



"To do real and permanent good in this world."

Andrew Carnegie, *The Gospel of Wealth*, 1900

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At the End of the First Decade of the 21st Century

The first decade of the 21st century came in with the promise of growing economies, innovation that changed how people communicated and worked and a world not at war. There was a certain euphoria as the calendar changed over and the feared Y2K problem passed without a glitch.

Carnegie Corporation, under the leadership of Vartan Gregorian—its 12th president—was poised to rededicate its efforts to advancing the two passions of its founder, Andrew Carnegie: education and international peace. Grants to support deep school reform that would ready a changing America for the knowledge economy were underway; a commitment to African higher education was announced; and research, scholarship and convenings around nuclear nonproliferation and promoting peace and security in a multi-polar world were renewed. There was optimism that the world Mr. Carnegie dreamed of when he started his philanthropy in the upbeat progressive beginning of the 20th century might play out in this new century, as the Corporation marched toward its centennial.

But by September 11, 2001, terrorism emerged as the new form of modern war. The tragedy of the World Trade Center, the attacks in London, Madrid and Moscow, the suicide bombings throughout the Middle East, and wars in Iraq and Afghanistan made it clear that international peace, dreamed of by Mr. Carnegie, was not to take hold easily. At the same time, the promise of American education to serve as a pillar of our democracy seemed to be under assault, as rich–poor and white–minority student achievement gaps persisted and the United States, at the end of the decade, fell to a ranking of 17th among industrialized countries in educational quality. Further challenges were posed by the economic collapse in 2008, which proved how interconnected our global economy has become and made the world look anew at how we educate, communicate and do business. A decade that began with such promise packed a wallop that not only challenged every individual and institution, but made it clear the vision of our founder was as important as the decade ended and the Centennial year began as when he set out in 1911 to “do real and permanent good in the world.”

Carnegie Corporation of New York still believes in and is committed to that vision. Problems can be overcome with strategic solutions; challenges can be met with new ideas and a dedication to the proposition that all men, women and children deserve access to the opportunities that will enable them to enrich their lives and pursue success. In that connection, Vartan Gregorian has often remarked on the importance of the Corporation’s focus on advancing the progress of our nation by noting that while the United States is not perfect, “We see it as perfectible. For us, America is not just a past, it is also a future. It is not just an actuality—it is always a potentiality. America’s greatness lies in the fact that *all* its citizens, both new and old, have an opportunity to work for that potentiality, for its unfinished agenda.”

Philanthropy is a tool that can be used to help fill in the yet-unfulfilled parts of that agenda. It is an engine for change. As government has grown larger and the Corporation’s endowment has been overshadowed by philanthropies with billions more, the idea of strategic capital to incubate ideas, experiment with change, to model new ways is not out of date. Flexible risk capital that can move society forward, keeping its focus on the critical issues behind both promising change and deadly threats, is what the Corporation has been about this decade under a strategy outlined by its board and its president.

We present this annual report with the same dedication to transparency and understanding that the staff of the Corporation has demonstrated since its inception. And with the belief that the work of our grantees, the recipients of this risk capital, tells a story of belief, optimism and change focused on making society and our world better.

International Program

The past year has seen the international community continue its struggle to adapt to a multi-polar world, with its uncertain implications for security, stability and prosperity. Concurrently, the following have comprised our threefold efforts: meeting global security challenges through nonproliferation, reduction and eventual elimination of nuclear weapons; improving approaches to states at risk of instability or collapse; and enhancing U.S. global engagement. In Africa, our program has pursued integrated pathways toward strengthening the continent's next generation of academics and university leaders, and has made major investments in rebuilding and revitalizing sub-Saharan African libraries. And we have continued to work to improve understanding of Muslim communities and societies.

Our program commitment incorporates these four areas: • Higher Education and Libraries in Africa and • Higher Education in Eurasia; • International Peace and Security; • Islam Initiative.

Higher Education and Libraries in Africa

BOSTON COLLEGE, *Chestnut Hill, MA*

FOR THE CENTER FOR INTERNATIONAL HIGHER EDUCATION'S PUBLICATION, *INTERNATIONAL HIGHER EDUCATION*. 36 MONTHS, \$157,500.

Boston College Center for International Higher Education's (CIHE) quarterly publication, *International Higher Education (IHE)*, has developed a unique niche as a source for news and analysis on global higher education issues with special reference to developing countries. *IHE* offers brief commentary and reports from a broad spectrum of perspectives, allowing readers to stay current with worldwide trends in a timely and efficient manner. With Corporation support, CIHE proposes to maintain the publication's current production, devote additional pages to African higher education by supporting African scholarship and expand and improve subscribership including its electronic edition.

UNIVERSITY OF CAPE TOWN, *Rondebosch, SOUTH AFRICA*

TOWARD POSTGRADUATE TRAINING AND RESEARCH PROGRAMS TO ADVANCE SCHOLARSHIP AND IMPROVE THE RETENTION OF AFRICAN ACADEMICS. 24 MONTHS, \$2,500,000.

This grant to University of Cape Town, South Africa (UCT) is one of four grants that advance the International Program's (IP) Africa strategy of developing and retaining the next generation of African academics through pro-

moting excellence in postgraduate training and research while emphasizing retention and strengthening intellectual communities. It builds on the track record of excellence of the university as one of South Africa's topmost institutions. It will train thirty-eight Ph.D. candidates, seven postdoctoral fellows and offer capacity-building mentorships for postgraduate students in the areas of infectious diseases, civil engineering and economics, all identified as national needs. It will deal with staff retention and racial and gender equity imbalances in the recruitment of participants.

E^THEKWINI MUNICIPALITY, *Durban, KwaZulu-Natal, SOUTH AFRICA*

AS A ONE-TIME GRANT TOWARD A MODEL CITY LIBRARY. 36 MONTHS, \$3,000,000.

The Durban Central Business District (CBD) is an area of high density and diverse uses lacking in cultural spaces. This project forms part of the broader urban design vision of the eThekweni Municipality to create a heritage precinct within the CBD comprising a library, a natural science museum, a post-apartheid art gallery and a cultural museum. A single large centralized library is more cost effective and sustainable than upgrading the four dispersed facilities and will create the greatest impact on library and information services in the city. The municipality intends to build a library which will function as an information, communication and technology hub, ensuring that the city keeps pace with people's information and technology needs. The city library will serve as a hub for some one hundred branch libraries.

UNIVERSITY OF GHANA, *Legon, Accra, GHANA*

TOWARD POSTGRADUATE TRAINING AND RESEARCH PROGRAMS TO ADVANCE SCHOLARSHIP AND IMPROVE THE RETENTION OF AFRICAN ACADEMICS.

24 MONTHS, \$1,800,000.

This grant to University of Ghana (UG) is one of four grants that advances the International Program's Africa strategy of developing and retaining the next generation of African academics through promoting excellence in postgraduate training and research while emphasizing retention and strengthening intellectual communities. This program will strengthen the university's capability for high-quality postgraduate training and research along with staff retention. It will train twenty Ph.D.s, fifteen M.Phil.s, provide capacity-building and methodological workshops for 300 postgraduate students, writing workshops and mentoring for 120 junior faculty members and establish Ghana-diaspora faculty exchange in computational and biosphere sciences and sociology, identified as national needs. It will also support retention strategies.

UNIVERSITY OF GHANA, *Legon, Accra, GHANA*

TOWARD A RESEARCH COMMONS AT THE UNIVERSITY OF GHANA LEGON—BALME LIBRARY.

36 MONTHS, \$2,000,000.

The Corporation's Higher Education and Libraries Program is supporting the creation of the next generation of African academics at select institutions, one of which is the University of Ghana, Legon. The library is identified as a strategic priority and is seen to be lacking in development in the new technologies. The project is to provide graduate students with state-of-the-art research commons well-equipped with resources, including competent and highly motivated staff, to enhance their learning and research activities. A research portal will be created to enhance research. The project will acquire and install relevant modules and add-ons of the millennium library management software. Theses and dissertations of the University of Ghana will be digitized. A sub-project will be to improve and increase the resources of the existing Learning Commons.

INSTITUTE FOR ADVANCED STUDY, *Princeton, NJ*

FOR ENHANCING THE CAPACITY OF SELECTED SCIENCE AND TECHNOLOGY POSTGRADUATE TRAINING AND RESEARCH NETWORKS. 12 MONTHS, \$200,000.

The Regional Initiative in Science and Education (RISE), hosted by the Institute for Advanced Study, supports five science and engineering postgraduate training and

research networks, aimed at producing and retaining in Africa a new generation of African scientists, many of whom are expected to remain in the higher education sector as teachers and researchers. These networks involve sixteen universities and research institutes in nine African countries, and cover four fields: marine science, materials science, natural products and water resources. To date, the networks have recruited fifty postgraduate students and one post-doctoral fellow. This grant will enable the networks to engage in activities to strengthen network cohesion, fill skills gaps and foster integration into their host institutions.

INSTITUTE OF INTERNATIONAL EDUCATION, INC.,
New York, NY

FOR A MEETING ON DEVELOPING AND RETAINING THE NEXT GENERATION OF AFRICAN ACADEMICS. 7 MONTHS, \$100,000.

The complex factors that influence African universities' ability to develop and retain future generations of scholars and research scientists were highlighted at the 2008 University Leaders' Forum, sponsored by the Partnership for Higher Education in Africa. To follow up on the forum and further heighten the subject's visibility, the Institute of International Education will organize a meeting in November 2010 in Nairobi on the theme, "Developing and Retaining the Next Generation of African Academics: Excellence, Retention, and Sustainability." Participants will be drawn from Corporation-supported universities, postgraduate training and research networks, and fellowship programs and will include funders of African higher education and higher education experts. A report of the meeting will be made available to a wider audience.

INTERNATIONAL FOUNDATION FOR SCIENCE,
Stockholm, SWEDEN

FOR A COMPETITIVE FELLOWSHIP PROGRAM FOR EARLY-CAREER SCIENTISTS IN AFRICAN UNIVERSITIES.

36 MONTHS, \$1,535,000.

African universities produce too few scientists and engineers, in part because of a shortage of high-quality academic staff in key disciplines. The International Foundation for Science (IFS) provides research grants to young scientists in developing countries, often the critical "first grant" that has launched numerous successful scientific careers. IFS also provides capacity-building support to its grantees, including mentorship, travel to conferences and well-equipped laboratories, and training workshops on such themes as scientific writing. This grant will build a cohort of sixty young scientists based at universities in Ghana, Nigeria, South Africa, Tanzania and Uganda, all

working on aspects of underutilized crops. In addition to jump-starting their careers, the proposed activities aim to encourage future collaborative research endeavors.

THE LEADERSHIP FOUNDATION, *Washington, DC*

TOWARD A HIGHER EDUCATION FELLOWSHIP PROGRAM FOR AFRICAN WOMEN. 36 MONTHS, \$156,000.

The International Women's Forum (IWF) advances women's leadership across careers, cultures and continents by connecting the world's most preeminent women of significant and diverse achievement. The IWF Leadership Foundation's Fellows Program is designed to help emerging women leaders across the globe overcome obstacles and prepare for the highest levels of leadership in public, private and nonprofit sectors, including academia. After a rigorous selection process, approximately sixteen fellows will participate in training and networking activities, including sessions at Harvard Business School and INSEAD over twenty-five days throughout the year. Since 2002, the Corporation has supported fourteen fellows from its partner universities in East and West Africa. This grant will support six additional fellows—two each year—selected from among candidates nominated by their vice-chancellors.

MAKERERE UNIVERSITY, *Kampala, UGANDA*

FOR POSTGRADUATE TRAINING AND RESEARCH PROGRAMS TO ADVANCE SCHOLARSHIP AND IMPROVE THE RETENTION OF AFRICAN ACADEMICS. 24 MONTHS, \$1,900,000.

This grant to Makerere University (Makerere) is one of four grants that advances the International Program's (IP) Africa strategy of developing and retaining the next generation of African academics and university leaders through promoting excellence in postgraduate training and research while simultaneously emphasizing retention and strengthening intellectual communities. The program will strengthen the university's capability to offer high-quality postgraduate training and research along with staff retention. It will train twenty master's degree students, twenty Ph.D. candidates and six postdoctoral applicants and mentor at least twenty academics in the areas of food nutrition and value addition, identified as a crucial national need. It will also put in place retention strategies.

NATIONAL COUNCIL FOR TERTIARY EDUCATION, *Accra, GHANA*

FOR SENIOR ACADEMIC LEADERSHIP TRAINING IN WEST AFRICA. 36 MONTHS, \$845,000.

Current institutional-level challenges confronted by university leaders in West Africa include increasing student numbers, difficulty in attracting and retaining young faculty, aging faculty, limited research capacity, rigid management and governance systems, autonomy and accountability and changing roles of university administrators, faculty, boards and committees. As private universities proliferate, national councils of tertiary education play a crucial regulatory role in overseeing quality and accountability of the higher education sector. By providing leadership training programs for senior academics, national councils inform and influence university leadership and represent the voice of senior academics to governments. With Corporation support, the National Council for Tertiary Education (NCTE) in Ghana proposes to provide a training program for university leaders in West Africa.

THE NEW SCHOOL, *New York, NY*

AS A FINAL GRANT TOWARD THE JOURNAL DONATION PROJECT. 24 MONTHS, \$380,000.

The mission of the Journal Donation Project (JDP) is to aid the development of research and teaching capacity in institutions of higher learning through building scholarly journal archives in countries which, for either political or economic reasons (often both), have been unable to do so on their own. In 2009, 30 percent of JDP subscriptions were donated by publishers and publishers offered the remaining 70 percent to the JDP at an average discount of 60 percent. The project will continue support to the thirteen libraries in Armenia, Georgia, Moldova and Ukraine. JDP will also continue supporting the six university libraries in Ghana, Nigeria, Tanzania and Uganda (University of Ghana-Legon, University College of Education-Winneba, University of Ife, University of Jos, University of Dar-es-Salaam and Makerere University).

**NIGERIA ICT FORUM OF PARTNERSHIP INSTITUTIONS,
Abuja, NIGERIA**

AS A FINAL GRANT TOWARD TECHNICAL TRAINING AND PLANNING OF A NATIONAL RESEARCH AND EDUCATION NETWORK. 24 MONTHS, \$400,000.

The Nigeria ICT Forum was established formally in 2005 to promote increased use of information and communication technologies (ICT) for higher education and research. To date, the forum has focused primarily on strengthening the capacity of ICT directors and technicians to plan and manage campus networks. Its Nigeria Network Operators Group annual training has become a model for other African countries. The forum received a mandate from the Committee of Vice-Chancellors to take the lead in stimulating formation of a national research and education network, which would provide affordable bandwidth and specialized applications to higher education and research institutions. This grant will support training activities as well as activities designed to create three research and education network clusters that would form the basis for a national network.

UNIVERSITY OF PRETORIA, Pretoria, SOUTH AFRICA

FOR THE ESTABLISHMENT OF A MASTER'S PROGRAM IN INFORMATION TECHNOLOGY WITHIN THE SCHOOL OF INFORMATION TECHNOLOGY AT THE UNIVERSITY. 48 MONTHS, \$2,000,000.

The Department of Information Science at the University of Pretoria plans to establish a self-sustaining master's program in Information Technology within the School of Information Technology. The program will address the skills shortages in modern information and communication technologies (ICTs) in university libraries and library and information science (LIS) schools in sub-Saharan Africa. During the funded phase, sixty master's students from across sub-Saharan Africa will be trained. The project intends to make a difference in the level of knowledge of modern ICTs of the next generation library and information professionals (primarily at middle-management level) in academic libraries and faculty members at LIS schools in sub-Saharan Africa involved in teaching technology-related topics.

TRUSTAFRICA, Dakar, SENEGAL

FOR A POLICY DIALOG SERIES IN HIGHER EDUCATION TRANSFORMATION IN SUB-SAHARAN AFRICA. 36 MONTHS, \$590,600.

The Corporation has invested \$100 million in strengthening African higher education and has invested \$400 million together with the Partnership for Higher Education in Africa, since 1999. As part of its institutional strengthening program, investment has supported reforms in higher education leadership, teaching and research, equity and access, information and communication technology, libraries and resource mobilization. Sustaining the gains made by external donor support requires mobilization and ownership of local stakeholders in the government, private sector, community and regional organizations. The proposed grant aims to inform and engage African multi-sectoral stakeholders, build a constituency, effect policy change, and leverage resources to support higher education reform, through a policy dialog series, network platform, and small grants scheme.

UNIVERSITY OF THE WITWATERSRAND, Johannesburg, SOUTH AFRICA

TOWARD POSTGRADUATE TRAINING AND RESEARCH PROGRAMS TO ADVANCE SCHOLARSHIP AND IMPROVE THE RETENTION OF AFRICAN ACADEMICS. 24 MONTHS, \$2,050,000.

This grant to University of the Witwatersrand, South Africa (Wits) is one of four grants that advance the International Program's (IP) Africa strategy of developing and retaining the next generation of African academics through promoting excellence in postgraduate training and research while emphasizing retention and strengthening intellectual communities. It also builds on the resources and track record of excellence of Wits as one of South Africa's topmost institutions. It will train fifteen Ph.D.s, eight postdoctoral fellows, offer mentorship and skills development for postgraduate students and establish a formal Academic Medicine Program and the Institute of Global Change Studies, both identified as national and continental needs. It will put in place retention strategies and address racial and gender equity imbalances in the recruitment of participants.

Higher Education in Eurasia

AMERICAN COUNCIL FOR INTERNATIONAL EDUCATION, INC.,
Washington, DC

FOR A CENTER FOR ADVANCED STUDY AND EDUCATION IN
BELARUS. 24 MONTHS, \$500,000.

Robust and independent social sciences and humanities research is crucial to the transformation of Russia and post-Soviet Eurasia. Modern approaches to study, teaching and publication in these fields help move societies toward democracy, transparency and integration with Western institutions and values. To foster regional transformation through the advancement of the social sciences and humanities, the Corporation created a network of thirteen Centers for Advanced Study and Education (CASEs) that includes nine centers in Russia, one center in the western part of Eurasia (Belarus) and three centers in the South Caucasus (Armenia, Azerbaijan and Georgia). This grant will continue the center focusing on social transformations in Belarus, Ukraine and Moldova, by supporting research, fellowships, publications and academic mobility.

EURASIA FOUNDATION, INC., *Washington, DC*

FOR INTERDISCIPLINARY RESEARCH AND TRAINING CENTERS
IN THE CAUCASUS. 24 MONTHS, \$2,000,000.

At the core of the Corporation's initiative on Higher Education in the former Soviet Union are the Centers for Advanced Study and Education (CASEs) in Russia, Belarus and the South Caucasus (Armenia, Azerbaijan and Georgia). These thirteen, university-based centers serve as vehicles for reforming higher education through research and travel fellowships, library support and opportunities for professional advancement and public policy outreach. The centers have reached thousands of individuals, produced hundreds of scholarly events and publications and contributed to the process of revitalizing scholarship in the region. The Caucasus Research Resource Centers (CRRCs) will continue the programs of fellowships, research grants, professional training workshops, public policy data surveys and interregional collaboration.

INTERNATIONAL RESEARCH AND EXCHANGES BOARD, INC.,
Washington, DC

FOR IMPROVING UNIVERSITY ADMINISTRATION IN RUSSIA,
EURASIA AND GHANA. 24 MONTHS, \$700,000.

One of the challenges facing universities in countries in transition relates to management, particularly in the areas of operations, strategic planning, fundraising, outreach and student services. The University Administration Support Program (UASP), administered by the International Research and Exchanges Board (IREX), began to address these shortcomings in Russia following the collapse of the Soviet Union. With funding from the Corporation, UASP offers ten-week U.S. visiting fellowships to competitively chosen university administrators and awards pilot project grants to enable them to implement reforms at their home institutions upon their return. With continued support, UASP will provide exchange opportunities and resources to university administrators from Russia, several Eurasian countries and from Ghana, building on IREX's previous programs.

NATIONAL SECURITY ARCHIVE FUND, INC.,
Washington, DC

TOWARD SUPPORT OF THE EURASIA INITIATIVE.
20 MONTHS, \$600,000.

The National Security Archive Fund ("the Archive") seeks funding to increase transparency and access to historical documents in the Caucasus and the former Soviet Union and to strengthen partner networks in these regions. This is an especially dynamic moment for historical research in the post Soviet space because of new legal provisions in Armenia, Azerbaijan, Georgia and Russia. In principle, these laws enable scholars and citizens access to previously off-limits government records. This project will build upon past Archive work to test the application of these new laws and will strengthen academic and nongovernmental actors in each state through conferences and training seminars. It will also support work with Jack Matlock, the last U.S. ambassador to the Soviet Union, to uncover, analyze and archive diplomatic documents from the end of the Cold War.

