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The William and Flora Hewlett Foundation makes grants to address the most serious social and environmental problems facing society, where risk capital, responsibly invested, may make a difference over time. The Foundation places a high value on sustaining and improving institutions that make positive contributions to society.

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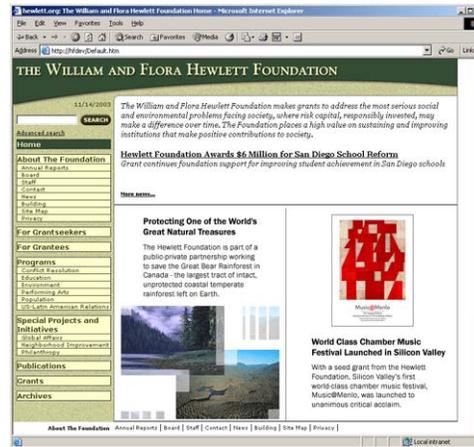
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Hewlett Foundation Launches Re-Designed Website

On November 12, the Foundation launched a re-designed version of Hewlett.org. In addition to providing a great deal more information about the Foundation's work, a key goal of the website is to efficiently move appropriate potential grantees into the funding process.

One important aspect of the new site is a form-based Letter of Inquiry. This form was designed to help streamline grants management by requiring grantseekers to provide specific



information necessary to process grants. In the past, the Grants staff has had to spend an inordinate amount of time tracking such information before they could act on a Letter of Inquiry.

In just the first month, Grants reports a sharp drop in LOIs that don't pertain to our grantmaking, and an increase in LOIs that do.

The expanded content appears to be holding website visitors' interest – the average time a visitor spends on the site has jumped by nearly 80% from October to December.

Building the Field of Philanthropy

As part of the Foundation's ongoing efforts to provide effective tools for grantmakers, the Hewlett Foundation has made a significant investment in the Greater Kansas City Community Foundation's DonorEdge – an online searchable database that helps grantmakers assess organizations.

DonorEdge collects objective information about targeted nonprofit organizations and makes it available to the Foundation's donors. The information gathered falls into three major categories: program performance, management and governance, and financial soundness, and helps grantmakers make strategic funding decisions.

Working with The Bridgespan Group, the GKKCF has developed an online tool that

China Trip Bears Fruit

Hewlett support of the Energy Foundation's work in China appears to be having a positive effect on the future of Chinese energy policy. Susan Bell's and Hal Harvey's recent trip to Beijing to participate in high-level discussions with Chinese officials coincided with the startling announcement by the Chinese government that it plans to institute fuel efficiency standards that far exceed those of the United States. The *New York Times* ran a front-page story about the policy decision on November 18 that included a comparative analysis of current U.S. and proposed Chinese standards. The analysis, created by Energy Foundation contractor Fung An, has been extremely helpful in driving China's proposed policy.

Here is an excerpt from a *New York Times*

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China Trip Bears Fruit

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editorial of November 19 praising the Chinese as the U.S. Senate was debating its own energy policy:

“...What should really mortify Mr. Domenici and his Congressional co-conspirators, however, is a report by the *Times’s* Keith Bradsher that the Chinese, hardly paragons of virtue on matters relating to energy and the environment, are about to impose fuel economy standards on new cars and S.U.V.’s that will be significantly stronger than those in the United States. Like President Bush and Congress, the Chinese are worried about their increasing reliance on foreign oil. China now imports one-third of its oil, compared with 55 percent for the United States. The difference is that the Chinese are ready to do something about it, whereas Congress is not; indeed, loopholes in the energy bill could make American cars less efficient than they are...With a price tag that could double the advertised cost of \$30 billion, this energy bill is not only programmatically flawed but also fiscally irresponsible. The Chinese have provided yet another reason for killing it and starting over.”



“Su Shan Bei Er” representing Hewlett at Beijing meetings.



“He Hao” discusses hybrid vehicle technology at Beijing Symposium.

He Hao and Su Shan Bei Er Shine in China

The Foundation is using its knowledge of hybrid vehicle technology in Sao Paulo for the benefit of cities in China.

