Reporting System funding. (1 yr.)

University of Pennsylvania

Philadelphia, PA \$200,000

To support its Firearm Injury Center's firearm research and dissemination. (18 mos.)

STATE-BASED POLICY INITIATIVES

Supporting state-based policy initiatives in Illinois and Wisconsin that can achieve meaningful reforms and provide a model for gun policy nationwide.

Citizens for a Safer Minnesota

Education Fund

St. Paul, MN \$90,000

To support its efforts to change cultural attitudes and norms in support of firearms policies that protect children and promote public health, and to expand the organization's membership and funding base. (1 yr.)

Illinois Council Against Handgun Violence

Chicago, IL \$400,000

To educate the public about the risks of guns in the home and to enhance its media and communications presence, its statewide organizing and coalition building, and its funding and membership base. (1 yr.)

Ohio Coalition Against Gun Violence

Toledo, OH \$200,000

For continued support of its efforts as a statewide resource on gun violence prevention, and to build its organizational funding and membership base. (2 yrs.)

MONEY AND POLITICS

WAVE Educational Fund

Milwaukee, WI \$250,000

To educate the public about the risks of guns in the home and to enhance its media and communications presence and its statewide organizing, coalition building, funding, and membership base. (1 yr.)

STATE-BASED RESEARCH

Supporting focused research to inform state policy efforts.

Ohio State University Foundation

John Glenn Institute for Public Service & Public Policy

Columbus, OH \$125,000

To host a symposium at Stanford Law School on the connections between the Second Amendment and the Fourteenth Amendment, to publish papers in a major law review, and to disseminate findings via the Web. (2 yrs.)

PAX

New York, NY \$200,000

To pilot the Asking Saves Kids Campaign and evaluate its impact on public knowledge, attitudes, and behaviors related to gun ownership and accessibility in two Illinois communities. (2 yrs.)

University of California—Los Angeles

School of Public Health

Los Angeles, CA \$250,000

To study the impact of California's effort to implement firearm prohibitions that were part of the 1994 federal Violence Against Women Act. (2 yrs.)

Violence Policy Center

Washington, DC \$500,000

To provide research and technical assistance to Midwest-based gun violence prevention advocates. (1 yr.)

Total Gun Violence \$3,802,000

To an alarming extent, private money in the U.S. determines who is elected to public office, how policy decisions are made, who and which viewpoints get heard on the public airwaves, and how citizens perceive the fairness of the legal system. The Money and Politics Program seeks to address these challenges to democratic governance.

CAMPAIGN FINANCE REFORM

Strengthening campaign finance laws and enforcement agencies at the federal level and in Midwest states.

Brigham Young University

Center for the Study of Elections and Democracy

Provo, UT \$30,000

To develop and publish a book entitled *Assessing Reform: Financing the 2004 Elections*. (1 yr.)

Campaign Finance Institute

Washington, DC \$550,000

To support policy research and education focused on strengthening the presidential public financing system, evaluating the effects of the Bipartisan Campaign Reform Act, and improving disclosure of election-related expenditures. (2 yrs.)

Campaign Legal Center

Washington, DC \$200,000

To support development and dissemination of a published and on-line guide to the Bipartisan Campaign Reform Act and to support research and advocacy activities to clarify broadcasters' obligations to cover political candidates, election issues, and public affairs. (1 yr.)

Center for Public Integrity

Washington, DC \$125,000

To support its 50 States Project, which seeks to document and publicize how state policy decisions are influenced by both high-paid lobbyists and lawmakers' own economic and financial interests. (1 yr.)

Center for Responsive Politics

Washington, DC \$375,000

For its Open Secrets Project and the FEC Watch Project. (2 yrs.)

Common Cause Education Fund

Washington, DC \$240,000

To support campaign finance, judicial, and communications policy reform efforts. (2 yrs.)

Democracy 21 Education Fund

Washington, DC \$220,000

To support policy research, development, and advocacy to ensure effective enforcement of the Bipartisan Campaign Reform Act, replace the Federal Election Commission, and revitalize the presidential public financing system. (2 yrs.)

Fannie Lou Hamer Project Incorporated

Kalamazoo, MI \$40,000

For policy research, education, and organizing activities aimed at increasing the involvement of communities of color in the campaign finance reform movement. (1 yr.)

George Washington University

Graduate School of Political Management

Washington, DC \$120,000

To support a research project that would analyze the significant growth in small donors during the 2004 presidential election campaign, and to use the findings to inform policies that could broaden such citizen participation in future elections. (1 yr.)

Illinois Campaign for Political Reform

Chicago, IL \$260,000

To support its policy research, development, education, and advocacy activities surrounding campaign finance, governmental ethics, lobbying regulation, judicial elections, and communications policy. (1 yr.)

Michigan Campaign Finance Network

Lansing, MI \$125,000

For policy research, development, and education to promote campaign finance and judicial reform in Michigan, and to complete a strategic planning and capacity-building process. (1 yr.)

National Voting Rights Institute

Boston, MA \$100,000

To support campaign finance-related legal research, litigation, and educational activities. (1 yr.)

Proteus Fund, Inc.

Arlington, VA \$75,000

To support educational and advocacy activities aimed at defending Arizona's public financing system against an organized effort to repeal by ballot initiative the state's successful, voter-approved Clean Elections Act. (1 yr.)

University of Illinois at Springfield

Center for State Policy and Leadership

Springfield, IL \$55,447

For support of the Sunshine Project. (1 yr.)

Wisconsin Democracy Campaign

Education Project, Inc.

Madison, WI \$450,000

For efforts to reform the state's campaign finance laws and associated regulatory agencies. (2 yrs.)

COMMUNICATIONS POLICY

Opening up the airwaves to ensure better coverage of politics, government, and public affairs in conformity with broadcasters' legal obligations to serve the public interest.

Center for Digital Democracy

Washington, DC \$50,000

To persuade the Federal Communications Commission to define and impose on the nation's 1,700 television stations a clearer and more exacting set of public interest obligations. (1 yr.)

Center for Media and Public Affairs, Inc.

Washington, DC \$60,000

For monitoring, evaluating, and issuing weekly reports on the quantity and quality of network television news coverage of the 2004 presidential campaign. (1 yr.)

