





“The lake is living water, ever in motion, and ever changing in color and in the form of its waves.... In every aspect it is a living thing, delighting man’s eye and refreshing his spirit.” ARCHITECT AND CITY PLANNER DANIEL BURNHAM, 1909

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As one of the nation's largest environmental funders, the Joyce Foundation has for many years supported efforts to reduce threats to the health of the Great Lakes.

Last year we learned, through polling, that a vast majority of Midwest residents share our core belief in the importance of protecting the Great Lakes. By a wide margin, they see the lakes as part of their heritage, a beautiful natural resource. They also understand that the lakes are vital to the region's economy, providing 150,000 jobs in shipping, and supporting a multi-billion dollar recreation industry.

Support from the public will be an important factor in strengthening efforts to establish a Great Lakes Restoration plan. Like similar efforts to fund the restoration of the Florida Everglades and Chesapeake Bay, there is growing support in Washington, D.C. and throughout the region to leverage federal grants for a massive, but necessary, clean-up effort. Urgent projects

include protection from coastal pollution and sewer overflows that cause beach closings; cutting toxic pollution so pregnant women and children can safely eat lake fish; protecting against invasive species; and rebuilding damaged fish and wildlife habitat.

This year, the Foundation's annual report focuses on the enormous importance of the Great Lakes to the Midwest's economic and physical well-being, and outlines some of the intense threats they face. Our agenda is to build support for a coordinated, intensive effort to protect the lakes for the benefit of all of us, including generations to come.

2003 brought significant change and notable achievements in several of the Foundation's other programs as well. A major victory came in the Money and Politics arena, when the Supreme Court upheld the landmark Bipartisan Campaign Reform Act. The product of years of work by a wide range of groups, many of them Joyce grantees, the law has significantly changed the landscape for campaign finance, putting in place new rules intended to insure the integrity of elections.

Research demonstrates that there are two factors most likely to affect low-income children's success in school: participation in high-quality pre-school, and exposure to high-quality teachers. The Foundation initiated new grantmaking directions in Education that will focus intensely on these two issues.

Complementing its long-time focus on building stronger and more diverse arts audiences, the Culture program launched a new awards program to support Midwest cultural institutions to commission works by artists of color in dance, music, and visual arts. The high quality of the many applicants, and the enthusiastic reception by the arts community, make us proud to have begun this new project and enthusiastic about its continuation in 2004.

Our work in Gun Violence continued its efforts to build a solid framework of information for determining new policies to reduce the annual toll of gun deaths, which now stands at nearly 30,000. The establishment in 2003 of a National Violent Death Reporting System, which will collect and analyze data from health and law enforcement, will be a valuable tool in developing more effective policies.

In the Employment program, the presidential elections have provided a welcome focus on job creation. Joyce grantees have been active in pushing for more and better job training opportunities, especially for people entering the workforce or trying to move up the ladder from low-paid jobs. Innovative new programs designed specifically for difficult-to-place workers—long-time welfare recipients or returning ex-offenders, for example—are in place in several locations in the Midwest, with Joyce support.

We are proud of the achievements of our grantees, and look forward to continued fruitful partnerships in the coming year.



Ellen S. Alberding
President



Superior, Michigan, Huron, Erie, and Ontario: together, the Great Lakes are a vast freshwater sea at the heart of America, and a source of life, work, and refreshment for millions of people. But those millions of people in turn put enormous stresses on the lakes: pollution, climate change, destruction of wetlands, introduction of invasive species, and increasing demands for water. Great Lakes residents love their lakes, and are determined to protect them in the face of these threats. 2003 saw growing support for a Great Lakes Restoration Initiative that offers the potential to do just that. But the future of restoration efforts is uncertain. The challenge is enormous, but so is the responsibility: to protect the waters that sustain us, now and for future generations.

Life

“In every aspect it is a living thing, delighting man’s eye and refreshing his spirit.” Daniel Burnham wrote about Lake Michigan nearly a century ago, but anyone who has stood on the shores or sailed the waters of Michigan and its sister lakes knows exactly what he was talking about. For some 40 million people who live near them, the lakes are a living presence.

That’s not just a metaphor. The lakes supply the one commodity that is essential to life: water. They are the largest source of fresh surface water

on the planet, containing 20 percent of the earth’s supply; 59 billion gallons are withdrawn each day by communities and industries along their shores.

The lakes’ water and related groundwater also support the farms and orchards that are a vital part of the region’s economy, as well as related industries including food processing and brewing. Food and fiber production constitute the single largest consumptive use of Great Lakes water.





The regional economy crucially depends on the lakes in other ways. Lake shipping is a \$6 billion industry that moves nearly 175 million tons of goods each year. Water from the Great Lakes system drives hydroelectric generators and cools power plants providing electricity for homes and workplaces across northern and eastern United States. Meanwhile boaters, anglers, and vacationers collectively pump billions annually into the region's tourism industries.

But the lakes' value goes well beyond the economic. In a highly populated region, the lakes offer the endless and indispensable possibility of connecting with nature. Birdwatchers trek to Lake Michigan's shores, where every year more than five million migrating songbirds make their seasonal journeys to the north and back again. Anglers fish for salmon, perch, walleye, and other lake fish. Millions of others come to swim, walk the beaches, ride bikes, sail, waterski, explore the dunes, watch the sun set or a storm come up, gaze unimpeded at the clouds or the stars. Family picnics, lakeshore festivals, summer vacations along the lakes inhabit our memories and our collective imaginations.

*Every day, year-round, and through the generations,
the lakes affect our lives. But our lives also affect the lakes.*





Dangers

To any one individual on their shores, the lakes seem vast and powerful beyond human scale. But to the 40 million of us collectively, they are increasingly vulnerable. We take water out of them, pour waste into them, heat the air over them, drain and pave their surrounding

wetlands, and open them up to species that were never meant to enter their waters. Together, those threats are fast reaching such a scale that one USEPA official, speaking of Lake Michigan, spoke of “an orange alert”—a grave warning of a grim future.

Growing demand for their water

Expanding populations are increasing demands for water from both inside and outside the region, putting pressure on the Great Lakes. Nearby groundwater, which naturally replenishes the lakes, is being depleted; southeastern Wisconsin has pumped out so much groundwater that Lake Michigan has begun to leak into the underground reservoirs, rather than the other way around. Chicago-area planners warn that, despite its location at the southern end of the vast lake system, the region faces potential water shortages.

Sewage contamination

Growing populations also strain aging sewage and septic systems. At the same time, building on or paving over more and more land prevents rainwater from seeping into the ground. The result: when the rains come, all the water rushes into the sewers, straining capacity and increasingly causing sewage overflows into the lakes.

Three times in 2003, Milwaukee dumped partially treated sewage—up to 40 million gallons of it—into Lake Michigan. In 2003, beach closings and swimming advisories for Lake Michigan beaches totaled 1473. Nearly a quarter of Great Lakes beaches are closed at least once a year, making the problem more widespread here than on any other U.S. coastline.

Invasive species

More than 160 nonnative species were introduced into the Great Lakes in the last century. Zebra mussels came in the ballast water of Eastern European ships. The Asian carp, a voracious feeder that escaped from fish farms further down the Mississippi valley, is steadily making its way north. Once such species enter the lakes, they can wreak havoc on native fish and aquatic life.

Toxic pollutants

Long-banned pollutants, such as PCBs, have been declining, but they still lurk in the lake sediment and remain concentrated in the tissues of fish. Around the basin, 31 areas have been labeled “toxic hotspots” because of contaminated sediments. Meanwhile, mercury emitted by power plants continues to settle on the lakes and make its way to fish populations.

Climate change

Emissions from cars, factories, and power plants are gradually increasing the earth’s temperature. For the Great Lakes, warmer weather will mean less ice cover in winter and more evaporation year-round, which together are likely to lower lake levels. Already, Lake Michigan has dropped 4.1 feet since 1997, the largest drop in that short a time span since records have been kept, according to the National Oceanic and Atmospheric Administration. Declining lake levels disrupt vital industries such as shipping, hydroelectric power, and tourism, and they

make the competition for lake water more acute. In addition, climate change heightens the severity of storms, which in turn overstress sewage systems and intensify bacterial contamination.

Dead zone

For periods each summer, a large and growing section of central Lake Erie becomes a “dead zone,” with insufficient oxygen to support most forms of life. The cause is uncertain—likely some combination of exotic species, warmer water as a result of climate change, and phosphorus from farms and sewage plants. The potential effects could be devastating to the lake fish and other lake life.

Protection

The Great Lakes have faced serious problems before. When they have, people have stepped up to protect them. A century ago, engineers reversed the flow of the Chicago River to keep the growing city's sewage out of Lake Michigan. Over ensuing decades, governments and citizens in the U.S. and Canada have invested billions of dollars building sewage treatment, water filtration, and septic systems. In the 1960s, local citizens and political leaders successfully fought to have the Indiana Dunes and later Sleeping Bear Dunes protected as National Lakeshores. When Rachel Carson documented the devastating impact of DDT on fish and wildlife, Michigan led the states in banning the toxic pesticide. In the 1970s, when pollution caused Cleveland's

Cuyahoga River to catch fire and Lake Erie's first "dead zone" appeared, Congress passed the Clean Water Act (1972) and other vital environmental legislation.

Those actions by previous generations did protect the lakes. Despite vast development along their shores, the waters remain safe for drinking and swimming. Deadly forms of pollution have been reversed. People are once again fishing for walleye in Lake Erie. Fragile ecosystems like the Indiana Dunes and Sleeping Bear have been protected.





