

Thirtieth Anniversary

Richard King Mellon Foundation

1977 Annual Report

1977
1947

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Richard King Mellon Foundation

1977 Annual Report

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President's Report

On November 14, 1977, the Richard King Mellon Foundation observed its thirtieth anniversary. From its founding through 1977, the Trustees of the Foundation approved over 1,500 grants totaling almost \$120,000,000.

During its first thirty years of philanthropic activity, the Foundation's Trustees have maintained a strong interest in the fields of higher education and medicine and health care. Over one-half of the total appropriations have been allocated to these two fields. Educational institutions, particularly those at the undergraduate and graduate levels, have been the largest recipients, benefiting from almost \$38,300,000, while almost \$25,000,000 has been distributed in the field of medicine and health care. The largest single beneficiaries have been the University Health Center of Pittsburgh and its member institutions, particularly the University of Pittsburgh School of Medicine. Further comment on historical support for the Health Center and the School of Medicine is provided in the third chapter of this Report.

Owing in large part to a \$10,000,000 grant to Carnegie Institute in 1973, the largest single commitment in the Foundation's history, cultural activities accounted for the third largest portion of grant approvals with a total of \$20,100,000. Social service agencies, primarily in Pittsburgh and western Pennsylvania, have received approximately \$16,700,000, while conservation organizations, boosted by a major grant in 1977, were awarded \$9,600,000. Grant appropriations in the field of civic affairs total \$9,400,000.

Special recognition is due Mrs. Constance Prosser Burrell who has served continuously as Chairman of the Board of Trustees of the Foundation since its inception in 1947. During this period, the Foundation has benefited greatly from her leadership. Mrs. Burrell's concern for humanity and the betterment of the quality of life for people in Pittsburgh and western Pennsylvania has provided invaluable guidance for the Trustees of the Foundation. The accomplishments and experiences of the past thirty years of philanthropic activity give justification to the Foundation's role and bear witness to the direction and leadership provided by the Foundation's Chairman.

In 1977, thirty-seven new commitments were approved totaling \$9,819,601, including seven awards amounting to \$8,500,000. During the year, the Foundation made grant payments totaling \$7,697,442. Unpaid grants at year-end amounted to \$7,679,289.

Activity during this reporting period extended cumulative grant appropria-



Mrs. Constance Prosser Burrell
Chairman, Richard King Mellon Foundation

tions since 1947 to \$119,020,721. Grant payments to charitable recipients since the Foundation's inception total \$111,341,432, an amount which exceeds the net income for the same period by \$22,932,718.

Grants were awarded during the year in five categories: Conservation, Education, Medicine, Cultural and Civic Affairs, and Social Services. The first three categories received particular emphasis in 1977, accounting for 85 percent of the total funds awarded during the year.

The year 1977 was more than a thirtieth anniversary. It was also a year in which the programs of the Richard King Mellon Foundation reflected priorities modified significantly near the end of 1976. Projects in conservation received major emphasis during 1977, accounting for 42 percent of grant funds approved. A significant portion of this activity is represented by a \$4,000,000 grant to The Nature Conservancy, Inc., the second largest grant ever awarded in the Foundation's history. These funds will be used for the acquisition and preservation of two natural wilderness areas in North Carolina. While land conservation and wildlife preservation are the Foundation's primary areas of interest outside the western Pennsylvania area, they are also being pursued locally. The Richard King Mellon Charitable Trusts, which were established by the donor of the Richard King Mellon Foundation, awarded a grant of \$1,000,000 to the Western Pennsylvania Conservancy for the acquisition of significant natural land areas in western Pennsylvania.

Since the Foundation's inception in 1947, it has been most immediately concerned with improving the quality of life in Pittsburgh and other western Pennsylvania communities. During its first twenty-nine years of charitable activity, approximately 79 percent of all grant funds approved supported organizations and activities in this area. However, 1977 was a year of departure from this pattern because of the emphasis in the field of conservation on a national scale. Although fewer grant dollars now appear to be available in the future for distribution for the benefit of the citizens of western Pennsylvania, this by no means signifies a diminished concern by the Trustees for the welfare and progress of the people and institutions in this area. It is a consequence and reflection of the genuine concern on the part of the Foundation's Trustees for preserving this Country's natural heritage. The Foundation will continue to support organizations and institutions in Pittsburgh and western Pennsylvania but, given its limited financial resources, it must restrict its appropriations to the most efficient and essential organizations in the region. For example, two local institutions of prominence were the recipients of major grants during 1977. The University of Pittsburgh School of Medicine was awarded \$1,500,000 to help strengthen the faculty and facilities in the Department of Medicine. Carnegie-Mellon University was awarded two grants



totaling \$1,000,000. Seven hundred thousand dollars will be added to the President's Discretionary Fund and \$300,000 will be applied to Carnegie-Mellon University's Biomedical Engineering Program.

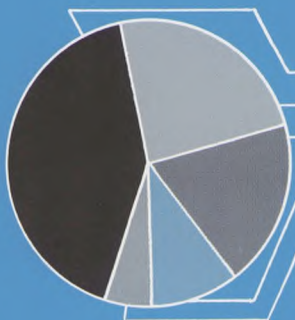
Due to its expertise in agricultural research and training, the University of Georgia was awarded a three-year grant of \$1,000,000. In cooperation with the United States Department of Agriculture, the University is undertaking a research project in the southeast part of the Country to explore that region's natural resource potential for food production to help relieve mounting pressures created by the world-wide imbalance between population and food supply.

The pages which follow contain descriptions of the grants in the Foundation's five categories of activity and offer comments on some of the problems encountered and the accomplishments realized in these fields.

Richard P. Mellon

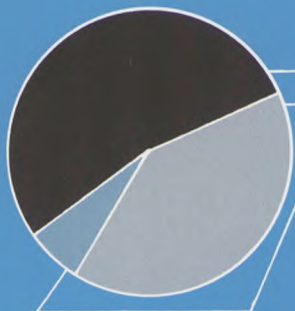
Richard P. Mellon
President

1977 Grants Approved



By Category

Conservation	\$4,147,500	42%
Education	2,385,000	24%
Medicine	1,905,000	19%
Cultural & Civic Affairs	934,101	10%
Social Services	448,000	5%
	<u>\$9,819,601</u>	<u>100%</u>



By Area

Other Areas	\$5,205,000	53%
Pittsburgh	3,909,600	40%
Western Pennsylvania	705,001	7%
	<u>\$9,819,601</u>	<u>100%</u>

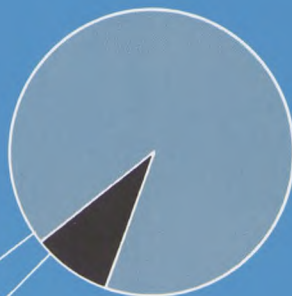
1947-1977 Net Income and Grants Paid

Net Income

1947—1976	\$80,461,297
1977	7,947,417
Total	<u>\$88,408,714</u>

Grants Paid

1947—1976	\$103,643,990
1977	7,697,442
Total	<u>\$111,341,432</u>



Conservation

In late 1976, following deliberation regarding the Foundation's future directions, the Trustees of the Richard King Mellon Foundation determined that land conservation and wildlife preservation would be the Foundation's foremost priority in the coming years. It now represents an area of activity to be pursued on both a local and a national basis, and is the Foundation's primary interest outside the western Pennsylvania area.

It is not surprising, then, that during 1977 awards in this category constituted the largest activity for the Foundation during the year. Five grants totaling \$4,147,500, or 42 percent of the Foundation's 1977 grant authorizations, were made for conservation projects.

The prime concern of the Foundation's efforts in conservation focuses on funding acquisitions of significant natural wilderness areas, both to protect lands from development and to assist in wildlife preservation. Toward this end, a \$4,000,000 grant, the second largest in the Foundation's history, was awarded to The Nature Conservancy, Inc. to purchase and preserve two key wilderness tracts on North Carolina's Outer Banks.

Other grants approved in 1977 for conservation undertakings concentrated on support for programs pertaining to land use and land management.

As indicated previously, the Foundation is pursuing land conservation both nationwide and in the more immediate region of western Pennsylvania. In addition to the major grant awarded to The Nature Conservancy, substantial funding was also provided to assist in the purchase of significant natural areas in western Pennsylvania. The Richard King Mellon Charitable Trusts, administered in conjunction with the Richard King

Mellon Foundation, provided \$1,000,000 in capital funding to the Western Pennsylvania Conservancy to enable it to take advantage of opportunities to acquire lands of major significance in this region.

Conserving Natural Areas

The Nature Conservancy is a national organization dedicated to the preservation of lands with ecological or environmental value. For more than twenty-five years the Conservancy has worked with conservationists, industry, and private philanthropy and has preserved approximately a million acres of American wilderness.