Illinois Channel Organization

Springfield, IL \$260,000

To increase its statewide public affairs coverage and program distribution and develop a strategic plan focused on marketing, fundraising, and board and staff development. (2 yrs.)

Media Access Project

Washington, DC \$125,000

To document, publicize, and challenge through regulatory proceedings the failures of licensed broadcasters to fulfill their public interest obligations. (2 yrs.)

University of Southern California

Annenberg School for Communication

Los Angeles, CA \$150,000

To collect, code, and analyze television news coverage of political campaigns in selected media markets and disseminate the published evaluation to policymakers and media reform activists. (1 yr.)

JUDICIAL REFORM

Restoring and protecting the independence and impartiality of the judiciary.

Fund for Justice

Chicago, IL \$30,000

For its judicial election voter education project in Cook County, which would invite attorneys and litigants to complete performance evaluations on 79 judicial retention candidates; conduct interviews with all the candidates; and publicize the results. (1 yr.)

Ohio Citizen Action Education Fund

Columbus, OH \$220,000

To support the Ohio Open Secrets Project. (2 yrs.)

OTHER

Brookings Institution

Washington, DC \$150,000

For its Competition, Partisanship, and Congressional Redistricting project. (2 yrs.)

Total Money and Politics \$4,010,447

CULTURE

The Culture Program supports the efforts of cultural institutions, primarily in Chicago, to serve and represent the city's diverse populations. It is interested in projects that bring diverse audiences together to share common cultural experiences and encourage more of Chicago's people to see the arts as integral to their lives.

ACCESS

Encouraging major Chicago cultural organizations to increase the participation of people of color.

Adler Planetarium

Chicago, IL \$50,000

To support Under One Sky/Bajo un Mismo Cielo, a partnership with the Mexican Fine Arts Center Museum, to increase Hispanic audience participation at the planetarium. (2 yrs.)

Chicago Sinfonietta, Inc.

Chicago, IL \$100,000

For support of its upcoming season and expansion of its education outreach and community service program in Pilsen, Lawndale, Logan Square, and other underserved neighborhoods. (1 yr.)

Chicago Theatre Group, Inc.

Chicago, IL \$325,000

For an institutional diversity initiative, a fellowship program to recruit and train middle-management minority staff, and a presentation of an African-American Theater Festival at the Goodman Theatre. (2 yrs.)

Chicago Theatre Group, Inc.

Chicago, IL \$75,000

To support the Goodman Theatre's second Latino Theater Festival in July 2004. (1 yr.)

Field Museum of Natural History

Chicago, IL \$50,000

To support public education programs that explore diversity issues for 23 Chicago area ethnic museums and cultural centers. (1 yr.)

Guild Complex

Chicago, IL \$30,000

To support the 2004 Signature Series. (1 yr.)

Joffrey Ballet of Chicago
Chicago, IL \$125,000
To continue a partnership with Chicago Sinfonietta as its resident orchestra. (1 yr.)

Mexican Fine Arts Center Museum
Chicago, IL \$120,000
For audience development and capacity-building initiatives. (2 yrs.)

Museum of Contemporary Art
Chicago, IL \$100,000
For its Performance Series, a diverse cross-section of contemporary performing arts. (1 yr.)

Old Town School of Folk Music
Chicago, IL \$50,000
To support AfroFolk, an audience development initiative that offers free admission to performances and workshops targeting African and African-American audiences. (1 yr.)

Ravinia Festival Association
Highland Park, IL \$40,000
To support the production of the Zulu opera "Princess Magogo" and community outreach plans and target marketing to attract African-American audiences. (1 yr.)

University of Chicago
Irving B. Harris Graduate School of Public Policy Studies Cultural Policy Center
Chicago, IL \$128,634
To fund a research study, "Mapping Cultural Participation: A Study of African-American and Hispanic Participation in Chicago Cultural Institutions." (18 mos.)

COMMUNITY-BASED ARTS
Increasing the number of high-quality cultural programs in Chicago communities and assisting culturally specific organizations.

Arts & Business Council of Chicago
Chicago, IL \$40,000
To provide assessment, board development, and marketing services to three minority arts groups, and to subcontract with the Nonprofit Financial Center and the IT Resource Center to provide financial management, staff training, and technology support to these organizations. (1 yr.)

Chicago Theatre Company
Chicago, IL \$50,000
To support its move to the DuSable Museum of African-American History. (1 yr.)

Congo Square Theatre Company
Chicago, IL \$40,000
To support salaries, expand marketing efforts, implement a membership program, and create a plan to expand revenue. (1 yr.)

ETA Creative Arts Foundation
Chicago, IL \$35,000
For continued development of new programs to increase earned income. (1 yr.)

Luna Negra Danza Teatro
Chicago, IL \$50,000
To support the implementation of a strategic plan including staffing, office space, audience development, and marketing activities. (15 mos.)

Muntu Dance Theatre
Chicago, IL \$130,000
For support of a director of development to manage the capital campaign and fundraising activities for the organization. (2 yrs.)

Public Square
Chicago, IL \$40,000
For continued support of "Know More: Conversations That Matter," a discussion series presented in partnership with the Chicago Public Library's West Englewood branch. (1 yr.)

Teatro Vista, Theatre with a View
Chicago, IL \$50,000
To support staff salaries, marketing, and board development. (2 yrs.)

Young Chicago Authors
Chicago, IL \$50,000
To continue its partnership with the Neighborhood Writing Alliance on "Stories Across Generations in Englewood," a project involving writing workshops, writers' residencies, and readings by major authors. (1 yr.)

THE JOYCE AWARDS
Supporting mainstream Midwest cultural organizations in the commissioning and production of new works in dance, music, theater, and visual arts by artists of color.

Children's Theatre Company
Minneapolis, MN \$50,000
To commission and perform a new play by playwright and performer Will Power. (1 yr.)

Columbia College Chicago Dance Center
Chicago, IL \$50,000
To commission a new dance by choreographer Lin Hwai-min. (1 yr.)

Sphinx Organization, Inc.
Detroit, MI \$50,000
For the commission and presentation of a new concerto for cello and orchestra by composer Adolphus Cunningham Hailstork. (1 yr.)

University of Illinois at Chicago Gallery 400
Chicago, IL \$50,000
To commission a short film by artist Edgar Arceneaux. (1 yr.)

