

## 2015 Annual Performance Report

Our Annual Performance Report provides a comprehensive assessment of the Foundation's work and results in 2015. The performance assessment is part of our annual process of reviewing Foundation progress, achievements, and challenges in order to refine and adapt our work to have greater impact toward our mission of expanding opportunity for the people of California.

During 2015, we also explored how our strategy will evolve to have even greater impact in meeting our mission. In this context, the purpose of this report is to reflect on our existing work as we enter a time of change for the Foundation. Additional information about Irvine's evolving focus and goals can be found at [www.irvine.org/evolving](http://www.irvine.org/evolving).

Going forward, our plan is to reformulate our performance reporting process to better suit the changes in our strategy for impact.

The outline for this 2015 Annual Performance Report is:

### I. Program Impact

- Portfolio Allocations: How are we allocating resources across our program areas?
- Impact and Improvements: Where are we seeing impact, and how can we improve on unfinished business?
- Feedback from the Field: How are we obtaining feedback from our partners and stakeholders and what is our response?

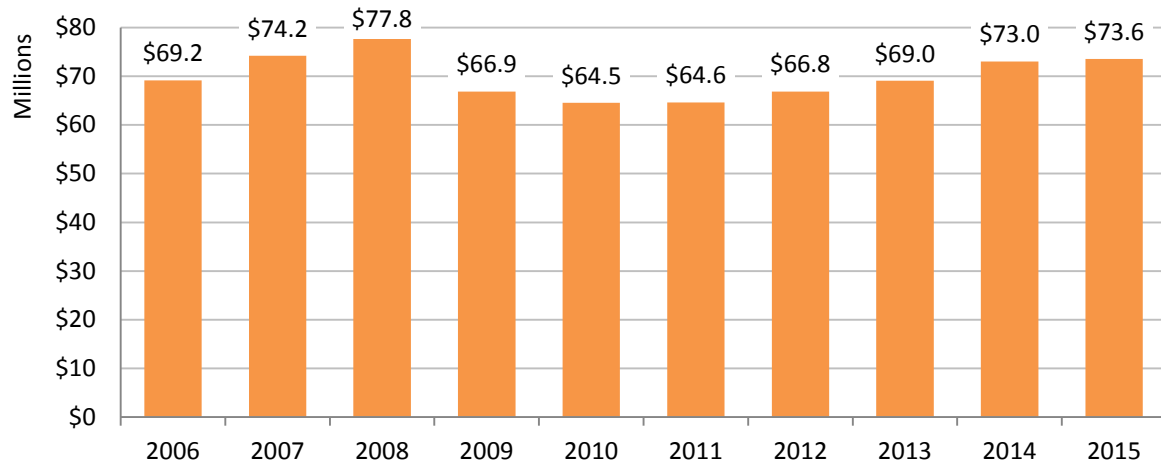
### II. Institutional Fitness

- Talent and Staffing: What strengths do we bring to our work?
- Investment Performance: How are the Foundation's investments being stewarded for long-term impact?

### Portfolio Allocations

The chart below provides an overview of Irvine’s annual grantmaking over the past 10 years, documenting the gradual recovery of our grantmaking resulting from more stable market conditions following the 2008 economic downturn. Irvine’s annual grantmaking budget is determined by a smoothing formula applied to the Foundation’s assets that is designed to avoid erratic spending patterns; this formula is evident in the gradual growth in grantmaking since 2011. The board-approved 2016 grants budget continues the positive trend with an increase to \$85 million.

### Total Grantmaking, 2006–2015



The following table shows the distribution of our 2015 grantmaking across the Foundation’s program areas.

### Total Grantmaking by Program Area, 2015

Program Area	2015 Grant Dollars	
Arts	\$15,448,166	21.0%
California Democracy	\$21,459,597	29.2%
Youth	\$26,752,901	36.4%
Special Initiatives	\$5,668,416	7.7%
Special Opportunities	\$2,950,000	4.0%
Discretionary Grant Program	\$789,775	1.1%
Memberships / Sponsorships	\$482,700	0.7%
<b>Grand Total</b>	<b>\$73,551,555</b>	<b>100%</b>

## Grantmaking by Program

In this section we review 2015 grantmaking within each of Irvine’s program areas and how we allocated resources to their various priorities and initiatives.

### Arts

Grantmaking in Irvine’s Arts program seeks to promote engagement in the arts for all Californians. We do that by supporting nonprofit arts organizations as they adapt their practice and experiment with new approaches to engaging community members. We are advancing this work through three reinforcing priority areas:

- Strengthening, which focuses support on organizational change and capacity building
- Piloting, which provides risk capital for organizations to test new ways of engaging audiences
- Field Building, which supports a strong field of leaders and organizations working together to increase the relevance of the nonprofit arts sector

### Arts Grantmaking by Priority, 2015

Priority	Number of Grants	Amount (Millions)	
Strengthening (New California Arts Fund)	15	\$11.3	73%
Piloting (Exploring Engagement Fund)	20	\$3.3	21%
Field Building	4	\$0.5	3%
Special Projects	9	\$0.4	3%
<b>Grand Total</b>	<b>48</b>	<b>\$15.5</b>	<b>100%</b>

This table above shows the breakout of our 2015 Arts funding by priority; for the third year in a row the New California Arts Fund (NCAF) was the focus of our Arts grant dollars. This is the central initiative for the Strengthening priority, supporting two cohorts of grantee partners to advance sustainable organizational transformation that leads to expanded arts engagement. In 2015, Irvine’s Piloting grantmaking through the Exploring Engagement Fund provided risk capital for engagement projects for organizations across the state. The Field Building grants included \$300,000 to Zócalo Public Square for a dialogue on how arts institutions can better engage audiences. Special Projects grants included a \$200,000 grant to support DataArts, formerly the Cultural Data Project, which seeks to strengthen the arts sector in California with high quality data.

The average grant in the Arts program increased significantly from \$254,000 in 2014 to \$322,000 in 2015.

**California Democracy**

Grantmaking in the California Democracy program seeks to advance effective public policy decision making that is reflective of and responsive to all Californians. We do this by focusing on opportunities where we believe there is a unique potential to achieve specific improvements to the state’s democracy in a defined time period.