International Peace and Security

THE BROOKINGS INSTITUTION, *Washington, DC*

TOWARD THE FOREIGN POLICY PROGRAM.
24 MONTHS, \$600,000.

The United States and the international community face a complex set of security challenges in the 21st century that require cooperative and multilateral approaches at a time when the dynamics of world affairs is changing rapidly. The Foreign Policy Program at the Brookings Institution (Brookings) will undertake a two-year research project on U.S. policy toward the emerging global order. The research will focus on designing the architecture for global governance, managing state-based challenges to the emerging world order and exploring implications for U.S.–China relations through the lens of cyber security. The projects will involve scholars from across the program, and represent a new and major effort within Brookings to achieve integration among the facets of its full foreign policy research agenda. This grant will also fund a competitive pre-doctoral research fellowship on these issues.

BROWN UNIVERSITY, *Providence, RI*

FOR A PROJECT TO PROMOTE GLOBAL ENGAGEMENT THROUGH NEW MEDIA. 24 MONTHS, \$300,000.

The international order is being redefined by a wide range of different actors and technological drivers, producing, through interconnectivity, profound global effects. Leading the way are global media, from print journalism to cable and satellite news, to mobile phone twittering and YouTube videos, acting not only as conveyor but also as catalyst of global events—what has become known as “global interest media.” Building on previous Corporation supported work on new approaches to global security and the war on terrorism, Brown University’s Watson Center for International Studies’ Project on Global Engagement through Media aims to bring under one roof academic researchers, policy practitioners and media producers who will create challenging global interest media as well as provide critical analytical tools for international media makers.

CARNEGIE COUNCIL FOR ETHICS IN INTERNATIONAL AFFAIRS, *New York, NY*

TOWARD PROMOTING ETHICS THROUGH GLOBAL EDUCATION.
24 MONTHS, \$500,000.

The Carnegie Council for Ethics in International Affairs (the Council) is a sister organization animated by Andrew

Carnegie’s belief that social change requires innovative thinking. The Council embodies interests similar to those of the Corporation—education and the peaceful resolution of conflict—but approaches international affairs with an ethical lens. It analyzes the standards by which policy choices are made using the guiding principles of pluralism, rights and responsibilities, and fairness. As it prepares to enter its second century and in response to the rapid evolution of technology, the Council is adopting a global digital platform. To support its goal of providing people with the tools they need to think hard about choices in world politics, the Council will develop a lecture series on advancing ethical inquiry and create and shape content for television and radio distribution through a Carnegie Ethics Studio. By the grant’s end, the project will have produced close to 200 lectures, special programs for television, radio and classroom use, dozens of international debates and hundreds of video podcasts.

CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE,
Washington, DC

TOWARD DEVELOPING A NEW SECURITY ARCHITECTURE FOR THE EURO-ATLANTIC REGION. 24 MONTHS, \$350,000.

The collapse of the Berlin Wall twenty years ago opened the historic opportunity to create a new European security system. But, for many reasons, the Euro-Atlantic region finds itself in danger of deep divisions with the prospect of less security and prosperity for all parties. A new Euro-Atlantic Security Initiative (EASI) aims to define a vision and the mechanisms for fitting the United States, Europe, Russia and the neighboring states of post-Soviet Eurasia into a common security and economic framework. Structured as a commission with twenty-two members representing the region in question, and supported by a group of international experts, the initiative will hold meetings, produce analysis and publish a report aimed at Euro-Atlantic policymakers. The commission is co-chaired by former Senator Sam Nunn.

CENTER FOR POLICY STUDIES IN RUSSIA, *Monterey, CA*

TOWARD A PROGRAM TO TRAIN AND NURTURE SECURITY SPECIALISTS. 24 MONTHS, \$225,000.

Russia’s role in achieving the goal of a world free of nuclear weapons remains critical. The country would benefit from cohorts of young specialists who can provide original views on solutions to current security problems, especially ones who are trained outside the government. The Center for Policy Studies in Russia (PIR Center), a leading independent think tank in the area of international security and nonproliferation, trains young, fresh-

thinking specialists both in Russia and in other states of the former Soviet Union. Its goal is to help create a new generation of specialists who work in the areas of global security, nonproliferation and arms control as well as researchers, graduate students, upper-level undergraduates and journalists interested in these issues. This grant will support an International Summer School on Global Security and promote those trainees via the *Security Index Journal*, a publication that disseminates their analysis.

CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES, INC.,
Washington, DC

AS A FINAL GRANT TOWARD POLICY RESEARCH AND
OUTREACH ON ALTERNATIVES TO CENTRALIZED
STATEBUILDING IN STATES AT RISK. 24 MONTHS, \$325,000.

The many shortcomings of international responses to states at risk of instability or collapse focused on building central state institutions at the expense of local capacity, suggest that new approaches are urgently required. Building on its Corporation-funded work to date, the Center for Strategic and International Studies' (CSIS) Post-Conflict Program (PCR) will identify: (1) alternatives to the dominant "top-down," centralized model of statebuilding; (2) constructive alternatives to statebuilding itself and; (3) the circumstances under which both sets of alternatives could most productively inform the goals and methods of specific peacebuilding policies and programs. This will be the capstone effort of the Project's work on states at risk, demonstrating the utility and flexibility of the tools and networks the Project has developed with Corporation support.

COLUMBIA UNIVERSITY, *New York, NY*

TOWARD THE GULF 2000 PROJECT. 24 MONTHS, \$200,000.

Despite its centrality to global security, the Persian Gulf region has few independent policy institutions. The Gulf/2000 project connects and strengthens the community of specialists working on Persian Gulf issues through a moderated members only Web site with a searchable archive. Established in 1993, the project now comprises a selective worldwide association of 1,600 specialists on Gulf issues, many from within the region. The site assembles the best available information from print and broadcast media, academic journals and papers and transcripts of congressional hearings, and helps to uncover and disseminate the stories beneath the headlines. Gulf/2000 membership includes leading journalists, diplomats and government officials, and its "public intelligence" routinely filters into regional and world media, as well as to governments.

EASTWEST INSTITUTE, *New York, NY*

TOWARD A U.S.-RUSSIA WORKING GROUP ON AFGHAN
NARCOTRAFFICKING. 24 MONTHS, \$300,000.

The potential to enhance the momentum between Russia and the United States lies with opportunities for them to collaborate on specific issues in ways that are genuinely and mutually beneficial. Afghanistan is an issue of prime importance to both countries. Presidents Obama and Medvedev have acknowledged security interests in Afghanistan, interests closely related to the issues of drug production and trafficking. A project of the EastWest Institute (EWI) will bring together Russian and American technical and policy experts to share knowledge, assess the situation on the ground and deliver innovative and concrete policy solutions. EWI will then work with these experts to deliver the assessment and recommendations to the Russian and American governments, along with relevant international bodies.

FINANCIAL SERVICES VOLUNTEER CORPS, INC.,
New York, NY

TOWARD A PROJECT ON RELATIONS AMONG THE UNITED
STATES, RUSSIA AND CHINA. 24 MONTHS, \$350,000.

The last several years have seen major changes in foreign and domestic policies of the United States, Russia and China. The complexity and interdependence of national and international challenges necessitate engagement among these powers. One way to foster this is through unofficial discussions that are structured to help advance official policies. The Financial Services Volunteer Corps (FSVC) has been conducting trilateral meetings involving the United States, Russia and China. The meetings, which also include representatives from India and Europe, provide venues for experts and practitioners to discuss topics that lie at the intersection of security, economic, financial and energy considerations in defining foreign policies. With continued support, the project will hold two annual international symposia, several working group meetings and publish recommendations for action.

GEORGE WASHINGTON UNIVERSITY, *Washington, DC*

TOWARD RESEARCH, DISSEMINATION AND POLICY FORUMS ON
EURASIA. 24 MONTHS, \$751,500.

Since the end of the Cold War, the region of Eurasia has become a source of some of the most powerful challenges to the existing world order. Yet, the dynamics and the interrelationships in Eurasia are not well-understood or appreciated, especially in the United States. To help fill that attention gap the Corporation established the Project

on New Approaches to Research and Security in Eurasia, also known as PONARS Eurasia. PONARS Eurasia has demonstrated itself as an effective mechanism for generating intellectual interaction and collaboration among a cohort of international scholars and with important policy-scholarly communities in the United States and overseas. With this grant, the project will relocate from Georgetown University to George Washington University's Elliot School of International Affairs as part of a substantial expansion of the reach and impact that it has begun to demonstrate.

UNIVERSITY OF GEORGIA, *Athens, GA*

TOWARD A PROJECT ON STRENGTHENING THE SECURITY OF NUCLEAR FACILITIES AND MATERIALS GLOBALLY. 24 MONTHS, \$299,800.

The Center for International Trade and Security (the Center) proposes a two-year pilot project to help select countries improve nuclear security and trade practices. The project will develop a cadre of knowledgeable and committed advocates of nonproliferation in key regions, starting in Southeast Asia. The Center will engage government and industry to tailor the program, and will be implemented in partnership with international organizations and NGOs. The project seeks to convey risks and vulnerabilities to policymakers and industry decision makers, and then to equip mid-level practitioners with tools to promote and establish a workforce that is more capable and security-conscious. The project uses a "train-the-trainer" approach to increase sustainability.

HARVARD UNIVERSITY, *Cambridge, MA*

TOWARD EXECUTIVE TRAINING PROGRAMS FOR MILITARY OFFICERS AND POLICYMAKERS. 24 MONTHS, \$885,000.

For two decades, the Eurasia Security Program (the Program) has brought together senior military officials from the United States and selected Eurasian nations to build trust and confidence. These exchanges have facilitated open, off-the-record communication between academics, government officials and military participants, and have created a transnational alumni network of senior officers. The current project will build on this work and extend the model to include China, if feasible. The Program will conduct five substantive exchanges during the grant period, including two six-day seminars at Harvard's Kennedy School that involve a rigorous schedule of academic lectures and discussions by policymakers and academic experts.

INSTITUTE FOR SCIENCE AND INTERNATIONAL SECURITY, *Washington, DC*

FOR EXPANDING PUBLIC EDUCATION AND OUTREACH ON IRAN'S NUCLEAR ACTIVITIES. 24 MONTHS, \$250,000.

The U.S. administration faces a formidable and urgent challenge in sculpting a policy that could convince Iran to abandon or defer a nuclear weapons capability. Such a policy would benefit from a clear understanding of how much Iran has achieved technologically. The Institute for Science and International Security (ISIS) is on the leading edge in analyzing Iran's nuclear capabilities and producing original information on its nuclear program. Over the last two years and with Corporation support, ISIS's role in the public debate over Iran has grown as has demand for the informed commentary it provides. This grant will allow ISIS to continue to develop as much information as possible about the direction of Iran's nuclear activities, and to cement its reputation for being at the fore of factual information on the scientific, industrial and mechanical details of Iran's nuclear program, as best and as clearly as the details can be understood.

INSTITUTE FOR STATE EFFECTIVENESS, *Washington, DC*

AS A FINAL GRANT TOWARD THE CREATION OF HANDBOOKS FOR SUPPORT OF SPECIFIC FUNCTIONS OF STATES AT RISK. 24 MONTHS, \$400,000.

Although the challenge of rebuilding war-torn states is increasingly a policy priority, the lessons and knowledge developed through work on the issue have still not been disseminated and shared in effective or diverse enough ways. Building on its previous Corporation funded work, the Institute for State Effectiveness (the Institute) will attempt to address this gap by combining a careful reading of lessons learned through state- and institution-building to date with first-hand, practical experience of the most difficult developmental challenges. It will utilize a team of seasoned practitioners that can be deployed quickly to help shape the design of national and international responses to ongoing states at risk challenges, primarily through a series of "how to" guides on citizenship; national accountability systems; security; infrastructure management; human capacity development and national administrative systems.

INTERNATIONAL CRISIS GROUP, *New York, NY*

AS A FINAL GRANT TOWARD RESEARCH, ANALYSIS, DIALOGUE AND DISSEMINATION ON PREVENTING STATE COLLAPSE. 24 MONTHS, \$350,000.

Institutionally fragile states, at risk of instability and collapse, have emerged as primary drivers (and exporters) of violent conflict in the years since the end of the Cold War. Despite significant advances during the past two decades, there remain dozens of situations of crisis or emerging crisis around the world for which international awareness is inadequate and stabilizing actions are lacking. To help address this gap, the International Crisis Group will continue to work to help the international community assist states at risk by examining ways of strengthening and improving the performance of state institutions in twenty-one selected African and Central and South Asian countries. In so doing, it will generate critical information of immediate use to policymakers in governments, at the UN and in other relevant international organizations.

INTERNATIONAL INSTITUTE FOR STRATEGIC STUDIES, *London, UNITED KINGDOM*

TOWARD A MULTILATERAL DIALOGUE ON IRAN'S NUCLEAR PROGRAM. 12 MONTHS, \$215,200.

With the seemingly relentless expansion of its nuclear program in the face of major internal political divisions and violence following the country's flawed presidential elections in June 2008, Iran remains an increasingly intractable foreign policy challenge for the Obama administration. Given their proximity, the Gulf States, in particular, feel vulnerable to the ongoing Iranian nuclear crisis. Involving security officials and nongovernmental experts from these countries in unofficial, Track II discussions concerning Iran and regional security would fill a glaring gap. Expanding on Corporation-supported work aimed at building a common transatlantic approach to the Iranian nuclear problem, the International Institute for Strategic Studies proposes a follow-on project with particular emphasis on relations between Iran and the Gulf States.

INTERNATIONAL PEACE INSTITUTE, INC., *New York, NY*

AS A FINAL GRANT TOWARD A PROJECT TO ASSIST THE DEVELOPMENT OF THE UNITED NATION'S PEACEBUILDING COMMISSION. 24 MONTHS, \$330,000.

Despite a number of institutional reforms within national governments, the UN and other multilateral organizations, the conceptual and operational challenges posed by states at risk remain daunting. Being better organized

has proven insufficient; better analysis is also needed by national and international decision makers who often lack the necessary authoritative knowledge and evidence on which to make timely decisions. In effect, there is a lack of strategic thinking behind peacebuilding. The New York-based International Peace Institute (IPI) is well positioned to provide such knowledge and analysis. By connecting high-quality independent research with policy debates and problems inside the multilateral arena and in selected capitals, IPI has been able to target its substantive inputs to the implementation of reform efforts in a timely and important way.

MASSACHUSETTS INSTITUTE OF TECHNOLOGY, *Cambridge, MA*

TOWARD THE SECURITY STUDIES PROGRAM. 24 MONTHS, \$600,000.

The Security Studies Program (the Program) is among the premier graduate-level programs focused on international security and retains a strong commitment to teaching and to analytically rigorous research on real-world problems. The project will focus on a central dynamic in the landscape of international relations: the "diffusion of power" in international politics. While the U.S. remains militarily pre-eminent, important capabilities are spreading quickly to other state, supra-state and sub-state actors. This project explores these developments through three sets of studies: one aimed at reducing the risk of proliferation, a second examining the intersection of weak states and internal and international violence and the third assessing the changing relationships between major Asian powers, with a focus on China, Japan and the United States.

NATIONAL COMMITTEE ON AMERICAN FOREIGN POLICY, *New York, NY*

TOWARD A MULTILATERAL DIALOGUE ON NORTH KOREA. 24 MONTHS, \$250,000.

The continuing impasse over North Korea's nuclear program threatens both regional and global security, and presents the Obama administration with one of the major challenges on its brimming-over foreign policy agenda. During the past six years of on-again, off-again official negotiations, Track II dialogues supported by the Corporation have provided the only channel of communication between North Korean officials and their American and regional counterparts, and other experts. Over the next two years, the National Committee on American Foreign Policy hopes to build on its record of success in organizing such dialogues by continuing to substantively engage North Koreans in a series of high-level meet-

ings and activities to complement and advance official negotiating efforts related to the denuclearization of the Korean peninsula.

NEW AMERICA FOUNDATION, *Washington, DC*

FOR PRODUCING A SERIES OF ONLINE VIDEO DIALOGUES ON FOREIGN AFFAIRS IN COLLABORATION WITH THE WEB SITE BLOGGINGHEADS.TV (BhTV). 18 MONTHS, \$200,000.

To help increase American understanding of foreign developments and perspectives, New America Foundation (NAF) proposes to produce, in collaboration with the Web site Bloggingheads.tv (BhTV), a series of online video dialogues that would put leading American thinkers—journalists, scholars and policy analysts—in conversation with their peers in other countries. Many of the American participants in this new series, called “Border Crossings,” will be drawn from Corporation-supported organizations such as the Brookings Institution, Carnegie Endowment for International Peace and NAF. On BhTV and other Web sites—including *The New York Times* Web site, which has a link to BhTV—dialogue participants will be seen discussing a wide range of specific events and developments relevant to the International Peace and Security agenda.

NEW YORK UNIVERSITY, *New York, NY*

AS A FINAL GRANT TOWARD A PROJECT ON ENHANCING GOVERNMENTAL AND INTERGOVERNMENTAL CAPACITY TO SUPPORT STATE-BUILDING. 24 MONTHS, \$400,000.

Both multilateral and government interventions to strengthen conflict-affected and fragile states at risk hold the rule of law as a key priority—one that has important short-term (provision of security, confidence-building) and longer term effects (ensuring basic protections, providing non-violent mechanisms of dispute resolution and establishing the legitimacy of the government). Building on previous Corporation support, New York University’s Center on International Cooperation (CIC) proposes a new phase of its work based on the premise that it is not only important to ensure a more focused and responsible approach to rule of law development, but that diplomats, senior UN representatives in the field and senior development and security experts also understand the political nature of strengthening the rule of law, and its broader implications.

THE NIXON CENTER, *Washington, DC*

AS A FINAL GRANT TOWARD RESEARCH, OUTREACH AND INTERNATIONAL ENGAGEMENT ON THE COMPETING INTERESTS OF THE UNITED STATES AND ASIA IN THE GREATER MIDDLE EAST. 24 MONTHS, \$350,000.

As the United States ponders its future role and presence in the Middle East, its relationship with China, India and Japan will have far-reaching implications. A research project of the Nixon Center (the Center) has been studying the need for the United States to redefine its engagement with the Middle East and Asia based on the interconnectedness of security and commerce. Now about to enter a third phase, the project will continue to examine ways in which the United States can expand and strengthen its engagement with the key countries in the greater Middle East and Asia. It will hold a final series of international working meetings and convene a culminating workshop in Washington, D.C. to present its findings and recommendations, with a focus on practical policy recommendations for cooperation between the U.S. and regional players.

NUCLEAR THREAT INITIATIVE, INC., *Washington, DC*

TOWARD SUPPORT. 24 MONTHS, \$1,000,000.

Building on ideas set forth in two *Wall Street Journal* op eds in January 2007 and January 2008 by Secretaries of State George Shultz and Henry Kissinger, former Defense Secretary Bill Perry and former Senator Sam Nunn, the Nuclear Threat Initiative’s (NTI’s) Nuclear Security Project links the vision of a world free of nuclear weapons with a detailed description of the steps that can be taken immediately to reduce nuclear dangers. NTI’s vision, as well as its recommended steps, have been adopted by the Obama administration, as reflected in President Obama’s Prague speech in April 2009 and in recent progress on the arms control agenda. Additional Corporation funding would allow NTI to provide both substantive and logistical support for the project principals, and manage its implementation in cooperation with the Hoover Institution.

PRINCETON UNIVERSITY, *Princeton, NJ*

FOR AN ANALYSIS OF POST-CONFLICT AFGHANISTAN AND ITS FUTURE. 24 MONTHS, \$295,400.

Building upon its previous Corporation-supported work, the next phase of Princeton University’s Lichtenstein Institute for Self-Determination’s project on Afghanistan will focus on analysis and creation of best practices to create stability in Afghanistan and facilitate Afghan buy-in, empowerment and civilian capacity building as the country prepares for and adapts to the anticipated drawdown of

U.S. and international military forces beginning in 2011. The start of the project period will coincide with the peak of the U.S. troop surge in Afghanistan, and the project period will end as implementation of the recently announced Obama administration's exit strategy from Afghanistan is underway. As it has previously, the project will convene high-level international policymakers and experts, and produce policy relevant reports and briefing papers.