The majority of the Conservancy's resources and energies are devoted to activities of identification, acquisition, and stewardship of natural areas. Approximately 60 percent of all projects are retained by the Conservancy and managed by volunteers. The remaining areas are transferred to other conservation organizations, universities, or local, state, or Federal government.

In 1977, the Trustees of the Richard King Mellon Foundation approved a grant of \$4,000,000 to The Nature Conservancy, Inc. to enable it to purchase for conservation purposes two of the finest undisturbed areas remaining on North Carolina's Outer Banks. The funds will be used to acquire Swan and Monkey Islands in Currituck County, North Carolina, thus preserving a superb wildlife and natural area. The grant, made toward the Conservancy's unique Land Preservation Fund, is the largest single cash grant ever made by a charitable foundation to a private conservation organization in the United States.

The Currituck Outer Banks, once a barrier island chain, have become a long narrow finger of sand and wetlands that



A \$4 million grant from the Foundation enabled The Nature Conservancy to purchase two key wilderness tracts on North Carolina's Outer Banks. These acquisitions will help preserve sand and wetland properties adjacent to the Currituck Sound, which provides food and habitat for 15 percent of the migratory waterfowl on the Atlantic Flyway.

stretches south from Virginia Beach, Virginia toward Cape Hatteras, North Carolina. According to the United States Fish and Wildlife Service, Currituck Sound is the most significant unprotected waterfowl area on the entire Atlantic Flyway, providing food and habitat for 15 percent of the migratory waterfowl on the Flyway. In addition, an extensive and productive bass fishery has developed in the fresh water aquatic system of the Sound.

Monkey Island and Swan Island are located midway on the Currituck Sound Outer Banks. Together, counting the areas that will be purchased directly and those properties where conservation

easements will be acquired, approximately 6,500 acres will be protected, including thousands of acres of marshes, a number of small islands, and acres of vulnerable shoal waters. The acquisition of these two tracts is of key importance to frustrating further undesirable development and the resultant pollution and other adverse impacts on the adjacent areas of this irreplaceable natural resource.

The significance of this \$4,000,000 grant to The Nature Conservancy to purchase Swan and Monkey Islands does not end with the protection of seven and one-half miles of critical ocean frontage and

extremely productive marshland. It is hoped that, if public funds are available in the next few years, these critical natural areas will be sold to a public body for permanent stewardship. The proceeds of the sale would then be deposited in The Nature Conservancy's Land Preservation Fund where they would be utilized on a revolving basis to preserve other critical wildlife and fisheries habitat as the opportunities arise.

Land Economics

During 1977, the Trustees of the Richard King Mellon Foundation approved a grant of \$100,000 to The Conservation Foundation, Inc. toward its program of research entitled Conservation and the Land Market. The project, to be conducted over a two-year period, is designed to provide conservationists and

other interested parties with a more comprehensive understanding of the economic forces of the rural land market and the motivations and methods of operations of those who seek to develop such lands.

The research project will contain two major components and will be based on case studies of areas in which resource lands have been subject to speculation, change in ownership, and marked value increases. The first component concerns the outlook for land use and land prices in the United States, considering the demands on non-urban land for agricultural production, timber growing, rural living, public parks, and private recreation. The limited land base on which these demands will be made and the outlook for reconciling supply and demand will also be considered. The second major compo-

The Conservation Foundation is undertaking a research project, Conservation and the Land Market, designed to provide conservationists and other interested parties with a more comprehensive understanding of the economic forces of the rural land market.



ment of the research involves the operation of the rural land market from a business viewpoint. Numerous types of commercial interests are involved in the resale and development of rural properties, and an understanding is sought of the role that each plays in the conversion of natural land into a site for potential development.

In addition to being of benefit to conservation groups, the study results should be of great value to what appears to be a new national effort to speed up the rate of acquisition of land for parks, wildlife habitat, and natural areas.

Land Management

Two grants were approved during the year in support of programs aimed at strengthening the stewardship functions on either public or private lands.

The first grant was awarded to the Student Conservation Association, Inc., an organization which operates summer work-education programs for high school and college students in the national parks of this Country.

One goal of the Association is to assist public conservation agencies by performing tasks which are outside their budgets by having high school and college students participate in efforts to maintain and improve the national parks. A second goal is to offer young people from varied backgrounds the opportunity to gain greater insight into and respect for the natural and cultural heritage of the national parks. It also provides a unique role in providing professional job skill training in park, forest, and natural resource management.

Since its inception in 1957, the Association has, in cooperation with the National Park Service, operated work-education programs for more than 3,300



High school and college students in the Student Conservation Association's programs provide the manpower to build needed facilities in our national parks.

students. Programs are usually carried out in remote locations and on projects normally difficult for the Park Service to undertake because of location, supervision, and lack of funds.

The Association's annual operating budgets are funded from public and private sources. Believing that the Association's volunteers represent a valuable asset in the management of its Park System, the National Park Service recently increased its matching share to two-for-one for each private dollar the Association receives. Thus, the Foundation's

grant of \$25,000 for 1978 operating support will generate an additional \$50,000 from public sources.

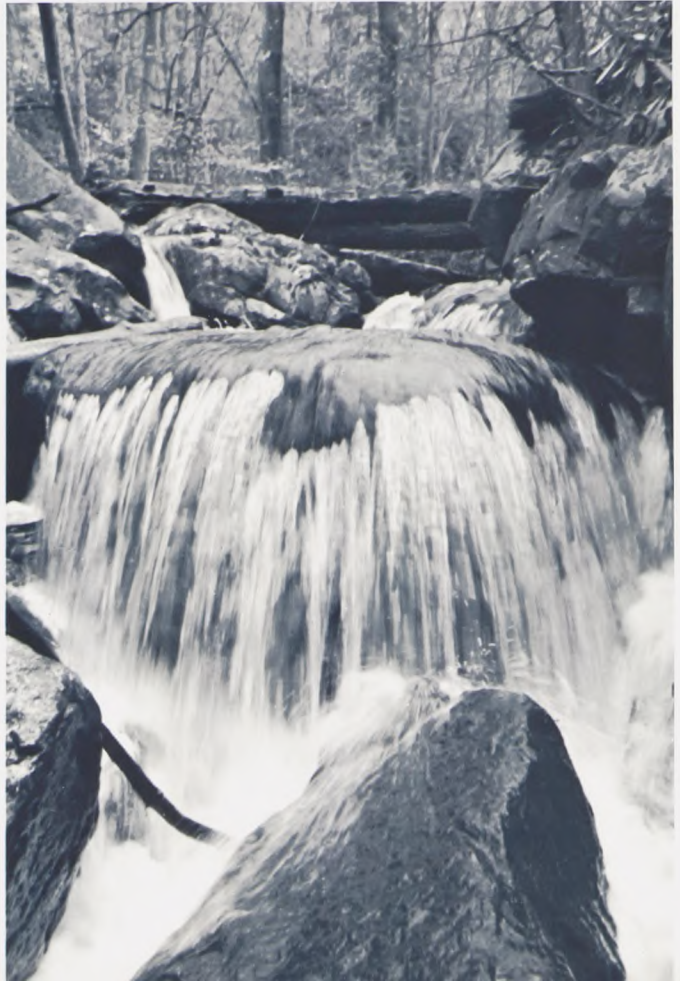
The Western Pennsylvania Conservancy received a grant from the Foundation to be applied to the operating budget of the Laurel Highlands Conservation and Development Project. The Project was established in 1975 as a result of a land use study which indicated that the Laurel Ridge of the Allegheny Mountains in western Pennsylvania is an identifiable and environmentally significant region which is in jeopardy of thoughtless overdevelopment.

The Laurel Highlands Conservation and Development Project was established to protect and enhance the sensitive natural and cultural values of the Laurel

Highlands region while pursuing ecologically compatible development. Its objectives are (1) to stimulate a dialogue on regional land use issues, (2) to assist citizens, landowners, organizations, and governmental units in protecting important regional values, and (3) to promote the formation of a broader based regional group dedicated to conservation and wise development of the unique resources of the entire Laurel Highlands.

The Project focuses on priority land use problems such as the pattern and quality of rural residential development and the impact of surface mining. It then brings its expertise to bear on specific issues in order to challenge harmful activities, educate a concerned public, and broaden specific issues into regional or State-wide perspective. In this regard, a broader, more significant role appears to

Under the auspices of the Western Pennsylvania Conservancy, the Laurel Highlands Conservation and Development Project was established to protect and enhance the sensitive natural and cultural values of the Laurel Highlands region in western Pennsylvania while pursuing ecologically compatible development.



be evolving. While the Project was conceived to pursue the cause of wise land use in the geographic confines of the Laurel Highlands region, its activities have had an impact well beyond that region. The Project has enhanced its effectiveness and its impact by using the Laurel Highlands as a proving ground or local laboratory to advance ideas which have State-wide application. There are many areas where the regional activities

of the Project can be coupled with the capabilities of other conservation organizations in the Commonwealth of Pennsylvania to enhance the effectiveness of land use policy.