Today, when the Great Lakes are once again threatened, people who live near them—like those who were here before us—are determined to protect them in turn for future generations. Over 90 percent of area residents believe they have a responsibility to protect the Great Lakes from such threats as pollution and overdevelopment, according to a survey released in 2003 by the Joyce Foundation and the Biodiversity Project.

On the national agenda right now are several proposals that could go a long way toward restoring and protecting the Great Lakes—as well as some policies that can harm them. Among political leaders and citizen groups in the region, consensus is growing around a set of short-term imperatives and a long-term restoration agenda for the lakes. Key players include the Council of Great Lakes Governors,

the congressional delegations of the Great Lakes states, the newly organized Great Lakes Cities Initiative, and a long-standing regional network of citizen groups dedicated to protecting the Great Lakes. Supporting their efforts is the Joyce Foundation, which in 2003 announced a three-year commitment of \$16 million to protecting and improving Great Lakes water.

One immediate priority, in the face of declining water levels and increasing demand, is deciding who gets to use lake water and what they have to do in exchange for the privilege. In 2001, the governors of the Great Lakes states and the premiers of Ontario and Quebec outlined a set of principles for withdrawals of water. The agreement, an “Annex” to the 1985 Great Lakes Charter, specifies that withdrawals must be balanced by conservation and return flows, and produce “no significant adverse individual or cumulative impacts to the quantity or quality” of Great Lakes water—and, in fact, must generate “an improvement” to the waters.

At this writing, a working group is preparing to release a draft plan for what this would mean in practice. After that it must be ratified by the legislatures of the states and provinces and by Congress. With Joyce funding the Council of Great Lakes Governors is evaluating new decision-making standards for water withdrawals and exploring the possibilities of large-scale restoration initiatives.

Also likely to affect lake levels, scientists believe, is global climate change. Continued declines in water levels would pose serious problems for industries like shipping and recreation. Joyce funding is supporting initial explorations of what climate change might mean for the Great Lakes and what policies would be necessary to address it.

Another urgent task is keeping invasive species—especially the Asian carp—out of the Great Lakes. A huge fish that can grow to 100 pounds, thrives in cold water, and would likely become a devastating competitor to native Great Lakes fish, the Asian carp have been sighted in the Chicago Sanitary and Ship Canal approximately 40 miles from Lake Michigan, according to the Great Lakes Fisheries Commission.

A temporary electronic barrier currently keeps them from entering the lake; a more permanent barrier is urgently needed. Meanwhile, federal legislation to prevent the introduction and spread of exotic species, the National Aquatic Invasive Species Act, awaits action before Congress.

A long-standing but still urgent goal is protecting the lakes from pollution, both biological and toxic. With Joyce funding, citizen groups such as the Lake Michigan Federation and the National Wildlife Federation have protested USEPA's relaxation of rules to allow older power plants to emit pollutants, including mercury, that eventually make their way from the air into the water. Lake Michigan Federation and another Joyce grantee, the Natural Resources Defense Council, have protested new federal policies to expand dumping of untreated wastewater into the lakes and cut \$500 million in funding for wastewater infrastructure. Both policies, the groups argue, will exacerbate sewage contamination and lead to more beach closings.





Big picture

Sewage contamination, invasive species, pollution prevention, cleanup of toxic hotspots, managing development to prevent further strains on the lakes: the problems are complex, the list of priorities is daunting—and the funding is limited. What's clearly needed, according to a 2003 report by the General Accounting Office, is better coordination of existing efforts, better tools to measure problems and progress—and an overarching restoration strategy to make sense of the whole.

Bipartisan legislation has been introduced in both Houses of Congress to create a Great Lakes Restoration Initiative, with significant funding (\$4 billion in the House version, \$6 billion in the Senate) to carry it out. To date 121 members of Congress, including virtually the entire delegations of the eight Great Lakes states, have signed on as cosponsors. The region's governors are enthusiastically backing the effort, as are the mayors through the Great Lakes Cities Initiative, organized in 2003 with Joyce support. Sponsors

of the legislation point to similar large commitments to saving the Everglades, Chesapeake Bay, and San Francisco Bay. They argue that, with such complex problems, only a comprehensive approach, on a big enough scale, with a long enough time frame, can really make a difference. At this writing, the fate of the Great Lakes Restoration Initiative is uncertain.

What is certain is that the problems won't go away. Without action, the Asian carp could virtually wipe out large portions of the Great Lakes fisheries. The "dead zone" in Lake Erie could continue to expand. Sewage contamination and beach closings could grow worse each year. Water levels could continue to fall. And efforts to contain these problems will remain uncoordinated and underfunded.



Residents of this region understand that they have a personal responsibility to protect the lakes. But will they call on their leaders to do so? Will their leaders find the political will to respond? Or will future generations encounter these waters in a diminished, depleted, polluted state, and wonder why?

Other Program Areas

Education

In 2003, educators and policy makers in Midwest states—like their counterparts in other regions—began grappling with the requirements of the No Child Left Behind Act, especially the provisions for improving the quality of teaching. On another front, recently elected governors in Illinois, Wisconsin, and Michigan evinced new interest in early childhood education to help children develop their full potential by the time they start school.

The Joyce Foundation has redirected its Education grantmaking toward these two critical goals: expanding early childhood education and improving teacher quality in low-performing schools. The decision, reached after extensive discussions, reviews of the research, and exploration of promising policy opportunities, continues the Foundation's long-standing commitment to improving education for low-income and minority children in the Midwest and reducing the achievement gap that separates them from their generational peers.

Young children in most low-income families are cared for by relatives, neighbors, or in other small, often unlicensed childcare settings. Getting these children educational experiences during their day can help them develop their full potential, even if they don't get a chance to enroll in traditional preschool programs.

The Foundation's three-year commitment of \$6 million supports efforts to improve educational options for kids in child care in Illinois, Michigan, and Wisconsin. Promising approaches include improving training and standards for early childhood teachers and working with community groups to offer flexible preschool programs in a variety of community settings. Such approaches would build on a decade of research documenting the dramatic learning potential of young children, and help ensure that all children start school ready to learn.

Once children are in school, research shows that the single most important factor influencing achievement is high-quality teaching. Even if children start out behind, first-rate teachers can help them succeed. Yet too often low-income children face teachers who are not certified, who have limited experience, or who are teaching subjects they're not trained to teach. The Joyce commitment of \$15 million over three years will address this inequity, seeking ways to find, train, and support first-rate teachers for low-performing schools in Chicago, Cleveland, and Milwaukee. Grants will support research on the problem, evaluation of possible strategies, and policy development and advocacy to build support for the most promising approaches among educators, policy makers, and the public.

Employment

Employment grantmaking at Joyce seeks to help low-income people get the skills, opportunities, and supports they need to get decent paying jobs and support their families. The nation's overall job picture in 2003 remained bleak. From March 2001 through February 2004, nearly one percent of the nation's jobs disappeared; more recently, that trend has begun to reverse. Many of the jobs lost were in the service sector, which employs many low-income workers and former welfare recipients.

Not surprisingly, job creation emerged as a leading issue in the presidential campaign. The Workforce Alliance, a national coalition of business groups, community colleges, and training providers, worked to add training to the picture, by demonstrating the importance of skills training for improving the productivity of businesses and the prospects of workers. In November, an Alliance survey revealed that nearly 90 percent of voters favor investments in job training programs, more than support changes in tax policy or other proposed economic strategies. President Bush has called for strengthening community colleges, giving governors more control of federal job training funds, and doubling the number of people trained each year to 400,000—though some advocates worry that the funding isn't there to match that ambitious goal.

At the state level, Illinois has launched a "Critical Skills Shortage Initiative," which aims to tie job training to regional job openings and the skills needed to fill them. Joyce-funded groups provided input for the new program and are monitoring it to make sure it serves the needs of low-income workers. Women Employed and the Chicago Jobs Council have offered recommendations for investing in workforce development, creating a more integrated and flexible system, and tying economic development and business assistance programs to job training for disadvantaged workers.

For workers who need more than just training, 2003 saw renewed interest in subsidized short-term employment combined with counseling, educational services, and other supports—a "transitional jobs" strategy. Originally developed to help people with disabilities enter the labor market, transitional jobs have proved successful for long-term welfare recipients as well. More recently, a conference organized by the National Transitional Jobs Network brought together corrections officials and other public and private agencies to explore whether this strategy can ease the transition to work for ex-offenders, some 600,000 of whom return to American communities each year.

Gun Violence

A decade ago the Joyce Foundation began its grantmaking on gun violence, with the goal of reducing the annual toll, in the mid-nineties, of some 40,000 gun deaths each year. Joyce's public health approach stresses the importance of gathering solid information, analyzing the facts, determining what approaches seem most promising, and then evaluating the results and adjusting policies accordingly.

A major advance in 2003 was the creation of the National Violent Death Reporting System at the federal Centers for Disease Control and Prevention. The system collects data from health and law enforcement sources on deaths from gunshots, beatings, stabbings, and other forms of violence. Six states began collecting the data in 2003, while another seven states received federal funding to join the project.

Data from an earlier prototype system, developed with Joyce funding by the Injury Control Research Center at the Harvard School of Public Health, has offered useful insights on such issues as domestic violence and suicide. The data show, for example, that about 60 percent of men who kill their intimate partners commit suicide shortly thereafter—suggesting that warning signs for suicide should also be considered a sign of potential harm to others. The data also reveal

that more than 90 percent of women who died from gunshot wounds were killed by an intimate partner or someone they knew, and most of them died at home—a finding that reinforces earlier studies suggesting that guns in the home pose a risk to the people who live there.