**California Democracy Grantmaking by Priority, 2015**

<b>Priority</b>	<b>Number of Grants</b>	<b>Amount (Millions)</b>	
Voter and Civic Engagement	30	\$9.4	45%
Election Policies and Practices	16	\$5.5	26%
Immigrant Integration	9	\$3.9	19%
Special Projects	5	\$1.1	5%
Scoping Projects	10	\$1.0	5%
<b>Total</b>	<b>70</b>	<b>\$20.9</b>	<b>100%</b>

The table above shows the breakout of our 2015 California Democracy funding by priority. In 2015 the largest allocation was for Voter and Civic Engagement grants. This included a number of sizable general operating support grants to statewide grantee partners such as California Calls and PICO California, regional collaborations such as the Orange County Civic Leadership Project and Engage San Diego, and local community based organizations such as Strategic Concepts in Organizing and Policy Education in Los Angeles. In Elections Policies and Practices, we renewed a set of grants to support the Future of California Elections and its members, a collaboration of public election administrators, civil rights organizations, and government reform advocates working to modernize California’s election system.

Nineteen percent of funding went towards Immigrant Integration, led by a \$1.1 million grant to the Immigrant Legal Resource Center which has been enhancing the capacity of California nonprofits poised to serve immigrants eligible for Deferred Action for Childhood Arrival (DACA) and Deferred Action for Parental Accountability (DAPA) if and when the administrative actions are implemented. Other resources went toward implementation of innovative policies such as Assembly Bill 60, the immigrant driver’s license law, and to inform public debate policies on issues affecting the state's immigrant families through groups such as the California Immigrant Policy Center.

Special Projects grants included a general operating support grant to the Community Water Center in the San Joaquin Valley for engagement and advocacy related to the Valley’s water needs in the face of California’s drought. The Scoping Projects priority reflects investments that explore potential new funding areas, which in 2015 included examining the issues of money in politics, diversity of public sector commissions, and participatory budgeting.

Due in part to the modest size of Scoping Projects grants, the average grant in the California Democracy program decreased slightly from \$319,000 in 2014 to \$299,000 in 2015.

**Youth**

The Youth program seeks to increase the number of low-income young people who complete high school on time and earn a postsecondary credential by age 25. We do this by strengthening the Linked Learning field, which is preparing students to graduate from high school ready for college, and with skills needed to thrive in the workplace. Our Youth Program’s grantmaking is focused on three related priorities.

**Youth Grantmaking by Priority, 2015**

<b>Priority</b>	<b>Number of Grants</b>	<b>Amount (Millions)</b>	
<b>Linked Learning Practice</b>			
Linked Learning Practice — General	19	\$13.7	52%
<b>Regional Hubs of Excellence</b>			
Linked Learning District Initiative	2	\$1.0	4%
<b>Public Will for Linked Learning</b>			
Linked Learning Policy	7	\$1.1	4%
<b>Total</b>	<b>44</b>	<b>\$26.3</b>	<b>100%</b>

This table above shows the breakout of our 2015 Youth funding by priority. As anticipated, the majority of our investments (87 percent) focused on Linked Learning Practice. A significant portion of those grants were devoted to implementing Linked Learning’s guiding vision, a strategic action plan to support field leadership in expanding Linked Learning pathways and districts by 2020. Key investments were made to ConnectEd, National Academy Foundation, the Career Ladders Project, and the Center for Powerful Schools to ensure capacity for high-quality implementation of Linked Learning pathways, including work-based learning opportunities. As part of this focus on next stage growth, we invested \$8 million to further establish Linked Learning Regional Hubs of Excellence in four regions of California; these hubs support local organizations setting up regional multisector partnerships in service of greater numbers of students participating in pathways. We are also partnering with Equal Measure for an evaluation of the regional hub work. Linked Learning Practice also includes an investment in secondary and postsecondary partnerships to improve student transitions from high school to college, known as the Bridging the Gap effort.

Investments in Public Will and Policy represented a smaller portion of our grantmaking as most of our work here focused on sustaining prior wins in Linked Learning expansion

and local school district reform efforts. Grantees included statewide organizations such as Children Now and Public Advocates, as well as local groups such as Oakland Community Organizations, Community Coalition, and InnerCity Struggle.

The average grant in the Youth program decreased slightly from \$601,000 in 2014 to \$597,000 in 2015.

### ***Special Initiatives***

Special Initiatives extend our grantmaking impact and advance our mission in ways that complement our three core program areas.

#### **Special Initiatives Grantmaking by Priority, 2015**

<b>Priority</b>	<b>Number of Grants</b>	<b>Amount (Millions)</b>	
The James Irvine Foundation Leadership Awards	19	\$2.2	39%
Community Leadership Project	4	\$1.1	19%
Special Initiatives — General	5	\$0.7	12%
Region-Driven Initiatives	7	\$1.3	23%
Catalyst Fund — Pay for Success Pilot	2	\$0.4	6%
San Joaquin Valley New Leadership Network	1	\$0.1	1%
<b>Total</b>	<b>38</b>	<b>\$5.8</b>	<b>100%</b>

The largest initiative under the Special Initiatives umbrella is The James Irvine Foundation Leadership Awards, which recognize Californians who are advancing innovative, proven, and replicable solutions to critical issues facing our state.

Beyond the Leadership Awards, Special Initiatives grantmaking is increasingly focused on our two priority regions: San Joaquin Valley, and Riverside and San Bernardino counties. In 2015, we supported multisector initiatives reflecting regional priorities, such as a cross-sector Cradle to Career partnership in Fresno, efforts to improve grade-level reading in Stockton and Stanislaus County, and a collaboration to enhance college and career readiness and completion in Inland Southern California. Additionally, the New Leadership Network in Fresno completed its fourth and final cohort during 2015. Network participants from all cohorts are now meeting together for additional skill-building and to grow their broader network within Fresno.

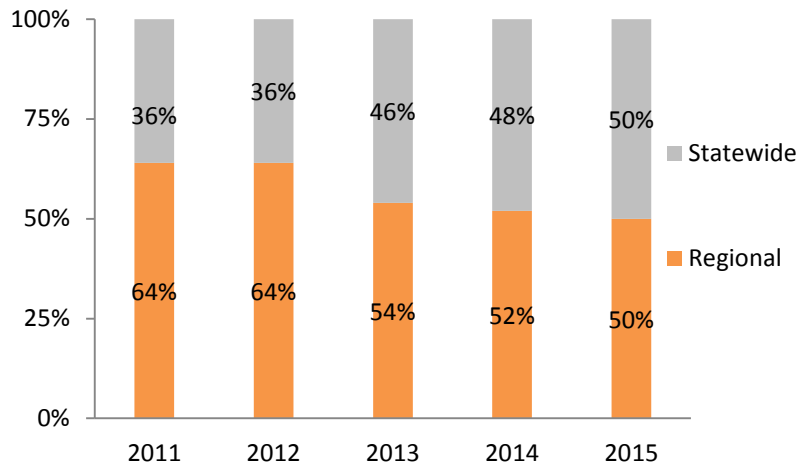
Finally, Irvine made its first Program-Related Investment in many years in 2015, supporting Abode Services and its Project Welcome Home initiative in Santa Clara. This is an extension of our time-limited efforts to encourage the development of Pay for Success agreements in California.