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The following is a list of grants approved in 1977 for conservation activities:

The Conservation Foundation, Inc. Washington, District of Columbia Two-year support for research program, Conservation and the Land Market	\$ 100,000
Explorers Club of Pittsburgh Pittsburgh, Pennsylvania Nanga Parbat Expedition	10,000
The Nature Conservancy, Inc. Arlington, Virginia Acquisition of natural areas	4,000,000
Student Conservation Association, Inc. Charlestown, New Hampshire Operating support	25,000
Western Pennsylvania Conservancy Pittsburgh, Pennsylvania Support for Laurel Highlands Conservation and Development Project	12,500
	<u>\$4,147,500</u>

Education

During 1977, the Trustees of the Richard King Mellon Foundation placed major emphasis on the field of education. Commitments totaled \$2,385,000, the second largest category of grant approvals for the year. Although the majority of these grant dollars were designated for the support of higher education, the Foundation continued its interests in improving programs on the primary and secondary levels.

The Foundation's recent commitment to land conservation on a nationwide basis has resulted in a reduction of grant funds available in the Foundation's other categories of program activity. During 1977, the Trustees approved six educational grants which comprised 24 percent of the Foundation's total grant approvals for the year. This represents, on a relative basis, a reduction in activity in this category compared to previous years. Awards during 1977 concentrated on a limited number of substantial grants toward educational projects of major significance.

Higher Education

A major grant was awarded to Carnegie-Mellon University, a private university which emphasizes high quality education and research for undergraduate and graduate students. The Trustees of the Foundation approved a grant of \$700,000 toward Carnegie-Mellon University's Presidential Discretionary Fund to stimulate productivity and improve teaching and research quality. Increasing productivity without sacrificing educational and research quality is a vital goal of the University.

One of the keys to successful management of a university is precise monitoring of income and expenses and timely analysis of cost benefits. Through prudent

use of the President's Discretionary Fund during the past several years, Carnegie-Mellon has developed an effective accounting and information system which makes it possible to know at any time what the real fiscal situation is and to accurately forecast what the financial situation will be in the foreseeable future.

All the factors which affect the fiscal posture of the University will continue to place a stiff challenge before the School's administration in the foreseeable future. If Carnegie-Mellon University is to continue to be a well managed institution, it is essential that its financial system be continually modernized and improved. Replenishment of the President's discretionary resources will assure continual updating of the process and the system.

Other important applications of discretionary funds are planned, such as faculty development and establishment of a risk capital fund for new research.

The adequacy of future supply and demand relations for food and fiber is a matter of international, national, and local concern. World population growth, coupled with rising per capita food consumption, is accelerating the demand for food at a faster rate than the increase in supply, resulting in sharp rises in world prices for basic food commodities.

Expanded agricultural production will require more intensive and extensive use of natural resources. As pressures mount for greater world-wide production of food and fiber, agricultural production is certain to continue accelerating in the southeast sector of the United States due to the unusual combination of natural resources in that area. One extraordinary resource is an abundant supply of underground water that is suitable for use in



The Southeastern Coastal Plain has the natural resources to become one of the most favorable food and fiber producing areas of the world. In cooperation with the United States Department of Agriculture, the University of Georgia is undertaking a research project to explore that region's potential to help relieve the world-wide imbalance between population and food supply.

irrigation. This supply, together with a favorable climate for multiple-cropping, easily managed soils with high absorption rates, climatic conditions conducive to long growing seasons, and good national and international transportation, makes the Southeastern Coastal Plain one of the most favorable food producing areas of the world for the future. The development of irrigated acreage has stimulated interest and activity in bringing into pro-

duction sandy soils heretofore considered to be unsuitable and has elevated the potential for crop production to an economically attractive endeavor. Realization of the true potential for fiber and food production in the Southeast will be based upon a combination of multiple-cropping enterprises and irrigated systems.

The transition to intensive production using irrigated multiple-cropping systems creates a need for production criteria and recommendations specific to these methods. To fulfill this need, the University of Georgia, College of Agriculture Experiment Stations, in cooperation with the United States Department of Agriculture, is undertaking a research project to ascertain the nature of the complex interactions that relate nutrient and water requirements, tillage practices and pest management for an intensive cropping system. This research is important both for developing sandy soils currently not in production and for realizing the full potential of those areas already under cultivation. The Trustees of the Richard King Mellon Foundation approved a grant of \$1,000,000 to the University of Georgia for this research project with the intent that it will make a significant contribution toward developing technology for relieving the mounting pressures being created by the world-wide imbalance between population and food supply.

The third award approved in 1977 in the area of higher education was a \$30,000 grant to the University of Pittsburgh, Office of Special Seminars, to provide operating funds for a valuable and successful program, The American Experience, for business executives and administrators in the business, medical, le-



The American Experience program at the University of Pittsburgh offers business executives and other administrators an opportunity to meet regularly and discuss a range of political, social, and economic problems to expand their horizons and achieve a broader view of their community.

gal, religious, governmental, social, and educational communities. Operating through special seminars, The American Experience offers an opportunity to acquire a broader view of reasoned private opinions about public issues.

The program's core is a series of seminars based on readings in American intellectual history that are used as the basis for discussions on political, social, and economic thought that has influenced this Nation's history. The seminars operate in an atmosphere of inquiry. They do not have as their purpose the conventional goal of reinforcing established conclusions. Rather, they encourage the entertaining of a variety of points of view. In addition to readings and discussions,

the program has a third dimension. Formal lectures are given by well known national figures. In the past, these have included Elliott L. Richardson, John B. Connally, William F. Buckley, Jr., and Dean Rusk.

The American Experience constitutes the only platform in the Pittsburgh area where men with a variety of administrative responsibilities meet formally at regular intervals to discuss a range of political, social, and economic problems to expand their horizons and achieve a broader view of their community and their relationship to it.

Primary and Secondary Levels

Winchester-Thurston School, with an en-

rollment of approximately 470 students, was the recipient of a \$500,000 grant from the Richard King Mellon Foundation. As a college preparatory day school for girls from kindergarten through twelfth grade, Winchester-Thurston School has always upheld high academic standards and, equally central to its program, has consistently stressed personal standards of honesty, integrity, and self-discipline so that students may work and live considerately with others. Located in the Oakland area of Pittsburgh, the School is able to make use of the many cultural and academic facilities in the immediate vicinity.

The Foundation's grant of \$500,000

Winchester-Thurston School is a college preparatory day school for girls from kindergarten through twelfth grade. The Foundation awarded the School a \$500,000 capital grant to strengthen its endowment.

will be added to Winchester-Thurston's endowment. The income generated by this addition to the endowment will be used for the continuing development of a high quality educational program, and to provide support for faculty salaries so that Winchester-Thurston can attract and retain an excellent faculty. Funds for scholarship aid and for developing coordination with area universities will also be generated from the endowment.

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In 1974, the Pittsburgh Public Schools system initiated a massive administrative reorganization which transferred the educational decision-making responsibility





An expert from Bank Street College of Education conducts a management leadership training session for selected principals from school systems in the City of Pittsburgh and Allegheny County.

from the central office to the individual principals. This restructuring was based upon the belief that the principal of a school is the key person in bringing about necessary changes in that school. After the reorganization, however, it became apparent that the principals needed training in their newly emphasized leadership role. A nucleus of outstanding leaders among the principals had to be developed to produce significant educational improvements in the schools.

During 1975 and 1976, sponsored by a grant from the Richard King Mellon Foundation, the Bank Street College of Education in New York City conducted an experimental leadership training program for elementary and intermediate school principals from the City of Pitts-

burgh and the surrounding Allegheny County. Emphasis was placed on elementary and middle school principals because they have the responsibility for the education of the child during the early formative years and the later critical period of early adolescence.

The significant impact of this program on the individuals involved and on the settings in which they serve has motivated the leadership of the Pittsburgh Public Schools and other schools in Allegheny County to develop, in collaboration with Bank Street College, a cluster of three educational programs designed to further strengthen the leadership of the area schools. Each of the three programs is an outgrowth of the experimental project conducted during the past two years.

In 1977, a grant of \$125,000 was approved by the Trustees of the Richard King Mellon Foundation to underwrite the first two years of development of this three-part leadership training program. At the end of this period, it is intended that the program will be operated without Bank Street's assistance, on a re-

duced budget funded by school systems in the City of Pittsburgh and Allegheny County.