Total Culture \$1,878,634

SPECIAL OPPORTUNITIES

The Foundation makes some grants outside its primary program areas, for projects that encourage debate on timely public policy issues, reflect concern for social equity or regional cooperation, or explore connections among the Foundation's programs.

American Civil Liberties Union Foundation
New York, NY \$75,000
To support legal and investigative research, litigation, and public education activities of its Security and Civil Liberties Task Force, which was formed after 9/11 and passage of the U.S.A. Patriot Act. (1 yr.)

Center for Governmental Studies
Los Angeles, CA \$50,000
To plan a new Internet-based archive of foundation-funded public policy research. (1 yr.)

Chicago Metropolis 2020
Chicago, IL \$150,000
For a project to revise the Illinois criminal code. (2 yrs.)

Friends of the Chicago River
Chicago, IL \$100,000
For a collaboration with the City of Chicago to develop a policy blueprint for making the Chicago River fishable and swimmable by 2020. (2 yrs.)

Institute on Taxation and Economic Policy
Washington, DC \$50,000
To inform Midwest policymakers, tax reform advocates, the media, and the general public about the adequacy of state tax systems, with an emphasis on the distributional and revenue effects of state tax proposals. (1 yr.)

Lawyers Trust Fund of Illinois
Chicago, IL \$50,000
To conduct a comprehensive, statewide study of the civil legal needs of poor and low-income people in Illinois and to support the Equal Justice Illinois Campaign, an advocacy effort to educate opinion leaders and policymakers about the need to increase state funding for legal services. (1 yr.)

Northwestern University Joint Center for Poverty Research Institute for Policy Research
Evanston, IL \$77,500
To organize a series of policy forums for Illinois and federal policymakers. (2 yrs.)

Public Interest Projects, Inc.
New York, NY \$150,000
To support the Four Freedoms Collaborative Fund, an initiative designed to strengthen immigrant-serving local, regional, and national organizations whose communities are predominantly Arab, Muslim, and South Asian. (18 mos.)

University of Illinois at Urbana-Champaign Department of Political Science
Urbana, IL \$142,483
For staff support for the Civic Leadership Program. (1 yr.)

University of Notre Dame Institute for Latino Studies Inter-University Program for Latino Research
Notre Dame, IN \$99,770
To conduct an in-depth survey of Latinos in Illinois and Iowa as part of the project's larger Latino National Survey. (2 yrs.)

Total Special Opportunities \$944,753

PRESIDENT'S DISCRETIONARY GRANTS

The President's Discretionary Fund makes small, expeditious grants that advance Foundation priorities and support other activities of interest.

Alliance for Better Campaigns, Inc.
Washington, DC \$10,000
To support the coordination of a possible legal challenge to the broadcast licenses held by Chicago television stations based on an analysis of their coverage of the 2004 election. (1 yr.)

The American Prospect
Boston, MA \$10,000
To fund a special supplement to an issue on the state of American democracy. (1 yr.)

Artadia
New York, NY \$5,000
To support the Chicago Artadia competition. (1 yr.)

Bronzeville Children's Museum
Evergreen Park, IL \$5,000
To support education programs and exhibitions serving African-American children in South Chicago and neighboring communities. (1 yr.)

Cambodian Association of Illinois
Chicago, IL \$10,000
To support the opening of the Cambodian American Heritage Museum. (1 yr.)

Campaign Legal Center
Washington, DC \$20,000
To support a constitutional law conference on the Bipartisan Campaign Reform Act. (1 yr.)

CARE USA
Chicago, IL \$5,000
To support a large-scale training event in the Chicago area. (1 yr.)

Chicago Chamber Musicians
Chicago, IL \$20,000
To support the commissioning of "Three Poems from the New World" by composer Paquito D'Rivera. (21 mos.)

Chicago Chamber Musicians
Chicago, IL \$5,000
To support the Composer Perspectives concert with Paquito D'Rivera and its audience diversity work with the Latino community. (2 mos.)

Chicago Foundation for Women
Chicago, IL \$10,000
To help fund the Eleanor Petersen Legacy Fund. (1 yr.)

Chicago Metropolis 2020
Chicago, IL \$20,000
To fund planning for an initiative to review and rework Illinois' criminal code. (6 mos.)

Chicago Public Art Group
Chicago, IL \$7,000
For a mural painting installation at the Oriole Park Elementary School. (1 yr.)

Chicago Sinfonietta, Inc.
Chicago, IL \$20,000
For an audience engagement and development plan. (1 yr.)

Chicago Workforce Board
Chicago, IL \$9,100
To support two technical assistance conferences to educate workforce development stakeholders. (9 mos.)

Children's Memorial Hospital
Chicago, IL \$20,000
To support the Illinois Violent Death Reporting System. (4 mos.)

The Cleveland Foundation
Cleveland, OH \$20,000
To support an external evaluation of *Catalyst: Voices of Chicago School Reform* and *Catalyst Cleveland*. (3 mos.)

Cleveland Initiative for Education
Cleveland, OH \$4,500
To develop a model for a new alignment of the organizations supporting reform of the Cleveland Municipal School District. (2 mos.)

Concertante di Chicago
Chicago, IL \$10,000
For the commissioning and performance of a new composition by composer Elbio Rodríguez Barilari. (4 mos.)

Consumer Federation of America
Washington, DC \$20,000
To host a meeting of state gun violence prevention groups. (2 mos.)

Council of Michigan Foundations, Inc.
Grand Haven, MI \$20,000
For a planning grant for development of an initiative on public education and advocacy, program standards, and professional development, all focusing on early childhood programs. (3 mos.)

Donors Forum of Chicago
Chicago, IL \$10,000
To support its Preserving the Public Trust Task Force to articulate, promote, and support the implementation of a set of guiding principles and best practices for nonprofit organizations in Illinois. (1 yr.)

Education Commission of the States
Denver, CO \$15,000
To support the National Partnership for Teaching at At-Risk Schools. (1 yr.)

Facing History and Ourselves National Foundation, Inc.
Chicago, IL \$10,000
For support of the "I Am Chicago" oral history project with African-American director Jonathan Wilson. (1 yr.)

Federal Reserve Bank of Chicago
Chicago, IL \$10,000
To support "Job Loss: Causes, Consequences, and Policy Responses." (1 yr.)