### Regional Grantmaking

As a foundation focused on the people of California, we find it valuable to track the proportion of our grantmaking dedicated to efforts that are regional in nature compared to projects and organizations that aim to have a statewide impact.

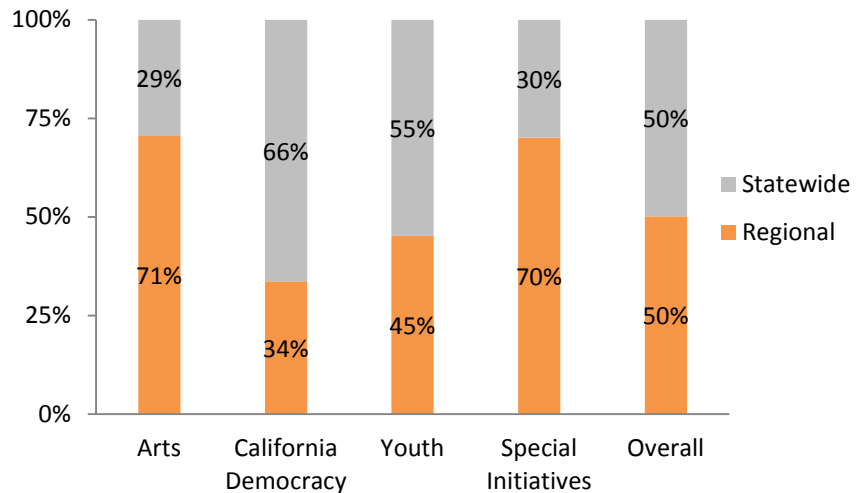
The chart at the right summarizes grantmaking across all our program areas over the past five years. These data show that we generally direct half to two-thirds of our grantmaking to organizations and projects focused on work in specific regions of California.

**Regional vs. Statewide Grantmaking (2011–2015)**



The chart at the right compares regional and statewide investments by program area in 2015. These data show that the California Democracy and Youth programs were more heavily weighted towards statewide work, whereas investments in Arts and Special Initiatives had a more local or regional focus. The significant regional focus of our Special Initiatives investments continues to be driven by grantmaking in our priority areas.

**Regional vs. Statewide Grantmaking by Program Area, 2015**



*Note: Both charts exclude memberships, sponsorships, and discretionary grants.*

**Grantmaking by Region of California**

<b>Region</b>	<b>2015 Grantmaking</b>		<b>Active Portfolio (as of 1/26/2016)</b>		<b>California's Population</b>	<b>2012 Giving by All Fdns</b>
North Coast and North State	\$920,000	2.5%	\$980,000	0.9%	1%	0%
Sierra	\$50,000	0.1%	\$80,283	0.1%	1%	0%
Bay Area	\$5,020,899	13.8%	\$20,416,980	18.9%	19%	57%
Central Coast	\$482,540	1.3%	\$3,882,936	3.6%	4%	5%
North Valley	\$563,000	1.6%	\$863,000	0.8%	2%	0%
Sacramento Metro	\$129,810	0.4%	\$2,730,171	2.5%	6%	4%
San Joaquin Valley	\$6,104,781	16.8%	\$21,411,974	19.8%	11%	1%
Los Angeles Metro	\$10,051,340	27.7%	\$28,741,790	26.6%	28%	25%
Orange County	\$1,709,000	4.7%	\$6,009,000	5.6%	8%	2%
Riverside and San Bernardino	\$5,391,760	14.9%	\$11,974,010	11.1%	11%	1%
San Diego and Imperial	\$5,836,200	16.1%	\$10,833,821	10.0%	9%	5%
<b>Total Regional Grants</b>	<b>\$36,259,330</b>	<b>100%</b>	<b>\$107,923,965</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

*Note: Excludes memberships, sponsorships, and discretionary grants. The Foundation Center provided the data about all foundations. Some columns may not add up to 100 percent due to rounding.*

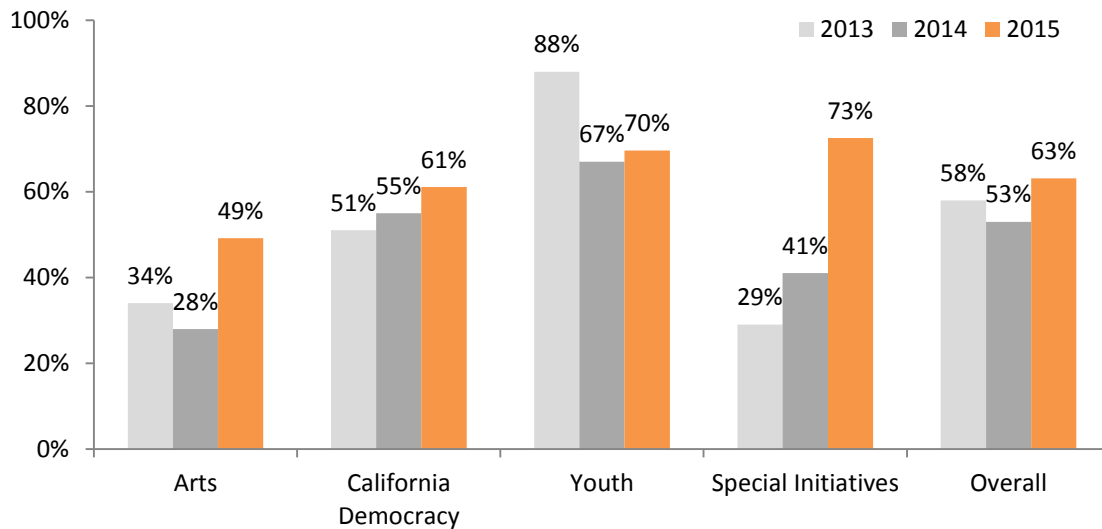
The table above provides additional detail about how our grant dollars, and in turn the activities we support, are distributed across California's regions. Reflecting on these data relative to past years, we see that a larger proportion of our grants in 2015 support work in the San Diego and Imperial region, led in part by New California Arts Fund grants to the Old Globe and La Jolla Playhouse at more than \$1.5 million each, and with grants to Engage San Diego, a growing regional voter and civic engagement collaborative, along with some of their anchor members. Riverside and San Bernardino's regional support also increased, with major grants in the region from all of our program areas, in particular Linked Learning regional hub activities and work on the Linked Learning guiding vision for 2020, the Riverside Art Museum's NCAF grant of \$800,000, and support for Inland Empowerment, an emerging regional voter and civic engagement collaborative, along with several of the collaborative's local anchor organizations. There was a corresponding drop in grants to the Bay Area and Los Angeles Metro regions.