STANFORD UNIVERSITY, *Stanford, CA*

TOWARD RESEARCH AND TRAINING IN INTERNATIONAL SECURITY. 24 MONTHS, \$750,000.

Since its establishment in 1983, Stanford University's Center for International Security and Cooperation (CISAC) has applied multidisciplinary scholarship to issues of arms control, nonproliferation, nuclear strategy and nuclear weapons policy from both national and international perspectives. Its mission is to produce policy-relevant scholarship, train new generations of security specialists, increase public understanding, provide policy advice and engage in Track II diplomacy. Many individuals and organizations are contributing to reducing nuclear risk, but few are able to contribute to that mission more than the CISAC team, which includes former Secretary of Defense William Perry, former head of Los Alamos National Laboratory Sigfried Hecker and Scott Sagan, a political scientist who (with Hecker) codirects CISAC.

HENRY L. STIMSON CENTER, *Washington, DC*

TOWARD A PROJECT ON ENHANCING PUBLIC SECURITY AND THE RULE OF LAW IN POST-CONFLICT STATES AT RISK. 12 MONTHS, \$175,000.

Ten years after the Brahimi Report (a major UN analysis of peace operations reform), the peacekeeping/peace-building world is in crisis because of political decisions—in the UN Security Council, in particular—to undertake difficult and dangerous missions in places where conflicts were not fully resolved, such as Côte d'Ivoire and Sudan. A host of related challenges confronting the UN are at the core of the Henry L. Stimson Center's Future of Peace Operations program (FOPO). With Corporation funding that supported its work at a critical time, FOPO's research and outreach programming have highlighted what the international community could and should do to support recovery of governance and sustainable post-conflict rule of law. Additional support would allow FOPO to continue its work for the UN on the rule of law and security institutions and related issues.

STOCKHOLM INTERNATIONAL PEACE RESEARCH INSTITUTE (SIPRI), *Solna, SWEDEN*

TOWARD ANALYSIS ON THE TRANS-ATLANTIC DIMENSION OF THE NEXT ROUND OF ARMS REDUCTION NEGOTIATIONS WITH RUSSIA. 24 MONTHS, \$250,000.

For many years, SIPRI has played a unique and influential role in the trans-Atlantic security debate. Based in Stockholm, SIPRI is among the strongest European voices on arms control and disarmament, and its analytical work is highly regarded. This project will provide analysis on the future of arms reduction talks after the START treaty. Through working groups of Russian and European experts, SIPRI will: a) pinpoint potential obstacles to the next phase of nuclear arms reductions that may arise from Russian nuclear policies; and b) identify approaches to removing these obstacles. A key element in the next phase will be establishing broader, better-informed and forward-looking discussion on disarmament in Russia through an education and consensus-building campaign focused on policymakers, media and civil society.

TIDES CENTER, *San Francisco, CA*

TOWARD THE ReTHINK MEDIA PROJECT TO STRENGTHEN THE MEDIA CAPACITY OF SELECT NUCLEAR SECURITY GRANTEES. 24 MONTHS, \$220,000.

ReThink Media was founded, as a project of the Tides Center, in response to a 2007 assessment that surveyed seventy-one organizations in the field and found substantial gaps in media and communication capacity. Through this grant, ReThink will work with selected Corporation grantees to help them better articulate and build support for their policy recommendations. In addition to technical support and coaching in media skills, each organization will receive access to state-of-the-art tools that are typically available only to large organizations with a dedicated media shop: a dynamic journalist database and a specialized press tracking system. Finally, ReThink will work closely with polling organizations to synthesize the latest public opinion research and help Corporation grantees better frame and articulate their message.

TIDES FOUNDATION, *San Francisco, CA*

TOWARD CONNECT U.S. FUND'S EFFORTS TO BUILD TIES BETWEEN NGOS. 24 MONTHS, \$400,000.

The Connect U.S. Fund (Connect U.S.), housed at the Tides Foundation, works to strengthen collaboration and ensure that the sum of efforts to promote U.S. global engagement are greater than their parts. It does so by supporting more effective collaboration between organizations within and across issues. Surveys of the community indicate that one of the greatest barriers to effective collaboration is lack of knowledge about the activities and capacities of other organizations. Connect U.S. works to initiate, facilitate and sustain multi-organizational collaboration. Connect U.S. has a grant-making program to enable collaboration and a rapid response grant program to take advantage of unanticipated opportunities. Connect supplements its grantmaking with regular training and capacity-building workshops in communications and messaging.

US PUGWASH, *Washington, DC*

TOWARD MULTILATERAL DIALOGUE ON SECURITY ISSUES IN THE GREATER MIDDLE EAST. 24 MONTHS, \$320,000.

Over its more than fifty-year history, the Pugwash Conferences (Pugwash) has been facilitating Track II dialogues among parties in conflict around the world, especially where the presence of nuclear weapons magnifies the danger of nuclear war. The Pugwash Group in Iran is led by Saideh Lotfian, associate professor of political science at the faculty of law and political science at the University of Tehran, and Deputy Director of the Center for Middle East Strategic Studies in Tehran. With her help and that of her colleagues in Iran, Pugwash has established a strong relationship with senior levels of the Iranian policy community, resulting in several Pugwash organized and cosponsored meetings in Tehran and elsewhere since 2003. During the next two years, Pugwash plans to organize workshops and consultations on a range of Iran-related security issues bringing Iranians together with Americans, Europeans and others from the region.

Islam Initiative

FRIENDS OF THE BRITISH COUNCIL, USA, *Washington, DC*

TOWARD AN AMERICAN AND TRANSNATIONAL NETWORK AND PUBLIC EDUCATION CAMPAIGN ON MUSLIM RELATIONS, IDENTITY AND HISTORICAL COEXISTENCE. 24 MONTHS, \$500,000.

In 2008, the British Council launched an intellectual, media and educational program in the Euro-Mediterranean region. It examines European and Muslim histories that shape individual and collective identities today. Friends of the British Council, USA, will now support a transatlantic partnership to bridge this work to institutions, experts and audiences across the Atlantic for the first time. Using scholars networks, films, publications, Web tools and meetings, it aims to make academic research and historical complexity accessible to wider publics, to provide a broader and more accurate context and conceptualization of the issues. The project would mobilize scholars, institutions and public education partners around the central thrust of the Corporation's work in this field: the internal diversity and longstanding coexistence of faiths and cultures.

GEORGE WASHINGTON UNIVERSITY, *Washington, DC*

FOR A PROJECT BUILDING THE FIELD OF POLITICAL SCIENCE AND INTERNATIONAL RELATIONS OF THE BROADER MIDDLE EAST. 36 MONTHS, \$475,000.

The broader Middle East has been central to many significant issues of global politics, economics and national security over the past decade. Yet, Middle East specialists are underrepresented in the fields of political science and international relations. In the context of this array of pressing issues, the academic underrepresentation of Middle East specialists has exerted a negative effect on both public discourse and U.S. foreign policy, and limited the quality and scope of relevant research and public scholarship. Compounding this problem is the divide between the academic and policy realms in political science—a divide that falsely sets up these two realms as competing, rather than mutually reinforcing and interconnected. In response to these challenges, the Institute of Middle East Studies, housed at George Washington University's Elliott School of International Affairs, will spearhead a project to build the fields of political science and international relations of the broader Middle East, integrating regional expertise and linking scholarship with policy and outreach.

INSTITUTE FOR ADVANCED STUDY, *Princeton, NJ*

TOWARD COLLABORATIVE RESEARCH AND SEMINARS ON HISTORICAL AND SOCIAL DEVELOPMENTS INVOLVING ISLAM. 24 MONTHS, \$500,000.

The Institute for Advanced Study supports original, often collaborative, scholarship. The Schools of Historical Studies and Social Science are at present pursuing research important to understanding both the complexities of current and past Muslim societies and also manifestations of Muslim identity in Europe and Asia. This includes topics of secularism, past and present, and early Islamic thought and its connections to Europe. The Institute is seeking a two-year grant for activities that create, advance, share and disseminate knowledge in history and the social sciences through research, seminars, workshops and colloquia, lectures, and print and electronic publications.

NATIONAL ENDOWMENT FOR THE HUMANITIES, *Washington, DC*

TOWARD DISTRIBUTION OF BOOKS AND OTHER RESOURCES REFLECTING THE DIVERSITY OF MUSLIM CULTURES TO U.S. LIBRARIES. 36 MONTHS, \$1,200,000.

For the first time, the National Endowment for the Humanities (NEH) will consult with experts to develop a set of primary and secondary source books illuminating diverse cultures of Muslim societies, and distribute the books to 1,000 libraries that will offer them together with educational programming to the public. As a partner in the NEH Bookshelf program, which has distributed books and programming on American themes over the past decade, the American Library Association will liaise with publishers and libraries to facilitate library participation. Corporation funds will support expert and focus group consultations, book purchase and distribution, and Web platform and promotion.

OXFORD CENTRE FOR ISLAMIC STUDIES, *Oxford, UNITED KINGDOM*

AS A CHALLENGE GRANT TOWARD AN HISTORICAL ATLAS PROJECT. 24 MONTHS, \$300,000.

The Oxford Centre for Islamic Studies is compiling a comprehensive, multivolume *Historical Atlas of the Islamic World*. A first volume will track the diffusion of Muslim education, practice, sects and intellectual life through the Indian subcontinent.

Many years have been spent on archival research and the preparation of 136 maps and their accompanying charts and tables illuminating ten centuries of developments in the region of the world where Muslim populations and traditions are most plentiful. In order to ensure that this unprecedented piece of scholarship reaches completion and reaches its intended publics, the Corporation is making a challenge grant for the finishing costs of the project over a designated final two years. The Corporation's funds will principally support the on-staff researchers and visits by specialists to complete the volume.

Discretionary Grants

AMERICAN INSTITUTE OF IRANIAN STUDIES, *New York, NY United States*

18 MONTH GRANT OF \$25,000 TOWARD PUBLICATION OF A CONFERENCE VOLUME ON IRANIAN STUDIES IN AMERICA

AMERICAN SECURITY PROJECT, *Washington, DC*

5 MONTH GRANT OF \$50,000 FOR A COMPREHENSIVE STRATEGY FOR A BIPARTISAN NUCLEAR SECURITY CONSENSUS

UNIVERSITY OF CALIFORNIA, BERKELEY, *Berkeley, CA*

11 MONTH GRANT OF \$50,000 FOR PLANNING THE KERR INSTITUTE AFRICA PROGRAM, AN AFRICA-BASED HIGHER EDUCATION INSTITUTE

UNIVERSITY OF CALIFORNIA, SAN DIEGO, *La Jolla, CA*

12 MONTH GRANT OF \$50,000 FOR A SERIES OF NUCLEAR SECURITY BRIEFINGS TO GOVERNMENT AGENCIES BY THE INSTITUTE ON GLOBAL CONFLICT AND COOPERATION

HARVARD UNIVERSITY, *Cambridge, MA*

24 MONTH GRANT OF \$50,000 TOWARD ARCHIVING MATTHEW MESELSON'S HISTORICAL RECORD ON BIOLOGICAL WEAPONS NONPROLIFERATION

THE JEWISH THEOLOGICAL SEMINARY, *New York, NY*

12 MONTH GRANT OF \$30,000 TOWARD AN INTERFAITH ACADEMIC CONFERENCE

MERCY CORPS, *Portland, OR*

12 MONTH GRANT OF \$50,000 TOWARD TRACK II DIALOGUE WITH NORTH KOREA

NEW YORK UNIVERSITY, *New York, NY*

9 MONTH GRANT OF \$50,000 FOR PLANNING ACTIVITIES FOR A NEW PROJECT CONCERNING NUCLEAR POWER IN DEVELOPING COUNTRIES

NORWEGIAN INSTITUTE OF INTERNATIONAL AFFAIRS, *Oslo, NORWAY*

5 MONTH GRANT OF \$10,000 TOWARD A SEMINAR ON PEACEBUILDING

PLOUGHSHARES FUND, *San Francisco, CA*

10 MONTH GRANT OF \$10,000 FOR A SURVEY AND ANALYSIS OF FUNDING ON INTERNATIONAL PEACE AND SECURITY ISSUES

PRINCETON UNIVERSITY, *Princeton, NJ*

5 MONTH GRANT OF \$25,000 TOWARD A PROBABILISTIC ANALYSIS OF NUCLEAR TERRORISM

PROJECT ON NATIONAL SECURITY REFORM, *Arlington, VA*

10 MONTH GRANT OF \$50,000 FOR THREE ROUNDTABLES AND A CONFERENCE ON KEY LEGAL ISSUES OF NATIONAL SECURITY REFORM

SOCIAL SCIENCE RESEARCH COUNCIL, *Brooklyn, NY*

12 MONTH GRANT OF \$50,000 FOR PLANNING A PROGRAM TO SUPPORT EARLY-CAREER SOCIAL SCIENTISTS IN SELECTED AFRICAN COUNTRIES

SOCIAL SCIENCE RESEARCH COUNCIL, *Brooklyn, NY*

12 MONTH GRANT OF \$50,000 TOWARD A CONFERENCE OF SCHOLARS FROM THE UNITED STATES, EURASIA AND THE MIDDLE EAST

SOUTHERN AFRICA LEGAL SERVICES FOUNDATION, *Washington, DC*

12 MONTH GRANT OF \$25,000 TOWARD THE TRANSCRIPTION OF THE LEGAL RESOURCE CENTER'S HISTORY IN SOUTH AFRICA

STANFORD UNIVERSITY, *Stanford, CA*

12 MONTH GRANT OF \$25,000 TOWARD RESEARCH FOR A BOOK ON THE RISE OF NEW NUCLEAR THREATS SINCE THE END OF THE COLD WAR

VERIFICATION RESEARCH, TRAINING AND INFORMATION CENTRE, *London, UNITED KINGDOM*

8 MONTH GRANT OF \$48,600 TOWARD AN INDEPENDENT ASSESSMENT OF THE UK-NORWAY WARHEAD DISMANTLEMENT INITIATIVE

National Program

Generating systemic change throughout the kindergarten to college (K - 16) continuum, with particular emphasis on secondary and higher education, has continued to be the National Program's primary goal. Our aim has been to enable many more students, including historically underserved populations and immigrants, to achieve academic success and perform at the highest levels of creative, scientific and technical knowledge and skill. Three foundational levers of change drive the grantmaking through which we pursue these goals: Innovation—New Designs for Schools, Colleges and Education Systems; Strengthening Human Capital; and Building Knowledge and Affecting Policy. At the same time, we have worked to increase immigrant civic integration as the optimum means for attaining an increase in civic participation and a stronger U.S. democracy. Support was also given to build voter engagement and encourage historically disenfranchised populations to participate in the 2010 midterm elections.

Cross-Cutting

COMMITTEE FOR ECONOMIC DEVELOPMENT,
Washington, DC

AS A FINAL GRANT TOWARD SUPPORT.
12 MONTHS, \$750,000.

Transparency and accountability are the pillars upon which a democratic society sits. This is true not only for government but for other sectors of society, such as corporate and nonprofit organizations. Since the recession, the corporate community has particularly been under public scrutiny. As the country continues to weather a rocky economic climate, greater scrutiny will continue to be demanded of the business community, especially its use of corporate funds for political interests. With Corporation support, and in collaboration with Justice at Stake (JAS) and Public Campaign (PC), the Committee for Economic Development (CED) proposes a concerted three-pronged effort to consider new public policies, to influence public opinion, and to collaboratively mobilize resources to advocate and advance practical solutions in response to the recent Supreme Court ruling in *Citizens United v. Federal Election Commission*. In this partnership, CED and its partners will bring business leaders together to build a united front urging others not to increase their engagement in the corporate funding of elections.

EDITORIAL PROJECTS IN EDUCATION, INC., *Bethesda, MD*

FOR COVERAGE OF DISTRICT-LEVEL REFORM.
24 MONTHS, \$600,000.

Editorial Projects in Education (EPE), a nonprofit publishing company devoted to objective education journalism and research, proposes to publish news and feature stories in *Education Week* and *Education Week Online* that bring high-quality information and analysis about critical issues in public education to a professional and policymaker audience. *Education Week* is widely and highly regarded as the newspaper of record in American pre-collegiate education. EPE's aim is not only to gather, synthesize and analyze information and make it accessible in multiple forms of media to inform responsible policymaking at the state and federal levels. EPE, in particular, encourages discussion and debate on issues related to improving equity and excellence to strengthen the pathway for more students to succeed in secondary school and in post-secondary education.

THE STATE OF THE U.S.A., INC., *Washington, DC*

TOWARD DEVELOPING NATIONAL EDUCATIONAL INDICATORS.
24 MONTHS, \$500,000.

Founded to help the American people better assess for themselves the progress of the United States through quality measures and supporting statistical data, the State of the U.S.A. (SUSA) is a nonprofit, nonpartisan institution. Working in collaboration with the scientific and statistical communities to identify key national measures for more than a dozen topic areas, SUSA, with Corporation support, is helping deepen and broaden understanding

of the nation's standing and progress. With the proposed grant, SUSA will establish Key National Education Indicators for the country by using a wide range of respected data sources. Through the use of a vibrant and engaging Web site, these measures will help policymakers, business leaders, the media and the public assess the status and progress of American education for themselves.

Immigrant Civic Integration

CENTER FOR COMMUNITY CHANGE, *Washington, DC*

TOWARD ITS IMMIGRANT AND COMMUNITY VOTER ENGAGEMENT WORK. 24 MONTHS, \$1,000,000.

For more than forty years, the Center for Community Change (CCC) has worked to unite organizations across lines that have traditionally divided them—race, ethnicity, issue area, geography, gender, urban vs. rural and organizing approach—to help them find and pursue common ground. Since the late 1990s, CCC has worked to strengthen local and statewide immigrant organizations and equip them with the skills to participate in public policy activities. With renewed Corporation support, CCC will continue to advance its work with grassroots groups to help immigrants advocate for their needs and participate effectively in civic life.

THE EPIDAVROS PROJECT, INC., *New York, NY*

TOWARD OUTREACH AND PUBLIC EDUCATION IN CONNECTION WITH ITS DOCUMENTARY SERIES ON HOW THE FEDERAL LEGISLATIVE PROCESS WORKS. 12 MONTHS, \$150,000.

In an effort to educate the public about the history of the immigration reform movement and the process by which all policy is created, the Epidavros Project has produced a documentary series, *How Democracy Works*, following the many actors that have been involved in this debate since 2001. With Corporation support, Epidavros will launch a public education campaign using an interactive Web site, coordinated press events, and broad dissemination of the documentary, which is expected to be broadcast on HBO in March 2010. The goal is to contribute to the national conversation about immigration policy, civic engagement and democracy drawing from issues raised in the film.

FISCAL POLICY INSTITUTE, INC., *Albany, NY*

TOWARD RESEARCH ON THE IMPACT OF IMMIGRANTS ON THE U.S. ECONOMY. 24 MONTHS, \$200,000.

Founded in 1991, the Fiscal Policy Institute (FPI) is an independent, nonpartisan research and education organization committed to improving public policies to better the economic and social conditions of New Yorkers. With continued Corporation support, FPI will produce a major report, as well as a series of shorter reports, examining the relationship between immigrants and the economy in the recession. Utilizing a powerful media strategy, reports will be disseminated widely to the media, policymakers, and the public. The smaller reports will specifically be used to rapidly respond to questions and events that arise as debate over immigrants and the economy unfolds.

NATIONAL IMMIGRATION FORUM, INC., *Washington, DC*

TOWARD SUPPORT. 24 MONTHS, \$1,500,000.

Since its founding in 1982, the National Immigration Forum has pursued its mission of advocating for the value of immigrants and immigration to the country. The forum coordinates and implements policy analysis, advocacy and communications strategies that work toward fair and forward-looking legislative and administrative policy reform in the United States. Working across the political spectrum with stakeholders from faith, labor, African American, immigrant, non-immigrant and business communities, the forum represents a broad set of organizations involved in the immigration reform movement. With Corporation support, the forum will continue this work and rapidly respond to emerging needs in the field if federal immigration reform moves forward.

POLICE EXECUTIVE RESEARCH FORUM, *Washington, DC*

FOR PUBLIC EDUCATION AND OUTREACH ABOUT THE IMPACT OF IMMIGRATION POLICY ON LAW ENFORCEMENT. 12 MONTHS, \$250,000.