Hewlett Environment Program Director “He Hao” (see below) gave a case study of the Foundation’s efforts to bring hybrid electric bus rapid transit to Sao Paulo – an area of particular interest to Chinese officials. The following is an excerpt from a *Financial Times* newswire story about the meeting:

“A symposium on hybrid-vehicle technology, sponsored by the China Automotive Technology and Research Center, was held November 12 in Beijing. Experts from home and abroad and Chinese bus enterprises focused on promoting hybrid vehicle technology and establishing policies...He Hao, director of the environment department under the [William and] Flora Hewlett Foundation, introduced Brazil’s experience in hybrid-vehicle development at the meeting. Sao Paulo’s ELETRA Bus Company, which develops economy and low-cost hybrid-vehicle technology, expects a cooperation with Chinese enterprises, He said.”

Note: The Foundation representative referenced in the news brief, He Hao, is none other than the Chinese name chosen for Environment Program Director Hal Harvey.

Grantees May Play Major Role in California Education Debate

As the debate around the structure of public education in California is reinvigorated with the political changes in Sacramento, two Hewlett grants may play a pivotal role.

First to Worst is a PBS documentary that explores the roots of California's current education crisis, tracing it to the anti-tax movement of the 1970's and 80's and to civil rights lawsuits that aimed to equalize school spending but resulted instead in significant funding limits on schools. "We really wrote off adequacy and embraced equalized mediocrity," says Michael Kirst of Stanford University.

The film pays special attention to Proposition 13, the 1978 anti-tax law that froze property taxes on businesses and homes and, critics say, made funding public schools extremely difficult. "We're always on a survival level," Harriet McLean, a principal in Contra Costa, explains in *First to Worst*. "We're understaffed, we're over-crowded, and our roof leaks." McLean takes viewers on a tour of her school, which is typical of the appalling conditions found in many schools throughout the state.

The Foundation, which provided major funding for the film, has helped secure a highly advantageous time slot on California PBS stations by helping provide local underwriting through a Hewlett grantee, The Center for the Future of Teaching and Learning.

Providing even more momentum in the debate is a Hewlett-funded Rand Corporation report, which analyzes in detail the troubled state of California's schools. The report will be released in late February.



New Grant Helps NewMusicJukebox Roll Out Version 2.0

With renewed support from the Hewlett Foundation in 2004-06, American Music Center will roll out Version 2.0 of NewMusicJukebox.

NewMusicJukebox offers the first centralized online marketplace to enable the creators and presenters of this genre to listen, research, commission, rent and purchase contemporary music. It presently includes data on approximately 4,000 works from 500 composers, with 1,000 downloadable scores and 800 sound files. A powerful search engine allows users to search by title, composer name, ensemble type, instrument, year



composed, and keywords.

The new components of the upgrade include: importing catalogs of works by American composers from major publishers of new music, creating a tool that will enable consumers to rent or purchase "sheet music" directly from publishers via the site, broadcasting NewMusicRadio, a mix of commercially and non-commercially recorded music over the internet, digitizing bibliographic

data for works from the American Music Collection of 20th Century Music, and creating a searchable Performance Calendar.

Building the Field of Philanthropy

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contains profiles and financial information for 400 Kansas City area nonprofit agencies. Eventually, about 650 nonprofits are expected to be included.

“We’ve looked at trends in giving and have seen that today’s donors don’t just want to hand over their money and trust us to do something with it after they’re gone,” said John O’Connell, vice president of communications at the GKKCF, in a recent profile by the *Kansas City Star*. “They tend to be



younger, with strong passions for certain causes or interests. They want to give money that will make an impact, and they want to have input in the giving.”

CBS News to Feature Cargill Purchase

For a feature called “Christmas Gifts We Give Ourselves,” CBS Morning News is scheduled to air a story about the Cargill Salt Ponds purchase on December 21 (barring major breaking news).

Pelican Media, which is working with The Resources Legacy Fund to document the restoration process, has made dramatic footage of the salt ponds available to CBS. The footage includes the graphic patterns and colors of the ponds, as well as excellent aerials of the reddish-pink ponds around Cargill operations, the salt crystallizer pond, the site's twin mountains of salt, and the operation's

industrial buildings.

Mary Schoonover of the Resources Law Group reports that while the full restoration of the salt ponds will be an expensive, long-term endeavor,

initial efforts to promote tidal influences on the ponds, stabilize salinity and stabilize habitat are already moving forward and will be highly beneficial.

Schoonover is optimistic about continuing political support for the project,

pointing out that Senator Dianne Feinstein, a key supporter of the project, “wants to see restoration in her lifetime.”



Aerial View of the Cargill Salt Ponds