### Grantmaking to Diverse Communities

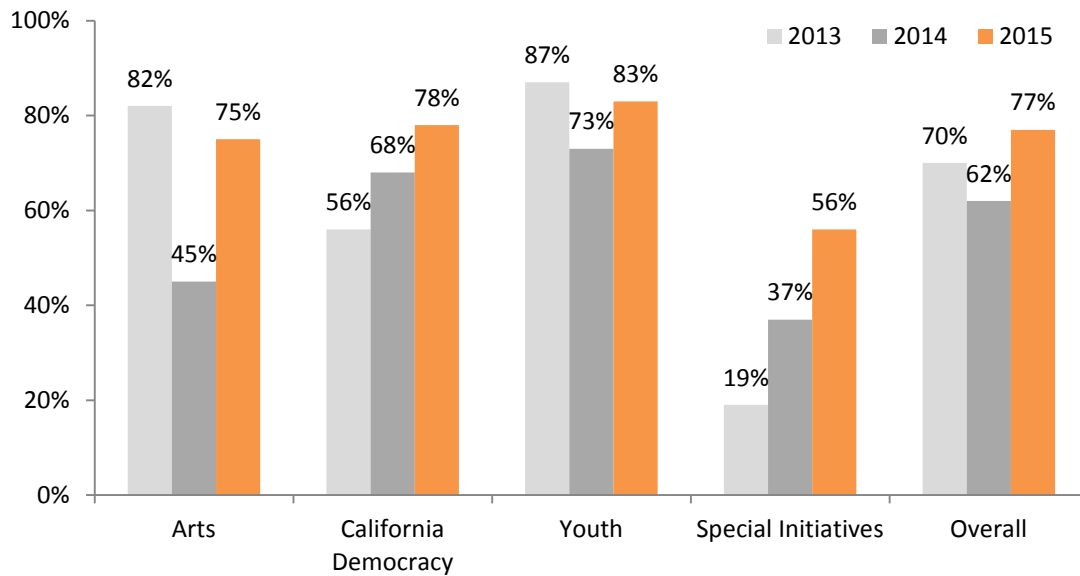
Information about the populations served by our grants helps us understand how well we are focusing our resources on underserved and disadvantaged communities in California. We use a restrictive definition of population served, coding a grant as targeting diverse communities only if the grant activities explicitly target a given population. This provides a conservative measure of the population served because grants that serve a general population may also benefit low-income communities and communities of color. We have intentionally not established targets for these measures. As reference points, 61 percent of Californians are people of color and California’s poverty rate is 21 percent according to analysis by the Public Policy Institute of California.

### Grantmaking Focused Exclusively on Low-Income Communities, 2013–2015



*Note: Chart excludes special opportunity and discretionary grants, memberships, sponsorships, and foundation-administered projects.*

### Grantmaking Focused Exclusively on Communities of Color, 2013–2015



*Note: Chart excludes special opportunity and discretionary grants, memberships, sponsorships, and foundation-administered projects.*

In 2015 we increased our grantmaking to low-income communities as well as communities of color across the board.

The Arts-related increase in focus on low-income communities is due to the maturation of the work of New California Arts Fund grantees, and a rise in types of projects targeting low-income communities through the Exploring Engagement Fund in 2015. The significant increase in Arts funding exclusively focused on people of color reflects a return to approximately the same level as 2013. Special circumstances in 2014 prompted last year’s drop — i.e., the cyclical nature of the NCAF grants and a large 2014 grant to ArtPlace America that serves a general community.

California Democracy grantmaking over the past year reflects steady increases in grantmaking to low-income communities and communities of color. This resulted from increasing the number and amount of grants to support effective locally based organizations in lead roles. At the same time, we are moderating the amount of resources available for state or national organizations who aim to do the work on a local community’s behalf, or bundling those funds as sub-grants so as to prioritize local leadership and sustainability.

Within Special Initiatives, the increase occurred as we identified additional region-driven collaboratives addressing critical local issues; these efforts generally focused on improving the well-being of children and families who face economic challenges.

## **Impact and Improvements**

In this section of the Annual Performance Report, we report on our milestones, areas of work that remain unfinished business at the end of 2015, and related reflections and implications. While we use a common framework for assessing progress across our programs, we recognize that each operates in distinct fields with unique challenges and opportunities.

### **Arts**

#### *Milestones Achieved*

In 2015, the Arts team met the following key milestones:

#### Strengthening

- The second cohort of six New California Arts Fund grantee-partners received grants in October 2015, holding their inaugural convening the following month.
- The first NCAF cohort augmented their learning community by adding grantee-partner generated exchanges, smaller in scale than the semi-annual convenings. This allows for deeper exploration of topics including cross-sector collaboration, cutting-edge governance models, data collection and analysis, financial leadership, and engagement practices.
- With grantee-partner feedback, we developed an assessment rubric of 20 engagement and capacity-building attributes. This tool is used to identify an organization's current status in relationship to each of these attributes and to illuminate areas for improvement; this practice is informing the focus of potential phase two grants.
- Eight organizations were engaged in the planning process for a second round of NCAF grants.

#### Piloting

- Through the first four rounds of the Exploring Engagement Fund projects, grantees carried out 3,670 art events that engaged more than 800,000 Californians, a majority of whom were non-white and low income.
- We launched a new [interactive advice database](#) on our website. This provides organizations and practitioners interested in expanding arts engagement with lessons learned and best practices in the direct words of our grantees.
- We experimented with a rolling deadline for the Exploring Engagement Fund open application process and received over 100 applications involving arts nonprofits across California. From this group, we supported 19 arts engagement projects from a diverse set of organizations.
- We commissioned case studies that illustrate the successes and challenges of fund-supported arts engagement experiments. Grantees' experiences and advice

were used to develop a number of products to inform arts engagement more broadly. In 2015, this included a [toolkit](#) on practical steps for capturing engagement data on arts participants.

#### Field Building

- We commissioned an online report to assess the potential for cultivating an arts engagement-focused field. This included 50 one-on-one interviews with field practitioners. This data is in the process of being analyzed and will be augmented with complementary data about arts engagement; a public document will be available in 2016.