Much of the public policy debate about immigrants and immigration is now taking place at the state and local levels. One of the growing concerns emerging from these debates is whether local law enforcement should or should not enforce federal immigration laws in their localities. The Police Executive Research Forum is a national nonprofit organization of law enforcement chief executives from city, county and state agencies who collectively serve more than half of the country's population. Acknowledging the importance and wide impact of immigration on local law enforcement, it will document the challenges local communities face in response to height-

ened pressure on them to enforce federal immigration laws. By providing documentation and hard evidence, the Police Executive Research Forum will provide policy-makers and the larger public with balanced information about the consequences of the laws they enact.

PUBLIC INTEREST PROJECTS, *New York, NY*

TOWARD THE FOUR FREEDOMS FUND'S IMMIGRANT INTEGRATION ACTIVITIES. 12 MONTHS, \$6,000,000.

Throughout its history, the United States has been renewed by immigrants. The country faces a demographic imperative to support effective integration of immigrants. Much of this work is taking place at the local and state level, often within communities and regions, such as the South, that are charged with integrating newcomers for the first time. As states grapple with increasingly diverse populations, especially in new destination communities and in this economy, there is a need to build the capacity of the field so that nonprofit organizations across the nation can help with integration and educate different constituencies about the roles and responsibilities of being full and active citizens. Established in 2003 by the Corporation and other donors, the Four Freedoms Fund (FFF) is a funder collaborative housed at Public Interest Projects. It focuses on building immigrant integration capacity at the state and local levels, focusing on strengthening the communications, civic and management skills of immigrant-serving organizations.

PUBLIC INTEREST PROJECTS, *New York, NY*

TOWARD SUPPLEMENTING THE FOUR FREEDOMS FUND'S IMMIGRANT INTEGRATION ACTIVITIES, ESPECIALLY IN THE AREA OF STRATEGIC COMMUNICATIONS. 6 MONTHS, \$250,000.

As the daily headlines indicate, immigration is very much in the news as the nation debates a need to reform the federal immigration laws. While much of the focus is on the federal government, state and local officials are also playing a major role in shaping the country's immigration policy. With Corporation support, the Four Freedoms Fund (FFF), a donor collaborative housed at Public Interest Projects, supports immigrant-serving coalitions at the state level, especially for activities related to policy advocacy, civic engagement, strategic communications and field building. The Corporation provides an annual grant to the Four Freedoms Fund, usually approved at the December board. Given new demands on the Four Freedoms Fund, and to be responsive at the state and local level, an additional grant of \$250,000 is recommended to supplement support for strategic communications.

New Designs for Education Systems

ACHIEVE, INC., *Washington, DC*

FOR DEVELOPING THE NEXT GENERATION OF SCIENCE STANDARDS. 24 MONTHS, \$2,163,300.

The National Academies, through its Board on Science Education, has developed a framework based on disciplinary and cross-disciplinary core ideas to guide the development of new K-12 science standards. The project is led by the National Research Council's appointed committee experts. Funds for this project phase support a work plan for public input to broaden the number of stakeholders. Meetings will be convened in key national geographic areas around the country and will include the science education community and leaders throughout the country.

CARNEGIE CORPORATION OF NEW YORK, *New York, NY*

FOR SUPPORT OF THE CARNEGIE ADVISORY COUNCIL ON ADVANCING ADOLESCENT LITERACY. 12 MONTHS, \$200,000.

EDUCATION RESOURCE STRATEGIES, INC., *Watertown, MA*

FOR DEVELOPMENT AND DISSEMINATION OF KNOWLEDGE PRODUCTS. 36 MONTHS, \$1,500,000.

The current economic crisis creates both the opportunity and the imperative for districts to make the difficult changes required in resource allocation to improve student learning across systems of schools. Urban districts nationwide continue to struggle with unprecedented budget deficits. Education Resource Strategies works directly with mid and large urban school districts to find more efficient ways to spend money while transforming the district organization and cost structure to free resources to invest in new school designs, including STEM and small schools, which take advantage of technological and other advances in the field. The work supported by this renewal would allow Educational Resource Strategies to build on the work launched by Carnegie grant B8574, a one year effort to scale ERS's knowledge and dissemination strategy and to quickly develop and distribute a set of tools and resources for district leaders.

FSG, Inc., *San Francisco, CA*

TOWARD AN ASSESSMENT OF NATIONAL NEED FOR AND SUPPLY OF SCHOOL MODELS THAT CAN BE USED TO TRANSFORM THE COUNTRY'S LOWEST PERFORMING SCHOOLS INTO HIGH PERFORMING SCHOOLS FOR ALL STUDENTS. 12 MONTHS, \$150,000.

The Obama administration has charged the philanthropic and public sector to work together in turning around our nation's lowest performing schools. FSG plans to meet this need by conducting a comprehensive assessment of the turnaround landscape and convene practitioners during a conference to prioritize exemplary strategies. The assessment will help coordinate efforts and make sure that pathways to successful scaling are linked to best practices. Research will include identifying and interviewing key stakeholders and highlighting new trends affecting turnaround work as they emerge.

GATEWAY TO COLLEGE NATIONAL NETWORK, *Portland, OR*

TOWARD A PROJECT TO TRANSFORM TRADITIONAL APPROACHES TO DEVELOPMENTAL EDUCATION FOR UNDERSERVED YOUTH. 36 MONTHS, \$987,000.

High school dropouts face significant and unique challenges in attempting to reenter the school system, from significant needs for remediation to school systems that lack capacity to reabsorb them while providing developmental education approaches that effectively bring their knowledge and skills up to grade level. Gateway to College is a model designed to provide high school dropouts, aged 16 to 21, with the opportunity to reconnect with their education, graduate with a high school diploma, and earn college credit. In the coming three years, Gateway will shift its focus from college access to college completion. The proposed project will advance four strategic components: expanding its network of partner colleges and school districts; adapting the Gateway model to drive change across developmental education; strengthening data tracking and evaluation components of the model; and building its capacity for growth and expansion.

HAMILTON COLLEGE, *Clinton, NY*

TOWARD CAPACITY BUILDING FOR A HIGHER EDUCATION ALLIANCE FOR STUDENT LEARNING AND ACCOUNTABILITY. 24 MONTHS, \$1,300,000.

Saying that a robust and productive higher education sector is crucial to the continuing vitality of America's democracy and economy is now a truism. Widespread acceptance of it has increased public demand that higher education should produce more and better prepared

graduates, and show evidence of it. In response, the New Leadership Alliance for Student Learning and Accountability, spearheaded by leaders in higher education, is acting in three ways to mobilize the sector to respond: by articulating shared expectations and norms for assessing student learning and being publicly accountable for the results, by championing standardized mechanisms for that assessment, and by conveying the norms and practices widely to constituents within and outside of higher education. The Corporation will support capacity building for the Alliance.

MASSACHUSETTS 2020 FOUNDATION, INC., *Boston, MA*

TOWARD A PROJECT TO CREATE AND PILOT AN EXPANDED LEARNING TIME SCHOOL TURNAROUND MODEL. 18 MONTHS, \$750,000.

American education leaders, galvanized by the seemingly intractable achievement gap, and increasingly aware of America's deteriorating international position, are looking for solutions that will dramatically improve student achievement. Massachusetts 2020 Foundation (DBA National Center on Time and Learning, or NCTL) is an organization that provides research, policy and technical support to public schools as they redesign and expand learning time to improve student achievement. After successfully pioneering a first-in-the-nation initiative in Massachusetts three years ago to convert standard district schools to an expanded academic calendar design, NCTL has collaborated with federal and state leaders to expand the initiative nationally. With a focus on transformation in middle schools, NCTL will create an expanded learning time-centric school turnaround model and become a leader in the turnaround field, and a national clearinghouse for expanded time best practices.

MDRC, *New York, NY*

FOR THE DESIGN AND DEVELOPMENT OF A MULTI-CAMPUS STUDY OF PROMISING PROGRAMS IN COLLEGE-LEVEL DEVELOPMENTAL ENGLISH AND MATHEMATICS. 18 MONTHS, \$185,000.

Community colleges are the most common entry point to college for low-income, first-generation students and students of color, yet despite students' stated intentions of earning a degree, almost half drop out and do not return to any college after six years. A major factor in this low success rate is the design and quality of the transitional courses (called developmental or remedial) many entering college students must take to thrive in college. MDRC, which develops and evaluates programs and policies that improve the lives of low-income people, seeks to help

change how transitional courses are taught and thereby significantly improve student learning. With Corporation support, staff will review research, consult widely and visit colleges to design a study of programs with promise for demonstrated effectiveness and widespread adoption.

NEWSCHOOLS VENTURE FUND, *San Francisco, CA*

TOWARD SUPPORT. 24 MONTHS, \$5,000,000.

The Obama administration has launched the largest federal education-reform strategy in decades, with the goal of significantly improved outcomes for all students. Yet what has become evident is the dearth of innovative organizations and models that can address the most difficult challenges, including new designs for failing schools and human-capital systems that effectively select, develop, and retain talent. NewSchools Venture Fund (NSVF), a pioneer of venture philanthropy in education, aims to fill this gap by seeding, identifying and supporting promising education entrepreneurs, thereby expanding high-quality educational opportunities for underserved students and catalyzing systemic change. This grant will support NSVF's Fund IV, or Innovation Fund, which builds on its previous funds and focuses on three core leverage points: people, tools, and schools.

NEW TECHNOLOGY NETWORK, *Cincinnati, OH*

TOWARD NATIONAL EXPANSION OF A NETWORK OF HIGH SCHOOLS AND ORGANIZATIONAL CAPACITY BUILDING TO SUPPORT EXPANSION. 24 MONTHS, \$2,027,000.

Globalization and an increasingly international labor market are redefining the skills and knowledge today's students need to acquire to be successful in tomorrow's labor market. In response, the nation's schools are facing a great demand to bring many more students to college readiness and post-secondary success. Schools and school systems must evolve their instructional practices, with particular promise for engaging under-prepared adolescents, and technology can be a critical tool for this. The New Tech Network supports a school model in 40 high schools across 9 states, serving a majority of low-income students and students of color, with promising results in academic achievement. Facing significant increases in demands for its model, New Tech Network will build its organizational infrastructure and improve its core high school design model to both expand and strengthen its education delivery in the coming two years.

OUR PIECE OF THE PIE, INC., *Hartford, CT*

FOR A PROJECT TO DEVELOP AND IMPLEMENT A RECUPERATIVE EDUCATION STRATEGY FOR DISCONNECTED YOUTH. 36 MONTHS, \$1,305,400.

Hartford presents a compelling microcosm of the national challenge to bring larger populations of disconnected youth to much higher levels of achievement. With 16 high schools serving 5,884 students, Hartford reported a graduation rate last year of 36 percent, up from 29 percent the previous year. The stark nature of Hartford's statistics only emphasizes the need to develop and implement new school designs able to bring disconnected youth back into the system and then raise their levels of achievement to both high school graduation and college readiness. Our Piece of the Pie (OPP), an education reform organization operating in Hartford for 35 years, has formed a partnership with the State Commissioners of Education and Higher Education and with the superintendent of the Hartford Public Schools. In the coming three years, OPP will undertake activities to become a transfer school developer; establish itself as a leader in building a recuperative community of practice in CT through the transfer school model; and become a leader in advocating for policy conditions in support of recuperative education in CT.

U.S. EDUCATION DELIVERY INSTITUTE, *Washington, DC*

TOWARD SUPPORT. 24 MONTHS, \$2,500,000.

This is an important moment in American education, with bold ideas, large amounts of money on the table, and states and systems galvanized by the broadest federal education reform agenda in decades. The ambitious education reform agenda has given rise to a new innovation challenge: the change management and implementation process. The US Education Delivery Institute (USEDI) aims to adapt a successful public sector management approach to help education systems meet their reform targets and translate education reform ideas and policies into replicable and sustainable best practices. By partnering with states and systems to strengthen their capacity to deliver on reform goals and employing an innovative focus on implementation and delivery of results, the USEDI will fill a large gap in the education reform field.

URBAN ASSEMBLY, INC., *New York, NY*

TOWARD IMPLEMENTATION OF COLLEGE-READINESS PERFORMANCE SYSTEMS IN URBAN ASSEMBLY SCHOOLS. 24 MONTHS, \$180,000.

The Educational Policy Improvement Center (EPIC) is working with Urban Assembly schools to design the College-readiness Performance Assessment System (C-PAS) in order to track student progress in the acquisition of five cognitive strategies for sixth through twelfth graders. Urban Assembly schools are one of two implementation pilots; the other is a network of twenty-two Early College High Schools in California. The experience of the first year of the pilot indicated strong commitment on the part of both networks, but a far greater challenge in implementing the curriculum and teaching tools in the Urban Assembly schools that target students entering high schools significantly below grade level. The Urban Assembly is looking to support the implementation of the C-PAS assessment and school staff in the documentation and evaluation of C-PAS.

WESTED, *Oakland, CA*

FOR TRANSFORMATIVE ASSESSMENTS FOR SCIENCE. 12 MONTHS, \$368,800.

The Opportunity Equation: Transforming Mathematics and Science Education for Citizenship and the Global Economy called for fewer, clearer and higher science standards and major investments in high-quality assessments that can capture student learning of higher-order content and skills such as those tested in the Programme of International Student Assessment (PISA.) The National Assessment of Educational Progress (NAEP) Science Framework also called for the design and pilot testing of Interactive Computer Tasks (ICT) to test students' ability to engage in inquiry practices. WestEd, an educational research, development and service organization, has developed Sim Scientist, an integrated system, thinking multimedia tool that uses model-based reasoning and inquiry to help students learn complex science concepts. WestEd will design formative assessments for SimScientist for two life science systems.

Urban and Higher Education

THE ASPEN INSTITUTE, INC., *Washington, DC*

FOR THE CONGRESSIONAL PROGRAM ON EDUCATION. 12 MONTHS, \$580,000.

Congress plays a unique and critically important role in the development and generation of federal education policy. Yet, members of Congress have wide-ranging responsibilities and significant demands on time and attention beyond education. The Aspen Institute Congressional Program is an educational initiative designed to address the need for effective and efficient access to non partisan expertise in areas related to education policy. The Aspen Education Seminars will bring together leading members of Congress with scholars to discuss research and policy options for improving American public education.

BATTELLE FOR KIDS, *Columbus, OH*

FOR THE EXPANSION AND REFINEMENT OF A SYSTEM OF ASSESSMENT-BASED PROFESSIONAL DEVELOPMENT TO DRIVE STUDENT SUCCESS IN HIGH SCHOOLS. 18 MONTHS, \$650,000.

Value-added data can be a powerful tool to drive student learning in high-need schools. The translation of such data into actionable classroom strategies, however, is the most impactful component of data-driven reform. Battelle for Kids' 2009 pilot paired Gates-funded value-added data with intensive formative-assessment training and support in four Ohio high schools, resulting in students achieving almost twice the gains on college-readiness exams as comparable schools. With this grant, Battelle will distill what was essential in the pilot and test a pared-down model in an expanded group of 14 schools, with the aim of building scalability while maintaining quality. If successful, this would position Battelle to develop a potentially breakthrough model for supporting broader networks of high schools in using data to improve teacher practice and student outcomes.

CARNEGIE CORPORATION OF NEW YORK, *New York, NY*

FOR ADVANCING THE RECOMMENDATIONS OF THE OPPORTUNITY EQUATION: TRANSFORMING MATHEMATICS AND SCIENCE EDUCATION FOR CITIZENSHIP AND THE GLOBAL ECONOMY. 12 MONTHS, \$10,000,000.

COMPLETE COLLEGE AMERICA, *Washington, DC*

TOWARD CAPACITY BUILDING FOR A NATIONAL CONSORTIUM FOR COLLEGE COMPLETION. 24 MONTHS, \$500,000.

More students than ever go to college, but proportionally fewer graduate today than did 40 years ago. We should view the available evidence about this situation cautiously, but rough estimates suggest that at least half of the 1.2 million students who enter four-year colleges each year do not graduate. Those entering two-year colleges are even less likely to do so. At a time when arguments abound for doubling the numbers of college graduates to ensure a vital democracy and a competitive economy, President Obama has made college completion a centerpiece of his domestic agenda. The new organization, the National Consortium for College Completion, is capitalizing on the serious attention this challenge is now receiving across the nation by focusing on state policy solutions that can materially advance the ambitious goal of doubling the numbers of college graduates in the coming decades.

HARVARD UNIVERSITY, *Cambridge, MA*

TOWARD AN EVALUATION OF D.C. PUBLIC SCHOOLS' HUMAN-CAPITAL PRACTICES AS MEASURED BY THEIR EFFECTS ON TEACHER EFFECTIVENESS AND STUDENT ACHIEVEMENT. 36 MONTHS, \$752,000.

Under the leadership of Chancellor Michelle Rhee, the Washington, D.C., public-school system has become a hotbed of reform. At the core of Rhee's turnaround strategy is improving teacher quality by selecting and supporting effective teachers while cycling out those who consistently underperform. Toward that end, Rhee has launched three human-capital initiatives: 1) developing IMPACT, a data-driven teacher evaluation system, 2) identifying more effective ways of selecting new teachers, and 3) engaging in teacher contract negotiations. With this grant, Harvard University's Education Innovation Laboratory (EdLabs), led by Dr. Roland Fryer, will assess to what extent these initiatives are advancing teacher effectiveness and student learning, shedding light on promising human-capital strategies for districts and schools nationwide.

NATIONAL COUNCIL ON TEACHER QUALITY, *Washington, DC*

TOWARD SUPPORT. 24 MONTHS, \$850,000.

Although it has been proven that improving teacher quality is critical to closing the achievement gap, significant policy barriers at the district, state and federal levels have long stood in the way of meaningful reform. Yet

recent changes, especially in the federal administration's focus on strengthening human capital in our highest-need schools, have shifted the playing field. The National Council on Teacher Quality (NCTQ), a nonpartisan research and advocacy group, will build on this momentum by expanding its action-oriented research and policy work to focus on state policies, district-union contracts and education schools. Key products include a state-by-state yearbook that grades each state on its teacher policies and a review of all 1,400 education schools.

NATIONAL GOVERNORS' ASSOCIATION CENTER FOR BEST PRACTICES, *Washington, DC*

TOWARD AN ACTION AGENDA TO IMPROVE SCIENCE, TECHNOLOGY, ENGINEERING AND MATH (STEM) EDUCATION. 24 MONTHS, \$635,200.

The National Governors' Association Center for Best Practices (NGA) serves the nation's governors to provide research, development and technical assistance and share best practices by serving as an information clearinghouse on gubernatorial initiatives. As part of our continuing mobilization of science, technology, engineering and mathematics (STEM) through *The Opportunity Equation*, NGA will create a National STEM Advisory Committee, and convene a meeting to launch a state STEM agenda. In addition, NGA will collaborate with organizations already working to build the next generation of science standards, which include the National Academy of Science and Achieve, Inc.

NATIONAL MATH AND SCIENCE INITIATIVE, *Dallas, TX*

TOWARD THE REFINEMENT AND TARGETED EXPANSION OF UTEACH, AN INNOVATIVE MODEL FOR PREPARING MATH AND SCIENCE TEACHERS. 24 MONTHS, \$1,500,000.

Recent estimates project a nationwide shortfall of more than 280,000 math and science teachers by 2015, a shortfall which will most severely affect our highest-need students. The National Math and Science Initiative (NMSI) is working to address this need by expanding UTeach, a teacher-preparation program founded at the University of Texas at Austin that enables undergraduates to obtain a secondary teaching certification while earning a science, technology, engineering or mathematics (STEM) degree. This grant will support a two-year effort to significantly improve the UTeach model through a continuous, data-driven feedback cycle that includes robust links to student achievement and a clearer focus on serving high-need students and schools.

THE NEW TEACHER PROJECT, INC., *Brooklyn, NY*

TOWARD SUPPORT. 18 MONTHS, \$3,000,000.

Systems that differentiate, reward and develop effective teachers and dismiss ineffective ones are virtually nonexistent. As the need for such systems becomes clearer, The New Teacher Project (TNTP) has emerged as a leading agent for change, identifying, advocating and, now, moving to implement needed reforms. Building on its experience in recruiting or training approximately 37,000 highly qualified teachers in 31 states while conducting cutting-edge research and advocacy around strengthening human-capital systems, TNTP is perfectly positioned to move an ambitious agenda that aligns with Carnegie's strategy and the vision of the U.S. Department of Education. This grant builds on our support by enabling TNTP to create, refine and implement systems for managing teacher talent and for guaranteeing the effectiveness of the teachers it certifies.