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The following is a list of grants approved in 1977 for education programs:

Carnegie-Mellon University Pittsburgh, Pennsylvania President's Discretionary Fund	\$ 700,000
Pittsburgh Public Schools Pittsburgh, Pennsylvania Two-year support for leadership training program for principals	125,000
United Negro College Fund, Inc. New York, New York Support of 1977 campaign	30,000
The University of Georgia College of Agriculture Experiment Stations Athens, Georgia Research project, Irrigated Multiple- Cropping Production Systems	1,000,000
University of Pittsburgh Office of Special Seminars Pittsburgh, Pennsylvania Support for The American Experience program	30,000
Winchester-Thurston School Pittsburgh, Pennsylvania Endowment support	500,000
	<u>\$2,385,000</u>

Medicine

During 1977, the Richard King Mellon Foundation directed 19 percent of its available funds, or \$1,905,000, to medicine.

Four grants were awarded in this category during this reporting period, of which the largest was a \$1,500,000 commitment for the Department of Medicine in the University of Pittsburgh School of Medicine. Carnegie-Mellon University also received an award of \$300,000 to strengthen its Biomedical Engineering Program.

In contrast to many prior years, awards in 1977 in this category were limited to recipients in Pittsburgh and western Pennsylvania. With conservation activities consuming the largest portion of the Foundation's available funds, the Foundation's involvement in medicine and health care has become highly selective. While fewer grant dollars will be available, there will continue to be an interest in medical programs of need and quality.

University of Pittsburgh

The Department of Medicine at the University of Pittsburgh is a unified academic body in the School of Medicine although its clinical components are housed in several hospitals of the University Health Center of Pittsburgh. Additional teaching resources also exist at hospitals outside the Health Center.

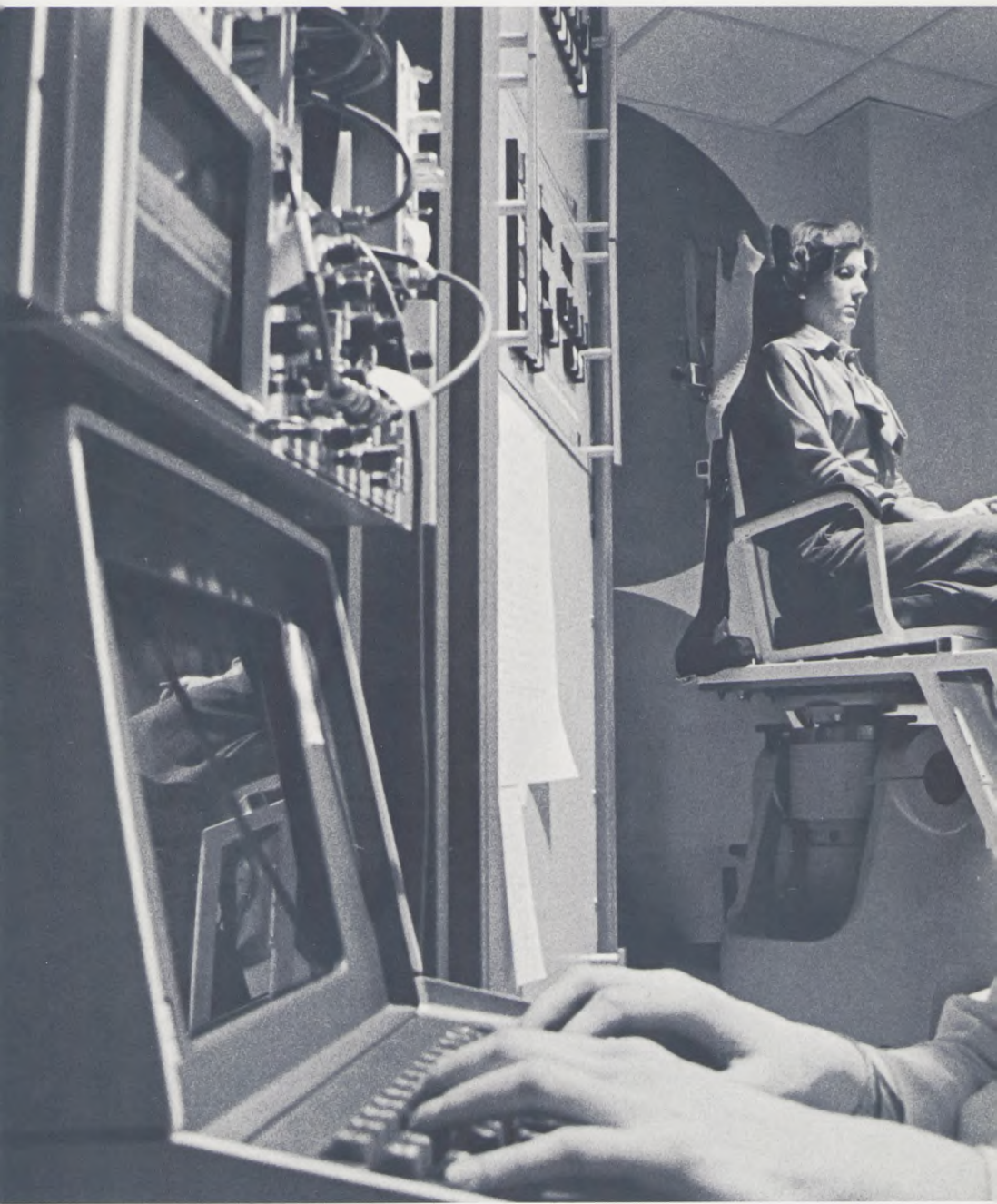
The Department occupies a central role in all phases of the educational programs in the School of Medicine. The Department is the largest in the School of Medicine and consists of a core administration with divisions devoted to various subspecialties of internal medicine such as cardiology, nephrology, pulmonary medicine, and cancer. The emphasis on preceptorial bedside teaching accounts for the expansion of clinical resources be-

yond the Health Center into hospitals in the metropolitan area. To meet high standards of education, the Department of Medicine requires a substantial teaching commitment from its full-time faculty and, in addition, draws heavily on the dedicated group of attending physicians.

The Department of Medicine also plays an integral role in the education, research, and patient care components of the University Health Center. The Department is responsible for much of the patient care in the Health Center hospitals with services in internal medicine, which is an integral part of the residency and fellowship training program in general internal medicine, primary care, and medical subspecialties. For patient care and education to be of the highest quality, they must occur in an environment which fosters investigation as a safeguard against the perpetuation of inadequately substantiated practice and dogmatism; and as a means of developing new diagnostic and therapeutic techniques.

To help the Department of Medicine meet the regional referral needs in education and patient care, the Trustees of the Richard King Mellon Foundation approved a grant of \$1,500,000 to the University of Pittsburgh School of Medicine. These funds will be used to strengthen several essential divisions within the Department of Medicine through the recruitment of key division directors and the expansion and renovation of laboratory and support facilities.

On the occasion of the Foundation's thirtieth anniversary, and at a time when the grant program is emphasizing other fields, it seems appropriate to reflect on the accomplishments over the years at the University of Pittsburgh School of Medi-





cine and the University Health Center.

The University Health Center of Pittsburgh comprises six major medical institutions located in close proximity to one another in Pittsburgh. The members of the Health Center are Children's Hospital, Eye and Ear Hospital, Magee Women's Hospital, Montifiore Hospital, Presbyterian-University Hospital, and the University of Pittsburgh through the Schools of Health Professions and Western Psychiatric Institute and Clinic. Proper health care delivery, the education of health professionals, and biomedical research are the leading objectives of the University Health Center.

Since 1947, the Richard King Mellon Foundation and related charitable interests have directed over \$32 million to the University of Pittsburgh School of Medicine and the University Health Center of Pittsburgh and its corporate member teaching hospitals. The majority of these funds, over \$24 million, were granted in support of the School of Medicine and many of its essential departments. Significant grants during this period total approximately \$6 million to the School's general endowment, \$5 million to the Department of Psychiatry, \$4 million to the Department of Surgery, over \$3 million to the Department of Neurology, \$2 million to the Departments of Ophthalmology and Otolaryngology, \$1.8 million to the Department of Physiology, and

Proper health care delivery, the education of health professionals, and biomedical research are the leading objectives of the University of Pittsburgh School of Medicine. Advanced research and the use of updated technical devices have produced improvements in patient care, such as computerized testing of vestibular functions, shown here.

\$1.65 million to the Department of Medicine.