An invaluable summary of the current research on gun violence was published in early 2004 by David Hemenway, who directs the Harvard Injury Control Center. *Private Guns, Public Health* lays out the research findings (much of it from studies funded by Joyce) on gun ownership and use; the role of guns in homicide, suicide, self-defense, and accidental deaths; and the impact of guns in the home, in schools, and in other public places. The book suggests “reasonable policies” to reduce gun deaths, from restricting handgun sales to one per month to comprehensive consumer oversight of the firearms industry. Citing past public health successes in confronting such perils as automobile accidents and polio, Hemenway argues that firearms policies offer the same promise of reducing deaths and injuries from gun violence.

Money and Politics

2003 saw a landmark victory on campaign finance reform, as the Supreme Court upheld the Bipartisan Campaign Reform Act. Key provisions—the ban on contributing soft money to national political parties and restrictions on its use by state and local parties, plus new rules governing pre-election advertising by interest groups—were seen as reasonable and necessary to prevent corruption and insure the integrity of elections. Joyce helped fund nonprofit groups that joined the defense, including the Brennan Center for Justice at New York University, Democracy 21, and the Campaign Legal Center. With Joyce support the latter group is publishing a guide to the do's and don'ts of the new legislation.

Meanwhile, new challenges have been keeping reformers busy. One immediate task is making sure that the Federal Election Commission enforces the law; initial draft rules, rife with loopholes, were challenged in court by reform groups and the bill's congressional sponsors. Another controversy that has drawn attention is the role of nonprofit political committees, known as 527s (their tax-code status), which have become a new conduit for political money.

The long-running Democratic primary campaign, which dominated the latter part of 2003, pointed up another problem: the

presidential public financing system is running aground. With unrealistically low spending limits, low matching funds, and too few resources, the system hasn't kept pace with contemporary campaigns. Three of this year's primary candidates (George Bush, John Kerry, and Howard Dean) skipped public financing altogether. A task force organized by the Campaign Finance Institute has proposed reforms to get this system back on track.

A related issue is political advertising, in the 2002 election cycle amounting to \$1 billion, a figure that has been rising while news coverage of elections has sharply declined. The Alliance for Better Campaigns and the Campaign Legal Center have proposed reforms to give candidates easier access to the airwaves.

At the state level, reformers cheered new ethics legislation in Illinois, and in Ohio civic and judicial leaders considered proposals to reform the way the state picks its judges.

The struggle for political reform continues. Seasoned reformers understand that money always finds its way into politics and that citizens must remain vigilant—a point that the Supreme Court itself stressed in its landmark decision.

Culture

Joyce Culture grantmaking operates on the premise that the arts provide an opportunity for people of diverse backgrounds to share common experiences, which enrich their lives as individuals and build an overall sense of community. The Foundation supports both mainstream and community-based cultural institutions in Chicago seeking to serve such diverse audiences.

In addition to its funding in Chicago, in 2003 the Foundation launched a new awards program, the Joyce Awards, to enable Midwest cultural institutions to commission works by artists of color in dance, music, theater, and visual arts. Fifty-seven arts organizations from around the region applied for the first Joyce Awards. Projects were reviewed by independent arts advisors and voted on by the Foundation's board in December. In early 2004 the Foundation announced the winners. Grants of \$50,000 each went to the Cleveland Museum of Art, for an installation by visual artist Trenton Doyle Hancock; Chicago's Goodman Theatre, for a play by playwright Naomi Iizuka; the Milwaukee Symphony Orchestra, for a symphonic composition by composer Roberto Sierra; and the Saint Paul Chamber Orchestra, for a work by composer Chinary Ung.

With the Joyce Awards the Foundation opened its funding to cultural institutions outside Chicago, and the competition drew an enthusiastic response from groups in several Midwest cities. This is also the Foundation's first venture into supporting the work of individual artists, in collaboration with cultural institutions. The grants support the commissioning of the art work, presentation costs, and efforts to engage local communities in each city in activities related to the work.

"We are thrilled to honor these four institutions and artists for their vision, creativity, and commitment to the community," said Joyce President Ellen Alberding in announcing the winners. "The Joyce Awards further the Foundation's continued interest in supporting artistic merit and encouraging mainstream arts groups to develop programming that relates to and reflects the experiences of diverse audiences."

Grants Approved 2003

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. In 2003 and 2004, the Foundation announced new grantmaking priorities for achieving those ends: promoting early childhood education and improving teacher quality in high-need schools.

Center for Law and Social Policy

Washington, DC \$600,000

For a project on integrating early education with child care through policy analysis, research, and technical assistance. (2 yrs.)

Center on Education Policy

Washington, DC \$300,000

To conduct a national study of the implementation of the No Child Left Behind Act. (1 yr.)

Civil Society Institute, Inc.

Newton Centre, MA \$200,000

To support the work of the Build Initiative on state-level early-care and education systems. (2 yrs.)

Community Renewal Society

Chicago, IL \$400,000

To document school improvement efforts in the Chicago Public Schools through its monthly news magazine, *Catalyst*, and to incorporate new features in its publications. (2 yrs.)

Cross City Campaign for Urban School Reform

Chicago, IL \$125,000

To document how central office policies and practices influence local school efforts to improve instruction and student achievement. (1 yr.)

Designs for Change

Chicago, IL \$150,000

To continue its policy reform initiatives in Chicago, assist local school councils with principal selection issues, and provide assistance to Milwaukee Catalyst. (1 yr.)

Education Trust

Washington, DC \$38,705

To assess the feasibility of engaging Midwest urban school systems in a cooperative approach to meeting the goals of the federal No Child Left Behind Act. The study would focus on the intervention strategies that districts use when assisting low-performing schools and on efforts of districts to ensure high-quality teaching for all students. (3 mos.)

Education Writers Association

Washington, DC \$275,000

To help education reporters improve coverage of the federal No Child Left Behind Act through a series of professional development seminars and original research briefs. (2 yrs.)

Milwaukee Catalyst, Inc.

Milwaukee, WI \$100,000

To analyze the impact of district policies on minority students in the Milwaukee Public Schools and foster community engagement in school improvement efforts. (10 mos.)

Neighborhood Capital Budget Group

Chicago, IL \$150,000

To increase community engagement in decision-making about facility planning and design by the Chicago Public Schools; and to develop a model for coordinating planning for urban revitalization and education reform. (1 yr.)

Parents United for Responsible Education

Chicago, IL \$110,000

To assist local school councils, parents, and other school community members in advocating for improved teaching and learning in the Chicago Public Schools. (1 yr.)

Poverty and Race Research

Washington, DC \$50,000

To support its efforts as it changes leadership and refocuses its scope of activities. (1 yr.)

Trust for Early Education, Inc.

Washington, DC \$215,890

To improve the professional development system for early childhood educators. (1 yr.)

University of Chicago

Center for School Improvement

Chicago, IL \$335,000

To design a developmental district of schools, plan a new professional development school, and prepare resources to support teaching and learning in a network of schools in the mid-south communities of Chicago. (1 yr.)

University of Chicago

Consortium on Chicago School Research

Chicago, IL \$780,000

To support its research on Chicago school reform, with a particular focus on the schooling of impoverished children. (2 yrs.)

TOTAL EDUCATION \$3,829,595

Employment

One out of five 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 to improve the education, skills, learning opportunities, job stability, and advancement potential of low-wage workers, enabling them to move into the labor force, 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

Corporation for a Skilled Workforce

Ann Arbor, MI \$350,000

To organize statewide networks of workforce policy leaders in Illinois, Michigan, and Ohio. (2 yrs.)

Indiana Coalition on Housing and Homeless Issues, Inc.

Indianapolis, IN \$200,000

To launch the Indiana Institute for Working Families. (1 yr.)

Institute for Wisconsin's Future, Inc.

Milwaukee, WI \$170,000

For research and policy advocacy to expand training opportunities and access to public assistance that helps low-wage workers advance in the workforce. (2 yrs.)

Jobs Now Coalition

St. Paul, MN \$150,000

To support its ongoing workforce development and unemployment insurance advocacy activities. (2 yrs.)

National Economic Development and Law Center

Oakland, CA \$85,000

To enable its project, the National Network of Sector Partners, to provide expertise to workforce development practitioners and policy makers in Illinois, Ohio, and Minnesota on how to develop career pathways for specific industries. (1 yr.)

Women Employed Institute

Chicago, IL \$300,000

To advocate for improved coordination between Illinois' workforce development and community college systems to insure better access to education and training options for low-wage workers. (2 yrs.)

Workforce Alliance

Washington, DC \$135,000

To launch a strategic communications project designed to raise awareness of the importance of education and training policy. (1 yr.)

Workforce Strategy Center, Inc.

Brooklyn, NY \$100,000

To propose strategies for Midwest states to improve connections between community college and job training resources targeting low-skilled, low-wage workers. (1 yr.)

JOB RETENTION & 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, AND CHILD CARE

Brookings Institution

Washington, DC \$200,000

To support the Working Families Agenda, an effort to provide research and document outcomes of federal and state policies that affect workers' access to EITC, food stamps, health and unemployment insurance, and other supports. (2 yrs.)

Center for Economic and Policy Research

Washington, DC \$126,872

To research the relationship between job retention and the availability of subsidized child care and health insurance for former welfare recipients and other low-income workers. (1 yr.)