UNCOMMON SCHOOLS, *New York, NY*

FOR STRENGTHENING AND IMPLEMENTING TOOLS TO IDENTIFY AND DISSEMINATE BEST PRACTICES TO IMPROVE STUDENT ACHIEVEMENT. 24 MONTHS, \$1,000,000.

While studies show that teacher quality is a key determinant of student learning, mounting evidence makes clear that our current model of teacher training is ill-equipped to meet 21st century challenges. Teachers, especially those in high-need schools, are rarely taught to approach instruction as a data-based clinical practice focused on student outcomes. In an effort to elevate instructional quality across its network of high-performing schools, Uncommon Schools has developed a taxonomy of best practices as an integral tool for teacher improvement and increased student achievement. With the grant, Uncommon will build on its year of piloting the taxonomy by developing content-specific tools, more broadly and deeply implementing them in order to distill what works and exploring how the taxonomy can be a catalyst for school-wide improvement.

Strengthening Democracy

CENTER FOR PUBLIC INTEREST RESEARCH, INC.,
Boston, MA

TOWARD THE NEW VOTERS PROJECT, AN INITIATIVE TO PROMOTE YOUTH CIVIC ENGAGEMENT, ESPECIALLY AT COMMUNITY COLLEGES. 24 MONTHS, \$275,000.

Voter engagement campaigns typically focus on four-year colleges, skewing disproportionately toward engaging white students. Students at community colleges are far less engaged in civic organizations and activities than those at four-year colleges. Student PIRGs, groups of independent statewide student organizations that focus on a broad spectrum of policy issues, aim to engage community college students in efforts to promote the public interest and, in the process, create a more civically aware and active student population. With Corporation support, Student PIRGs will expand its current community college voter engagement project from ten campuses in ten cities to twenty-two campuses in sixteen cities.

LEAGUE OF WOMEN VOTERS EDUCATION FUND,
Washington, DC

TOWARD A COMPREHENSIVE NONPARTISAN ELECTIONS WEB SITE AND ITS PILOT HIGH SCHOOL VOTER REGISTRATION PROJECT. 18 MONTHS, \$200,000.

The 2008 elections catalyzed youth and other low-propensity voters. Looking forward, it is important for nonpartisan civic engagement organizations to capitalize on this surge, especially by encouraging new voters to stay engaged civically and to form the habit of voting. With this in mind, the League of Women Voters Education Fund (LWVEF) is continuing to provide public access to its Web site (www.vote411.org), which provides comprehensive, state-specific information on deadlines, qualifications, requirements and other facts about the election process, including an individual's polling place location. In addition, Corporation funds will complete support for a pilot voter registration and education program that targets high schools with significant populations of minority and low-income students.

PUBLIC INTEREST PROJECTS, *New York, NY*

TOWARD ESTABLISHMENT OF A COLLABORATIVE FUND TO ENCOURAGE NONPARTISAN VOTER ENGAGEMENT IN THE STATES. 12 MONTHS, \$1,000,000.

Establishing a citizenry that is habitually engaged in civic activity requires an ongoing investment in local and state-based Get-Out-The-Vote (GOTV) efforts; strengthened and aligned strategic communications and media outreach strategies to educate voters about candidates and issues; increased use of tools that build capacity for voter mobilization and facilitate coordination between nonpartisan civic/voter engagement groups; and coordinated national and local civic engagement funding. The State Infrastructure Fund (the fund), housed at Public Interest Projects (PIP), has been established to further these activities. As a donor collaborative, the fund will provide an accountable mechanism for the Corporation and other national foundations to channel their funding to local and state-based organizations doing nonpartisan voter education and mobilization work in 2010 and beyond.

ROCK THE VOTE, *Washington, DC*

TOWARD SUPPORT. 24 MONTHS, \$500,000.

Since its founding nineteen years ago, Rock the Vote (RTV) has worked to engage and empower the country's youth in the political process. By bringing together young voters with bipartisan politicians on the campaign trail, RTV has rekindled youth interest in civic life. Through extensive voter registration efforts and get-out-the-vote (GOTV) campaigns, RTV has drawn attention to the civic power of young voters, something that has not gone unnoticed by elected officials. With renewed support, RTV will build on its success in 2008 of registering more than 2.25 million new voters and will increase its efforts to draw more youth, especially from Latino, African American and low-income groups, into the democratic process and to encourage the habit of voting.

Discretionary Grants

THE ACHIEVEMENT NETWORK, *Boston, MA*

7 MONTH GRANT OF \$50,000 FOR THE PROVISION OF FINANCIAL INCENTIVES FOR HIGHLY EFFECTIVE TEACHERS TO DISSEMINATE THEIR CURRICULA AND PRACTICES VIA A TECHNOLOGY PLATFORM

THE ACHIEVEMENT NETWORK, *Boston, MA*

24 MONTH GRANT OF \$250,000 TOWARD THE EXPANSION AND CODIFICATION OF A DATA-DRIVEN INQUIRY SYSTEM TO IMPROVE INSTRUCTION AND INCREASE STUDENT ACHIEVEMENT IN ITS NETWORK OF SCHOOLS

ADVOCATES FOR CHILDREN OF NEW YORK, *New York, NY*

7 MONTH GRANT OF \$50,000 TOWARD SUSTAINING AND REPLICATING A WEB SITE AVAILABLE TO NEW YORK CITY PARENTS TO NAVIGATE CHOICE WITHIN THE LARGEST SCHOOL SYSTEM IN THE NATION

AMERICA'S PROMISE—THE ALLIANCE FOR YOUTH, *Washington, DC*

12 MONTH GRANT OF \$50,000 FOR DEVELOPMENT OF A STRATEGIC PLAN

AMERICAN COUNCIL ON EDUCATION, *Washington, DC*

15 MONTH GRANT OF \$50,000 FOR MEETINGS TO ENGAGE THE HIGHER EDUCATION COMMUNITY IN CONTRIBUTING TO ALIGNING STANDARDS LINKED TO NATIONAL AND INTERNATIONAL BENCHMARKS IN ENGLISH LANGUAGE ARTS AND MATHEMATICS

ASHOKA, *Arlington, VA*

3 MONTH GRANT OF \$49,800 FOR THE EXPLORATION AND MAPPING OF STRATEGIES FOR TAPPING NON-TRADITIONAL COMMUNITY PARTNERS TO ADVANCE SCIENCE, TECHNOLOGY, ENGINEERING AND MATH (STEM) EXCELLENCE IN PUBLIC SCHOOLS

THE ASPEN INSTITUTE, Inc., *Washington, DC*

3 MONTH GRANT OF \$50,000 FOR THE CONGRESSIONAL PROGRAM ON EDUCATION

THE UNIVERSITY OF BRITISH COLUMBIA, *Vancouver, BC, CANADA*

12 MONTH GRANT OF \$48,500 TOWARD A WORKSHOP ON TRANSFORMATIVE EVIDENCE-BASED IMPROVEMENTS TO TEACHING AND LEARNING IN THE SCIENCE, TECHNOLOGY, ENGINEERING AND MATH (STEM) DISCIPLINES IN COLLEGES AND UNIVERSITIES

CARNEGIE FOUNDATION FOR THE ADVANCEMENT OF TEACHING, *Stanford, CA*

24 MONTH GRANT OF \$2,500,000 TOWARD A PROJECT TO REDESIGN DEVELOPMENTAL EDUCATION BY CREATING AN INTEGRATED PATHWAY TO AND THROUGH STATISTICS

CATO INSTITUTE, *Washington, DC*

10 MONTH GRANT OF \$50,000 TOWARD PUBLIC EDUCATION ON FEDERAL IMMIGRATION REFORM

CENTER FOR CIVIC RESPONSIBILITY, *Metuchen, NJ*

12 MONTH GRANT OF \$25,000 TOWARD A PROJECT THAT AIMS TO REACH NEW CITIZENS AND ENCOURAGE THEIR INVOLVEMENT IN UNELECTED PUBLIC SERVICE

CENTER FOR INVESTIGATIVE REPORTING, Inc., *Berkeley, CA*

12 MONTH GRANT OF \$50,000 TOWARD A REPORTING PROJECT ON IMMIGRATION COURTS

CHANGE THE EQUATION, *Washington, DC*

12 MONTH GRANT OF \$600,000 FOR ADVANCING THE RECOMMENDATIONS OF THE OPPORTUNITY EQUATION: TRANSFORMING MATHEMATICS AND SCIENCE EDUCATION FOR CITIZENSHIP AND THE GLOBAL ECONOMY

THE COMMUNITY FOUNDATION FOR THE NATIONAL CAPITAL REGION, *Washington, DC*

8 MONTH GRANT OF \$50,000 TOWARD THE YOUTH TRANSITION FUNDERS GROUP, A NATIONAL NETWORK OF GRANTMAKERS COMMITTED TO HELPING YOUNG PEOPLE SUCCESSFULLY TRANSITION TO ADULTHOOD

COMMUNITY INITIATIVES, *San Francisco, CA*

12 MONTH GRANT OF \$50,000 TOWARD BETTER UNDERSTANDING OF IMMIGRANT INTEGRATION THROUGH PUBLIC EDUCATION AND OUTREACH AROUND PROMOTION OF A DOCUMENTARY ON SHELBYVILLE, TENNESSEE

CRISTO REY NETWORK, *Chicago, IL*

6 MONTH GRANT OF \$40,000 FOR A PROJECT TO DEVELOP A SCHOOL NETWORK SUSTAINABILITY STRATEGY

FAITH IN PUBLIC LIFE, INC., *Washington, DC*

3 MONTH GRANT OF \$40,000 TOWARD A PROJECT ON RELIGIOSITY IN PUBLIC LIFE

THE FUND FOR PUBLIC SCHOOLS, INC., *New York, NY*

24 MONTH GRANT OF \$500,000 FOR SCHOOL OF ONE, AN ADAPTIVE TECHNOLOGY PLATFORM FOR PERSONALIZED CLASSROOM INSTRUCTION

GEORGETOWN UNIVERSITY, *Washington, DC*

24 MONTH GRANT OF \$49,800 TOWARD A STUDY ON UNDOCUMENTED MIGRANT CHILDREN

GRANTMAKERS FOR EDUCATION, *Portland, OR*

5 MONTH GRANT OF \$25,000 TOWARD THE 2010 ENGLISH-LANGUAGE LEARNER MEMBER BRIEFING

GRANTMAKERS FOR EFFECTIVE ORGANIZATIONS, *Washington, DC*

11 MONTH GRANT OF \$50,000 TOWARD SUPPORT OF CAPACITY BUILDING EFFORTS FOR INNOVATION IN THE EDUCATION PHILANTHROPY SECTOR

HARVARD UNIVERSITY, *Cambridge, MA*

12 MONTH GRANT OF \$25,000 TOWARD A PROJECT ON COMMUNITY ORGANIZING AND SCHOOL REFORM

IDEA PUBLIC SCHOOLS, *Weslaco, TX*

48 MONTH GRANT OF \$350,000 TOWARD THE DESIGN AND IMPLEMENTATION OF A DISTRICT-WIDE TALENT STRATEGY AND DEVELOPMENT PIPELINE FOR TEACHERS AND SCHOOL LEADERS

INFORMATION TECHNOLOGY AND INNOVATION FOUNDATION, *Washington, DC*

7 MONTH GRANT OF \$300,000 FOR A PLANNING PROJECT TO ESTABLISH A NEW ORGANIZATION TO PROMOTE CORPORATE ENGAGEMENT IN STEM EDUCATION

INSTITUTE FOR ADVANCED STUDY, *Princeton, NJ*

24 MONTH GRANT OF \$2,000,000 FOR IMPLEMENTATION OF THE OPPORTUNITY EQUATION REPORT'S RECOMMENDATIONS FOR IMPROVING MATHEMATICS AND SCIENCE EDUCATION

ITHAKA HARBORS, INC., *New York, NY*

24 MONTH GRANT OF \$125,000 FOR A STUDY INVESTIGATING THE USE OF AN ONLINE STATISTICS COURSE AT PUBLIC UNIVERSITIES

KOAHNIC BROADCAST CORPORATION, *Anchorage, AK*

12 MONTH GRANT OF \$25,000 FOR PRODUCING AND EVALUATING A NONPARTISAN NATIVE AMERICAN VOTER ENGAGEMENT RADIO CAMPAIGN

THE REGENTS OF THE UNIVERSITY OF MICHIGAN, *Ann Arbor, MI*

12 MONTH GRANT OF \$50,000 TOWARD A PROJECT ON IMMIGRATION AND HIGHER EDUCATION ACCESS

NATIONAL ACADEMY OF SCIENCES, *Washington, DC*

26 MONTH GRANT OF \$2,082,700 FOR DEVELOPING THE NEXT GENERATION OF SCIENCE STANDARDS

NATIONAL ACADEMY OF SCIENCES, *Washington, DC*

12 MONTH GRANT OF \$80,000 FOR DEVELOPING THE NEXT GENERATION OF SCIENCE STANDARDS

NATIONAL CONFERENCE OF STATE LEGISLATURES, *Denver, CO*

6 MONTH GRANT OF \$50,000 FOR PUBLIC EDUCATION FOR STATE LEGISLATORS RELATED TO FEDERAL POLICIES ON IMMIGRATION

NATIONAL PUBLIC EDUCATION SUPPORT FUND, *Washington, DC*

3 MONTH GRANT OF \$25,000 TOWARD A CONSORTIUM OF EDUCATION FUNDERS

NEW SCHOOLS FOR NEW ORLEANS, *New Orleans, LA*

36 MONTH GRANT OF \$1,200,000 FOR A PROJECT TO SCALE A TURNAROUND MODEL THAT REPLACES PERSISTENTLY LOW-PERFORMING SCHOOLS WITH CHARTER RESTARTS

NEW SCHOOLS FUND, *San Francisco, CA*

12 MONTH GRANT OF \$50,000 TOWARD SCHOOL TURNAROUND CONVENINGS TO FOSTER PARTNERSHIPS BETWEEN THE PUBLIC AND ENTREPRENEURIAL SECTORS TO TRANSFORM THE COUNTRY'S LOWEST PERFORMING SCHOOLS

NEW VENTURE FUND, *Washington, DC*

2 MONTH GRANT OF \$25,000 TOWARD DEVELOPMENT OF A COMPREHENSIVE FRAMEWORK AND PLAN TO ADDRESS THE U.S. DEPARTMENT OF EDUCATION'S CAPACITY FOR ANALYSIS, EVALUATION AND KNOWLEDGE MANAGEMENT

NEW YORK ACADEMY OF SCIENCES, *New York, NY*

8 MONTH GRANT OF \$50,000 TOWARD DEVELOPMENT OF A MENTOR PROGRAM LINKING WORKING SCIENTISTS WITH PUBLIC SCHOOL STUDENTS

OVERSEAS VOTE FOUNDATION, *Arlington, VA*

12 MONTH GRANT OF \$50,000 TOWARD SUPPORT

PROGRESSIVE STATES NETWORK, *New York, NY*

12 MONTH GRANT OF \$50,000 TOWARD EDUCATING STATE LEGISLATORS ON ISSUES RELATED TO THE DEBATE ON STATE AND FEDERAL IMMIGRATION POLICY

RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY, *New Brunswick, NJ*

15 MONTH GRANT OF \$50,000 FOR A STATEWIDE HIGHER EDUCATION PARTNERSHIP TO INCREASE COLLEGE STUDENT SUCCESS AND GRADUATION

SCHOOL & MAIN INSTITUTE, INC., *Boston, MA*

5 MONTH GRANT OF \$50,000 TOWARD SCHOOLS FOR THE FUTURE, A NEW HIGH SCHOOL MODEL FOR STRUGGLING YOUTH

SOCIAL SCIENCE RESEARCH COUNCIL, *Brooklyn, NY*

12 MONTH GRANT OF \$49,000 TOWARD COMMUNICATION AND DISSEMINATION FOR A PUBLICATION ON A LONGITUDINAL STUDY USING DATA FROM THE COLLEGIATE LEARNING ASSESSMENT

STANFORD UNIVERSITY, *Stanford, CA*

12 MONTH GRANT OF \$50,000 FOR EFFECTIVELY INCLUDING ENGLISH-LANGUAGE LEARNERS IN THE REAUTHORIZATION OF THE ELEMENTARY AND SECONDARY EDUCATION ACT (ESEA).

TIDES FOUNDATION, *San Francisco, CA*

6 MONTH GRANT OF \$50,000 TOWARD ENCOURAGING YOUTH CIVIC ENGAGEMENT IN 2010

THE URBAN INSTITUTE, *Washington, DC*

6 MONTH GRANT OF \$50,000 FOR DISSEMINATION OF THE RESEARCH REPORT ON THE IMPACT OF IMMIGRATION ENFORCEMENT ON CHILDREN

W M CORPORATION, *Washington, DC*

8 MONTH GRANT OF \$50,000 TOWARD AN IN-DEPTH SPECIAL REPORT EXPLORING THE SCHOOL DROPOUT CHALLENGE

WESTEd, *Oakland, CA*

24 MONTH GRANT OF \$400,000 FOR A PROJECT TO SCALE UP CONTENT-AREA ACADEMIC LITERACY FOR HIGH-NEED STUDENTS

WOODSTOCK THEOLOGICAL CENTER, *Washington, DC*

12 MONTH GRANT OF \$50,000 TOWARD A PUBLIC EDUCATION INITIATIVE ON WHAT THE CATHOLIC FAITH TRADITION TEACHES ON MIGRANTS AND NEWCOMERS

Dissemination

CARNEGIE CORPORATION OF NEW YORK, *New York, NY*

FOR PROGRAM DISSEMINATION OF THE CORPORATION'S WORK. 12 MONTHS, \$1,000,000.

THE CENTER FOR INDEPENDENT DOCUMENTARY, INC., *Sharon, MA*

TOWARD A PUBLIC TELEVISION DOCUMENTARY THAT RETELLS A GROUNDBREAKING INVESTIGATION INTO RACE RELATIONS IN AMERICA. 11 MONTHS, \$200,000.

Vital Pictures, affiliated with the Center for Independent Documentary, was founded in 2004 with a mission to create compelling media projects that stimulate national conversations on a range of issues, including social justice, spirituality, race and the meaning of community—issues that define us as humans, as Americans and members of the global community. The goal of their proposed project, *Reflections on An American Dilemma*, is to produce a two-hour documentary for public television that retells the creation of the Corporation-funded study *An American Dilemma*, Gunnar Myrdal's groundbreaking investigation into race relations in America in the 1940s. The film will stimulate a robust discourse among viewers about the beliefs and practices of American citizens, with special focus on the perspective of new immigrants.

GREATER WASHINGTON EDUCATIONAL TELECOMMUNICATIONS ASSOCIATION, INC., *Arlington, VA*

TOWARD SUPPORT. 12 MONTHS, \$250,000.

Since its creation in 1976 as the MacNeil/Lehrer Report, The NewsHour has been one of the media institutions that has maintained its high standards and core mission. With more than 6 million television viewers, radio listeners and Internet users who turn to The PBS NewsHour each week, and a 35-year track record of daily reporting and analysis, they are recognized by the American public for quality journalism, characterized by depth, balance, intelligence and civility. With renewed support from the Corporation, the NewsHour will aim to provide informative, trustworthy, comprehensive reports that focus on the critical international and domestic issues of the day.

PROPUBLICA, INC., *New York, NY*

TOWARD SUPPORT. 24 MONTHS, \$150,000.

ProPublica, founded in late 2007, is an independent, non-profit newsroom with a mission to produce investigative journalism in the public interest. It produces journalism that shines a light on exploitation of the weak by the strong, and on the failures of those with power to vindicate the trust placed in them. In the best traditions of American journalism in the public interest, their goal is to stimulate positive change, uncovering objectionable practices and abuses of power in order to prod reform. Its stories are written and published in an entirely non-partisan and non-ideological manner, adhering to the strictest standards of journalistic impartiality. An investment by the Corporation will bring support to this well-funded organization that needs to diversify its funders.