The School of Medicine enrolls over 500 medical students and now graduates 125 new physicians and 15 biomedical research scientists each year. The School admits 135 freshmen with highly impressive scores on national entrance examinations. After the first two years of basic science study, these students rank in the top 15 percent of all medical students in the Nation taking Part I of the National Board Examinations. After two additional years of clinical science, they rank in the top 20 percent on Part II of the National Boards. Residency training programs enroll over 500 interns and residents preparing for Board certification in the specialties of medicine. Competition for residencies at the Health Center is very keen.

The stature and performance of departments in the School of Medicine have been enhanced by the appointment of nationally recognized scientists as department chairmen and the development of a distinguished full-time faculty. The clinical departments provided care to over 78,000 hospitalized patients and were responsible for nearly 60,000 outpatient visits in Health Center hospitals in 1977.

Since 1961, the School of Medicine has developed over two dozen new program areas including the following: Department of Neurology, Department of Neurological Surgery, National Primate Reproduction Center, Cleft Palate Center, Radiation Oncology Center, Nutrition Center, Chronic Renal Therapy program, national Center for Mood Disorders, Ambulatory Care program, Geriatrics Psychiatry program, local and national Poison Center, regional programs in Pediatrics and Perinatal Care, and outreach programs of various kinds. The National

Aeronautics and Space Administration has contracted with the School of Medicine to conduct its vestibular research prior to the space shuttle in collaboration with faculty from the Department of Otolaryngology.

In addition to the School of Medicine, the University Health Center and its individual hospital members have been recipients of numerous grants totaling approximately \$8,000,000 from the Richard King Mellon Foundation and related philanthropic interests. Included in this amount are two grants of \$1,000,000 each. The first was applied to the Center's land bank fund, and the second is being used to facilitate the implementation of a new organizational structure designed to help the Health Center and its members operate as a more integrated corporation. Each of the five corporate member hospitals has also been a recipient of major grants.

In recent years, significant progress has been achieved in implementing the organizational goals of the University Health Center. Every member of the Health Center has grown more aware of the need for interinstitutional cooperation in order to provide the best care to the greatest number of patients at the lowest possible cost. Fiscal management of the individual members has crossed institutional boundaries and a joint planning process has been initiated which is beginning to contain the mounting costs of delivering health care. New approaches to the maintenance of good health are being offered and community hospitals are beginning to benefit from the Health Center's efforts. Funding for sponsored research has increased through grants obtained from a variety of sources.

As a result of substantial contributions



The Biomedical Engineering Program at Carnegie-Mellon University applies techniques in engineering and science to solutions of problems in medicine and health care. Above, a computer records brain wave signals evoked in response to auditory stimuli. Because infants cannot respond to standard hearing tests, this technique is used as an alternative test for hearing defects.

from both the private and public sectors, the six Health Schools of the University, the five Health Center hospitals, and related clinics and other units have been coordinated into one of the Nation's prominent health centers. The effect has been to raise the quality and standards of medical education, medical research, and hospital patient care, not only in western Pennsylvania, but wherever graduates of the Health Schools have gone to practice or teach.

Biomedical Engineering

The Biomedical Engineering Program at Carnegie-Mellon University in Pittsburgh

is a multi-disciplinary research and instructional organization which applies techniques in engineering, mathematics, and science to the solutions of problems in medicine, biology, and health care systems. It was established as an interdisciplinary program to coordinate studies and research applicable to biology and medicine in various departments of Carnegie-Mellon University. In addition to its own resources, the program draws on highly qualified faculties from other departments at the University. It is designed to prepare engineers with a specialty in biological and medical applications.

The primary goal of the program is the rigorous education of superior students so that they may emerge as leaders in the development and application of engineering principles to areas of biomedical concern. This is achieved by maintaining a strong research program which provides a constant intellectual stimulus to the faculty and a creative learning process for the students. In addition to using faculty from various departments within the University, the program also maintains formal ties with a number of major Pittsburgh hospitals. At each hospital, a bioengineer on the hospital staff also acts as a member of the faculty in the program. A strong cooperative relationship has also been established with the University of Pittsburgh School of Medicine.

Research work within the Biomedical Engineering Program covers a broad range of studies from the highly theoretical to the clinically applied. Research activities are focused on major fields in which the faculty have outstanding exper-

tise and which supply a strong educational base. Among the problems currently being attacked by the program are (1) monitoring of fetal heart beat, (2) audiometry and the study of Eustachian tubes, and (3) electro-retinograms used in the detection of diabetes through studies of the human eye.

Research is an essential and integral part of the Biomedical Engineering Program and is of critical importance as bioengineering becomes a powerful weapon in the fight to improve the quality and quantity of health care. The Trustees of the Foundation approved a grant of \$300,000 to Carnegie-Mellon University to help strengthen and build the capabilities of its Biomedical Engineering Program.

The following is a list of 1977 awards for medical programs:

Carnegie-Mellon University Pittsburgh, Pennsylvania Biomedical Engineering Program	\$ 300,000
Community Nursing Service Greensburg, Pennsylvania Capital support	25,000
Latrobe Area Hospital Latrobe, Pennsylvania Ligonier Valley Ambulance Fund	80,000
University of Pittsburgh School of Medicine Pittsburgh, Pennsylvania Support for Department of Medicine	1,500,000
	<u>\$1,905,000</u>

Cultural & Civic Affairs

The Trustees awarded grants in this category amounting to \$934,101, or 10 percent of the total 1977 approvals.

The majority of these funds were committed for cultural activities, with primary emphasis on museums in western Pennsylvania. Several grants to provide support for the performing arts in Pittsburgh were also approved.

Relatively smaller dollar amounts were directed toward civic involvement in the Pittsburgh area. Program activity in this sector was limited to six grants which ranged in purpose from annual support to a challenge matching grant designed to promote further community development in the Ligonier Valley area.

Museum Support

During 1977, the Trustees of the Foundation approved grants to three museums in western Pennsylvania. The Richard King Mellon Foundation has always concentrated its support of Pittsburgh cultural activities on major institutions, rather than upon individual or small group activity, so that the benefits of its cultural grants can be shared by a wide public. The central aim of the foregoing grants was to support museums where the public can expand its appreciation of significant aspects of natural history, artistic heritage, and American history.

Fort Ligonier, a frontier fort built by British and Colonial forces during their westward advance in the summer of 1758, had rotted and disappeared by the end of the eighteenth century. In 1946, citizens of Ligonier, Pennsylvania organized the Fort Ligonier Memorial Foundation for the purpose of reconstructing

Fort Ligonier on its original site. The reconstructed Fort was officially opened in the summer of 1954.

Eight years later, Fort Ligonier Museum was opened as an interpretive center for the restored Fort. The Museum was the first tangible expression of the combination of people and events which shaped the history of the Ligonier area and which influenced the history of the Nation. The subsequent growth of the Museum collection was not anticipated. In addition, the archaeological excavations at the Fort between 1963 and 1972 contributed toward what is now considered to be one of the Nation's outstanding collections of artifacts of the French and Indian War.

An addition to the Museum has been started which will provide larger traffic areas and the exhibit space required to accommodate existing artifacts and future acquisitions. The expansion will also include an audio-visual facility in which the special aspects of the Fort Ligonier restoration project can be highlighted and educational programs for schools and other groups can be presented.

The program activities of Fort Ligonier have been financially self-sustaining, however, because only modest surpluses can be generated from its operations, funds for any major capital expenditures such as the new addition must be raised from outside sources. With this in mind, the Trustees of the Richard King Mellon Foundation approved a grant of \$500,000 toward the capital improvements at Fort Ligonier and to insure superior operating programs.

A new display area, the polar world exhibit hall, is being planned for the



Museum of Natural History at Carnegie Institute in Pittsburgh. The hall will explore man's origins in the polar regions and the ecological factors influencing his early development. Physical and biological aspects of both the Arctic and Antarctic regions will also be depicted.

The ability of man to settle in the Arctic but not the Antarctic will be explored and explained, together with the influence of the Arctic environment on its inhabitants' cultural evolution and physical adaptations. Changes in the socio-economic patterns of the Arctic peoples will be related to the introduction of technology, primarily mechanization, during the middle of the twentieth century.

The exhibit will utilize artifacts, photographs, and movie film from the Museum's collections, much of which was obtained by the late Mr. George W. Wyckoff, Jr. and Carnegie Museum's staff on various expeditions to the Canadian Arctic. The hall will include one or more dioramas, possibly showing a typical Eskimo family scene both before and after the introduction of technology, as well as exhibit cases displaying artifacts from other Arctic cultural traditions. A small theater will be included in the exhibit hall where films on Arctic life will be shown.

When completed in two to three years, the polar world exhibit hall will contain approximately 3,300 square feet and will



be named in memory of George W. Wyckoff, Jr. The Trustees of the Richard King Mellon Foundation approved a grant of \$60,000 to Carnegie Institute to underwrite the initial design and development phases of the hall.