Foundation Center
New York, NY \$20,000
For general support. (1 yr.)

Fund for Justice
Chicago, IL \$15,000
To support the Judicial Election Reform Project. (9 mos.)

Gillourey Institute
Chicago, IL \$7,500
To support the Silk Road Theatre Project's 2004-05 Al-Qasida Staged Reading Series. (1 yr.)

Grantmakers in the Arts
Seattle, WA \$20,000
To support its annual conference in Cleveland, Ohio. (4 mos.)

Harvard University School of Public Health
Boston, MA \$20,000
For continued communications work on the National Violent Death Reporting System. (5 mos.)

Human Rights Watch
New York, NY \$20,000
To support establishment of a Chicago Committee. (1 yr.)

Illinois Arts Alliance Foundation
Chicago, IL \$5,000
For a research project to better understand the state of arts education at the elementary and middle school levels in Illinois. (1 yr.)

Illinois Council Against Handgun Violence
Chicago, IL \$10,000
To support legal action against the Illinois State Rifle Association over the use of the Council's name. (3 mos.)

Independent Sector
Washington, DC \$20,000
To support planning and logistics for the 2004 Annual Conference in Chicago. (1 yr.)

John F. Kennedy Library Foundation
Boston, MA \$8,500
To support its education program. (1 yr.)

Johns Hopkins University School of Hygiene and Public Health
Baltimore, MD \$19,804
To support three gun violence research projects. (6 mos.)

Legal Community Against Violence
San Francisco, CA \$20,000
To assist the City of Chicago in developing an advocacy strategy to promote gun violence prevention. (5 mos.)

Luna Negra Danza Teatro
Chicago, IL \$15,000
To support marketing efforts to promote the 2004 season. (1 yr.)

Mexican American Legal Defense and Educational Fund
Los Angeles, CA \$20,000
To support a conference of national Latino organizations on voting rights issues. (1 yr.)

Mikva Challenge Grant Foundation, Inc.
Chicago, IL \$5,000
To support training and participation of Chicago high school students as 2004 Election Day judges. (1 yr.)

National Voting Rights Institute
Boston, MA \$10,000
To support a strategic planning process being conducted by the Management Assistance Group. (1 yr.)

New Yorkers Against Gun Violence Education Fund
New York, NY \$10,000
To educate the public and policymakers about the dangers of civilian access to assault weapons. (1 yr.)

Northwestern University School of Law
Chicago, IL \$15,000
To help build and maintain a comprehensive interactive national database on wrongful convictions. (1 yr.)

Openlands Project
Chicago, IL \$10,000
To support the photographic exhibition "Revealing Chicago." (1 yr.)

Ounce of Prevention Fund
Chicago, IL \$10,000
To support development of a five-year plan for a high-quality, voluntary Preschool for All program in Illinois. (1 yr.)

Parents United for Responsible Education
Chicago, IL \$20,000
For a short-term training project to help with its burgeoning partnership programs. (5 mos.)

People's Music School, Inc.
Chicago, IL \$2,500
To support an event honoring its partnership with Ravinia Festival. (1 yr.)

Project on Government Oversight, Inc.
Washington, DC \$15,000
Support for the Political Influence of Contractors Project. (1 yr.)

Shorebank Neighborhood Institute
Chicago, IL \$20,000
For a fundraising consultant. (1 yr.)

Smithsonian Institution
Washington, DC \$10,000
For the Nuestra Música project. (1 yr.)

Target Area Development Corporation
Chicago, IL \$12,500
For the Grow Your Own teachers retention project. (1 yr.)

University of California
Santa Cruz, CA \$10,000
To support the Midwest Induction Policy Summit in Spring 2005. (3 mos.)

University of Illinois at Chicago College of Urban Planning and Public Affairs
Chicago, IL \$18,000
To host an international conference on globalism and urban change entitled "City Futures." (1 yr.)

University of Illinois at Springfield Illinois Issues
Springfield, IL \$5,000
To support an annual commissioned essay, lecture, and seminar series honoring the late U.S. Senator Paul Simon. (1 yr.)

University of Wisconsin-Madison Waisman Center
Madison, WI \$20,000
For support of the Child-Parent Center Replication Project, a pilot project to expand kindergarten to four-year-olds in Madison, Wisconsin. (1 yr.)

Valerie Denney Communications
Chicago, IL \$20,000
Support of media outreach for a campaign for Great Lakes restoration. (2 mos.)

Wisconsin Council on Children and Families, Inc.
Madison, WI \$2,100
To support a strategic planning meeting. (1 yr.)

Workforce Solutions
North St. Paul, MN \$17,000
To support the Bioscience Workforce Link initiative. (1 yr.)

Total Discretionary Grants \$748,504

MEMBERSHIP GRANTS

Asian Americans-Pacific Islanders in Philanthropy
San Francisco, CA \$2,500
Membership grant (1 yr.)

Chicago Women in Philanthropy
Chicago, IL \$2,000
Membership grant (1 yr.)

Council on Foundations, Inc.
Washington, DC \$39,600
Membership grant (1 yr.)

Donors Forum of Chicago
Chicago, IL \$17,820
Membership grant (1 yr.)

Environmental Grantmakers Association Rockefeller Family Fund, Inc.
New York, NY \$5,449
Membership grant (1 yr.)

Grantmakers for Education
Portland, OR \$6,500
Membership grant (1 yr.)

Grantmakers in Health
Washington, DC \$2,000
Membership grant (1 yr.)

Grantmakers in the Arts
Seattle, WA \$2,500
Membership grant (1 yr.)

Independent Sector
Washington, DC \$12,500
Membership grant (1 yr.)