Discretionary Grants

AFRICAN MEDIA INITIATIVE, *Nairobi, KENYA*

6 MONTH GRANT OF \$50,000 TOWARD THE 2010 AFRICAN MEDIA LEADERS FORUM, A CONFERENCE TO STRENGTHEN THE CONTINENT'S MEDIA SECTOR

ALYSSA NEWCOMB, *Phoenix, AZ*

2 MONTH GRANT OF \$7,500 FOR PARTICIPATION AS A CARNEGIE FELLOW IN THE 2010 ABC SUMMER INSTITUTE

AMERICA'S VOICE EDUCATION FUND, *Washington, DC*

4 MONTH GRANT OF \$10,000 TOWARD ENTRE NOS MOMS FOR FAMILY UNITY CAMPAIGN, TO BUILD MOMENTUM FOR COMPREHENSIVE IMMIGRATION REFORM

AMERICAN UNIVERSITY, *Washington, DC*

6 MONTH GRANT OF \$50,000 FOR INVESTIGATIVE REPORTING FOCUSED ON AMERICA'S IMMIGRATION DETENTION FACILITIES

AMERICAN YOUTH WORK CENTER, *Washington, DC*

6 MONTH GRANT OF \$50,000 ONE-TIME ONLY GRANT TO TRANSFORM YOUTH TODAY, AN EDUCATION FOCUSED PUBLICATION ON YOUTH ISSUES, INTO A DIGITAL FORMAT AND NATIONAL NEWS SERVICE

BARUCH COLLEGE, THE CITY UNIVERSITY OF NEW YORK, *New York, NY*

12 MONTH GRANT OF \$50,000 FOR A LEGAL EDUCATION AND RESOURCE PROJECT FOR JOURNALISM SCHOOLS

BOSTON CRITIC, INC., *Somerville, MA*

12 MONTH GRANT OF \$25,000 TOWARD INVESTMENT IN PRINT AND WEB EDITIONS TO BRING THE PUBLISHING MODEL TO THE 21ST CENTURY

COUNCIL ON FOREIGN RELATIONS, INC., *New York, NY*

12 MONTH GRANT OF \$25,000 TOWARD A JOURNALISM FELLOWSHIP FOR COVERING INTERNATIONAL AFFAIRS

DANIEL LIEBERMAN, *New York, NY*

2 MONTH GRANT OF \$7,500 FOR PARTICIPATION AS A CARNEGIE FELLOW IN THE 2010 ABC SUMMER INSTITUTE

KEVIN MORRIS, *Syracuse, NY*

2 MONTH GRANT OF \$7,500 FOR PARTICIPATION AS A CARNEGIE FELLOW IN THE 2010 ABC SUMMER INSTITUTE

LIZ DAY, *New York, NY*

2 MONTH GRANT OF \$7,500 FOR PARTICIPATION AS A CARNEGIE FELLOW IN THE 2010 ABC SUMMER INSTITUTE

LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE, *London, ENGLAND*

12 MONTH GRANT OF \$25,000 TOWARD AN INTERNATIONAL CONFERENCE ON CHANGES IN THE NEWS MEDIA

NADIA SUSSMAN, *New York, NY*

2 MONTH GRANT OF \$7,500 FOR PARTICIPATION AS A CARNEGIE FELLOW IN THE 2010 ABC SUMMER INSTITUTE

ONTARIO CONFEDERATION OF UNIVERSITY FACULTY ASSOCIATIONS, *Toronto, Ontario, CANADA*

12 MONTH GRANT OF \$20,000 TOWARD A CONFERENCE ON MEDIA COVERAGE OF HIGHER EDUCATION IN THE 21ST CENTURY

THE POYNTER INSTITUTE FOR MEDIA STUDIES, INC., *St. Petersburg, FL*

12 MONTH GRANT OF \$50,000 TOWARD THE JOURNALISM 101 ONLINE MODULE, AN INTERACTIVE COURSE FOR JOURNALISM EDUCATION OFFERED TO SCHOOLS ACROSS THE COUNTRY

UNIVERSITY OF SOUTHERN CALIFORNIA, *Los Angeles, CA*

6 MONTH GRANT OF \$20,000 FOR A MEETING OF JOURNALISM SCHOOL DEANS TO DISCUSS THE CURRICULUM ENRICHMENT AND REVITALIZATION OF JOURNALISM EDUCATION

Special Opportunities Fund

CARNEGIE CORPORATION OF NEW YORK, *New York, NY*

FOR CORPORATION-WIDE NONPROFIT MEMBERSHIPS IN FISCAL YEAR 2010. 12 MONTHS, \$300,000.

COUNCIL FOR EDUCATIONAL CHANGE, *Weston, FL*

ONE-TIME ONLY GRANT TOWARD SUPPORT.
12 MONTHS, \$200,000.

Scientific and technological innovations increasingly play a more significant role in today's global economy. The strength of the country, to some degree, is tied to its ability to compete in this field in the global market. As a recent Education Statistics Services Institute publication noted, failure to excel in this sector could likely lead to lower living standards in the United States as well as diminished economic growth and an increased threat to the country's national security. In light of such implications, educators, along with experts in technical fields, have voiced concerns over the lack of preparation students are receiving in the science, technology, engineering and related fields. With Corporation support, the Council for Educational Change will establish a Florida Leadership Academy to train educators and administrators from approximately fifty schools across the state in science and technology related issues.

RESEARCH FOUNDATION OF STATE UNIVERSITY OF NEW YORK, *Albany, NY*

ONE-TIME ONLY GRANT FOR A COLLEGE READINESS INITIATIVE. 36 MONTHS, \$250,000.

America spends an estimated \$2.5 billion each year on remedial programs at the college level. This number represents more than a drain on the country's economy; it is evidence of an ever widening gap between high school graduates who are "college eligible," and those who are "college ready." Without the necessary K-12 education, fewer Americans (as a percentage) are graduating from college than in the past. A growing number of professional educators and policymakers are using the term college readiness to explain America's educational recession, a disconnect of academic expectations between post-secondary education and K-12. With Corporation support, SUNY College at Old Westbury will implement a three-year college readiness pilot program in the Westbury School District. The pilot program will demonstrate the means and methods that schools and communities can employ to improve high school graduation rates and college readiness among their graduates.

UNIVERSITY OF PENNSYLVANIA, *Philadelphia, PA*

FOR MONITORING THE ACCURACY OF INDEPENDENT 2010 POLITICAL ADVERTISEMENTS. 6 MONTHS, \$100,000.

Today, corporations and unions rely heavily on political advertisements during campaigns to influence the outcome of elections. Independent political advertisements, which are generally aggressive in nature, often contain false and misleading information about candidates and issues. Although federal law had previously limited the funds that could be used in this regard, the Supreme Court's recent decision in *Citizens United v. Federal Election Commission* now allows corporations and unions to spend limitlessly on political ads. As a result, many observers expect corporations and unions to increase their spending in this year's mid-term House and Senate elections, leading to a rise in the number of false and misleading claims. To inform the voting public, Factcheck.org, a project of the Annenberg Public Policy Center of the University of Pennsylvania, will monitor independent political ads and expose those that are untrue.

STANFORD UNIVERSITY, *Stanford, CA*

ONE-TIME ONLY GRANT TOWARD THE CENTER ON PHILANTHROPY AND CIVIL SOCIETY CENTER'S ACQUISITION OF THE STANFORD SOCIAL INNOVATION REVIEW.
12 MONTHS, \$100,000.

Established in 2006, the Stanford Center on Philanthropy and Civil Society's (PACS) mission is to engage students, faculty and practitioners to examine ways in which philanthropic institutions, nonprofit organizations, and other key elements of civil society work to define and address public interests, both in the United States and abroad. PACS has established its role as a preeminent organization within the scholarly communities concerned with civil society, but in order to increase its presence both in and out of the academic sphere, PACS is working to forge relationships with key organizations. In an effort to expand, disseminate research and make partnerships with researchers, foundations and practitioners, PACS plans to acquire the Stanford Social Innovation Review (SSIR), an award-winning journal covering the best practices and strategies for nonprofits, foundations, individual philanthropists and socially responsible businesses.

Discretionary Grants

ALLIANCE FOR OPEN SOCIETY INTERNATIONAL, INC.,
New York, NY

12 MONTH GRANT OF \$50,000 TOWARD RESEARCH
AND WRITING TO DEEPEN PUBLIC UNDERSTANDING OF
AFGHANISTAN

AMERICAN ACADEMY IN BERLIN, *Berlin, GERMANY*

12 MONTH GRANT OF \$25,000 TOWARD A SERIES OF
NUCLEAR NONPROLIFERATION ROUNDTABLES

AMERICAN AGORA FOUNDATION, INC., *New York, NY*

24 MONTH GRANT OF \$50,000 TOWARD SUPPORT

ASSOCIATION OF AMERICAN MEDICAL COLLEGES,
Washington, DC

12 MONTH GRANT OF \$25,000 TOWARD A MEDICAL
CONFERENCE ADDRESSING THE ROLE OF EDUCATORS IN
ALIGNING MEDICAL EDUCATION WITH CHANGES IN THE
NATION'S HEALTH CARE SYSTEM, ON THE CENTENNIAL OF THE
PUBLICATION OF THE CARNEGIE FUNDED "FLEXNER REPORT"

CENTER FOR THE ADVANCEMENT OF WOMEN, *New York, NY*

6 MONTH GRANT OF \$50,000 TOWARD SUPPORT

CENTER FOR THE ADVANCEMENT OF WOMEN, *New York, NY*

6 MONTH GRANT OF \$50,000 AS A FINAL GRANT TOWARD
SUPPORT

CLASSROOM, INC., *New York, NY*

24 MONTH GRANT OF \$50,000 ONE-TIME GRANT TOWARD
SUPPORT

COLD SPRING HARBOR LABORATORY,
Cold Spring Harbor, NY

12 MONTH GRANT OF \$50,000 TOWARD A MEETING
TO COMMEMORATE THE 75TH COLD SPRING HARBOR
SYMPOSIUM ON QUANTITATIVE BIOLOGY

COLUMBIA UNIVERSITY, *New York, NY*

12 MONTH GRANT OF \$49,700 FOR A PROGRAM EVALUATION
OF A UNIVERSITY PROGRAM TO ADVANCE CIVIC LEADERSHIP
IN NEW YORK CITY

COUNCIL OF INDEPENDENT COLLEGES, *Washington, DC*

18 MONTH GRANT OF \$30,000 TOWARD A SYMPOSIUM ON
THE FUTURE OF THE LIBERAL ARTS

DEMOS: A NETWORK FOR IDEAS AND ACTION, LTD.,
New York, NY

12 MONTH GRANT OF \$25,000 FOR A REPORT EXPLORING
THE STATUS OF AFRICAN AMERICANS SERVING ON BOARDS IN
NEW YORK CITY

LOWER EAST SIDE TENEMENT MUSEUM, *New York, NY*

12 MONTH GRANT OF \$25,000 TOWARD RESEARCH FOR THE
CREATION OF POST-WWII IMMIGRANT APARTMENT EXHIBITS.

NEAR EAST FOUNDATION, *New York, NY*

12 MONTH GRANT OF \$40,000 TOWARD SUPPORT

NEW WORLD FOUNDATION, *New York, NY*

12 MONTH GRANT OF \$25,000 TOWARD SUPPORT

NEW YORK UNIVERSITY, *New York, NY*

12 MONTH GRANT OF \$25,000 FOR A STUDY ON HEALTH
BEHAVIORS AND BELIEFS OF THE GHANAIAN COMMUNITY AND
OTHER WEST AFRICAN IMMIGRANTS IN NEW YORK CITY

READING REFORM FOUNDATION OF NEW YORK,
New York, NY

12 MONTH GRANT OF \$25,000 ONE-TIME GRANT TOWARD
SUPPORT

STATUE OF LIBERTY—ELLIS ISLAND FOUNDATION, INC.,
New York, NY

12 MONTH GRANT OF \$25,000 TOWARD THE
ESTABLISHMENT OF A MUSEUM OF THE HISTORY OF
IMMIGRATION IN AMERICA

HENRY L. STIMSON CENTER, *Washington, DC*

24 MONTH GRANT OF \$20,000 AS A FINAL GRANT TOWARD
ITS PROJECT ON THE RULE OF LAW FOR THE OCEANS

TUFTS UNIVERSITY, *Medford, MA*

12 MONTH GRANT OF \$50,000 TOWARD THE TALLORIES
NETWORK'S CIVIC GLOBAL ENGAGEMENT EFFORTS

21st Century Fund

Haiti Earthquake Relief

CARE, *Atlanta, GA*

12 MONTH GRANT OF \$100,000 HAITI EARTHQUAKE
DISASTER RESPONSE

CATHOLIC RELIEF SERVICES, INC., *Baltimore, MD*

12 MONTH GRANT OF \$200,000 HAITI EARTHQUAKE
DISASTER RESPONSE

DOCTORS WITHOUT BORDERS, *New York, NY*

12 MONTH GRANT OF \$200,000 HAITI EARTHQUAKE
DISASTER RESPONSE

FONKOZE USA, *Washington, DC*

12 MONTH GRANT OF \$100,000 HAITI EARTHQUAKE
DISASTER RESPONSE

LUTHERAN WORLD RELIEF, *Baltimore, MD*

12 MONTH GRANT OF \$50,000 HAITI EARTHQUAKE
DISASTER RESPONSE

MERCY CORPS, *Portland, OR*

12 MONTH GRANT OF \$200,000 HAITI EARTHQUAKE
DISASTER RESPONSE

PARTNERS IN HEALTH, *Boston, MA*

12 MONTH GRANT OF \$100,000 HAITI EARTHQUAKE
DISASTER RESPONSE

PROJECT MEDISHARE FOR HAITI, *Miami, FL*

12 MONTH GRANT OF \$50,000 HAITI EARTHQUAKE
DISASTER RESPONSE

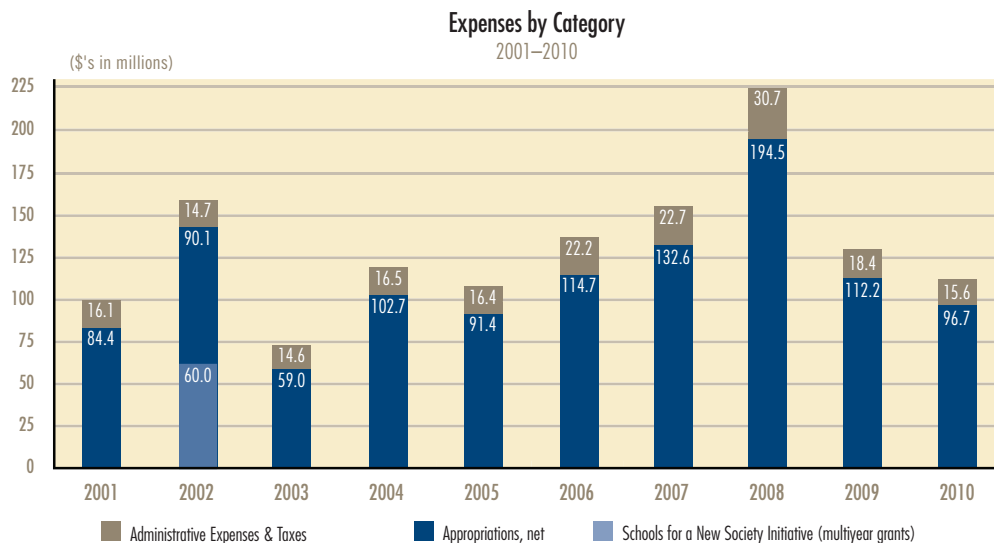
Financial Highlights

Appropriations and Expenses

For the ten years ended September 30, 2010, the Corporation awarded 5,616 grants totaling \$1,138.3 million and incurred expenses of \$149.6 million for direct charitable activities and administrative ex-

penses, excluding investment expenses, and \$38.3 million for taxes, for a total of \$1,326.2 million.

The graph below illustrates the change in expenses by category over the ten-year period ended September 30, 2010.



Each year the trustees appropriate funds to be used for grants and for projects administered by the officers. Many of the grants involve multiyear commitments. In the fiscal year ended September 30, 2010, 56 percent of the appropriated funds were paid within the fiscal year. Appropriations, net of refunds and cancellations, totaled \$96.7 million, compared to \$112.2 million in the preceding year.

Program management and direct charitable activities expenses were \$12.3 million in the fiscal year ended September 30, 2010, compared with \$13.2 million in the previous fiscal year. Included in these amounts, are direct charitable activities of \$3.0 million in 2010 and \$3.4 million in 2009. Direct

charitable activities are services provided directly to other exempt organizations, governmental bodies, and the general public. Such services include providing technical assistance to grantees and potential grantees, conducting educational conferences and research, publishing and disseminating educational materials, and serving on boards of other charitable organizations or public commissions.

General administration expenses were \$4.2 million in 2010 and \$4.5 million in 2009.

The schedule below breaks down total expenses, excluding appropriations and taxes, into categories for the year ended September 30, 2010.

	Program management and direct charitable activities	Investment	General administration	Total
Salaries	\$ 5,738,948	\$ 2,589,129	\$ 1,909,675	\$ 10,237,752
Employee benefits	2,791,757	441,751	906,273	4,139,781
Investment advisory and custody fees	—	3,018,614	—	3,018,614
Rent	1,361,231	158,149	638,181	2,157,561
Legal and accounting services	—	569,659	281,858	851,517
Consultants	502,863	138,422	83,678	724,963
Publications	351,718	—	—	351,718
Conferences and meetings	341,169	2,797	13,691	357,657
Travel	423,672	94,551	9,486	527,709
Computer equipment and services	203,042	36,210	92,947	332,199
Office expenses	199,482	27,842	92,693	320,017
Amortization and depreciation	90,108	—	42,245	132,353
Trustees' honoraria and expenses	65,356	5,438	21,859	92,653
Other	207,370	15,420	78,723	301,513
TOTAL	\$ 12,276,716	\$ 7,097,982	\$ 4,171,309	\$ 23,546,007*

* In FY2009, total expenses, excluding appropriations and taxes, were \$24.6 million, which included \$6.9 million of investment expenses.

Taxes

Under the provisions of the Tax Reform Act of 1969, Carnegie Corporation as a private foundation is subject to a federal excise tax of 2 percent on income and realized capital gains. However, under the Tax Reform Act of 1984, the rate is reduced to 1 percent if the foundation maintains its average expense rate of the previous five years and, in addition, spends the tax savings. The Corporation met the requirements for the reduced tax rate in both 2010 and 2009. During 2010, the Corporation had unrelated business income losses from certain investment partnership activities. By applying these losses and losses from the prior year, the Corporation expects to recover \$1.7 million in unrelated business income taxes. Deferred tax liability represents the potential tax (at 2 percent) on unrealized gains as well as a book to tax timing difference.

Audit by Independent Accountants

The bylaws provide that the Corporation's accounts are to be audited each year by an independent public accountant. Accordingly, the firm of McGladrey & Pullen, LLP audited the Corporation's financial statements as of and for the year ended September 30, 2010. The Corporation's financial statements, together with the independent auditor's report, appear on the following pages.