The Historical Society of Western Pennsylvania is an organization dedicated to the preservation and dissemination of the history of western Pennsylvania. It was founded in 1879 by a group of citizens with a concern for the men and women and events that gave this region its place in our national history. The Society is the custodian of many records and

The Arctic environment has been a major influence on the cultural evolution and physical adaptations of its inhabitants. The proposed polar world exhibit hall at Carnegie Institute will explore man's origins and development in the polar regions and depict the physical and biological aspects of both the Arctic and Antarctic.

documents which had much to do with the building of this region.

The Historical Society serves as a museum, a library, and an interpretive center. As a museum, the Society displays a unique collection of regional glass, a growing collection of historical memorabilia, and a large collection of historic paintings and portraits. Its extensive library now contains over 18,000 volumes, periodicals, magazines, books, documents, family histories, correspondence, deeds, and maps, all relating to the history of western Pennsylvania.

Acting as an interpretive center, the Society operates numerous programs for the benefit of the general public and its 1,200 members. Formal afternoon and evening historical lectures are presented by the Society, and a quarterly magazine and periodic books are also published. In recent years, the Society has also mounted a community service program. Through school visits, educational tours, and brochures, the Society shares with the general public, particularly children and youth, the historical traditions, ideals, and values so carefully preserved for almost a century.

The Trustees of the Richard King Mellon Foundation approved a \$50,000 grant to The Historical Society of Western Pennsylvania in 1977. Of this amount, \$27,000 was applied to the cost of a library expansion project designed to

help alleviate space shortages. The balance of the grant funds are to be applied toward the Society's higher priorities during 1978.

Performing Arts

Three grants were approved to help support performing arts organizations in Pittsburgh. The largest grant was a \$150,000 award to the Pittsburgh Symphony Society, which operates the Pittsburgh Symphony Orchestra and Heinz Hall for the Performing Arts. The Pittsburgh Symphony Orchestra is one of the major symphony orchestras in the Nation. In recent years, it has seen a great move forward in its reputation regionally, nationally, and internationally. It is currently performing in its seventh consecutive sold-out subscription season. Three recordings of the Pittsburgh Symphony Orchestra and its Music Director, André Previn, were released in 1977, and the Symphony received great acclaim from all parts of the Country as a result of the Public Broadcasting System's nationally televised series, *Previn and the Pittsburgh*.

The Pittsburgh Symphony has one of the best earned-income percentages among major orchestras. As labor and maintenance costs increase, it has become a greater necessity for corporations and foundations to help support the best in the performing arts in Pittsburgh. The Foundation's grant of \$150,000, payable over three years, will be applied to the Symphony Society's Sustaining Fund to defray operating costs of the Pittsburgh Symphony and Heinz Hall, which has been acclaimed as one of the finest symphony halls in the Country by prominent music critics.

For twenty years the American Wind

Symphony Orchestra, based in Pittsburgh, has provided symphony performances on a concert hall barge for the enjoyment of audiences along the banks of the Allegheny, Monongahela, Ohio, and Mississippi Rivers. Talented young musicians are selected from universities all over the world for each summer's performances.

To celebrate this Country's 200th anniversary, in 1976 the American Wind Symphony Orchestra performed on the coastal and inland waterways of the United States with stops in seventy-six cities in twenty states and Canada. For this six-month tour, a self-propelled barge, *Point Counterpoint II*, designed to be a floating center for the arts, was built. It includes two theaters, an art gallery, a crafts exhibit, and a stage for the Orchestra.

Point Counterpoint II is now based in Pittsburgh and will be used for waterfront presentations on regional waterways by the American Wind Symphony Orchestra and other performing arts groups. In 1978, it is also hoped that the American Wind Symphony will make another tour of about 10,000 miles to perform in the communities through the Mississippi River system that were missed in 1976.

Although communities visited by *Point Counterpoint II* contribute toward program costs, funds are also required from outside sources to maintain and operate the Symphony's program. With this in mind, the Trustees of the Foundation approved a grant of \$30,000, payable over a three-year period, to the American Wind Symphony Orchestra to provide operating support.

The Pittsburgh Youth Symphony Orchestra was founded twenty-two years



Under its Music Director, André Previn, the Pittsburgh Symphony Orchestra is developing into one of the few most highly regarded orchestras in the Nation.

ago and has established an international reputation for artistic superiority. Its objective is to train young musicians, ages twelve to twenty-three, for serious careers in music as soloists, chamber players, orchestra players, and in the field of music education. Currently, there are 120 members of the Orchestra chosen through rigorous competitive auditions. They come from Pittsburgh, western Pennsylvania, western Ohio, and north-eastern West Virginia.

Historically, training has been excellent. The Pittsburgh Youth Symphony has been inordinately successful in placing its graduates in significant musical positions in this Country and abroad.

Following extremely competitive judging, the Pittsburgh Youth Symphony Orchestra was designated as the North American representative at the International Youth and Music Festival held in Vienna, Austria in July, 1977. During its participation in this Festival and the en-

suing European tour, the Youth Symphony was enthusiastically received and earned many honors. In addition, the Orchestra's participation in this Festival revealed the individual members' talents to the international music community and provided possible future positions with major symphony orchestras throughout the world. The international concert tour also revealed to foreign countries the excellent musical training provided in Pittsburgh.

To help defray the cost of the two-week trip, the Trustees of the Richard

King Mellon Foundation approved a grant of \$10,000 to the Pittsburgh Youth Symphony Orchestra Association, Inc.

Community Affairs

Almost five years ago, concerned individuals in the Ligonier Valley in western Pennsylvania discussed the possibility of developing a community foundation to help assure the continued enrichment of the quality of life in that area. In 1975, following two years of careful planning and community participation, the Ligonier Valley Endowment was es-

Several years of careful planning and community participation resulted in the establishment of the Ligonier Valley Endowment, a cooperative means for preserving the physical and cultural heritage of the Ligonier Valley and encouraging new activities which will further enrich the community in aesthetic, educational, and cultural dimensions.



tablished to provide a cooperative means for preserving the physical and cultural heritage of the Ligonier Valley and encouraging new activities which will further enrich the community in aesthetic, educational, and cultural dimensions.

The Endowment's goals are to take an active role in the institutional structure of the community and to stimulate thought regarding new ideas and fresh approaches to old ones. The existence of the Endowment should be a significant stimulus to formative thinking and it is hoped that it will encourage the expansion of citizen participation in the activities of the Ligonier Valley.

The Endowment should make it possible to accomplish objectives which would otherwise be beyond the capabilities of individual segments of the community. It seeks to encourage widespread discourse regarding the welfare of the Ligonier Valley, thereby helping to maintain a high level of continuing interest in local affairs and generating a perception of the Valley as an entity greater than its separate parts. Therefore, in terms of the Endowment's total impact on the Ligonier Valley, its influence will be measured not only by the dollar amount of its grant awards, but also by the leadership it can give to productive activity and planning

for the Valley as a whole.

The Ligonier Valley Endowment has been established as a Trust within The Pittsburgh Foundation, which is charged with the responsibility for the administration of the Endowment and maintains the authority for approving individual grants. Recognizing the long-term values of such a coherent and systematic approach to maintaining the present qualities of the Valley and planning for overall future needs, the Trustees of the Richard King Mellon Foundation approved an unlimited challenge matching grant to The Pittsburgh Foundation to be applied toward the corpus of the Ligonier Valley Endowment. For a two-year period beginning in mid-1978, the Foundation will match, on a dollar-for-dollar basis, all contributions to the Ligonier Valley Endowment. The Trustees of the Richard King Mellon Foundation hope that this matching grant will act as a catalyst for the development of local contributions to the Endowment and enable it to play a significant role in the continuing enrichment of the life in the Ligonier Valley.