Center for Economic Progress

Chicago, IL \$200,000

For policy analysis and advocacy by its National Community Tax Coalition to improve tax policies and access to work-related benefits for low-income workers. (2 yrs.)

Child and Family Policy Center

Des Moines, IA \$80,000

For continued advocacy work to improve employment pathways for welfare recipients and other low-income unemployed jobseekers in Iowa. (1 yr.)

Economic Opportunity Institute

Seattle, WA \$100,000

For its efforts to maintain and, if possible, increase support for programs providing transitional jobs for hard-to-employ people in the Midwest. (1 yr.)

Food Research and Action Center

Washington, DC \$170,000

To improve access to and eligibility for the Food Stamp Program in the Midwest, in an effort to strengthen job retention among the working poor. (2 yrs.)

Heartland Alliance for Human Needs and Human Rights

Chicago, IL \$325,000

To promote state-level strategies to help the hardest-to-employ find jobs, and to promote policies and programs that help working families stay employed. (2 yrs.)

**Hudson Institute, Inc.
Welfare Policy Center**

Indianapolis, IN \$175,000

To support analysis, technical assistance, and briefings to encourage better alignment of welfare and workforce systems in Midwest states. (1 yr.)

**Institute for Women's
Policy Research**

Washington, DC \$110,000

To examine the effects of work-related supports, such as health insurance and child care, on employment retention of low-wage workers. (1 yr.)

**Mid-Minnesota Legal
Assistance, Inc.**

Minneapolis, MN \$100,000

To support the Employment Opportunity Project, which advocates for policies that advance wages and career opportunities for low-income working families and those transitioning from welfare to work. (1 yr.)

**National Employment
Law Project, Inc.**

New York, NY \$280,000

To continue working with Midwest states to update and reform unemployment insurance programs to make them more accessible to low-wage workers. (2 yrs.)

National League of Cities Institute

Washington, DC \$160,000

For its Cities Supporting Employment Success project, which focuses on policies for transitional jobs for hard-to-employ jobseekers and improving working families' access to supports, such as the Earned Income Tax Credit, child health insurance, child care assistance, and food stamps. (2 yrs.)

**Northern Illinois University
Office for Social Policy Research**

DeKalb, IL \$50,000

To create a comprehensive statewide portrait of the working poor in Illinois using new Census data. (1 yr.)

Work, Welfare and Families

Chicago, IL \$200,000

To support its Working Opportunities campaign, an ongoing effort to improve public policy for low-income working families. (2 yrs.)

MOVING TO WORK

STRENGTHENING POLICY INITIATIVES THAT HELP THE HARD-TO-EMPLOY GAIN SKILLS TO ENTER THE LABOR MARKET

**Corporation for the Advancement
of Policy Evaluation**

Washington, DC \$100,000

To examine the characteristics and employment assistance needs of families approaching their welfare time limit in Ramsey County (St. Paul), Minnesota. (2 yrs.)

Health & Disability Advocates

Chicago, IL \$78,806

To organize a network of employment training providers to develop recommendations and advocate for improved employment assistance policies for people with disabilities. (1 yr.)

**Legal Action Center of the
City of New York, Inc.**

New York, NY \$250,000

To serve as a national information clearinghouse on employment issues facing people with criminal histories and to monitor and promote policies that address barriers to employment. (2 yrs.)

New Hope Project, Inc.

Milwaukee, WI \$100,000

To support advocacy on behalf of a new transitional jobs program in Wisconsin, and for a research project on marginal tax rates. (1 yr.)

**Project Match Families in Transition
Association**

Chicago, IL \$125,000

To develop a policy guide to help states increase work participation among the hardest-to-employ families on welfare; and to analyze the types of services that help these families move successfully out of poverty. (2 yrs.)

Transitional Work Corporation

Philadelphia, PA \$170,000

To support technical assistance, advocacy, and the evaluation of a transitional jobs program in Cuyahoga County (Cleveland), Ohio. (18 mos.)

University of Chicago

Chapin Hall Center for Children

Chicago, IL \$125,000

For research comparing employment and other measures of well-being for current and former welfare recipients in Milwaukee. (1 yr.)

**University of Michigan School
of Social Work**

Ann Arbor, MI \$111,502

To evaluate the New Start program, a transitional jobs program for ex-offenders in Detroit, Michigan. (2 yrs.)

TOTAL EMPLOYMENT \$4,827,180

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 Great Lakes 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

Renew Wisconsin, Inc.

Madison, WI \$24,000

To serve as a formal advisor to the state and the state's largest electric company on plans for phasing in more renewable energy. (1 yr.)

GREAT LAKES WATER: CLIMATE CHANGE

SUPPORTING STATE-LEVEL INNOVATION IN RESPONSE TO CLIMATE CHANGE

Strategies for the Global Environment, Inc.

Arlington, VA \$57,500

To support a meeting for Great Lakes business leaders and government regulators to discuss possible state responses to the threat of climate change. (1 yr.)

Union of Concerned Scientists, Inc.

Cambridge, MA \$50,000

To brief state and local officials on the findings of its new report on the effects of climate change on the waters of the Great Lakes. (1 yr.)

GREAT LAKES WATER: INFRASTRUCTURE

PROMOTING POLICIES THAT ENCOURAGE WATER INFRASTRUCTURE PROJECTS TO BE LESS CAPITAL INTENSIVE, MORE ENVIRONMENTALLY SENSITIVE, AND MORE COST EFFECTIVE; AND EXAMINING THE PROS AND CONS OF PRIVATIZING WATER SYSTEMS MANAGEMENT

American Rivers, Inc.

Washington, DC \$80,000

To promote less capital-intensive water treatment measures among federal and local officials and local clean water activists. (1 yr.)

**Northwest Michigan Onsite Wastewater
Task Force**

Traverse City, MI \$110,000

To become a source of public education and technical assistance to local government on managing onsite wastewater systems to protect water quality. (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 OTHER STATE AND FEDERAL POLICIES

**Canadian Institute for Environmental
Law and Policy**

Toronto, Ontario, Canada \$56,000

To collaborate with other groups on Great Lakes restoration. (1 yr.)

Center for Agricultural Partnerships, Inc.

Asheville, NC \$120,775

To improve water quality by increasing Upper Midwest farmers' participation in conservation programs offered by the U.S. Department of Agriculture. (1 yr.)

**Collaborative Research and
Designs for Agriculture**

Watsonville, CA \$138,000

To develop environment and health-related standards for fruit and vegetable growers in Michigan and to explore a partnership with the Iowa Soybean Association with similar goals. (1 yr.)

**Council of Great Lakes
Governors, Inc.**

Chicago, IL \$102,992

To establish an environmental improvement standard for withdrawals of water from the Great Lakes. (1 yr.)

Ecology Center, Inc.

Ann Arbor, MI \$120,000

To engage the auto industry and state policy makers in Michigan in devising new policies regarding the disposal of mercury and other toxic substances from automobiles. (1 yr.)

Environmental Defense, Inc.

New York, NY \$80,000

To engage the auto industry and state policy makers in Wisconsin, Minnesota, and Michigan in devising new policies regarding the disposal of mercury and other toxic substances from automobiles. (1 yr.)

Environmental Defense, Inc.

New York, NY \$100,000

To explore connections between water pollution and antibiotic resistance as a result of animal agriculture in the Great Lakes region. (1 yr.)

Environmental Working Group*Washington, DC \$600,000*

To support continued analysis of and broad public communications about federal farm policies that promote environmentally harmful agriculture, and for a new effort to map water pollution in the Midwest. (2 yrs.)

Great Lakes United*Buffalo, NY \$145,000*

To support efforts to protect the Great Lakes-St. Lawrence ecosystem, and to collaborate with other groups on a major Great Lakes restoration initiative. (1 yr.)

Hoosier Environmental Council*Indianapolis, IN \$50,000*

To assist local communities to gradually restore the state's polluted waters. (1 yr.)

Institute for Agriculture and Trade Policy*Minneapolis, MN \$60,000*

To bring agricultural perspectives into discussions about Great Lakes water management. (1 yr.)

Iowa Natural Heritage Foundation*Des Moines, IA \$183,900*

To demonstrate innovative ways to secure state funding and to leverage federal funding to address water pollution in Iowa. (2 yrs.)

Iowa Policy Project*Mt. Vernon, IA \$74,899*

To continue serving as a policy think tank on environmental and other issues in Iowa. (1 yr.)

Lake Michigan Federation*Chicago, IL \$175,000*

For activities related to the protection of Lake Michigan and Great Lakes restoration. (1 yr.)

Land Stewardship Project*White Bear Lake, MN \$90,000*

For research on how conservation incentives can be designed to encourage farmers to protect Great Lakes water quality. (1 yr.)

Michigan Environmental Council*Lansing, MI \$100,671*

For ongoing water protection and conservation efforts in the state of Michigan. (1 yr.)

Minnesota Environmental Initiative, Inc.*Minneapolis, MN \$10,000*

To facilitate the Minnesota Impaired Waters Stakeholder Process, which will recommend the design for a state program to clean up the 40 percent of Minnesota rivers and lakes still categorized as impaired under the Clean Water Act. (1 yr.)

Minnesota Environmental Partnership*St. Paul, MN \$100,000*

To promote its Minnesota water agenda, "Protect Our Water 2004," to policy makers and to launch an effort to improve the quality of water protection in the Lake Superior basin. (1 yr.)