#### *Unfinished Business*

Below are some milestones we set for ourselves in 2015 that remain work in progress:

#### Strengthening

- The plan to deliver and disseminate video documentaries telling the stories of New California Arts Fund grantee-partners evolved into a larger approach. It includes communicating learnings by publishing long-form written narratives on a web platform which embeds the videos and allows commenting by readers. The first postings on Medium.com launched in January 2016.

#### Piloting

- We originally intended to conclude this Exploring Engagement Fund application round at the end of 2015. However, we recently decided to extend the rolling application deadline to March 2016 as part of the culmination plan for Irvine's arts engagement strategy.

#### Field Building

- In light of the culmination plan for arts engagement, we decided to co-design the field building part of our work with our NCAF grantee-partners. Instead of cultivating a nascent or rising field of arts engagement within the larger arts field, we narrowed our focus to strengthen our grantee-partners as field leaders for arts engagement.

#### *Reflections and Implications*

Examining our 2015 Arts work leads to the following reflections:

#### Strengthening

- Given the culmination of the NCAF with upcoming phase two grants, there is a heightened sense of urgency for grantee-partners in both cohorts to hasten their organizational transformations to support ongoing arts engagement practices and sustainable expanded engagement. Hearteningly, grantees have

recommitted to working together to accelerate their individual transformations. They have also expressed a growing interest in contributing to building a larger network of similarly minded organizations.

#### Piloting

- As we begin to wind down the Exploring Engagement Fund, we are in the process of prioritizing what we want to learn from this final round of grants and how we want to share this knowledge with the arts field. Irvine's impact assessment and communications staff are helping determine the best course of action regarding this knowledge sharing.

#### Field Building

- A New California Arts Fund-centered field-building effort will better establish the kind of infrastructure and ongoing network that arts leaders need to sustain their collective work.

### ***California Democracy***

#### *Milestones Achieved*

In 2015, grants made by the California Democracy team contributed to the following key milestones:

#### Elections Policies and Practices

- The 3 million people who interact with the Department of Motor Vehicles each year to receive a license or change their address will now be automatically registered to vote, unless they opt out. Though many of these Californians are already registered, the addition of new voters to the rolls, anticipated to begin in mid-2016, is expected to be notable.
- Tens of millions of dollars in elections funding was preserved as a result of an intervention with state policymakers by the Future of California Elections (FoCE) members and staff; two extensive research projects conducted by organization members in 2015 aim to generate enhanced revenue opportunities for FoCE in future years.
- Based on grantee recommendations, 30 counties committed to improving their voter guides to expand informed and diverse voter participation. Three counties completely overhauled their guides; they are currently testing them with voters, and will subsequently encourage other counties to adopt best practices.
- Adapting to an unexpected legislative push to shift voting from polling places to regional vote centers, grantees heavily informed the ongoing policymaking process. This included conducting extensive research on the new approach and its potential implications for California, and informing the policy development process through testimony at hearings, joint recommendation papers, and active participation in a working group with policymakers.

### Immigrant Integration

- A statewide network of immigrant groups helped implement the driver's licenses for undocumented Californians law (AB 60), resulting in a total of 605,000 licenses issued in 2015. This represents 43% of all licenses issued in California last year (the total number of licenses issued, AB 60 and non-AB 60 combined, is 1,396,000).
- We continue to support the effective implementation of the TRUST Act of 2013, which limits immigration hold requests in local jails. Forty-one immigrant groups in 24 counties throughout the state were provided resources and technical assistance to meet with local law enforcement agencies and more constructively integrate immigrants into the fabric of local communities, while promoting greater public safety throughout California.
- Thirty businesses in Los Angeles, San Jose, and San Diego were supported to conduct workplace citizenship efforts, thereby creating a model for immigrant integration in the workplace.
- The state budget included an unprecedented \$40 million in healthcare for undocumented children and \$15 million for legal immigration services (One California) and the establishment of a funded Director of Immigrant Integration position within the Governor's Office. Our grantee partners helped identify potential candidates for this historic role and inform the distribution of the One California grant dollars. We expect these efforts to result in better coordinated services to immigrants and more successful immigrant integration across California.

### Voter and Civic Engagement

- Our Voter Outreach and Technology Initiative grants supported innovative grantee-partners to test increasing voter participation among underrepresented communities by incorporating newer technologies into outreach strategies. The results of a formal assessment are available [online](#).
- Voter and civic engagement collaborations at the state and regional levels have measurably increased diverse civic participation, voter turnout, and multi-issue, cross-sector policy innovation. Statewide networks, including California Calls, PICO California, and Mobilize the Immigrant Vote, have measurably increased the number of low-income, immigrant, and ethnic voters statewide. Local partners of Engage San Diego, the Orange County Civic Leadership Institute, and Inland Empowerment have done so at the regional level.
- Promising resident-led mechanisms to facilitate accessible and inclusive local civic life have been designed, implemented, and replicated, with a focus on district elections.

## Ballot Initiative Reform

- In 2013, we supported California Common Cause, the California Business Roundtable and California Calls to convene a diverse set of stakeholders to develop collaborative recommendations for improving the ballot initiative system. Informed by those recommendations, in 2014, lawmakers passed SB 1253, the Ballot Initiative Transparency Act (BITA). This law made several changes to the initiative process including allowing for public review and potential changes to an initiative during the initial signature-gathering period, and providing voters with simpler, more accessible information about initiatives.
- In order to understand the effects of BITA, in 2015, we made a grant to researchers at the California Civic Engagement Project at the University of California, Davis. We anticipate the researchers will publish related findings in early 2017.

## *Unfinished Business*

Below are some milestones we set for ourselves in 2015 that remain works in progress:

### Elections Policies and Practices

- We expected that many colleges and universities would integrate into their class registration systems a tool that seamlessly registers students to vote by pre-populating voter registration forms with information contained in student records. In 2015, grantees worked closely with the Secretary of State to build demand from colleges, particularly those educating underrepresented communities, but they have yet to secure funding to build the tool. We anticipate it will be built in 2016 and piloted at several colleges in time for the general election.

### Immigrant Integration

- In late 2014, the White House issued its Deferred Action for Parents of Americans/Deferred Action for Childhood Arrivals executive actions in order to provide protective status for undocumented parents of U.S. citizens and permanent residents who have resided in the country for at least five years, and to expand the 2012 DACA program. Due to current litigation, Irvine outreach funds for DAPA/extended DACA continue to be on hold in the field pending consideration of the issue by the Supreme Court of the United States.

## *Reflections and Implications*

Examining our 2015 California Democracy work leads to the following reflections:

- After several years of supporting extensive collaboration among diverse stakeholders in the election policy field, we have observed a myriad of “small

wins” that while hard to quantify on their own, collectively have contributed to more efficient, better resourced, and more inclusive election practices.