The following is a list of grants approved in 1977 for cultural and civic affairs:

Cultural

American Wind Symphony Orchestra

Pittsburgh, Pennsylvania

Three-year operating support \$ 30,000

Carnegie Institute

Pittsburgh, Pennsylvania

Grant-in-kind, Russell Smith painting 14,500

Carnegie Institute

Pittsburgh, Pennsylvania

Toward polar world exhibit in memory of
George W. Wyckoff, Jr. 60,000

Fort Ligonier Memorial Foundation, Inc. Ligonier, Pennsylvania Capital support	\$500,000
The Historical Society of Western Pennsylvania Pittsburgh, Pennsylvania Capital support	50,000
National Trust for Historic Preservation in the United States Washington, District of Columbia Support for Consultant Service Grant Program	50,000
Pittsburgh Symphony Society Pittsburgh, Pennsylvania Three-year support for Sustaining Fund	150,000
Pittsburgh Youth Symphony Orchestra Association, Inc. Pittsburgh, Pennsylvania Trip to Vienna, Austria	10,000
<i>Civic Affairs</i>	
Allegheny Conference on Community Development Pittsburgh, Pennsylvania Operating support	18,000
Civic Agencies Study	3,000
Americans for Energy Independence, Inc. Washington, District of Columbia Project Pacesetter (conditional)	10,000
Pennsylvania Economy League, Inc. Western Division Pittsburgh, Pennsylvania Annual support	11,000
Pittsburgh, City of Department of City Planning Pittsburgh, Pennsylvania Support for research project (conditional)	27,600
The Pittsburgh Foundation Pittsburgh, Pennsylvania Challenge matching grant for corpus of the Ligonier Valley Endowment	<u>1</u>
	<u>\$934,101</u>

Social Services

During 1977, awards to eight social service organizations amounted to \$448,000, or 5 percent of the Foundation's total grant program.

In accordance with the Foundation's geographical restrictions on grants in this program category, all awards made during 1977 were directed toward support for improvement in the provision and delivery of social services to citizens of Allegheny County and western Pennsylvania.

The largest approval in 1977 was a \$100,000 grant awarded to the American National Red Cross, Pittsburgh-Allegheny County Chapter. On the evening of July 19, 1977, numerous separate electrical storms converged over an eight-county area in southwestern Pennsylvania. Within six hours, eleven inches of rain fell, resulting in widespread flooding throughout the area. The heaviest concentration of damage was in the city of Johnstown, Pennsylvania which was declared a major disaster area by President Carter.

Within hours, the Pittsburgh-Allegheny County Chapter of the American Red Cross began to respond by sending key staff and volunteers, manning telephones for disaster welfare inquiries, dispatching emergency vehicles, sending in cots and blankets, coordinating donations of medicine and food, and making plans for fund-raising.

A Red Cross Chapter cannot maintain emergency funds for disasters of this magnitude. It was in response to the Chapter's special appeal that the Trustees of the Richard King Mellon Foundation approved a grant of \$100,000 to be applied to the disaster relief operations in Johnstown, Pennsylvania and the surrounding area.

Employment Readiness

Goodwill Industries, which has served the Pittsburgh area for more than fifty years, is a comprehensive rehabilitation agency providing job training and placement, sheltered employment workshops, and supportive services for those who are trying to build new lives—the mentally retarded, emotionally disturbed, physically handicapped, alcoholics, victims of drug addiction, or the hard-core unemployed.

The Trustees of the Richard King Mellon Foundation approved a grant of \$98,000 to enable Goodwill Industries to purchase a facility to house two of its programs designed to assist the unemployed or underemployed in the pursuit of productive employment. The first program is operated by Goodwill under contract with the City of Pittsburgh, utilizing Federal revenue-sharing funds allocated to the City. Goodwill is the coordinating agency responsible for the enlistment of all City residents entering vocational and academic training programs under the Comprehensive Employment and Training Act. The second employment-related service housed in Goodwill's new facility is the Bureau of Prisons Program. Operating under contract with the United States Probation Office, Goodwill provides residence for prisoners who are seventy days away from parole. During their stay at Goodwill, pre-release status residents receive vocational counseling, supportive services, and job development and placement assistance to enable them to qualify for parole at the end of their residency at Goodwill's facility. The prime objective of this program is to stem recidivism among ex-offenders by assisting them in gaining meaningful employment.

The two programs currently operating



Urban Youth Action assists black teenagers in securing part-time employment as a means of helping them build backgrounds in business and community affairs. Professionals from the local community counsel students on composing resumes, completing applications, and preparing for interviews.

in the new facility provide employment or training opportunities for many individuals. The number of participants involved could not be accommodated in Goodwill's headquarters building and thus the additional facility was essential.

Urban Youth Action was established in Pittsburgh in 1966 as an employment, education, and community service program for black teenagers. Its principal function is to provide motivation and part-time employment for fourteen to eighteen year old teenagers in Allegheny County as a means of helping them build a background in business and community affairs. Local corporations and non-profit service agencies provide part-time employment positions on a year-round or summer basis. Urban Youth Action pays the wages of those students working for

non-profit organizations and, in most cases, corporations provide their students' compensation. In addition to four full-time staff, selected teenagers are employed to help administer Urban Youth Action programs.

Supportive services such as employment readiness training, occupational guidance, one-to-one counseling, and college and vocational school entrance training materials are provided. A 1976 survey conducted in cooperation with the University of Pittsburgh found that 86 percent of the Urban Youth Action graduates from 1970 through 1975 are either employed or in post-high school educational programs.

Recognizing past achievements of Urban Youth Action, and the urgent need for worthwhile programs aimed at countering the soaring unemployment rate among black teenagers, the Trustees of

the Richard King Mellon Foundation approved a grant of \$30,000 to help underwrite the wages of teenage minority students working part-time in the Pittsburgh community.

Aid for the Handicapped

Over the years, one of the Foundation's interests in the Pittsburgh area has been in various agencies which devote their time and efforts to helping those people of all ages who, for physical or mental reasons, are unable to perform within a normal range of day-to-day activities.

In 1977, the Foundation supported several humane agencies, each serving a different population and each with different kinds of programs but having in common a substantial contribution to people who are so often neglected.



The sheltered workshop programs at the Pittsburgh Branch of the Pennsylvania Association for the Blind provide job training and employment for 150 adults. Many production tasks are subcontracted to the workshop by local businesses.

the multi-handicapped blind, and an expanded area for telephone sales of workshop products.

The Richard King Mellon Foundation made an initial contribution of \$300,000 to the Branch's campaign in late 1973. In 1977, the Trustees of the Foundation approved a \$50,000 matching grant which subsequently brought the capital funds drive to a successful conclusion.

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Another capital grant in the amount of \$50,000 was made to Craig House-Technoma Workshop. It is a comprehensive day-care school and partial hospital program for children with learning disabilities and emotional problems.

Craig House directs a county-wide specialty program for five to twelve year old children with emphasis on education. The treatment program involves education, recreation, arts and crafts, perceptual motor training, and other activities.

A secondary program for thirteen to eighteen year olds combines group experiences with education and the development of effective work habits and skills. Craig House-Technoma's approach is multi-disciplinary and family oriented. It combines the skills of psychiatrists, psychologists, social workers, special ed-

ucation teachers, child development specialists, and a speech pathologist. The objective of the program is to provide a means for these children to cope more effectively with the world and to develop their maximum potential.

Craig House-Technoma is self-sufficient in regard to its operating budget. Services rendered are reimbursed either by governmental funds or, in some cases, by private tuition or fees. None of these sources is available for maintenance, renovation, and capital improvements. It seems a natural use of Foundation funds to provide for these necessary expenditures, resulting in an effective mixture of public and private resources. The Trustees of the Richard King Mellon Foundation approved a grant in the amount of \$50,000 to Craig House-Technoma Workshop to help reduce the mortgage on its school facility.

The Jewish Community Center offers a wide selection of cultural and recreational programs for its 11,500 members. Below, senior adults engage in calisthenics during a physical fitness class.



Other Programs

The Young Men and Women's Hebrew Association & Irene Kaufmann Centers was formed in 1960, through the merger of the Irene Kaufmann Settlement and the Young Men and Women's Hebrew Association. Now referred to as the Jewish Community Center, it has approximately 11,500 members, ranging from nursery school children to senior citizens. The Center operates nonsectarian cultural and recreational programs including pre-school nursery, music, dance, physical education, swimming, arts and crafts, and day camps.

The Jewish Community Center maintains several facilities which it uses to carry out its programs. The headquarters building in the Oakland section of Pittsburgh provides administrative space, an activities center, and houses a health center. The Irene Kaufmann Center in the Squirrel Hill section of Pittsburgh accommodates numerous educational and recreational programs for members of all ages. The Henry Kaufmann Family Recreation Park in the Monroeville section of Pittsburgh and the Emma Kaufmann Camp in Morgantown, West Virginia provide recreational settings for day camps, overnight camping, and many outdoor activities.

The Jewish Community Center facilities are the subject of a \$2,500,000 capital fund drive. Increased membership participation and newly created programs have placed a burden on existing facilities. Improvements and renovations are planned to meet these expanded needs. A \$50,000 unrestricted capital grant from the Richard King Mellon Foundation was applied toward capital improvements at the Henry Kaufmann Family Recreation Park.



Sheldon Calvary Camp offers a valuable camping experience for many youngsters from western Pennsylvania. A Foundation grant underwrote capital improvements to the facilities.