National Wildlife Federation*Vienna, VA \$60,000*

To support its Great Lakes Natural Resource Center's collaboration with other groups on Great Lakes restoration. (1 yr.)

Northeast-Midwest Institute*Washington, DC \$600,000*

To support its ongoing Great Lakes policy work; and to support Great Lakes mayors in developing a shared vision for improving the Great Lakes and engaging with other regional stakeholders in gathering federal, state, and local support to implement such a vision. (2 yrs.)

Pollution Probe Foundation*Toronto, Ontario, Canada \$75,000*

To advance its "New Approach to Water Management" in the Great Lakes region. (1 yr.)

River Alliance of Wisconsin, Inc.*Madison, WI \$207,382*

To report on the state of the management of Wisconsin's rivers and create a plan to implement the report's recommendations. (2 yrs.)

River Network*Portland, OR \$70,000*

To train state and local conservation groups in the Great Lakes region in applications of the Clean Water Act's stormwater pollution control requirements. (2 yrs.)

Rockefeller Family Fund*New York, NY \$200,000*

To evaluate the performance of Great Lakes states in preventing water pollution and recommend improvements. (18 mos.)

Rocky Mountain Institute*Snowmass, CO \$92,670*

To enable its staff and other consultants to assist the Cuyahoga County Planning Commission in creating a redevelopment framework for the Cuyahoga River Valley in Ohio. (1 yr.)

Sand County Foundation, Inc.*Madison, WI \$54,000*

For a pilot project to evaluate the costs and effects of using market incentives to reduce nitrogen discharge in watershed areas of the Great Lakes basin. (1 yr.)

Sierra Club Foundation*San Francisco, CA \$50,000*

To collaborate with other groups on Great Lakes restoration. (1 yr.)

State of Wisconsin**Department of Natural Resources***Madison, WI \$336,925*

To develop a shared vision for environmental gain and economic growth for the state's "Dairy Gateway," a watershed area that includes dairy farms and forests, and to develop legal and policy instruments to support that shared vision. (1 yr.)

Tip of the Mitt Watershed Council*Petoskey, MI \$97,042*

To advise and assist the state administration regarding its recent recommendations for increasing public participation in Michigan's environmental regulation. (2 yrs.)

Tip of the Mitt Watershed Council*Petoskey, MI \$48,721*

To provide expertise about wetland and habitat restoration as part of a larger campaign for Great Lakes restoration. (1 yr.)

University of Chicago**Department of Economics***Chicago, IL \$119,900*

To assess the economic value of the Lake Michigan beaches in Chicago. (1 yr.)

University of Maryland Foundation, Inc.*Adelphi, MD \$150,000*

To engage environmental officials in several Midwest states in exploring how states can manage environmental protection more cost effectively. (1 yr.)

World Wildlife Fund Canada*Toronto, Ontario, Canada \$77,000*

To promote reduced reliance on pesticides as part of the development of new agricultural policies in Canada, particularly in Southern Ontario. (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

Metropolitan Planning Council*Chicago, IL \$125,000*

To partner with the Open Lands Project to explore links between water quantity and land-use planning in northern Illinois. (1 yr.)

National Wildlife Federation*Vienna, VA \$85,000*

To assist governors in devising a new ecosystem approach to permitting withdrawals of water from the Great Lakes. (1 yr.)

Nature Conservancy*Arlington, VA \$75,000*

To support research on how existing analytic tools can be used to support water management decision-making that would improve ecosystem health. (18 mos.)

Northeastern Illinois Planning Commission*Chicago, IL \$98,965*

To convene a conference on local and regional water supply planning in the Lake Michigan region. (1 yr.)

Northwestern Indiana Regional Planning Commission*Portage, IN \$165,000*

For a study detailing specific elements of sound water supply planning and describing potential improvement projects, to assist the region's governors as they prepare new rules governing water withdrawals from the Great Lakes. (1 yr.)

PUBLIC AWARENESS

A LIMITED SET OF GRANTS TO BUILD PUBLIC AWARENESS OF THE IMPORTANCE OF PROTECTING THE GREAT LAKES

Biodiversity Project, Inc.*Madison, WI \$234,000*

To launch a pilot campaign designed to build public support for cleaning up and protecting the Great Lakes. (2 yrs.)

Institutes for Journalism and Natural Resources*Missoula, MT \$160,000*

To support its Great Waters Institute. (2 yrs.)

Tides Center*San Francisco, CA \$18,000*

To support its Minuteman Media project to produce a regular series of newspaper columns for distribution to small town newspapers across the region. (1 yr.)

University of Michigan**Great Lakes Radio Consortium***Ann Arbor, MI \$100,000*

For coverage of water-related stories in the region. (1 yr.)

TRANSPORTATION

CREATING TRANSPORTATION ALTERNATIVES TO REDUCE OVERRELIANCE ON AUTOMOBILES

Brookings Institution*Washington, DC \$100,000*

To support its Center on Urban and Metropolitan Policy's research on the role of government policies, private sector actions, market forces, and demographic changes in driving sprawl. (1 yr.)

Center for Neighborhood Technology*Chicago, IL \$300,000*

To support research and input into policy-making on transportation decisions. (1 yr.)

Environmental Law and Policy Center of the Midwest*Chicago, IL \$200,000*

To support transportation advocacy in Illinois and Michigan, and to urge federal investments in high-speed rail. (1 yr.)

Metropolitan Planning Council*Chicago, IL \$225,000*

To organize and represent a business leaders' group advocating for better transportation alternatives in the northern Illinois region and to promote improvements in freight rail. (1 yr.)

Michigan Land Use Institute*Beulah, MI \$125,000*

To promote reform of transportation policies in Michigan. (1 yr.)

1000 Friends of Wisconsin**Land Use Institute, Inc.***Madison, WI \$106,330*

To advance transportation reforms in Wisconsin and to collaborate with national advocates to promote adequate funding for public transit, bike, and pedestrian facilities, and public participation in transportation decisions. (1 yr.)

Surface Transportation**Policy Project***Washington, DC \$150,000*

For a national coalition advocating for federal transportation policies that support both transit and roads, are consistent with clean air and clean water goals, and help communities prosper. (1 yr.)

Sustain*Chicago, IL \$150,000*

To assist Midwest transportation advocates with communications and media placement. (1 yr.)

OTHER**Center for Rural Affairs***Lyons, NE \$350,000*

To support the Midwest Sustainable Agriculture Working Group's policy advocacy efforts related to sustainable agriculture. (2 yrs.)

Delta Institute*Chicago, IL \$152,559*

To develop the Great Lakes Pollution Prevention and Energy Efficiency Fund, to help manufacturers in low-income neighborhoods modernize their operations and reduce pollution. (1 yr.)

Edmund S. Muskie Foundation*Washington, DC \$75,000*

To recruit new members of the National Caucus of Environmental Legislators and to convene a two-day issues forum. (1 yr.)

Minnesota Project*St. Paul, MN \$250,000*

To track, analyze, and respond to policy maker requests for information on government programs that tie conservation payments to improving environmental stewardship of working farm and forest land. (2 yrs.)

Mississippi River Basin Alliance*Minneapolis, MN \$95,000*

To support efforts to protect and restore the Upper Mississippi River basin, and to help the organization build board and fundraising capacity. (1 yr.)

MSWG, Inc.*Sun City West, AZ \$90,000*

For its policy academy on environmental management tools. (1 yr.)

TOTAL ENVIRONMENT \$8,297,231

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 over-****sight as the most promising long-term****strategy for reducing deaths and injuries****from handguns and other firearms.****BUILDING COALITIONS**

SUPPORTING STATE-BASED GROUPS IN THE MIDWEST AND NATIONAL GROUPS WITH A STRONG MIDWEST PRESENCE WORKING TO PROMOTE PUBLIC HEALTH-ORIENTED FIREARMS POLICIES

Mark Karlin & Associates*Chicago, IL \$185,000*

To help raise the media presence and capacity of Joyce-funded Midwest gun violence prevention groups. (18 mos.)

Ohio Coalition Against Gun Violence*Toledo, OH \$150,000*

For general support, including state and federal policy advocacy to prevent gun violence. (21 mos.)

WAVE Educational Fund*Milwaukee, WI \$100,000*

To promote public health-oriented gun policy in Wisconsin and nationally. (2 yrs.)

CONSUMER PRODUCT REGULATION

PROMOTING STATE AND FEDERAL PUBLIC HEALTH POLICIES ON FIREARMS, INCLUDING CONSUMER PRODUCT OVERSIGHT OF THE FIREARMS INDUSTRY

Harvard University School of Public Health*Boston, MA \$80,000*

To conduct a national survey on gun ownership, storage trends, and attitudes regarding public health-oriented gun policy options. (1 yr.)

Violence Policy Center*Washington, DC \$500,000*

To support its research, communication, advocacy, and outreach efforts promoting public health-oriented gun policy. (1 yr.)

NATIONAL VIOLENT DEATH REPORTING SYSTEM

STRENGTHENING AND BUILDING PUBLIC AND POLICY MAKER SUPPORT FOR THE NATIONAL VIOLENT DEATH REPORTING SYSTEM, WHICH GATHERS VITAL PUBLIC HEALTH DATA ON VIOLENCE-RELATED FATALITIES

Handgun Epidemic Lowering**Plan (HELP) Network***Chicago, IL \$120,000*

To promote the expansion of the National Violent Death Reporting System and to help promote physician education and advocacy by defining a medical standard of care for gun violence prevention. (2 yrs.)