Total Membership Grants \$90,869

Joyce Foundation Employee Matching Grants \$36,506

TOTAL GRANTS 2004
\$42,216,107

SUMMARY OF 2004 GRANTS

	NUMBER	APPROVED	PAID
EDUCATION	30	\$ 10,195,131	\$ 8,430,342
EMPLOYMENT	29	\$ 8,262,089	\$ 7,160,613
ENVIRONMENT	71	\$ 12,247,174	\$ 9,119,456
GUN VIOLENCE	23	\$ 3,802,000	\$ 3,151,203
MONEY AND POLITICS	23	\$ 4,010,447	\$ 3,152,947
CULTURE	25	\$ 1,878,634	\$ 1,823,634
SPECIAL OPPORTUNITIES	10	\$ 944,753	\$ 919,983
JOYCE MILLENNIUM INITIATIVES	0	0	\$ 110,000
DISCRETIONARY, MEMBERSHIPS, AND EMPLOYEE MATCHING	67	\$ 875,879	\$ 875,879
TOTAL 2004 GRANTS	278	\$ 42,216,107	\$ 34,744,057

REPORT OF INDEPENDENT AUDITOR

TO THE BOARD OF DIRECTORS OF THE JOYCE FOUNDATION We have audited the accompanying statements of financial position of The Joyce Foundation as of December 31, 2004 and 2003 and the related statements of activities 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 U.S. generally accepted auditing standards. 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, the financial statements referred to above present fairly, in all material respects, the financial position of The Joyce Foundation as of December 31, 2004 and 2003 and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Altschuler, Melvoin and Glasser LLP

Chicago, Illinois

March 24, 2005

STATEMENTS OF FINANCIAL POSITION

The Joyce Foundation	December 31, 2004	December 31, 2003
ASSETS		
Cash	\$ 331,574	\$ 240,626
Collateral received under securities lending program	51,420,080	32,207,514
Due from brokers for sales of securities	538,615	137,198
Investments		
Short-term money market investments	34,951,006	9,161,944
U.S. Government and corporate bonds (cost: 2004-\$136,214,465; 2003-\$129,108,863)	133,871,380	127,057,701
Stocks (cost: 2004-\$406,768,783; 2003-\$383,150,787)	483,405,619	435,261,243
Investment partnerships (equity method: 2004-\$147,237,139; 2003-\$176,431,001)	153,689,309	179,737,990
Program-related investments (at cost)	346,000	369,000
Real estate and mineral rights (cost: \$405,779 in 2004 and 2003)	442,761	442,761
Prepaid federal excise tax	151,518	675,518
Other assets	1,174	56,618
	<u>\$ 859,149,036</u>	<u>\$ 785,348,113</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Due to brokers for purchases of securities	\$ 1,700,091	\$ 15,482
Grants payable	16,068,980	8,698,981
Payable under securities lending program	51,420,080	32,207,514
Deferred excise tax payable	1,616,000	1,088,000
	<u>70,805,151</u>	<u>42,009,977</u>
Net assets-unrestricted	788,343,885	743,338,136
	<u>\$ 859,149,036</u>	<u>\$ 785,348,113</u>

See accompanying notes

STATEMENTS OF ACTIVITIES

The Joyce Foundation	Year Ended December 31, 2004	Year Ended December 31, 2003
INVESTMENT RETURN		
Gain (loss) on marketable investments		
Net realized	\$ 36,619,008	\$ (9,452,545)
Change in unrealized	27,379,638	118,584,370
Partnership investment gain	15,126,481	32,028,841
Interest income	1,169,793	6,544,018
Dividend income	13,357,073	8,651,353
Other income	745,160	669,162
	<u>94,397,153</u>	<u>157,025,199</u>
Investment expenses	1,914,163	1,695,925
	<u>92,482,990</u>	<u>155,329,274</u>
EXPENDITURES		
Grants awarded (<i>grant payments made, net of grants returned, of \$34,417,665 in 2004 and \$31,273,161 in 2003</i>)	41,787,664	23,707,485
Administrative expenses	4,422,577	4,362,638
Federal excise tax	739,000	360,000
Deferred excise tax	528,000	1,088,000
	<u>47,477,241</u>	<u>29,518,123</u>
Increase in unrestricted net assets	45,005,749	125,811,151
Unrestricted net assets		
Beginning of year	743,338,136	617,526,985
End of year	\$ 788,343,885	\$ 743,338,136

See accompanying notes

STATEMENTS OF CASH FLOWS

The Joyce Foundation	Year Ended December 31, 2004	Year Ended December 31, 2003
OPERATING ACTIVITIES		
Increase in unrestricted net assets	\$ 45,005,749	\$ 125,811,151
Realized (gain) loss on sales of investments	(36,619,008)	9,452,545
Increase in market value of investments	(27,379,638)	(118,584,370)
Gain from partnerships	(15,126,481)	(32,028,841)
Contribution of securities	(487,500)	(450,000)
Changes in		
Other assets	55,444	9,254
Prepaid federal excise tax	524,000	360,000
Grants payable	7,369,999	(7,565,676)
Deferred excise tax payable	528,000	1,088,000
Net cash used in operating activities	<u>(26,129,435)</u>	<u>(21,907,937)</u>
INVESTING ACTIVITIES		
Proceeds from sales of stocks and bonds	332,702,717	830,488,439
Purchases of stocks and bonds	(325,036,633)	(813,747,011)
Investments in partnerships	(6,819,000)	(4,001,750)
Distributions from partnerships	51,139,360	7,318,792
Net sales and purchases of short-term money market investments	(25,789,061)	1,845,132
Sales of program-related investments	23,000	23,000
Change in payable under securities lending program	19,212,566	4,115,532
Change in collateral received under securities lending program	(19,212,566)	(4,115,532)
Net cash provided by investing activities	<u>26,220,383</u>	<u>21,926,602</u>
INCREASE IN CASH	90,948	18,665
CASH		
Beginning of year	240,626	221,961
End of year	\$ 331,574	\$ 240,626

See accompanying notes

NOTES TO THE FINANCIAL STATEMENTS

Years Ended December 31, 2004 and 2003

NOTE 1

Nature of Activities and Significant Accounting Principles

Nature of Activities

The Joyce Foundation (the "Foundation") is a nonprofit organization that focuses on a limited number of carefully defined program areas, primarily education, employment, environment, gun violence, money and politics, and culture.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions affecting the amounts reported in the financial statements and accompanying notes. Actual results could differ from the estimates.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. However, as a private charitable foundation, it is subject to a federal excise tax based on net investment income. Deferred excise tax represents taxes provided on the net unrealized appreciation on investments, using a rate of 2 percent.

Investments

Marketable securities and exchange-traded futures contracts are reflected at market value based on quoted prices. Investment partnerships and real estate and mineral rights are reflected at approximate fair value. Realized and unrealized gains and losses from changes in market values are reflected in the statements of activities.

