

California Foundations Agree to Invest More in Minority Areas

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Under pressure from minority members of the California Legislature, 10 of the state's largest foundations will give an additional \$30 million over the next three years to nonprofits in communities of color.

Members of the Legislature's Latino, African American and Asian Pacific Islander caucuses were briefed Tuesday on the offer, which the foundations made last month.

The accord comes nearly a year after Assemblyman Joe Coto, D-San Jose, agreed to drop legislation that would have required foundations to disclose their ethnic composition and detail grants awarded to minority organizations.

In return, the foundations – which warned that such legislation would drive donors out of California – agreed to work to expand investments in minority communities.

“This is going to mean greater investments in minority-led organizations that very often are the ones that address the needs of low-income communities in California,” said Coto, who helped negotiate the agreement.

Many foundations enjoy tax-exempt status. But according to a 2006 study by the Berkeley-based Greenlining Institute, which sponsored the legislation, only 3.6 percent of grant dollars from the nation's top 24 private foundations went to minority-led organizations.

“The issue was that a lot of (foundation) money was going to what are called ‘cultural palaces’ – museums, and opera houses and things like that,” Coto said.

The foundations will still review grant proposals and determine which nonprofits receive funding.

Aides to Coto said the foundations are still working out how much each of them will contribute to the effort.

But a spokesman for the James Irvine Foundation said it is teaming with the William and Flora Hewlett Foundation and the David and Lucile Packard Foundation to contribute an additional \$7 million to \$9 million over three years.

James Canales, president and chief executive officer of the Irvine Foundation, said he was pleased with the new funding partnership.

The other foundations involved in the offer include the Weingart Foundation, the Ahmanson Foundation, the California Endowment, the UniHealth Foundation, Ralph M. Parsons Foundation, the California Wellness Foundation and the Annenberg Foundation.