New York Academy of Medicine*New York, NY \$100,000*

For its program Doctors Against Handgun Injury, a coalition of national medical societies to promote public health-oriented gun policies and practices. (2 yrs.)

OTHER**Uhlich Children's Home***Chicago, IL \$15,000*

To support Hands Without Guns. (1 yr.)

TOTAL GUN VIOLENCE \$1,250,000

Money and Politics

To an alarming extent, private money in the United States 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

Campaign Finance Institute*Washington, DC \$225,000*

To support campaign finance reform policy research and development initiatives. (1 yr.)

Center for Public Integrity*Washington, DC \$100,000*

To monitor, document, and publicize efforts by political parties, elected officials, candidates, and interest groups to create or exploit legal loopholes for circumventing federal campaign finance regulations. (1 yr.)

Center for Responsive Politics*Washington, DC \$150,000*

To support the Open Secrets Project, which tracks and analyzes campaign contributions and expenditures in federal elections; and the FEC Watch Project, which monitors and critiques the rule-making and enforcement activities of the Federal Election Commission. (1 yr.)

Common Cause Education Fund*Washington, DC \$120,000*

To support policy education and advocacy projects in the Midwest, with a focus on judicial reform in Ohio, campaign finance in Wisconsin, and governmental ethics in Illinois. (1 yr.)

Democracy 21 Education Fund*Washington, DC \$110,000*

To support efforts to reform federal campaign finance laws through policy research and advocacy, litigation, and public education. (1 yr.)

League of Women Voters of Illinois**Education Fund***Chicago, IL \$260,000*

To promote campaign finance, governmental ethics, and judicial campaign funding reforms. (1 yr.)

Michigan Campaign Finance Network*Lansing, MI \$110,000*

To support efforts to reform Michigan's campaign finance laws. (1 yr.)

Minnesota Alliance for Progressive Action Education Fund*St. Paul, MN \$80,000*

To support efforts to reform Minnesota's campaign finance laws through policy research, development, education, and advocacy. (1 yr.)

National Voting Rights Institute*Boston, MA \$100,000*

To support its legal research and litigation activities. (1 yr.)

Ohio Citizen Action Education Fund*Cleveland, OH \$125,000*

For its Ohio Open Secrets Project, a campaign finance reform initiative that combines policy research, development, and advocacy with data analysis, public education, and news media outreach. (1 yr.)

Wisconsin Democracy Campaign Education Project, Inc.*Madison, WI \$225,000*

To promote campaign finance reform through research, policy development, public education, coalition building, and advocacy. (1 yr.)

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

Alliance for Better Campaigns, Inc.*Washington, DC \$250,000*

For the Our Democracy, Our Airwaves campaign, a public education and policy advocacy project designed to increase candidate- and issue-centered broadcast news coverage before primary and general elections. (2 yrs.)

Campaign Legal Center*Washington, DC \$150,000*

To support its efforts to educate the public, media, candidates, and policy makers about the merits of free air time and about the election-related public interest obligations of broadcasters. (1 yr.)

Media Access Project*Washington, DC \$40,000*

To provide legal assistance to the Alliance for Better Campaigns and the Campaign and Media Legal Center in developing and executing their Chicago television license challenge; and to advocate for increased access by political candidates to the airwaves as part of a larger effort to clarify and enforce broadcasters' public interest obligations. (1 yr.)

New America Foundation*Washington, DC \$150,000*

To support policy research, development, and advocacy related to airwave ownership and public interest obligations of broadcasters. (2 yrs.)

JUDICIAL REFORM

RESTORING AND PROTECTING THE INDEPENDENCE AND IMPARTIALITY OF THE JUDICIARY

American Bar Association**Fund for Justice and Education***Chicago, IL \$200,000*

To support a comprehensive review of the Model Code of Judicial Conduct and to conduct a preliminary study of the benefits of formal pre-judicial education and training programs. (2 yrs.)

Fordham University School of Law*New York, NY \$20,000*

To provide staff and research support for the New York Commission to Promote Public Confidence in Judicial Elections. (1 yr.)

Georgetown University**Justice at Stake Campaign***Washington, DC \$400,000*

For the management of a comprehensive and collaborative strategic planning and agenda-setting process designed to advance judicial reform efforts in Ohio and Illinois. (2 yrs.)

League of Women Voters of Ohio Education Fund*Columbus, OH \$15,000*

For policy research, development, and education activities aimed at promoting reforms in the selection and qualifications of Ohio appellate judges and in the conduct and financing of judicial elections. (1 yr.)

National Center for State Courts*Williamsburg, VA \$100,000*

To support, in partnership with the American Judges Association, a judicial reform project involving legal and policy research, a national forum on judicial independence, and production of a special edition of "Inside the Law," the nationally broadcast PBS program, on judicial independence issues. (18 mos.)

William J. Brennan Jr. Center for Justice**New York University School of Law***New York, NY \$120,000*

To support the Campaign Finance Reform Project and the Fair Courts Project. (1 yr.)

TOTAL MONEY AND POLITICS \$3,050,000

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 CULTURAL ORGANIZATIONS TO INCREASE THE PARTICIPATION OF PEOPLE OF COLOR

Chicago Children's Museum*Chicago, IL \$300,000*

For implementation and evaluation of a comprehensive diversity plan focused on governance, staffing, programming, marketing, and education and community outreach. (3 yrs.)

Chicago Humanities Festival*Chicago, IL \$75,000*

To restore, perform, and market the African-American musical review "Tan Manhattan," originally written and produced by composer/performer Eubie Black and lyricist Andreas Razaf. (1 yr.)

Chicago Shakespeare Theater*Chicago, IL \$30,000*

To support its audience development project, which is designed to determine its potential to attract African-American, Latino, and Indian/Pakistani audiences. (1 yr.)

Chicago Theatre Group, Inc.*Chicago, IL \$75,000*

To produce the International Latino Theatre Festival in July 2003. (1 yr.)

Joffrey Ballet of Chicago*Chicago, IL \$125,000*

To launch a partnership with the Chicago Sinfonietta. (1 yr.)

COMMUNITY-BASED ARTS

INCREASING THE NUMBER OF HIGH-QUALITY CULTURAL PROGRAMS IN SPECIFIC COMMUNITIES AND STABILIZING CULTURALLY SPECIFIC ORGANIZATIONS

Arts & Business Council of Chicago*Chicago, IL \$60,000*

To provide assessment, board development, and marketing services to five Joyce grantees. (1 yr.)

Black Ensemble Theater Corporation*Chicago, IL \$60,000*

To enhance sound, lighting, set, and costume design for productions. (1 yr.)

Congo Square Theatre Company*Chicago, IL \$25,000*

To strengthen its board of directors, develop a strategy for marketing its programs, establish stronger financial management systems, and increase its staff capacity. (1 yr.)

DuSable Museum of African American History, Inc.*Chicago, IL \$50,000*

For the exhibition "Bronzeville: Black Chicago in Pictures, 1941-1943." (1 yr.)

Little Black Pearl Workshop*Chicago, IL \$50,000*

To support organizational development tied to its expansion. (1 yr.)

Mexican Fine Arts Center Museum*Chicago, IL \$50,000*

To support board development, staff training, and financial development. (1 yr.)

Parkways Foundation*Chicago, IL \$225,000*

For the Park Voyagers program in Englewood and the surrounding West Englewood, New City, Auburn-Gresham, and Washington Park neighborhoods. (3 yrs.)

Public Square*Chicago, IL \$36,880*

To support the “Know More: Conversations That Matter” discussion series presented in partnership with the Chicago Public Library’s West Englewood Branch. (1 yr.)

Young Chicago Authors*Chicago, IL \$35,000*

To support a partnership with the Neighborhood Writing Alliance for its 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 COMMISSIONING WORKS BY ARTISTS OF COLOR

Chicago Theatre Group, Inc.*Chicago, IL \$50,000*

To support the commissioning and production of a play by Naomi Iizuka. (1 yr.)

Cleveland Museum of Art*Cleveland, OH \$50,000*

To support the commissioning and exhibition of site-specific paintings by Trenton Doyle Hancock. (1 yr.)

Milwaukee Symphony Orchestra, Inc.*Milwaukee, WI \$50,000*

To support the commissioning of a symphonic composition and performance by Roberto Sierra. (1 yr.)

Saint Paul Chamber Orchestra Society*St. Paul, MN \$50,000*

To support the commissioning and presentation of a work for a chamber orchestra by Chinari Ung. (1 yr.)

TOTAL CULTURE \$1,396,880

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.

Center for Tax and Budget Accountability N.F.P.*Chicago, IL \$150,000*

To support policy research, development, advocacy, and education aimed at reforming Illinois’ fiscal and budget system, with an emphasis on modernizing the methods by which the state funds public education. (2 yrs.)

Center for Voting and Democracy*Takoma Park, MD \$60,000*

For a campaign promoting cumulative voting for selecting county board members and school board members in Illinois; and to support an analysis of using instant runoff voting as an alternative to Illinois’ current winner-takes-all election system. (1 yr.)

Friends of the Parks*Chicago, IL \$50,000*

To support A New Direction for the Forest Preserves, an initiative to provide information and formulate recommendations for improving the conditions, services, programs, and land acquisition and maintenance policies of the Cook County Forest Preserve District. (2 yrs.)

Good Jobs First*Washington, DC \$60,000*

To work with the state administration to implement the findings of its January 2003 report, “A Better Deal for Illinois.” (1 yr.)