- We supported integrated voter engagement (IVE) groups to train community members to reach out to peers in a continuous manner with the intent of increasing the number of voters and policy changes. The most effective IVE organizations: educate the community during and in between election cycles on public policy issues affecting their lives, develop everyday people into leaders, support new and unlikely voters to cast their ballots, and ensure that misinformation and intimidation do not inhibit people from voting. To expand our understanding of the impact of IVE strategies, effective research would be designed over multiple types of election cycles, with a number of interim touchpoints. Based on learning from the California Votes Initiative in 2006 to 2009 and the VOTE Initiative in 2014, we are working to develop such a framework for launch in 2016.

## **Youth**

### *Milestones Achieved*

In 2015, the Youth team met the following key milestones:

#### Linked Learning Regional Approach

- We launched the implementation phase of our regional expansion of Linked Learning, selecting four regional partnerships as Linked Learning Regional Hubs of Excellence. Covering Oakland/West Contra Costa, Long Beach, Tulare-Kings, and San Bernardino, these hubs received significant implementation support to both expand the number of pathways and students in their regions as well as engage employers and postsecondary institutions to build demand for Linked Learning as the primary college and career readiness strategy. The hubs have begun initial implementation activities including participating in a learning community organized by Jobs for the Future.
- We began a partnership with The Atlantic Philanthropies to oversee their portfolio of grants in Alameda County that seek to improve health pathways for high school students and provide more work-based learning opportunities for students. This partnership offers a significant opportunity to leverage our Linked Learning efforts in Oakland Unified and integrate this effort with Oakland/West Contra Costa’s regional hub of excellence.
- The [year-six evaluation report](#) on the Linked Learning District Initiative was of particular significance as it was the first time results were available for graduating seniors who have experienced four years of Linked Learning. Findings continue to demonstrate the positive impact of Linked Learning on high school student outcomes — more credits earned, decreased likelihood of dropping out, and higher graduation rates. This year’s report also reinforced Linked Learning’s positive effects for students entering high school below proficiency.



## Strengthening and Sustaining Field Leadership and Infrastructure for Linked Learning Expansion

- As part of Irvine’s ultimate transition away from the center of Linked Learning and the recasting of our investments in pathway expansion, we launched a substantive planning effort with key grantee leaders in January. The culmination of this effort was a guiding vision and action plan outlining milestones to be achieved through 2020. These include more districts implementing Linked Learning, as well as defined future roles for field leaders such as the Linked Learning Alliance, ConnectEd, and National Academy Foundation. The final plan was shared with the broader field of districts, advocates, and other pertinent stakeholders in October.
- In September, the Linked Learning Alliance became a 501(c)(3), beginning the transition of the organization as a key leader and supporter for the next stage of Linked Learning. Supports include the development of a new quality assurance and certification system for the broader field of pathways beyond the original nine districts of the Linked Learning District Initiative.
- In support of the Linked Learning guiding vision for 2020 and its objectives, we made significant investments in the core technical assistance providers — ConnectEd, Center for Powerful Public Schools, the Career Ladders Project, and National Academy Foundation — to ensure capacity to implement new Linked Learning pathways and districts. This includes a focus on work-based learning and on stronger postsecondary partnerships. The technical assistance portfolio also includes a significant planning grant to Pivot Learning Partners to support the expansion of other capacity builders in the Linked Learning field.

## Statewide Policy Efforts

- The Governor’s \$900 million California Career Technical Education (CTE) Incentive Grant was enacted to help schools provide high quality, sequenced career technical education. This grant funding brings another significant opportunity for greater expansion of Linked Learning across more districts in California. The CTE Incentive Grant awards can potentially augment the work of regions that already began this work with support from the earlier California Careers Pathways Trust state grant program.
- The passage of the Every Student Succeeds Act provided supportive policies that advance Linked Learning, including allowing state accountability systems to incorporate the core components of Linked Learning. This ensures the authority to award and incentivize Linked Learning through the state’s accountability system. In addition, it allows school districts to access funding under the Carl D. Perkins Career and Technical Education Act that provides integrated professional development for CTE and academic teachers — a key component of Linked Learning implementation.

### *Unfinished Business*

Below are some milestones we set for ourselves in 2015 that remain work in progress:

- Work-based learning pilots were paused due to uneven field readiness and capacity. The pilots are expected to launch in the spring of 2016.
- Engaging industry partners is a work in progress as regional partnerships are still in relationship-building mode. We expect this to be a focus of regional partnership efforts in 2016 as Linked Learning Regional Hubs of Excellence begin employer engagement efforts in earnest.
- The framework for the effective implementation of the fourth component of Linked Learning, Integrated Student Supports, was not completed in 2015. An initial framework has been introduced and technical assistance providers, districts, and pathways are coalescing around the definition of supports and learning outcomes for students that it features. The completed framework will be released in the spring of 2016. A set of implementation case studies and resources will follow in late 2016.
- A rigorous cost study on Linked Learning was due at the end of 2014. We have received initial findings that suggest additional costs for Linked Learning range between \$300 to \$600 per student, much less than previous estimates. The benefit component of the study was expected in December 2015, but due to delays in data collection, final analysis will be completed in the spring of 2016. We will work with the Linked Learning Alliance to release the study at that time.
- While Bridging the Gap effort partnerships were launched later in 2015 than originally anticipated, the larger-than-expected number of applications for participation signaled an interest in the field for greater attention to secondary/postsecondary institutional partnerships. The selected pilot partnerships will be in a planning phase through July of 2016, with final implementation grants awarded in the second half of the year.

### *Reflections and Implications*

Examining our 2015 Youth work leads to the following reflections:

- Expanding the field of pathways (due to the Career Pathways Trust), and the transitioning role of Irvine, catalyzed efforts to support new field leadership and strengthen infrastructure for quality implementation of Linked Learning. The process to move from an Irvine initiative-based group to a true movement of leaders has created the need to make room and time for relationship building and role definition among our core grantee-partners.

- This transition phase has catalyzed the Linked Learning Alliance to take a leadership role in building a shared voice and to launch the development of a quality assurance and certification process to meet a growing demand. While the Foundation has shifted its role to thought partner, we remain close to the work vis-à-vis our participation on the Linked Learning Alliance board and through continued funding over the next two years.
- Critical to transitioning our leadership will be ensuring supports for the Linked Learning Alliance to provide strategic communications, capacity building among technical assistance providers, ongoing connections of the Regional Hubs of Excellence learning community to larger statewide efforts, and advocacy as well as policy to sustain Linked Learning wins.
- Through our new Bridging the Gap effort, we learned there is eagerness to support effective student transitions to postsecondary education, though there is an uneven readiness for intersegmental work. While relationships exist at a school-to-institution level, they are less in place at a district-to-postsecondary institutional level, compromising efforts to reach more students. Furthermore, in order to see more supportive practices and policies at a regional level, we believe that much of the work in the initiative will focus on using student data to identify the points at which students leave educational institutions.