Securities Lending

The Foundation participates in a securities lending program administered by the Foundation's custodian. Under this program, securities are periodically loaned to selected brokers, banks or other institutional borrowers of securities, for which collateral in the form of cash, letters of credit, or government securities may not be less than 102 percent of the market value of the loaned securities plus accrued but unpaid interest or dividends. The Foundation bears the risk that it may experience delays in the recovery or even loss of rights in the collateral should the borrower of the securities fail to meet its obligations.

Fixed Assets

The cost of leasehold improvements, furniture and equipment is charged to expense in the year they are acquired rather than being capitalized, as the amounts involved are deemed to be immaterial.

Grants

Grants specifically committed to designated grantees, but not yet paid, are accrued as grants payable.

Translation of Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated at year-end exchange rates. Revenue and expense items are translated at average rates of exchange for the year. Translation gains and losses are included in income.

Concentration of Credit Risk

The Foundation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. Management believes that the Foundation is not exposed to any significant credit risk on cash.

Reclassifications

Certain 2003 amounts have been reclassified to conform with the current year presentation without affecting previously reported net assets or changes in net assets.

NOTE 2

Fair Value of Financial Instruments

Substantially all of the Foundation's assets and liabilities are considered financial instruments and are either already reflected at fair value or are short-term or replaceable on demand. Therefore, their carrying amounts approximate their fair values.

NOTE 3

Investment Partnerships

The Foundation holds limited partnership interests in various venture capital partnerships, all of which invest in and trade marketable securities. The Foundation holds another limited partnership interest that invests in and trades marketable securities and futures contracts. The partnerships reflect these investments at market value. The Foundation's share of its net assets and income or losses is reflected in the financial statements using the equity method of accounting. Partnership investment income includes interest, dividends, and realized gains or losses, net of partnership expense. The Foundation had open commitments to make additional partnership investments of \$26,404,393 at December 31, 2004 (2003-\$18,223,393). Returned unused capital contributions may be recalled and all distributions are subject to repayment to cover liabilities of the partnerships. The amount of this contingency cannot be determined.

NOTE 4

Program-Related Investments

The Foundation had three program-related investments at December 31, 2004 and 2003:

Investment \$46,000 (\$69,000-2003) promissory notes due on July 1, 2005 and 2006 from Shorebank Corporation, Chicago Illinois (interest at 2/3 of prime per year)
Purpose To encourage the revitalization of the Austin community of Chicago

Investment \$75,000 callable loan to the Women's Self-Employment Project, Inc., Chicago, Illinois (interest at 3% per year)
Purpose To capitalize revolving loan fund to assist low-income women in establishing businesses to increase their self-sufficiency based on the Bangladesh Grameen Bank model

Investment \$225,000 investment in Series E preferred stock of the Shorebank Corporation, Chicago, Illinois
Purpose To support rural economic development involving expert technical assistance, venture investing and small business lending to expand economic opportunities of low-income people in the Upper Peninsula of Michigan

NOTE 5

Pension Plan

The Foundation maintains a defined contribution pension plan for eligible employees. Employer contributions are discretionary and are calculated as a percentage of salaries as determined by the Board of Directors. Total employer and employee contributions may not exceed the lesser of 100 percent of salaries or \$41,000 per employee. Pension expense was \$279,966 for 2004 (2003-\$287,793).

NOTE 6

Commitments

The Foundation leases office space under a noncancelable operating lease that provides for minimum monthly payments through January 31, 2008, plus additional amounts to cover the proportionate share of the cost of operating the property. Rent expense totaled \$347,155 in 2004 (2003-\$322,342). At December 31, 2004, minimum payments under this lease are as follows:

2005	\$	147,578
2006		153,748
2007		159,919
2008		13,369
	\$	474,614

NOTE 7

Derivative Financial Instruments

In connection with its investing activities, the Foundation enters into transactions involving a variety of derivative financial instruments, primarily exchange-traded financial futures contracts. These contracts provide for the delayed delivery or purchase of financial instruments at a specified future date at a specified price or yield.

Derivative financial instruments involve varying degrees of off-balance-sheet market risk, whereby changes in the market values of the underlying financial instruments may result in changes in the value of the financial instruments in excess of the amounts reflected in the statements of financial position. Exposure to market risk is influenced by a number of factors, including the relationships between financial instruments and the Foundation's investment holdings and the volatility and liquidity in the markets in which the financial instruments are traded. In many cases, the use of financial instruments serves to modify or offset market risk associated with other transactions and, accordingly, serves to decrease the Foundation's overall exposure to market risk.

Derivative financial instruments can also be subject to credit risk, which arises from the potential inability of counterparties to perform in accordance with the terms of the contract. The Foundation's exposure to credit risk associated with counterparty nonperformance is limited to the current cost to replace all contracts in which the Foundation has a gain. Exchange-traded derivative financial instruments, such as financial futures contracts, generally do not give rise to significant counterparty exposure due to the cash settlement procedures for daily market movements and the margin requirements of the individual exchanges.

The Foundation's net gains from futures contracts were \$632,579 in 2004 (2003-\$531,614).

ABOUT THE FOUNDATION

The Joyce Foundation was created in 1948 by Beatrice Joyce Kean of Chicago. The Joyce family wealth, based on lumber and sawmill interests, was left to the Foundation when Mrs. Kean died in 1972. Over the years, the Foundation has continued to respond to changing social needs, contributing nearly \$520 million in grants to groups working to improve the quality of life in the Great Lakes region.

The Joyce Foundation is committed to improving public policy through its grant program. Accordingly, the Foundation welcomes grant requests from organizations that engage in public policy advocacy. Federal tax law prohibits private foundations from funding lobbying activities. The Foundation may support organizations engaged in public policy advocacy by either providing general operating support or by funding educational advocacy such as nonpartisan research, technical assistance, or examinations of broad social issues. The Foundation encourages grant applicants to describe the nature of advocacy activities in their grant applications and reports, so the Foundation can ensure that it is in compliance with federal tax laws. For further information on the relevant federal tax laws, grant applicants should consult their tax advisors.