Illinois Channel Organization*Springfield, IL \$30,000*

To support its continuing efforts to establish a statewide public affairs television network, including expanding program production and distribution, purchasing video production equipment, and organizing a permanent Springfield presence. (1 yr.)

National Asian Pacific American Legal Consortium*Washington, DC \$22,000*

To support a two-day conference to assess the performance of the 1965 Voting Rights Act and in partnership with other civil rights groups to develop a policy agenda and strategy in connection with the Act’s scheduled reauthorization in 2007. (1 yr.)

National Public Radio, Inc.*Washington, DC \$100,000*

To support news coverage by the Midwest Bureau. (2 yrs.)

TOTAL SPECIAL OPPORTUNITIES**\$472,000**

President’s Discretionary Grants

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

AFL-CIO Working for America Institute, Inc.*Washington, DC \$20,000*

For a report on innovative models of bilingual training for immigrant workers in the construction, manufacturing, and hospitality industries.

Brookings Institution*Washington, DC \$20,000*

For a policy brief on increases in state flexibility (or superwaivers) across federal welfare and workforce development programs.

Center for Economic Progress*Chicago, IL \$12,000*

For an audit to improve its human resource systems.

Center for Impact Research*Chicago, IL \$15,000*

To produce the report “Expanding Access to Income Supports in Illinois through Technological Innovation: Learning from Program Implementation in Other States.”

Center for Law and Social Policy*Washington, DC \$20,000*

For a technical assistance project and conference participation for Midwest early education state officials.

Chicago Access Corporation*Chicago, IL \$5,000*

For videotaping and editing of the National Conference on Media Reform.

Chicago Council on Foreign Relations*Chicago, IL \$10,000*

To support the Chicago Council Immigration Task Force.

Chicago Workforce Board*Chicago, IL \$15,000*

To support a delegation of 12 workforce development leaders from Chicago to travel to Portland to observe career pathways programs.

Citizen Advocacy Center*Elmhurst, IL \$18,000*

For educational and organizing activities in western suburbs in support of the Chicago broadcast license challenge.

Common Cause Education Fund*Washington, DC \$20,000*

For litigation to uphold Ohio’s election laws restricting the use of corporate money in judicial elections.

Corporation for a Skilled Workforce*Ann Arbor, MI \$20,000*

To test the feasibility of creating workforce policy innovation networks in the Midwest.

Donors Forum of Chicago*Chicago, IL \$1,000*

To support the Chicago African Americans in Philanthropy Award.

Donors Forum of Chicago*Chicago, IL \$20,000*

To support the Donors Forum policy program.

Economic Opportunity Institute*Seattle, WA \$20,000*

To support the Applesed Policy Project.

Educational Fund to Stop Gun Violence*Washington, DC \$20,000*

For education and outreach in Ohio on firearms policy issues.

Entertainment Industries Council, Inc.*Reston, VA \$20,000*

For support of “Picture This,” a forum designed to explore current trends and critical issues within gun violence, safety, and injury prevention.

Environmental Grantmakers Association Rockefeller Family Fund, Inc.*New York, NY \$10,000*

For grantmaker education around select policy issues and to support the Sustainable Agriculture and Food Systems Funders group.

Environmental Law Institute*Washington, DC \$20,000*

To brief senior staff in three Midwest states on an integrated approach to managing environmental compliance programs.

Environmental Media Services*Washington, DC \$15,000*

To broaden the release of the Joyce Foundation’s “Keep It Moving” transportation report.

Erikson Institute*Chicago, IL \$10,000*

To support the Improving Curriculum-Based Assessment project.

Facing History and Ourselves National Foundation, Inc.*Chicago, IL \$20,000*

To develop educational outreach materials and activities to provide a framework for discussing race and discrimination as it is presented in "The Murder of Emmett Till" documentary.

Foundation Center*New York, NY \$20,000*

General support for publishing and technical services provided by the Center.

Georgetown University**Justice at Stake Campaign***Washington, DC \$15,000*

Planning grant for preliminary judicial reform strategy review in the Midwest.

Grantmakers in the Arts*Seattle, WA \$10,000*

Support for its 2003 annual conference.

Harvard University**School of Public Health***Boston, MA \$1,900*

To support the attendance of three Harvard researchers at the Annual HELP Network conference.

Illinois Environmental Council**Education Fund***Springfield, IL \$3,743*

For support of its board retreat.

Illinois State University Foundation**Stevenson Center for Community and Economic Development***Normal, IL \$10,000*

To support the Economic Development Policy Conference publication.

Institute for Wisconsin's Future, Inc.*Milwaukee, WI \$20,000*

For a project to reframe state budget debates to include new ideas and alternatives to spending cuts.

Jane Addams Juvenile Court Foundation*Chicago, IL \$5,000*

To support the Jane Addams Juvenile Court Initiative Programs.

John F. Kennedy Library Foundation*Boston, MA \$8,500*

To support its education program.

Joint Center for Political and**Economic Studies, Inc.***Washington, DC \$20,000*

General support.

Lower East Side Tenement Museum*New York, NY \$2,500*

To build involvement among Chicago area museums and private and corporate foundations.

Merrimack Repertory Theatre, Inc.*Lowell, MA \$2,500*

General support.

Michael Fields Agricultural Institute*East Troy, WI \$15,000*

To track federal appropriations for agriculture and provide analysis and recommendations to sustainable agriculture advocates.

Mikva Challenge Grant Foundation, Inc.*Chicago, IL \$10,000*

For expansion of the Mikva Challenge Active Citizen Project.

Million Mom March Foundation*Washington, DC \$10,000*

To support policy work in Chicago by the North Suburban Chicagoland Chapter of the Million Mom March.

National Association for the Education of Young Children*Washington, DC \$20,000*

For plans to launch a system to accredit community college early childhood education programs that meet NAEYC's standards.

National Council of La Raza*Washington, DC \$20,000*

To support a planning meeting between Hispanic community groups and national policy advocates to explore opportunities for local groups to increase their EITC and financial literacy advocacy efforts.

National Governors' Association*Washington, DC \$20,000*

To support the Governors' Forum on Quality Preschool.

National Tax Association – Tax Institute of America*Washington, DC \$10,000*

For support of the conference "State Tax Reform Studies: Issues and Best Practices."

Noble Fool Theater Company*Chicago, IL \$5,000*

Support to present Chicago Theatre Company's production of "Cut Flowers."

Northwestern University**Joint Center for Poverty Research****Institute for Policy Research***Evanston, IL \$20,000*

To assess Illinois' current workforce development information system and to propose recommendations for how to better use collected data.

Ohio State Bar Foundation*Columbus, OH \$5,000*

To support the Judicial Independence Forum hosted by the Ohio Chief Justice and the State Bar Foundation.

Ounce of Prevention Fund*Chicago, IL \$20,000*

To support the initial planning activities for Illinois' new Early Learning Council.

Public Citizen Foundation, Inc.*Washington, DC \$10,000*

For developing defense of the Bipartisan Campaign Reform Act.

Sound Portraits Productions, Inc.*New York, NY \$5,000*

To support a radio documentary about Yanier Blak Moore.

TransCenter for Youth, Inc.*Milwaukee, WI \$10,000*

To co-sponsor a meeting of small schools stakeholders to discuss next steps for the creation of 40 new small high schools over the next five years.

University of California-Davis**Violence Prevention Research Program***Sacramento, CA \$20,000*

For support of "Gun Violence and the Secondary Gun Market: Observations, Analysis, and Action."

University of Michigan**University of Michigan Press***Ann Arbor, MI \$20,000*

For public outreach and marketing efforts for the book *Private Guns, Public Health*.

Urban Institute*Washington, DC \$20,000*

Support for the Reentry Roundtable meeting.

Violence Policy Center*Washington, DC \$20,000*

For focus groups on firearms policy issues.

WBEZ Alliance, Inc.*Chicago, IL \$20,000*

To increase and enhance arts and culture programming.

Workforce Alliance*Washington, DC \$20,000*

To support strategic communications on workforce development issues.

TOTAL DISCRETIONARY GRANTS \$750,143

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 \$5,450*

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 \$90,870**JOYCE FOUNDATION EMPLOYEE MATCHING GRANTS PROGRAM \$42,928**

*Total 2003 Grants
\$24,006,827*

Summary of 2003 Grants

PROGRAM	NUMBER	APPROVED	PAID
Education	15	\$ 3,829,595	\$ 6,015,100
Employment	30	4,827,180	7,236,991
Environment	61	8,297,231	9,239,243
Gun Violence	8	1,250,000	2,994,421
Money and Politics	21	3,050,000	2,988,927
Culture	18	1,396,880	1,401,880
Special Opportunities	7	472,000	417,000
Joyce Millennium Initiatives	0	0	395,000
Discretionary and Memberships	63	883,941	883,941
<hr/>			
TOTAL 2003 GRANTS	223	\$ 24,006,827	\$ 31,572,503

Report by 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, 2003 and 2002 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, 2003 and 2002 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 26, 2004

Statements of Financial Position

THE JOYCE FOUNDATION	DECEMBER 31, 2003	DECEMBER 31, 2002
ASSETS		
Cash	\$ 240,626	\$ 221,961
Due from brokers for sales of securities	137,198	21,495
Investments (including amounts pledged under securities lending program of \$31,966,926 and \$29,502,268 for 2003 and 2002, respectively)		
Short-term money market investments	9,161,944	11,007,076
U.S. Government and corporate bonds (cost: 2003 – \$129,108,863; 2002 – \$161,942,298)	127,057,701	163,110,003
Stocks (cost: 2003 – \$383,150,787; 2002 – \$396,141,637)	435,261,243	331,250,236
Investment partnerships (equity method: 2003 – \$176,431,001; 2002 – \$147,719,187)	179,737,990	146,224,811
Program related investments (at cost)	369,000	392,000
Real estate and mineral rights (cost: \$405,779 in 2003 and 2002)	442,761	442,761
Prepaid federal excise tax	675,518	1,035,518
Other assets	56,618	65,872
	<u>\$ 753,140,599</u>	<u>\$ 653,771,733</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Due to brokers for purchases of securities	\$ 15,482	\$ 19,980,091
Grants payable	8,698,981	16,264,657
Deferred excise tax payable	1,088,000	
	<u>9,802,463</u>	<u>36,244,748</u>
Net assets-unrestricted	743,338,136	617,526,985
	<u>\$ 753,140,599</u>	<u>\$ 653,771,733</u>

See accompanying notes.