### **Feedback from the Field**

We have a long-standing commitment to gather feedback from our partners and stakeholders in the field, then reflect and act on it. During 2015, this has taken place in a number of ways.

In last year's assessment report, we shared the results of our third Grantee Perception Report, which was commissioned from the Center for Effective Philanthropy. We also commissioned this report in 2006 and 2010, which allows us to track the Foundation's perceptions over time, as well as compare ourselves to other funders. The survey results, which represented about two-thirds of our grantees, identified a number of areas for improvement (the full Grantee Perception Report, [available here](#), provides additional details including responses to all of the survey questions). In response to what we heard from grantees, we have been adapting our practices in the following ways:

- Providing core support. To allow grantees the flexibility to adapt strategies as the environment for their work evolves, we have provided a greater amount of core support.
- Covering full costs. We are systematically exploring with grantees the scope of their indirect costs so that our grants reflect the full costs associated with the outcomes they seek to advance.

---

## The James Irvine Foundation

- Extending flexibility. We are more clearly communicating to grantees our openness to consider changes in grant timeframes and objectives as circumstances evolve.
- Deepening engagement in inland regions. We hired a new senior program officer who serves as point person for grantmaking in our priority regions — the San Joaquin Valley as well as Riverside and San Bernardino counties. Now we have greater capacity to spend more time in, and deepen our understanding of, the inland regions. This staff member also works closely with other program teams to inform our other grantmaking efforts.

On an ongoing basis, we look for opportunities to engage grantees and other stakeholders in conversations to inform our work. This year, we asked for input to guide our current program areas as well as potential new areas. Examples from across these areas include:

- Partnering with New California Arts Fund grantees to develop an organizational and engagement capacity-assessment tool as well as plan for ways to strengthen field-level arts engagement
- Engaging California Democracy grantees in experiential learning about the 2014 series of voter outreach experiments
- Involving key youth grantee leaders in a six-month planning process to develop a guiding vision for the Linked Learning field through 2020
- Surveying past recipients of The James Irvine Foundation Leadership Awards to understand which elements of this program offer the greatest value and to gather ideas for program improvements

As Don Howard transitioned into his role as president and CEO, he held 13 listening sessions, which began in late 2014 and ended in early 2015. These sessions took place with more than 100 leaders across the state; they represented a range of sectors, geographical regions, ethnicities, and ages. They were asked to share their hopes, reflections, and concerns for California along with their advice for Irvine's future.

Key takeaways fell into five main areas:

- California is a tale of two (or more) states, with vastly divergent opportunities and growing disparities between the haves and the have nots.
- California's young people grow up, all too often, unprepared for success in life, with many being unready for college, career, or both.
- Early childhood education can result in an enormous payoff, yet is not readily available.
- Living-wage jobs remain elusive for too many Californians.

- A lack of civic engagement, while troubling, may stem less from apathy among our state’s residents and more from a seeming lack of relevance of government to people’s lives.

These listening sessions were a springboard for additional conversations, internal and external, as well as research. Informed by these inputs, we have reflected on our current program areas, developed three- to five-year plans for each, and taken steps to evolve our strategy to build on our work to date and enhance our impact. More information about our evolving focus is available at [www.irvine.org/evolving](http://www.irvine.org/evolving).

## Staffing and Talent

### Diversity

We are keenly interested in maintaining a diverse board and staff given the diversity of California and the communities in which we work. In the tables below, we provide demographic data on Irvine’s board and staff, which show that our diversity continues to distinguish the Foundation from the broader field of private foundations.

### Staff Demographics

	Irvine Foundation						Fieldwide
	2013		2014		2015		2013
<b>Gender</b>							
Female	24	57%	26	58%	29	67%	76%
Male	18	43%	19	42%	13	33%	24%
<b>Ethnicity</b>							
Latino	4	10%	4	9%	5	12%	7%
Asian	12	29%	10	22%	9	21%	5%
African American	4	10%	6	13%	8	19%	10%
White	22	52%	23	51%	16	38%	76%
Other			2	4%	4	10%	2%
<b>Total</b>	<b>42</b>	<b>100%</b>	<b>45</b>	<b>100%</b>	<b>42</b>	<b>100%</b>	<b>100%</b>

*Note: Fieldwide data comes from the Council on Foundations, 2014 Grantmakers Salary & Benefits Report. Some columns may not add up to 100 percent due to rounding.*

**Board of Directors Demographics**

	Irvine Foundation			Fieldwide
	2013	2014	2015	2015
<b>Gender</b>				
Female	36%	31%	36%	41%
Male	64%	69%	64%	59%
<b>Ethnicity</b>				
Latino	21%	23%	18%	4%
Asian	21%	23%	9%	2%
African American	8%	8%	9%	8%
White	50%	46%	64%	84%
Other				2%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

*Note: Preliminary fieldwide data comes from the Council on Foundations, 2016 Grantmakers Salary & Benefit Report. Excludes President and CEO, who is an ex-officio board member. Some columns may not add up to 100 percent due to rounding.*

These data show that Irvine staff and board are more diverse than our peers in philanthropy (based on the latest data available), though we do not fully represent the diversity of California.