Independent Auditor's Report

To the Board of Trustees
Carnegie Corporation of New York
New York, New York

We have audited the accompanying balance sheets of Carnegie Corporation of New York (the "Corporation") as of September 30, 2010 and 2009, and the related statements of changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Carnegie Corporation of New York as of September 30, 2010 and 2009, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

McGladrey & Pullen, LLP

New York, New York

March 10, 2011

Balance Sheets

as of September 30, 2010 and 2009

	2010	2009
Assets		
Cash	\$ 162,742	\$ 136,350
Investments	2,531,604,686	2,429,482,004
Tax receivable	2,250,621	2,259,937
Prepaid expenses and other assets	90,389	111,075
Fixed assets	514,571	593,170
Total assets	<u>\$ 2,534,623,009</u>	<u>\$ 2,432,582,536</u>
Liabilities and Net Assets		
Liabilities		
Grants payable	\$ 117,486,522	\$ 146,500,961
Accounts payable and other liabilities	1,595,697	1,868,009
Deferred taxes payable	6,589,938	2,552,141
Total liabilities	<u>125,672,157</u>	<u>150,921,111</u>
Net assets		
Unrestricted	—	2,146,324,557
Temporarily restricted	2,273,613,984	—
Permanently restricted	135,336,868	135,336,868
Total net assets	<u>2,408,950,852</u>	<u>2,281,661,425</u>
Total liabilities and net assets	<u>\$ 2,534,623,009</u>	<u>\$ 2,432,582,536</u>

Statement of Changes in Net Assets

for the years ended September 30, 2010 and 2009

	2010	2009
Changes in Unrestricted Net Assets		
Revenues		
Investment income		
Interest and dividends	\$ 6,086,214	\$ 8,618,363
Income and (losses) from partnerships, net	53,611,176	(21,343,334)
Net realized gains	7,586,180	1,973,958
Total investment income (loss)	67,283,570	(10,751,013)
Less investment expenses paid directly	(7,097,982)	(6,906,300)
Net investment income (loss)	60,185,588	(17,657,313)
Expenses		
Grant appropriations	96,749,316	112,195,444
Program management and direct charitable activities	12,276,716	13,187,685
General administration	4,171,309	4,486,277
Provision (credit) for taxes	(856,835)	695,634
Total expenses	112,340,506	130,565,040
Deficiency of revenues over expenses	(52,154,918)	(148,222,353)
Change in unrealized appreciation of investments, net of related tax of \$3,662,130 in 2010 and credit of \$(1,289,032) in 2009	179,444,345	(63,162,584)
Change in unrestricted net assets before the effect of NYPMIFA enactment	127,289,427	(211,384,937)
Effect of NYPMIFA enactment - reclassification of unrestricted net assets	(2,273,613,984)	—
Change in unrestricted net assets	(2,146,324,557)	(211,384,937)
Changes in Temporarily Restricted Net Assets		
Effect of NYPMIFA enactment - reclassification from unrestricted net assets	2,273,613,984	—
Change in Net Assets	127,289,427	(211,384,937)
Net assets, beginning of year	2,281,661,425	2,493,046,362
Net assets, end of year	\$ 2,408,950,852	\$ 2,281,661,425

Statements of Cash Flows

for the years ended September 30, 2010 and 2009

	2010	2009
Cash flows from operating activities		
Change in net assets	\$ 127,289,427	\$ (211,384,937)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Change in unrealized appreciation of investments	(183,106,475)	64,451,616
Net realized gains	(7,586,180)	(1,973,958)
Depreciation and amortization	132,353	126,500
Change in deferred taxes payable	4,037,797	232,574
Total adjustments	(186,522,505)	62,836,732
Change in taxes receivable and prepaid expenses and other assets	30,002	29,020,167
Change in grants payable and accounts payable and other liabilities	(29,286,751)	(18,967,348)
Net cash used in operating activities	(88,489,827)	(138,495,386)
Cash flows from investing activities		
Proceeds from sales or redemptions of investments	785,301,321	948,923,504
Purchases of investments	(696,731,348)	(810,250,522)
Purchases of fixed assets	(53,754)	(104,292)
Net cash provided by investing activities	88,516,219	138,568,690
Cash flows from financing activities		
Proceeds from drawdown on line of credit facility	23,000,000	—
Payment on line of credit facility	(23,000,000)	—
Net cash provided by financing activities	—	—
Change in cash	26,392	73,304
Cash, beginning of year	136,350	63,046
Cash, end of year	\$ 162,742	\$ 136,350
Supplemental Cash Flow Information		
Interest paid	57,400	\$ —

See accompanying notes to financial statements.

Notes to Financial Statements

September 30, 2010 and 2009

(1) ORGANIZATION:

Carnegie Corporation of New York (the “Corporation”) is a philanthropic grantmaking foundation that was created by Andrew Carnegie in 1911 to promote the advancement and diffusion of knowledge and understanding. The Corporation has a policy of selecting a few areas at a time in which to concentrate its grants.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accompanying financial statements have been prepared on the accrual basis of accounting.

In June 2009, the Financial Accounting Standards Board (the “FASB”) established the FASB Accounting Standards Codification (the “ASC” or the “Codification”) as the source of authoritative U.S. generally accepted accounting principles (“GAAP”) recognized by the FASB to be applied to nongovernmental entities, and rules and interpretative releases of the U.S. Securities and Exchange Commission (the “SEC”) as authoritative GAAP for SEC registrants. The Codification superseded all the existing non-SEC accounting and reporting standards upon its effective date and, subsequently, the FASB will not issue new standards in the form of statements, FASB Staff Positions or Emerging Issues Task Force Abstracts. The Codification is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The guidance is limited to disclosure in the financial statements and the terms by which the Corporation refers to GAAP authoritative literature in the financial statements. There was no impact on the Corporation’s financial statements.

The Corporation maintains an endowment fund consisting of the original sums received from Andrew Carnegie and accumulated income thereon. The terms of the conveying instrument stipulated that the principal may never be expended; however, the income is expendable. The Corporation reports the original sums received from Andrew Carnegie as permanently restricted net assets. Accumulated income on this gift had been reported as unrestricted net assets. On September 17, 2010, the State of New York enacted the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”). The Corporation is subject to the enacted version of New York UPMIFA (“NYPMIFA”). The Corporation has interpreted NYPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The remaining portion of the endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Corporation in a manner consistent with the standard of prudence prescribed by NYPMIFA. As a result of this interpretation, the Corporation reclassified \$2,273,613,984 of accumulated income from unrestricted net assets to temporarily restricted net assets during 2010.

The fair value of investments has been determined as indicated in note 3. The carrying amounts of the Corporation’s other financial instruments approximate fair value because of their short maturity.

For purposes of the statements of cash flows, cash includes all cash held in bank accounts at September 30, 2010 and 2009.

Fixed assets are stated at cost. Depreciation is calculated on a straight-line basis over the estimated useful lives of the related assets ranging from five to ten years. Leasehold improvements are amortized over the remaining life of the lease.

Grant appropriations, including multiyear grants, are recorded as an expense and are payable when grants are approved and communicated to the grantees. Grants payable is expected to be paid as follows: approximately \$86 million within one year and the remaining balance within three years.

The Corporation is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is subject to federal excise taxes and taxes on unrelated business income. In fiscal year 2010, the Corporation adopted the accounting standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return

Notes to Financial Statements

September 30, 2010 and 2009

should be recorded in the financial statements. Under this guidance, the Corporation may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses derecognition, classification, interest and penalties on income taxes and accounting in interim periods. With few exceptions, the Corporation is no longer subject to income tax examinations by U.S. federal, state or local tax authorities for years before 2007.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Corporation evaluates events occurring after the date of the financial statements to consider whether or not the impact of such events needs to be reflected or disclosed in the financial statements. Such evaluation is performed through the date the financial statements are issued, which is March 10, 2011 for these financial statements.

In January 2010, the FASB issued Accounting Standards Update (“ASU”) 2010-06, *Improving Disclosures about Fair Value Measurements*. ASU 2010-06 amends fair value disclosure requirements by requiring an entity to: (i) disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and describe the reasons for the transfers; and (ii) present separately information about purchases, sales, issuances and settlements of Level 3 fair value measurements (i.e., gross presentation). Additionally, ASU 2010-06 clarifies existing disclosure requirements related to the level of disaggregation for each class of assets and liabilities and disclosures about inputs and valuation techniques for fair value measurements classified as either Level 2 or Level 3. The new disclosures are effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures requiring separate presentation of information about purchases, sales, issuances and settlements in the roll forward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The Corporation is currently evaluating the impact of ASU 2010-6 on its fiscal 2011 financial statements.

(3) INVESTMENTS:

All investments are reported at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and sets out a fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined under ASC 820 as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. The types of investments in Level 1 include listed equities.

Level 2: Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly. Investments which are generally included in this category are corporate debt and less liquid securities such as securities traded on certain foreign exchanges. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

Notes to Financial Statements

September 30, 2010 and 2009

Level 3: Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation. Investments that are in this category generally include equity and debt positions in private companies.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Corporation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. The following section describes the valuation techniques used by the Corporation to measure different financial instruments at fair value and includes the level within the fair value hierarchy in which the financial instrument is categorized.

Investments in securities traded on a national securities exchange, or reported on the Nasdaq national market, are stated at the last reported sales price on the day of valuation. These financial instruments are classified as Level 1 in the fair value hierarchy.

Securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are stated at the last quoted bid price. These financial instruments are classified as Level 2 in the fair value hierarchy.

Restricted securities and other securities for which quotations are not readily available are valued at fair value as determined by the fund managers. Investments in funds are valued at fair value based on the applicable percentage ownership of the funds' net assets as of the measurement date, as determined by the fund managers. In determining fair value, the Corporation utilizes valuations provided by the funds. The majority of funds value securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of the funds, which may include private placements and other securities for which prices are not readily available, are determined by the fund managers or sponsor of the respective funds and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. The fair value of the Corporation's investments in funds generally represents the amount the Corporation would expect to receive if it were to liquidate its investment in the funds excluding any redemption charges that may apply. Certain funds, primarily those that hold private equity and real estate investments, do not permit redemptions. These financial instruments are classified in Level 3 of the fair value hierarchy.

The Corporation applies the measurement provisions of ASU 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, to certain investments in funds that do not have readily determinable fair values including hedge funds, absolute return funds and other funds. This guidance amends ASC 820 and allows, as a practical expedient, for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value using net asset value per share or its equivalent.

Also in accordance with ASU 2009-12, the Corporation categorizes its investments in investment funds as a Level 2 fair value measurement if the Corporation had the ability to redeem its investment on the reporting date or the near term, which is defined as 90 days or less from the reporting date. All other funds, including real estate and private equity funds, are categorized as Level 3.

Notes to Financial Statements

September 30, 2010 and 2009

The following tables present the Corporation's fair value hierarchy based on the definition provided in ASC 820 and ASU 2009-12 for those assets and liabilities measured at fair value as of September 30, 2010 and 2009:

	2010 Fair Value Measurements Using			
	Total	Quoted Market Prices (Level 1)	Significant Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Short Term Investments:				
Money Market Funds	\$ 102,900,893	\$ 102,900,893	\$ —	\$ —
Investment in Securities:				
Common Stock	178,082,246	167,928,256	10,153,990	—
US Government Securities	7,452,786	7,452,786	—	—
Other Fixed Income	5,410,008	—	5,410,008	—
Investments in Funds:				
Global Equity	792,357,767	—	541,940,125	250,417,642
Venture Capital	201,083,919	—	—	201,083,919
Leveraged Buyouts	341,425,627	—	—	341,425,627
Real Estate & Resources	256,402,548	—	17,370,565	239,031,983
Absolute Return	646,488,892	—	219,489,093	426,999,799
Total	\$ 2,531,604,686	\$ 278,281,935	\$ 794,363,781	\$ 1,458,958,970

	2009 Fair Value Measurements Using			
	Total	Quoted Market Prices (Level 1)	Significant Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Short Term Investments:				
Money Market Funds	\$ 156,134,234	\$ 156,134,234	\$ —	\$ —
Investment in Securities:				
Common Stock	196,603,780	124,233,339	72,370,441	—
Investments in Funds:				
Global Equity	715,843,177	788,637	587,211,545	127,842,995
Venture Capital	173,221,236	—	—	173,221,236
Leveraged Buyouts	259,742,737	—	—	259,742,737
Real Estate & Resources	268,390,675	—	24,918,701	243,471,974
Absolute Return	659,546,165	—	475,293,621	184,252,544
Total	\$ 2,429,482,004	\$ 281,156,210	\$ 1,159,794,308	\$ 988,531,486

Notes to Financial Statements

September 30, 2010 and 2009

The following table reconciles all Level 3 assets measured at fair value for the years ended September 30, 2010 and September 30, 2009:

	2010	2009
Beginning balance	\$ 988,531,486	\$ 1,088,379,560
Total net realized and unrealized gains (losses)	62,854,472	(173,485,301)
Purchases, sales and other settlements, net	73,951,829	73,637,227
Transfer from Level 2 to Level 3 ⁽¹⁾	333,621,183	—
Ending balance, September 30	\$ 1,458,958,970	\$ 988,531,486

(1) Represents the transfers of investments to Level 3 based on liquidity provisions.

The change in unrealized appreciation attributable to Level 3 securities still in position as of September 30, 2010 and September 30, 2009 was \$85,667,256 and \$(133,479,304), respectively.

The following table lists the redemption terms and unfunded commitments for the Investments in Funds as of September 30, 2010.

	2010 Fair Value	Unfunded commitments (in millions)	Redemption frequency	Redemption notice period
Investments in Other Funds:				
Global Equity	\$ 792,357,767	\$ —	Various ⁽¹⁾	10–90 days
Venture Capital	201,083,919	144	Illiquid	n/a
Leveraged Buyouts	341,425,627	165	Illiquid	n/a
Real Estate & Resources	256,402,548	231	Illiquid	n/a
Absolute Return	646,488,892	—	Various ⁽²⁾	30–180 days
Total	\$ 2,237,758,753	\$ 540		

(1) Redemptions are permitted as follows: \$15.64 million daily, \$261.27 million monthly, \$211.48 million quarterly, \$43.42 million annually, \$228.71 million have rolling lock-up periods, and \$31.84 million are illiquid.

(2) Redemptions are permitted as follows: \$82.51 million quarterly, \$343.38 million annually, \$141.08 million have rolling lock-up periods, and \$79.52 million are illiquid.

Investments in leveraged buyout, venture capital and real estate funds cannot be redeemed. Distributions are expected to be made as the underlying investments of the funds are liquidated, which is estimated to occur as follows: 47 percent within the next 5 years and 53 percent within 6 to 10 years.

Several of the investments in funds have “side pocket” investments in illiquid assets, the redemption of which is dependent on the eventual sale of the underlying investments. The aggregate fair value of these investments held in side pockets was \$120,394,947 as of September 30, 2010.

The Corporation’s assets are invested with the objective of maintaining in perpetuity the purchasing power of the portfolio net of the mandated 5 percent spending for private foundations. In order to achieve this ambitious goal, the portfolio is invested in a diversified, multi-asset portfolio with a strong equity bias. It is also invested globally, recognizing that markets outside of the developed nations of North America, Europe and Japan may exhibit higher growth characteristics.

Notes to Financial Statements

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Global Equity

The global equity portfolio is comprised of investments in developed markets and emerging markets. The global developed markets equity portfolio is invested primarily in securities of developed countries in order to generate a total return net of fees in excess of the MSCI World Index over a market cycle. The portfolio is actively managed. Managers have a broad mandate to invest in securities or countries that are not included in the index, and may hedge the currency exposure of their respective investments on a case-by-case basis. The Corporation's managers primarily employ a bottom-up stock picking approach. The portfolio employs a value bias. Managers do not market time or trade on macro trends.

The emerging markets portfolio is invested primarily in securities of emerging markets companies to generate a total return, net of fees, in excess of the MSCI Emerging Markets Index over a market cycle. The capital markets in emerging markets countries tend to be less efficient and are often liquidity driven, creating more opportunities for active managers to add value. Therefore, the entire emerging markets portfolio is actively managed. The Corporation utilizes managers that are geographic or country specialists.

Private Equity—Leveraged Buyouts and Venture Capital

The Corporation invests with leveraged buyout and venture capital managers in order to generate annualized returns at the portfolio level in excess of Cambridge Associates' Private Equity Index Median and the Cambridge Associates' Venture Capital Index Median, respectively. Individual managers are selected based on their superior ability to add value in this highly inefficient market and are expected to perform in the top quartile of managers within their vintage year. Over a market cycle, the Corporation expects to earn a premium relative to the public equity market of approximately 500 basis points.

Real Estate and Resources

Real estate is a powerful diversifying asset class that is highly inefficient, providing active managers the opportunity to add significant value. The Corporation invests in real estate via private REIT structures and partnerships that are managed by superior operators who have demonstrated ability to acquire, lease, reposition and sell assets. Most of the Corporation's operating partners are focused on a particular property type or geographic area. The Corporation also invests with managers that buy, improve and operate natural resource-related assets, primarily producing oil and gas properties. These investments are incorporated into the Real Estate portfolio under the Resources heading because they share similar risk/return characteristics, notably inflation sensitivity, cyclical nature and cash flow. The Corporation's Resource managers often use futures contracts to hedge some portion of their commodity production.

Absolute Return

Absolute return managers utilize fundamental, bottom-up security analysis, focusing on global equity, credit, and other markets in order to generate returns over a market cycle that are positive and equal or exceed the global equities market, with approximately half of the volatility. The Corporation's managers utilize modest leverage, and may use futures, options or other derivatives, that control risk or which are valuation-driven investments.

During the year ended September 30, 2010, the Corporation received distributions of marketable securities with a total fair value of approximately \$2.4 million from limited partnerships.

In certain cases, the Corporation uses swap contracts to invest in real estate limited partnerships. As of September 30, 2010 and September 30, 2009, the fair value of these swaps, which are included in investments, was approximately \$3.2 million. Swap contracts are subject to off-balance sheet risk mainly due to the credit risk arising from the potential inability of the counterparty of the swap to perform under the terms of the contract. Based on the specific structuring of these swap contracts, the Corporation's exposure to credit risk associated with counterparty nonperformance is limited to the unrealized gain on each contract. To reduce

Notes to Financial Statements

September 30, 2010 and 2009

this risk, the Corporation only enters into swaps with major U.S. broker-dealers.

In order to plan and budget in an orderly manner and to meet its 5 percent spending requirement, the Corporation maintains an annual spending rate policy of 5.5 percent of a 12-quarter rolling average of the fair market value of the investment portfolio with the last quarter being March 31.

(4) FIXED ASSETS:

Fixed assets are composed of the following at September 30, 2010 and 2009:

	2010	2009
Leasehold improvements	\$ 4,195,460	\$ 4,195,460
Furniture and equipment	4,067,102	4,013,348
	8,262,562	8,208,808
Less accumulated depreciation and amortization	(7,747,991)	(7,615,638)
Total	\$ 514,571	\$ 593,170

(5) TAXES:

The Corporation is liable for federal excise taxes of 2 percent of its net investment income, as defined, which includes net realized capital gains, for the year. However, this tax is reduced to 1 percent if certain conditions are met. The Corporation met the requirements for the reduced tax in 2010 and 2009. Therefore, current taxes are estimated at 1 percent of net investment income, as defined.

Deferred taxes represent 2 percent of unrealized appreciation of investments at September 30, 2010 and 2009, as qualification for the 1 percent tax is not determinable until the fiscal year in which gains are realized. No deferred taxes are provided for unrelated business income on unrealized appreciation as such amounts cannot be estimated.

During 2010, the Corporation had unrelated business income losses of \$3,443,200 from certain investment partnership activities. By applying these losses, the Corporation expects to recover \$1,630,000 in unrelated business income taxes. This amount is included in the provision for taxes. During 2009, the Corporation had unrelated business losses of \$951,700.

The Corporation paid federal excise taxes of \$500,000 in 2010 and \$1,600,000 in 2009. The Corporation paid no federal or state unrelated business income taxes in 2010. The Corporation paid \$240,000 in federal and state unrelated business income taxes in 2009.

(6) BENEFIT PLANS:

The Corporation purchases annuities for qualifying employees under the terms of a noncontributory, defined contribution retirement plan with Teachers Insurance and Annuity Association and College Retirement Equities Fund. Retirement plan expenses for the years ended September 30, 2010 and 2009 were \$1,350,400 and \$1,318,300, respectively.

In addition, the Corporation has a noncontributory defined benefit annuity plan to supplement the basic plan described above. This plan is also administered by Teachers Insurance and Annuity Association and College Retirement Equities Fund. Contributions to this plan are based on actuarial calculations. No contribution was required in 2010. In 2009, \$10,000 was contributed to the plan. At December 31, 2009, the actuarial present value of accumulated plan benefits exceeded the assets of the plan by approximately \$424,000. Accumulation

Notes to Financial Statements

September 30, 2010 and 2009

of benefits under this plan has been frozen effective April 1, 2007.

In addition, the Corporation provides certain medical benefits to its retirees. The cost of providing these benefits was \$348,600 in 2010 and \$366,400 in 2009, on a pay-as-you-go basis.

(7) LEASES:

The Corporation occupies office space at 437 Madison Avenue under a lease agreement expiring December 31, 2013.

The following is a schedule of the future minimum lease payments at September 30, 2009:

Fiscal year ending September 30, 2010	Amount
2011	\$ 1,693,000
2012	1,693,000
2013	1,693,000
2014	424,000
Total	\$ 5,503,000

Rental expenses for 2010 and 2009, including escalations, were \$2,141,500 and \$2,108,100, respectively.

(8) LINE OF CREDIT FACILITY:

The Corporation has a \$50 million line of credit facility with Bank of America for grant funding and administrative expenses. In November 2009, the Corporation drew down \$23 million for grant funding and administrative expenses. The interest rate on the loan is indexed to the one month London Interbank Offered Rate ("LIBOR"). The loan was paid in full in December 2009. There were no borrowings on this facility as of September 30, 2010. Interest expense for the year ended September 30, 2010 was \$57,400. This line of credit facility will expire on April 29, 2011.

Fiscal 2010: The Year in Review

Board and Committees

Annual elections were held at the December 2, 2010, board meeting. The trustees re-elected Governor Thomas Kean as chairman and Secretary Richard Riley as vice chairman.