Statements of Activities

THE JOYCE FOUNDATION	YEAR ENDED DECEMBER 31, 2003	YEAR ENDED DECEMBER 31, 2002
INVESTMENT RETURN		
Gain (loss) on marketable investments		
Net realized	\$ (9,452,545)	\$ (29,958,679)
Change in unrealized	118,584,370	(60,739,114)
Partnership investment gain (loss)	32,028,841	(29,893,694)
Interest income	6,544,018	9,812,768
Dividend income	8,651,353	7,484,691
Other income	669,162	118,340
	<hr/>	<hr/>
	157,025,199	(103,175,688)
Investment expenses	1,695,925	1,805,746
	<hr/>	<hr/>
	155,329,274	(104,981,434)
EXPENDITURES		
Grants awarded (grant payments made, net of grants returned, of \$31,273,161 in 2003 and \$35,488,068 in 2002)	23,707,485	25,663,140
Administrative expenses	4,362,638	4,544,752
Federal excise tax	360,000	177,000
Deferred excise tax	1,088,000	
	<hr/>	<hr/>
	29,518,123	30,384,892
Increase (decrease) in unrestricted net assets	125,811,151	(135,366,326)
UNRESTRICTED NET ASSETS		
Beginning of year	617,526,985	752,893,311
End of year	<hr/>	<hr/>
	\$ 743,338,136	\$ 617,526,985

See accompanying notes.

Statements of Cash Flows

THE JOYCE FOUNDATION	YEAR ENDED DECEMBER 31, 2003	YEAR ENDED DECEMBER 31, 2002
OPERATING ACTIVITIES		
Increase (decrease) in unrestricted net assets	\$ 125,811,151	\$ (135,366,326)
Realized loss on sales of investments	9,452,545	29,958,679
(Increase) decrease in market value of investments	(118,584,370)	60,739,114
(Gain) loss from partnerships	(32,028,841)	29,893,694
Contribution of securities	(450,000)	
Changes in		
Other assets	9,254	124,855
Prepaid federal excise tax	360,000	177,000
Grants payable	(7,565,676)	(9,824,928)
Deferred excise tax payable	1,088,000	
Net cash used in operating activities	<hr/>	<hr/>
	(21,907,937)	(24,297,912)
INVESTING ACTIVITIES		
Proceeds from sales of stocks and bonds	830,488,439	1,115,457,135
Purchases of stocks and bonds	(813,747,011)	(1,093,050,662)
Investments in partnerships	(4,001,750)	(3,259,250)
Distributions from partnerships	7,318,792	9,682,587
Net sales and purchases of short-term money market investments	1,845,132	(4,817,537)
Sales of program-related investments	23,000	23,000
Net cash provided by investing activities	<hr/>	<hr/>
	21,926,602	24,035,273
Increase (decrease) in cash	18,665	(262,639)
CASH		
Beginning of year	221,961	484,600
End of year	<hr/>	<hr/>
	\$ 240,626	\$ 221,961

See accompanying notes.

Notes to the Financial Statements

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.

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 \$18,223,393 at December 31, 2003 (2002 - \$12,225,143).

NOTE 4

Program-Related Investments

The Foundation had three program-related investments at December 31, 2003 and 2002:

Investment \$69,000 (2003) \$92,000 (2002) promissory notes due on July 1, 2004 through 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 \$287,793 for 2003 (2002 - \$267,027).

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 \$322,342 in 2003 (2002 - \$313,790). At December 31, 2003, minimum payments under this lease are as follows:

Year	Amount
2004	\$ 141,407
2005	147,578
2006	153,748
2007	159,919
2008	13,369
	<u>\$ 616,021</u>

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 (losses) from futures contracts were \$531,614 in 2003 (2002 – \$986,252).

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 \$490 million in grants to groups working to improve the quality of life in the Great Lakes region.

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, Iowa, Michigan, Minnesota, Ohio, and Wisconsin. A limited number of environment grants are made to organizations in Canada. Education grantmaking on teacher quality focuses on Chicago, Cleveland, and Milwaukee; for early childhood, primary grantmaking is in Illinois, Michigan, and Wisconsin. 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, regardless of race, gender, or economic circumstances. In particular, the Foundation works to close the achievement gap that separates low-income and minority children from their peers by promoting early childhood education and improving teacher quality in high-need schools. Grants support research, advocacy, the development of model programs, policy development and implementation.

EARLY CHILDHOOD EDUCATION: The Foundation supports policy initiatives aimed at securing universal access to preschool for children ages three to five in the Midwest, by enhancing quality, increasing capacity, and incorporating appropriate educational standards and practices into community-based settings. Primary grantmaking is in Illinois, Michigan, and Wisconsin.

Program priorities are:

Identifying the components and benefits of high-quality early learning opportunities, especially for low-income and minority children, and communicating them to policymakers

Creating higher program standards, increasing funding, and making available effective early childhood education opportunities for all children

Encouraging better state-level integration and coordination of early care and education programs, policies, and resources

Promoting professional development to train, attract, and retain highly qualified teachers for preschool and child care

TALENTED TEACHERS IN HIGH-NEED SCHOOLS:

The Foundation supports policy initiatives that strengthen teacher quality in low-performing public schools in Chicago, Cleveland, and Milwaukee. Program priorities are:

Supporting policy-oriented research on the inequitable distribution of quality teachers in the Midwest and evaluation of policies and programs designed to improve the preparation, recruitment, and retention of high-quality teachers for high-need schools

Building public, educator, and policymaker support for promising policy initiatives

Developing and implementing innovative district, state, and federal policies to improve teacher quality in high-need schools. Policies of particular interest include: teacher preparation programs with an urban focus; high-quality alternative certification; financial incentives for teachers; strong principal leadership; mentoring and induction; professional development; and improved evaluations of teacher performance.

In addition, a small portion of program funds is reserved for other outstanding opportunities to close the achievement gap. Within this category of "Innovation Grants," we will give special consideration to policy-oriented efforts to expand the supply of high-quality charter schools and small schools in Chicago, Cleveland, and Milwaukee.

Employment

One out of five 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, 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:

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 efforts by state-based groups in the Midwest and by national groups with a strong Midwest presence to promote strong state and federal public health policies on firearms, including consumer product oversight of the firearms industry

Supporting focused, policy-relevant research and public education regarding the impact of handgun ownership on public health and safety

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

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 by major institutions of new works relevant to minority audiences. This goal is primarily addressed through

The Joyce Awards, an annual competition open to major and mid-size cultural organizations in Midwest cities. The Joyce Awards aim to encourage major cultural institutions to develop programming that relates to and reflects the interests of people of color; diversify and enrich programmatic content for all audiences; and enhance the creative environment for artists of color. Proposed projects must involve the commissioning and public presentation of works of art by minority artists in the performing, visual, and media arts, and 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.

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.

Grants to Individuals

The Joyce Foundation considers grants to individuals under certain restricted conditions. Funding must be for projects that fit our program interests and serve a clear charitable purpose, but where a grant to a charitable organization would not meet the same goals. The grants are not intended to benefit or reward the grant recipient, but rather to lead to results that benefit the broader society. Grants will be made only to individuals who, in the Foundation's judgment, are experts in the field in which the project is to be conducted and who have a track record of accomplishment indicating their ability to complete the proposed work. No lobbying or political activity will be supported. Special reporting requirements apply.

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 (see list on page 65). The letter should describe the goals of the project, how it relates 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. (See the current schedule on page 64.) 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 website (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, and plans for implementation, 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

Organizational expenses and income for previous, current, and coming fiscal year

Board members, their titles, outside affiliations, and telephone numbers

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

The Joyce Foundation Board of Directors have requested that they not be contacted individually regarding proposals.

The Foundation does not at this time accept proposals submitted on-line.

Deadlines

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

Proposal Deadline	Board Meeting
August 16, 2004	December 2004
December 10, 2004	April 2005
April 15, 2005	July 2005

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 65.

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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Veronica McCoy

Pamela H. Stauffer

Alice Taylor

Lisa Vasquez

Jean Westrick

Grant Proposal Cover Sheet

(PLEASE ATTACH COMPLETED SHEET OR COMPUTER-GENERATED SHEET IN THE SAME FORMAT TO YOUR LETTER OF INQUIRY.)

Applicant 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 Dates of Project		Beginning	Ending

Budget

		(IF MULTI-YEAR REQUEST)		
		Second Year	Third Year	Total
	2004	2005	2006	
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.



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