**Staff Headcount and Turnover**

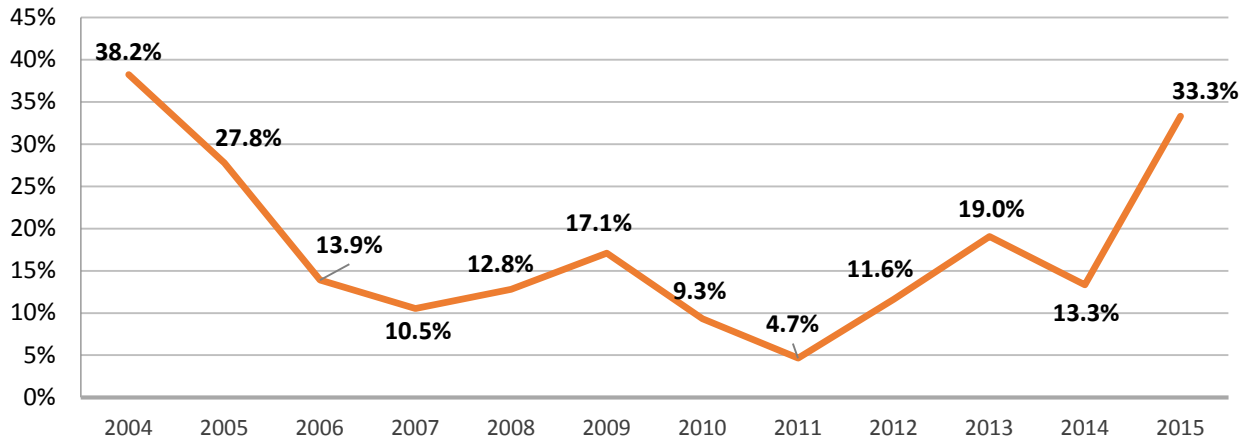
The table below shows that we have maintained consistent staffing levels over the past several years. The year 2015 saw a significant increase in turnover, attributable to natural attrition, a leadership transition, and the resulting organizational changes. While turnover was particularly high, we were able to successfully recruit and maintain staffing at a level to effectively operate and advance our mission.

**Staff Headcount and Turnover**

	2010	2011	2012	2013	2014	2015
Number of staff	43	43	43	42	45	42
Transitions	4	2	5	8	6	14
Average tenure	5.41	6.2	6.3	5.26	5.2	4.74

The chart below shows that our 33.3 percent staff turnover rate in 2015 was sharply higher than any recent year, but attributable to this period of change.

**Turnover Rate, 2004-2015**



We successfully recruited 11 new staff members in 2015. Those individuals, along with our existing staff, are well prepared to execute our evolved strategy while working across our new portfolio structure.

As we look to 2016, our most significant undertaking will be to implement a tiered-position structure that provides every staff member a clear professional development path within their current position. This is the continued evolution of Irvine’s integrated professional development program that we worked on last year; it is intended to create continual learning and opportunity for our staff and ultimately the Foundation as a whole.

## Investment Performance

The concluding section of our Annual Performance Report provides broad indicators of the Foundation’s investment performance in 2015 relative to past years. The table below summarizes the Foundation’s assets and expenditures over a five-year period.

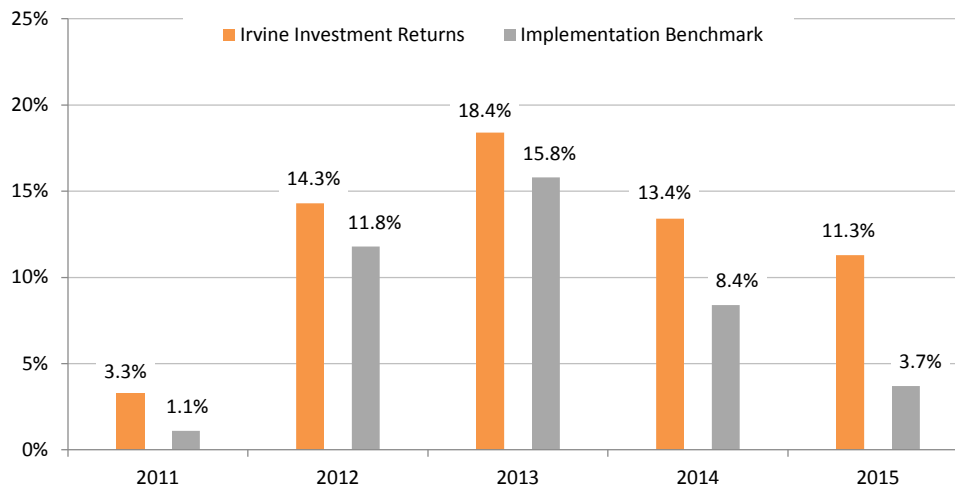
### Overview of Assets and Expenditures, 2011–2015

	2011	2012	2013	2014	2015*
Assets	\$1,531,915,000	\$1,613,973,000	\$1,860,257,000	\$1,991,694,000	\$2,130,590,000
Expenditures	\$81,669,80707	\$ 85,409,711	\$86,510,878	\$92,792,486	\$92,606,000

*\*Unaudited figures*

The data in the chart on the next page provide an overview of the Foundation’s investment returns over a similar five-year period relative to our benchmark of endowments over \$1 billion. Additional detail about investment returns in specific asset classes and manager performance are provided in quarterly reports to the board from Callan Associates.

### Investment Returns, 2011–2015



The endowment earned 11.3 percent in 2015, marking the sixth year in a row that we exceeded our benchmark and placing Irvine in the top 1 percent of its comparative universe of endowments and foundations for one-, three-, and five-year periods. We attribute this strong performance to excellent individual manager selection with particularly strong results from the Private Investment portfolio. Overall asset allocation among the four asset classes also contributed nicely. This strong manager performance was apparent in three of the four asset classes that the Foundation uses to allocate its investment portfolio. While Irvine is not likely to continue to see the extraordinary returns in Private Investment it achieved in 2015, it should continue to benefit from



important investment relationships formed over the past decade. We are pleased with the results of the investment strategy adopted in 2012 and the current group of investment managers' ability to provide strong risk-adjusted returns in a rapidly evolving global market.

Below we report on the effective weight of each asset class based on an asset allocation structure approved by the board in 2011.

<b>Asset Class</b>	<b>2014 Year End</b>	<b>2015 Year End</b>	<b>Long-term Target</b>	<b>Policy Range</b>
Global Equity	30%	28%	35%	25–45
Stable Value	19%	18%	27%	15–35
Private Investments	38%	40%	25%	20–30
Special Situations	14%	14%	13%	0–20
<b>Portfolio Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	

*Note: Some columns may not add up to 100 percent due to rounding.*

The allocation to Private Investments continues to be well above the target and policy range, and in fact moved farther away from the desired range in 2015. While Irvine made fewer new commitments to this area of the portfolio, its overall value increased substantially as a result of significant increases in the carrying value of a number of private companies which are not yet ready to be sold. This increase in value came in spite of record net cash flow out of this portion of the overall portfolio. Given changes in market perceptions late in 2015, results are likely to moderate significantly over the next few years in this asset class. The Stable Value asset class performed poorly on a relative and absolute basis. However, as the Federal Reserve slowly raises interest rates over the next few years, we plan to increase the allocation to this asset class for two reasons. First, even though the overall return expectations are still very low for this asset class, it plays an important part in risk reduction for the total portfolio. Secondly, this asset class provides excellent liquidity which will be a source of strategic flexibility in the years to come. The Foundation will continue to look to the Private Investments asset class as a funding source for more liquid Stable Value investments over the coming years.