The trustees re-elected Susan Hockfield to a second term (from December 2011 to December 2014).

Don Randel, president of the Andrew W. Mellon Foundation, joined the board of trustees as of September 16, 2010.

Stephen Oxman, senior advisor at Morgan Stanley, joined the board of trustees as of March 10, 2011.

Kofi Annan was bestowed the distinction of honorary trustee until March, 2012.

The Corporation's standing committees were constituted as follows:

Elected to serve on the investment management committee were Geoffrey Boisi, Chairman, Pedro Aspe, Norman Pearlstine, James Wolfensohn, Stephen Oxman and Janet Robinson, ex officio.

Elected to serve on the planning and finance committee were Janet Robinson, Chairman, Richard Beattie, Dr. Amy Gutmann, Kurt Schmoke and Don Randel.

Elected to serve on the committee on trustees were Susan Hockfield, Chairman, Richard Riley, Dr. Richard Brodhead, Richard Beattie, Dr. Ralph Cicerone and Kurt Schmoke.

Elected to serve on the audit committee were Pedro Aspe, Chairman, Dr. Richard Brodhead, Dr. Amy Gutmann, Ana Palacio, Norman Pearlstine and Ambassador Thomas Pickering.

Both Governor Thomas Kean, Chairman of the board, and Dr. Vartan Gregorian, President of the Corporation, serve ex officio on all standing committees, except for the audit committee, on which Dr. Gregorian does not serve.

Membership on the ad hoc committee on compensation includes Governor Thomas Kean, Chairman of the board, Secretary Richard Riley, Vice Chairman of the board, Geoffrey Boisi, Chairman of the investment committee, and Janet Robinson, Chair of the planning and finance committee.

Board Actions

At the board meeting on March 4, 2010, the trustees authorized the President to appropriate \$2 million from funds in fiscal years 2009/10 and 2010/11 to respond to the earthquake disaster in Haiti by providing relief and recovery aid to benefit the victims.

Milestones

During the fiscal year 2010, there were a number of staff changes as the Corporation recognized professional growth with promotions and welcomed new people to the foundation. Appreciation was also expressed to departing staff members.

The following individuals joined the Corporation in fiscal year 2010:

MIRELA GEGPRIFTI, *Executive Assistant, Higher Education & Libraries in Africa, International Program*

ANNA GRAY, *Grants/Records Assistant, Grants Management*

KATHY LOWERY, *Administrative Assistant, Higher Education & Libraries in Africa, International Program*

MICHELLE NAPOLI, *Human Resources Manager*

KATE NEWBURGER, *Staff Assistant, Finance Office*

JULIA RAE SELTZER, *Investment Analyst*

The following individuals expanded their responsibilities in fiscal year 2010:

ELINA ALAYEVA, *Program Assistant, National Program*

LEAH HAMILTON, *Program Officer, Urban Education and Sr. Manager of New Designs for K-16 Pathways, National Programs*

AMBIKA KAPUR, *Manager, Dissemination Projects, Public Affairs*

WILLIAM LOUIS, *Senior Investment Analyst, Investment Office*

The following individual retired from the Corporation in fiscal year 2010:

NONE

The following individuals resigned from the Corporation in fiscal year 2010:

REBECCA BERNE, *Assistant to the President, Communication Coordinator & Program Associate, Special Projects*

ERIKA ESPINAL, *Staff Assistant, Finance Office*

ALSU FEISKHAN, *Administrative Assistant, Public Affairs*

GREGORY ROZOLSKY, *Sr. Financial Analyst, Investment Office*

NILUFER SATIC, *Human Resources Manager*

The following individuals were recognized for their years of service at the Corporation:

STEPHEN DEL ROSSO, *Program Director, International Peace and Security, International Program, 10 years*

KARIN EGAN, *Program Officer, Manager, Teachers for a New Era, National Program, 40 years*

SUSAN KING, *Vice President, External Affairs and Program Director, Journalism Initiative, Special Initiatives & Strategy, 10 years*

JEAN LARAQUE, *Senior Accountant, Finance Office,*
10 years

ELEANOR LERMAN, *Director of Public Affairs &*
Publications, Public Affairs, 10 years

ARIANE LEUNG, *Executive Assistant, Investment Office,*
10 years

SVETLANA SHENKER, *Accounts Payable Coordinator,*
Finance, 10 years

D. ELLEN SHUMAN, *Vice President and*
Chief Investment Officer

Annual Report—Fiscal 2010

During the fiscal year the portfolio returned 10.6 percent, which compares favorably to the benchmark's rise of 9.5 percent. All asset classes aside from real estate posted positive performance, with private equity and global equity generating the strongest returns, at 18.0 percent and 15.3 percent, respectively.

Several strategies employed within the portfolio contributed disproportionately to returns, while others detracted from performance. Here are some performance attribution highlights:

Factors That Added Value

- *Active management of global equities in developed markets.* Our managers generated phenomenal out performance of 5.4 percent.
- *Exposure to emerging markets.* The benchmark for emerging markets was 20.5 percent for the fiscal year, vs. 7.3 percent for the MSCI World Index. The Corporation's managers collectively returned 21.7 percent.
- Approximately one third of the Corporation's equity allocation is invested in emerging markets, which represents a significant overweight relative to emerging markets' global index representation.
- The Corporation's Brazilian equities manager performed exceptionally well, gaining 54.7 percent vs. 17.7 percent for the Bovespa, reaping the benefits not only of being in Brazil, but of terrific stock picking.
- *Leveraged buyouts returned 23.0 percent.* Managers wrote up valuations as portfolio companies' operational results improved and publicly traded comparables appreciated.

Factors that Detracted Value

- *Real estate.* Private real estate partnerships lost 10.7 percent during the fiscal year. The ten year performance of private real estate still remains compelling, at 8.4 percent annualized, outperforming both the NCREIF Property Index, at 7.2 percent, and the Cambridge Associates Value-Added Index, at -2.1 percent.
- *The Corporation did not have direct exposure to Treasuries, TIPS or gold during the fiscal year.* All of these expensive assets became even more expensive during the year. As value-oriented investors, we continue to be patient and stay on the sidelines, holding a substantial allocation to cash as an interim substitute for Treasury bonds.
- *An overweight to frontier equities in Africa and the Middle East.* This region lagged far behind emerging markets as a whole, despite attractive fundamentals. This part of the world has been in turmoil recently, but in our judgment, these markets represent extraordinarily good value going forward.
- *Lack of credit exposure.* High-yield bonds generated stellar performance during the fiscal year as spreads narrowed; however, the Corporation does not have a specific allocation to high yield. The Corporation does have a reasonably sized investment in residential mortgage backed securities (RMBS), which performed very well, but more high-yield and distressed credit exposure would have been beneficial.

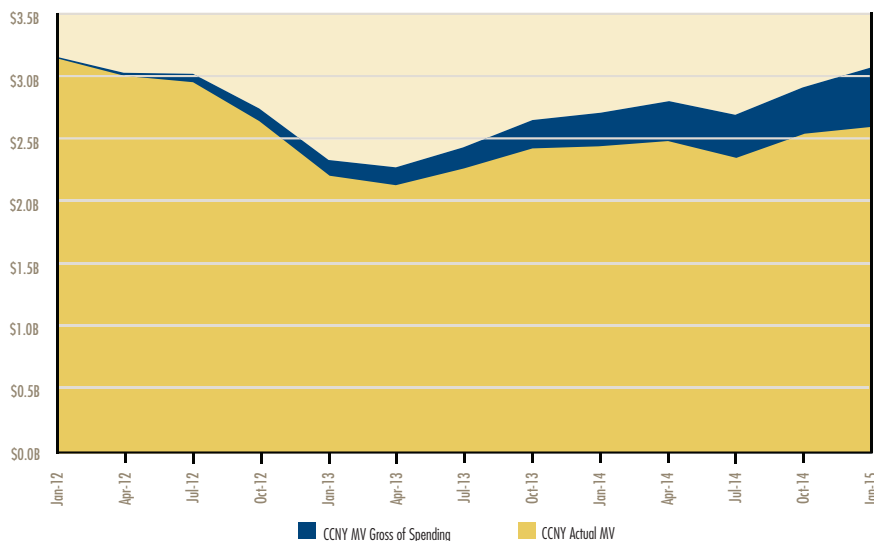
2008 Through 2010— The Financial Crisis and Its Aftermath: A Perspective

The Corporation reached its peak asset value of just over \$3.1 billion at the end of the fourth quarter of 2007. Asset growth had been exceptional during the previous five years, driven by investment returns of 19.3 percent per annum, benefiting from what was in retrospect a frothy capital markets environment. The arrival of the capital markets crisis in the early fall of 2008 created severe declines in asset values—by March 2009 the value of the Corporation’s assets had dropped to a nadir of \$2.1 billion. Fortunately equity markets stabilized and rebounded, generating a return of approximately 18.5 percent on an annualized basis from April 2009 through September 30, 2010, resulting in a fiscal year-end market value of \$2.5 billion.

Total assets as of September 30, 2010 were \$0.6 billion below the December 2007 peak, yet during this three-year period the Corporation spent \$0.4 billion on its program and administrative expenses. Thus, as of September 30, the Corporation had recovered all but \$200 million of its assets lost during the financial crisis. Subsequent performance has been strong; as of December 31, we estimate that the Corporation had recovered all but \$100 million, as illustrated in the chart below.¹

¹ The “CCNY MV Gross of spending” is a hypothetical market value that assumes all Corporation assets held as of December 31, 2007 remained invested during the subsequent three years (i.e., there was no spending).

Carnegie Corporation of New York
Historical Market Value



A Longer Term View

Overall, we are pleased with performance during fiscal 2010 and with the recovery since the financial crisis. Ultimately, however, it is not productive to focus on short-term performance. The Corporation's mandate is to "do real and permanent good" in perpetuity, with an investment policy aimed at preserving the purchasing power of the Corporation's assets net of spending over long periods of time. The chart below shows results for 1-, 10-, 25- and 50-year periods ending September 30, 2010.

During each of these periods, assets have grown in both nominal and real terms. Put another way, investment results have beaten inflation net of spending outflows, keeping the Corporation on track to fulfill its mission of perpetuity. Over the past 50 years, the Corporation has spent over \$2.3 billion on program initiatives and internal administration while assets have grown at 0.6 percent each year in real terms. The chart below shows the Corporation's assets relative to inflation since 1960.

The Corporation's fiscal-year-end portfolio value of \$2.5 billion is well ahead of the inflation-adjusted 1960 value of \$1.9 billion, despite cumulative spending of \$2.3 billion during this half-century. As the Corporation celebrates its centennial year, we suspect that Andrew Carnegie would be proud of this achievement.

Since we cannot be sure what the future will bring, we work to construct the Corporation's portfolio in such a way that it will do well in a wide range of scenarios, improving the probability that the Corporation's investments will compound at a rate that preserves purchasing power net of spending. This is always a great challenge, but it is one on which we are intensely focused.

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Historical Returns, Spending and Market Value (SMM) As of September 30, 2010

	1 Year	10 Years	25 Years	50 Years
Annualized Return	10.6%	7.9%	11.4%	9.7%
Spending %	5.8%	4.9%	5.2%	5.0%
Nominal Change in MV	4.2%	2.8%	6.2%	4.7%
Annualized Inflation	1.1%	2.3%	2.8%	4.1%
Real Return	3.1%	0.4%	3.3%	0.6%
Beginning MV	\$ 2,429.1	\$ 1,928.1	\$ 565.1	\$ 255.8
Ending MV	\$ 2,531.3	\$ 2,531.3	\$ 2,531.3	\$ 2,531.3
Total Spending	\$ 143.5	\$ 1,053.0	\$ 1,943.4	\$ 2,325.6

* Spending includes grants, administrative expenses and excise tax, but excludes UBIT and investment office expenses.

THOMAS H. KEAN, CHAIRMAN
PRESIDENT
THK CONSULTING, LLC
49 ROUTE 202
PO BOX 810
FAR HILLS, NJ 07931-0810

RICHARD W. RILEY, VICE CHAIRMAN
SENIOR PARTNER
NELSON, MULLINS, RILEY & SCARBOROUGH, LLP
POINSETT PLAZA, SUITE 900
104 SOUTH MAIN STREET
GREENVILLE, SC 29601-2122

KOFI A. ANNAN
CHAIRMAN
ALLIANCE FOR A GREEN REVOLUTION IN AFRICA
VILLA RIGOT AVENUE DE LA PAIX 9
1202 GENEVA SWITZERLAND

PEDRO ASPE
CHAIRMAN & CHIEF EXECUTIVE OFFICER
PROTEGO ASESORES FINANCIEROS
MANUEL AVILA COMACHO 36, PISO 22
COLONIA LOMAS DE CHAP ULTEPEC
MEXICO, D.F. 11000

RICHARD I. BEATTIE
CHAIRMAN
SIMPSON THACHER & BARTLETT LLP
425 LEXINGTON AVE
NEW YORK, NY 10017

GEOFFREY T. BOISI
CHAIRMAN & SENIOR PARTNER
ROUNDTABLE INVESTMENT PARTNERS LLC
280 PARK AVE
NEW YORK, NY 10017

RICHARD H. BRODHEAD
PRESIDENT
DUKE UNIVERSITY
207 ALLEN BUILDING, BOX 90001
DURHAM, NC 27708-0001

RALPH CICERONE
PRESIDENT
NATIONAL ACADEMY OF SCIENCES
500 FIFTH STREET, NW, RM. NAS-215
WASHINGTON, DC 20001

AMY GUTMANN
PRESIDENT
UNIVERSITY OF PENNSYLVANIA
100 COLLEGE HALL
PHILADELPHIA, PA 19104-6380

SUSAN HOCKFIELD
PRESIDENT
MASSACHUSETTS INSTITUTE OF TECHNOLOGY
77 MASSACHUSETTS AVE
CAMBRIDGE, MA 02139

ANA PALACIO
SENIOR VICE PRESIDENT AND
WORLD BANK GROUP GENERAL COUNSEL
THE WORLD BANK
ROOM MC 6-313
1818 H STREET, NW
WASHINGTON, DC 20433

NORMAN PEARLSTINE
SENIOR ADVISOR
THE CARLYLE GROUP
520 MADISON AVE
NEW YORK, NY 10022

THOMAS R. PICKERING
VICE CHAIRMAN
HILLS & COMPANY
1120 20TH STREET, NW
SECOND FLOOR, NORTH BUILDING
WASHINGTON, DC 20036

DON M. RANDEL
PRESIDENT
THE ANDREW W. MELLON FOUNDATION
140 EAST 62ND STREET
NEW YORK, NY 10021

JANET ROBINSON
PRESIDENT AND CHIEF EXECUTIVE OFFICER
THE NEW YORK TIMES COMPANY
620 EIGHTH AVENUE, 16TH FLOOR
NEW YORK, NY 10036

KURT L. SCHMOKE
DEAN
HOWARD UNIVERSITY SCHOOL OF LAW
2900 VAN NESS STREET, NW
WASHINGTON, DC 20008

JAMES D. WOLFENSOHN
CHAIRMAN AND CEO
WOLFENSOHN FUND MANAGEMENT, L.P.
1350 AVENUE OF THE AMERICAS, SUITE 2900
NEW YORK, NY 10019

WARREN CHRISTOPHER, HONORARY TRUSTEE

HELEN KAPLAN, HONORARY TRUSTEE

NEWTON N. MINOW, HONORARY TRUSTEE

Staff

OMOTADE AINA, *Program Director,
Higher Education and Libraries in Africa*

ELINA ALAYEVA, *Administrative/Research Assistant,
Carnegie Scholars*

PATRICIA AQUINO-MACRI, *Executive Assistant,
International Program*

DEANA ARSENIAN, *Vice President, International
Program Coordination and Program Director,
Russian Higher Education and Eurasia*

ROOKAYA BAWA, *Program Officer, Higher Education and
Libraries in Africa; Manager, African Libraries Project*

REBECCA BERN, *Assistant to the President,
Communications Coordinator & Program Associate,
Special Projects¹*

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Operator²*

DENISE A. CLARE, *Controller*

DEBORAH COHEN, *Administrative Assistant,
International Peace and Security*

JON-MICHAEL CONSALVO, *Investment Operation Analyst*

AZURRA COX, *Program Assistant, Urban Education³*

MAUDE DARUCAUD-BATES, *Information Systems
Support Specialist*

NATASHA DAVIDS, *Executive Assistant*

STEPHEN J. DEL ROSSO, Jr., *Program Director,
International Peace and Security*

LYNN DIMARTINO, *Executive Assistant,
International Peace and Security*

JEANNE D'ONOFRIO, *Chief of Staff & Operations*

PAULA DOUGLAS, *Executive Assistant*

KARIN P. EGAN, *Program Officer,
Manager, Teachers for a New Era*

ADRIENNE FARACI, *Communications Coordinator*

ALSU FEISKHAN, *Administrative Assistant⁴*

RUTH FRANK, *Office Manager*

CLAUDIA FRITTELLI, *Program Officer,
Higher Education and Libraries in Africa*

VERONICA M. GARWOOD, *Executive Assistant*

MIRELA GEGPRIFTI, *Executive Assistant, Higher
Education & Libraries in Africa*

ANDREW GERAGHTY, *Program Assistant*

BARBARA GOMBACH, *Project Manager, Education
Division*

ANNA E. GRAY, *Grants/Records Assistant*

VARTAN GREGORIAN, *President*

KIMBERLY HAFNER, *Administrative Assistant,
Higher Education and Libraries in Africa*

LEAH HAMILTON, *Program Officer, Urban Education*

MICHELLE HAN, *Executive Assistant*

LORETTA HARRIS, *Director of Information Systems*

ANDRÉS HENRÍQUEZ, *Program Officer; Urban Education*

MEREDITH JENKINS, *Director of Private Equity*

ANDREA JOHNSON, *Program Officer,
Higher Education and Libraries in Africa*

¹ As of September 2010

² As of October 2010

³ As of November 2010

⁴ As of June 2010

SARAH JOHNSON, *Program Assistant*

AMBIKA KAPUR, *Program Manager,
Journalism Initiative and Dissemination Program*

SUSAN KING, *President, External Affairs; Director,
Journalism Initiative, Special Initiatives and Strategy*

JEAN R. LARAQUE, *Senior Accountant*

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KIM Y. LEW, *Director of Investments*

WILLIAM LOUIS, *Financial Analyst*

KATHY R. LOWERY, *Administrative Assistant*

ALISA M. MALL, *Associate Director of Investments*

VIRGINIA MALLON-ACKERMAN, *Administrative Assistant*

GERALDINE P. MANNION, *Program Director,
U.S. Democracy and Special Opportunities Fund*

SARINA MASAFY, *Grants Manager*

GLADYS D. MCQUEEN, *Records Manager*

TALIA MILGRAM-ELCOTT, *Program Officer, Urban
Education*

MICHELLE NAPOLI, *Human Resources Manager*

KATE NEWBURGER, *Staff Assistant*

PATRICIA MOORE NICHOLAS, *Project Manager,
International Program*

PATRICIA PAGNOTTA, *Executive Assistant*

CARMELLA A. RICHARDS, *Administrative Assistant*⁵

JOSÉ A. RIVERA, *Office Services Coordinator*

CARL ROBICHAUD, *Program Officer,
International Peace and Security*

PATRICIA L. ROSENFELD, *Program Director,
Carnegie Scholars*

DAMON ROUNDTREE, *Mail Clerk/Office Assistant*

GREGORY ROZOLSKY, *Sr. Financial Analyst*⁶

NILUFER SATIC, *Manager, Human Resources*⁷

JULIA RAE SELTZER, *Investment Analyst*

ROBERT J. SEMAN, *Chief Financial Officer*

RONALD SEXTON, *Librarian and Online Researcher*

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YOTARO SHERMAN, *Business Application Delivery
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KAREN THEROUX, *Editor/Writer*

RIKARD TREIBER, *Associate Corporate Secretary and
Director of Grants Management, Secretary's Office*⁸

VALERIE VITALE, *Executive Assistant*

TERRY WELCH, *Executive Assistant, Islam Initiative*

HILLARY WIESNER, *Program Director, Islam Initiative*

SARA K. WOLPERT, *Executive Assistant, Urban Education*

DAVID A. HAMBURG, *President Emeritus*

⁵ As of December 2010

⁶ As of June 2010

⁷ As of June 2010

⁸ As of October 2010