PROGRAMS

Our program areas are Education, Employment, Environment, Gun Violence, Money and Politics, and Culture. We focus our grantmaking on initiatives that promise to have an impact on the Great Lakes region, specifically the states of Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin. A limited number of environment grants are made to organizations in Canada. Culture grants are primarily focused on the Chicago metropolitan area, except for the Joyce Awards, which extend to other Midwest cities. We do not generally support capital proposals, endowment campaigns, religious activities, commercial ventures, direct service programs, or scholarships.

EDUCATION

The Joyce Foundation supports efforts to ensure that all Midwest children receive an education that prepares them for lives as thoughtful and productive citizens. In particular, the Education Program works to close the achievement gap that separates low-income and minority children from their peers by expanding their access to educational opportunities in early childhood, improving the quality of teachers they encounter in school, and exploring such innovations as small schools and charter schools.

Program priorities are:

TEACHER QUALITY The Foundation supports policy initiatives to improve teacher quality in low-performing public schools in Chicago, Cleveland, and Milwaukee. Efforts include research, policy development, model programs, advocacy, and evaluation related to high-quality alternative certification, improved district hiring and retention practices, reform of teacher compensation systems, mentoring and induction, and strong principal leadership.

EARLY CHILDHOOD EDUCATION The Foundation supports policy initiatives aimed at making preschool accessible to all three- to five-year-olds in Illinois, Michigan, and Wisconsin, by enhancing quality, increasing capacity, and incorporating appropriate educational standards and practices into community-based settings. Efforts include research, public education, demonstration projects, and advocacy aimed at identifying the economic and social benefits of high-quality early learning opportunities, especially for low-income and minority children; offering state policy makers models, strategies, and technical assistance for integrating early care and education; and promoting professional development to train, attract, and retain highly qualified teachers for preschool and child care.

INNOVATION GRANTS A small portion of program funds is reserved for other outstanding opportunities to close the achievement gap, especially policy-oriented efforts to expand the supply of high-quality charter schools and small schools in Chicago, Cleveland, and Milwaukee.

EMPLOYMENT

One out of four workers in the Midwest earns a wage that, even with full-time, year-round work, cannot lift a family of four out of poverty. The Employment Program supports the development of policies that can improve the education, skills, learning opportunities, job stability, and advancement potential of low-wage workers, enabling them to move into the workforce, hold onto jobs, make ends meet, and move up the job ladder.

Program priorities are:

STRENGTHENING POLICY INITIATIVES that help the hard-to-employ gain skills to enter the labor market

EXPANDING ACCESS to policies that improve job retention and stability, including work-related benefits such as the Earned Income Tax Credit, food stamps, health insurance, unemployment insurance, and child care

INCREASING RESOURCES for and access to quality training and education programs that lead to higher-paying jobs

We are especially interested in projects that:

DEVELOP POLICY RECOMMENDATIONS and advocate for critical policy improvements

PROMOTE INNOVATIVE APPROACHES to policy design and implementation

COLLECT AND ANALYZE DATA to inform policy makers about the effectiveness of policy approaches

TRANSLATE LESSONS and evaluation data from effective models into policy

BUILD PARTNERSHIPS between public officials, employers, training programs, and educators at the local, state, or regional levels

The Foundation does not provide operating support for direct services, such as job-training and placement services for individuals.

ENVIRONMENT

Protecting the natural environment of the Great Lakes region has been a long-time commitment of the Joyce Foundation. The Foundation supports the development, testing, and implementation of policy-based, prevention-oriented, scientifically sound solutions to the environmental challenges facing the region, especially those that center around water.

Program priorities are:

STRENGTHENING CURRENT REGULATORY PROTECTIONS such as the Clean Water Act, and developing improved regulatory approaches

MAKING IMPROVED WATER QUALITY a goal of state and federal policies on land use, transportation, and agriculture

ESTABLISHING A BETTER UNDERSTANDING of the supply of and demand for Great Lakes water; also, advocating for policies to promote conservation of this precious natural resource

PROMOTING POLICIES THAT ENCOURAGE water infrastructure projects to be less capital intensive and more environmentally sensitive, as well as more cost effective

EXAMINING THE PROS AND CONS OF PRIVATIZING water systems management and disseminating the results to policy makers and others

SUPPORTING STATE-LEVEL INNOVATION in response to climate change

DOCUMENTING THE ENVIRONMENTAL AND ECONOMIC BENEFITS of clean energy sources and promoting their inclusion in state energy policies and utility planning

CREATING TRANSPORTATION ALTERNATIVES to reduce overreliance on automobiles

GUN VIOLENCE

Gun violence takes nearly 30,000 American lives each year, second only to automobile crashes among causes of injury-related death. But while safety regulations have dramatically reduced highway fatalities, firearms remain virtually unregulated. The Gun Violence Program supports efforts to bring the firearms industry under comprehensive consumer product health and safety oversight as the most promising long-term strategy for reducing deaths and injuries from handguns and other firearms.

Program priorities are:

SUPPORTING STATE-BASED POLICY INITIATIVES in Illinois and Wisconsin that can achieve meaningful reforms and provide a model for gun policy nationwide

SUPPORTING STATE GROUPS in other Midwest states to expand their membership, funding levels, and organizational capacity to promote meaningful gun policy

SUPPORTING FOCUSED RESEARCH to inform state policy efforts

STRENGTHENING PUBLIC AND POLICY MAKER SUPPORT for full implementation of the National Violent Death Reporting System

MONEY AND POLITICS

To an alarming extent, private money in the U.S. determines who is elected to public office, how policy decisions are made, who and which viewpoints get heard on the public airwaves, and how citizens perceive the fairness of the legal system. The Money and Politics Program seeks to address these challenges to democratic governance.

Program priorities are:

STRENGTHENING CAMPAIGN FINANCE LAWS and enforcement agencies at the federal level and in Midwest states

OPENING UP THE AIRWAVES to ensure better coverage of politics, government, and public affairs in conformity with broadcasters' legal obligations to serve the public interest

RESTORING AND PROTECTING THE INDEPENDENCE and impartiality of the judiciary

The Foundation supports research, data collection and analysis, policy development and advocacy, public education, coalition-building, communications, and litigation.

CULTURE

The Culture Program supports the efforts of cultural institutions, primarily in Chicago, to serve and represent the city's diverse populations. It is interested in projects that bring diverse audiences together to share common cultural experiences and encourage more of Chicago's people to see the arts as integral to their lives.

Program priorities are:

ACCESS Encouraging major Chicago cultural organizations to increase the participation of people of color

COMMUNITY-BASED ARTS Increasing the number of high-quality cultural programs in Chicago communities and stabilizing culturally specific organizations

CREATIVITY Stimulating the commissioning and production of new works relevant to minority audiences. This goal is primarily addressed through the Joyce Awards, an annual competition open to cultural organizations in Chicago, Cleveland, Detroit, Indianapolis, Milwaukee, and Minneapolis-St. Paul. The Joyce Awards support the commissioning and production of new works in dance, music, theater, and visual arts by artists of color. The hope is that these commissions will produce important new works of art, strengthen our cultural institutions, and draw people of all backgrounds to experience the deep rewards of participating in the arts. Proposed projects should include substantive community engagement efforts. Collaborations between organizations across the target cities and joint programming are encouraged. For application information, call the Foundation or consult our website, www.joycefdn.org/joyceawards.html.

OTHER GRANTS

SPECIAL OPPORTUNITIES The Foundation makes some grants to projects outside its primary program areas. Preference is given to projects that encourage debate on timely public policy issues, reflect concern for social equity or regional cooperation, or explore connections among the Foundation's programs.

PRESIDENT'S DISCRETIONARY FUND The President's Discretionary Fund is used to make small, expeditious grants that advance the Foundation's priorities, and to support other activities of interest to the Foundation. Competition for discretionary funds is very high.

HOW TO APPLY

The Joyce Foundation accepts grant inquiries throughout the year.

LETTERS OF INQUIRY Before submitting a formal proposal to the Foundation, prospective applicants should write a two- or three-page letter of inquiry outlining the proposed project to the appropriate program officer. The letter should describe the goals of the project, expected outcomes and how they relate to the Foundation's interests, the target audience and beneficiaries, the estimated budget and duration, and plans for evaluation and dissemination of findings. Letters of inquiry should be submitted at least six to eight weeks prior to the proposal deadline for a given grant cycle. Program officers endeavor to respond in a timely manner and to advance all grant proposals expeditiously. However, program officers have discretion as to when to schedule formal proposal review.

FORMAL PROPOSALS After reviewing the letter of inquiry, the program officer may request a formal proposal. The proposal should include the application cover sheet, which is included in this booklet or can be downloaded from our web site (www.joycefdn.org). It should also include the information on the following page.

GRANT APPLICATION INFORMATION

EXECUTIVE SUMMARY or overview (1-2 pages)

INFORMATION ON THE PROJECT for which funding is requested, including the issue to be addressed, how the proposed project would address it, expected outcomes and how they relate to the Foundation's program goals, and plans for evaluation and dissemination of findings

DESCRIPTION OF THE ORGANIZATION, including its background, purpose, objectives, and experience in the area for which funds are sought

ITEMIZED PROJECT BUDGET with narrative and proposed funding sources, amount of funds requested from Joyce, their proposed use, and the time period over which they will be expended

NAMES AND QUALIFICATIONS of people involved in the project

BOARD MEMBERS, their titles, outside affiliations, and telephone numbers

ORGANIZATIONAL EXPENSES AND INCOME for previous, current, and coming fiscal year

INTERNAL REVENUE SERVICE VERIFICATION that the organization is not a private foundation and is exempt from taxation under Sections 509(A) and 501(c)(3) of the Internal Revenue Code (a copy of the IRS tax-exempt letter must accompany the proposal).

AUDITED FINANCIAL STATEMENTS and Internal Revenue Service Form 990 plus attachments for the most recently completed fiscal year

DEADLINES Grant proposals are considered at meetings of the Foundation's Board of Directors in April, July and December. Deadline dates are:

PROPOSAL DEADLINES	BOARD MEETING
August 16, 2005	December 2005
December 12, 2005	April 2006
April 14, 2006	July 2006

Applicants are strongly encouraged to plan their application and proposal submission process for the April or July meetings, since most grant funds will be distributed at those times. If you wish to discuss your application, please contact one of the program officers whose names are listed on page 85. If a grant is awarded, the recipient will be expected to provide regular reports to the Foundation on the project's progress and the expenditure of grant funds.

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Education, Gun Violence

Tracy Weems

Employment, Money and Politics

Alice Taylor

Assistant to the Vice President of Finance and Administration

Lisa Vasquez

Assistant to the President

Jean Westrick

Culture, Communications

GRANT PROPOSAL COVER SHEET

Please attach completed sheet or computer-generated sheet in the same format to your letter of inquiry.

APPLICATION INFORMATION

Name of Applicant	Date of Application	
Address		
City	State	Zip
Telephone	Fax	
E-mail	Web Address	
CEO	Telephone	
Project Manager	Telephone	
Financial Contact	Telephone	
Date Organization Began Operations		
Number of Staff	Full-Time	Part-Time
Total Operating Expenses (for most recently completed fiscal year)		
Estimated Duration of Project	Beginning	Ending

BUDGET

	2005	<i>(If Multi-Year Request)</i> 2006 (2nd year)	2007 (3rd year)	Total
Budget Total	\$	\$	\$	\$
Requested from Joyce	\$	\$	\$	\$

Brief Description of Project

Geographic Area Served by Project

Beneficiary Group(s) Targeted by Project (*racial, ethnic, gender, age, income level*)

Date of IRS Ruling Letter of Tax-Exempt Status, Case Number and EIN

THE JOYCE FOUNDATION supports efforts to protect the natural environment of the Great Lakes, to reduce poverty and violence in the region, and to ensure that its people have access to good schools, decent jobs, and a diverse and thriving culture. We are especially interested in improving public policies, because public systems such as education and welfare directly affect the lives of so many people, and because public policies help shape private sector decisions about jobs, the environment, and the health of our communities. To ensure that public policies truly reflect public rather than private interests, we support efforts to reform the system of financing election campaigns.

TheJoyceFoundation

70 West Madison Street
Suite 2750
Chicago, Illinois 60602
312.782.2464 phone
312.782.4160 fax
info@joycefdn.org
www.joycefdn.org

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Suite 2750

Chicago, Illinois 60602

312.782.2464 phone

312.782.4160 fax

info@joycefdn.org

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