Sheldon Calvary Camp, a nonsectarian recreational facility owned and operated by the Protestant Episcopal Diocese of Pittsburgh, is located on Lake Erie and began operation in 1936. Over the years, more than 50,000 campers have attended Sheldon Calvary Camp. Summer camping sessions are offered for various groups, such as pre-school retarded children, junior and senior high youngsters, and parish youth groups. Almost all of the campers are from Allegheny County, Pennsylvania, and many are from families that cannot afford the cost of a more expensive camp. The Diocese offers partial or full financial awards for many youngsters to attend Sheldon Calvary Camp. Many other activities such as youth conferences, sporting events, church confer-

ences, and family camping sessions are also held at the Camp.

The Trustees of the Richard King Mellon Foundation approved a grant of \$20,000 to the Protestant Episcopal Diocese of Pittsburgh for capital improvements at the Camp, including the con-

struction of new cabins and the modernization of swimming facilities.

The following is a list of grants approved in 1977 for social service programs:

American National Red Cross Pittsburgh-Allegheny County Chapter Pittsburgh, Pennsylvania Johnstown, Pennsylvania flood relief fund	\$100,000
Craig House-Technoma Workshop Pittsburgh, Pennsylvania To reduce mortgage on facility	50,000
The Easter Seal Society for Crippled Children and Adults of Allegheny County, Inc. Pittsburgh, Pennsylvania Toward renovation of building	50,000
Goodwill Industries of Pittsburgh Pittsburgh, Pennsylvania Toward purchase of building	98,000
Pennsylvania Association for the Blind Pittsburgh Branch Pittsburgh, Pennsylvania Toward completion of building fund drive	50,000
Protestant Episcopal Diocese of Pittsburgh Pittsburgh, Pennsylvania Improvements at Sheldon Calvary Camp	20,000
Urban Youth Action, Inc. Pittsburgh, Pennsylvania Operating support	30,000
Young Men and Women's Hebrew Association & Irene Kaufmann Centers Pittsburgh, Pennsylvania Capital campaign	50,000
	<u>\$448,000</u>

Appropriations and Grants Paid

Richard King Mellon Foundation

	1977			
	Unpaid at 12/31/76	Approved (Rescinded)	Paid (Refunded)	Unpaid at 12/31/77
Allegheny Conference on Community Development Pittsburgh, Pennsylvania	\$ 40,000	\$ 21,000	\$ 61,000	
Alpha House, Inc. Pittsburgh, Pennsylvania	30,000		30,000	
American National Red Cross Pittsburgh-Allegheny County Chapter Pittsburgh, Pennsylvania		100,000	100,000	
American Wind Symphony Orchestra Pittsburgh, Pennsylvania		30,000	20,000	\$ 10,000
Americans For Energy Independence, Inc. (Conditional) Washington, District of Columbia		10,000		10,000
Carnegie Institute Pittsburgh, Pennsylvania		60,000 14,500	60,000 14,500*	
Carnegie-Mellon University Pittsburgh, Pennsylvania		1,000,000		1,000,000
The Center for Interjacent Children Pittsburgh, Pennsylvania	100,000		100,000	
Chatham College Pittsburgh, Pennsylvania	250,000		250,000	
Community Nursing Service Greensburg, Pennsylvania		25,000	25,000	
The Conservation Foundation, Inc. Washington, District of Columbia		100,000	50,000	50,000
Cornell University Ithaca, New York	50,000		50,000	
Craig House-Technoma Workshop Pittsburgh, Pennsylvania		50,000	50,000	

Richard King Mellon Foundation

	1977			
	Unpaid at 12/31/76	Approved (Rescinded)	Paid (Refunded)	Unpaid at 12/31/77
The Easter Seal Society, for Crippled Children and Adults of Allegheny County, Inc. Pittsburgh, Pennsylvania		\$ 50,000	\$ 50,000	
The Ellis School Pittsburgh, Pennsylvania	\$ 500,000		500,000	
Emergency Care Research Institute Philadelphia, Pennsylvania	75,000		75,000	
Explorers Club of Pittsburgh Pittsburgh, Pennsylvania		10,000	10,000	
Family Communications, Inc. (Conditional) Pittsburgh, Pennsylvania	1,000,000		500,000	\$ 500,000
Fort Ligonier Memorial Founda- tion, Inc. Ligonier, Pennsylvania	500,000	500,000	1,000,000	
Goodwill Industries of Pittsburgh Pittsburgh, Pennsylvania		98,000	98,000	
Health Systems Agency of Southwestern Pennsylvania, Inc. Pittsburgh, Pennsylvania	60,000		60,000	
Health and Welfare Planning Association of Allegheny County Pittsburgh, Pennsylvania	60,000		60,000	
The Historical Society of Western Pennsylvania Pittsburgh, Pennsylvania		50,000	50,000	
Latrobe Area Hospital Latrobe, Pennsylvania		80,000	80,000	
Light of Life Rescue Mission, Inc. Pittsburgh, Pennsylvania	14,000		14,000	
Paid, later refunded		(14,000)	(14,000)	
Manchester Craftsmen's Guild Pittsburgh, Pennsylvania	20,000		20,000	

Appropriations and Grants Paid

	1977			
	Unpaid at 12/31/76	Approved (Rescinded)	Paid (Refunded)	Unpaid at 12/31/77
Mon-Yough Mental Health Mental Retardation Services, Inc. (Conditional) McKeesport, Pennsylvania	\$ 25,000			\$ 25,000
National Merit Scholarship Corporation Evanston, Illinois	243,130		\$ 146,442	96,688
National Trust for Historic Preservation in the United States Washington, District of Columbia		\$ 50,000	50,000	
The Nature Conservancy, Inc. Arlington, Virginia	200,000	4,000,000	700,000	3,500,000
Negro Educational Emergency Drive Pittsburgh, Pennsylvania	120,000		60,000	60,000
Pennsylvania Association for the Blind Pittsburgh Branch Pittsburgh, Pennsylvania		50,000	50,000	
Pennsylvania Economy League, Inc. Western Division Pittsburgh, Pennsylvania		11,000	11,000	
Pittsburgh Ballet Theatre, Inc. Pittsburgh, Pennsylvania	20,000		20,000	
Pittsburgh, City of Department of City Planning (Conditional) Pittsburgh, Pennsylvania		27,600		27,600
The Pittsburgh Foundation (Challenge matching grant) Pittsburgh, Pennsylvania		1**		1**
Pittsburgh Public Schools Pittsburgh, Pennsylvania		125,000	125,000	
The Pittsburgh Public Theater Corporation Pittsburgh, Pennsylvania	25,000		25,000	

Richard King Mellon Foundation

	1977			
	Unpaid at 12/31/76	Approved (Rescinded)	Paid (Refunded)	Unpaid at 12/31/77
Pittsburgh Symphony Society Pittsburgh, Pennsylvania		\$ 150,000	\$ 50,000	\$ 100,000
Pittsburgh Youth Symphony Orchestra Association, Inc. Pittsburgh, Pennsylvania		10,000	10,000	
Planned Parenthood Committee and Clinic of Pittsburgh, Inc. Pittsburgh, Pennsylvania	\$ 45,000		45,000	
Protestant Episcopal Diocese of Pittsburgh Pittsburgh, Pennsylvania		20,000	20,000	
St. Margaret Memorial Hospital Pittsburgh, Pennsylvania	500,000		500,000	
Sewickley Academy Sewickley, Pennsylvania	250,000		250,000	
Shady Side Academy Pittsburgh, Pennsylvania	500,000		500,000	
Student Conservation Association, Inc. Charlestown, New Hampshire		25,000	25,000	
Tri-City Opportunities Industrialization Center, Inc. McKeesport, Pennsylvania	20,000		20,000	
Tufts University Fletcher School of Law and Diplomacy Medford, Massachusetts	36,000		36,000	
United Negro College Fund, Inc. New York, New York	30,000	30,000	60,000	
The United Way of Allegheny County Pittsburgh, Pennsylvania	750,000		500,000	250,000

Appropriations and Grants Paid

	1977			
	Unpaid at 12/31/76	Approved (Rescinded)	Paid (Refunded)	Unpaid at 12/31/77
The University of Georgia College of Agriculture Experiment Stations Athens, Georgia		\$1,000,000	\$ 450,000	\$ 550,000
University Health Center of Pittsburgh, Inc. Pittsburgh, Pennsylvania Children's Hospital of Pittsburgh	\$ 50,000		50,000	
University of Pittsburgh Pittsburgh, Pennsylvania Office of Special Seminars School of Medicine Vice Chancellor's Office for Public Affairs	15,000	30,000 1,500,000	30,000	1,500,000
Urban Youth Action, Inc. Pittsburgh, Pennsylvania		30,000	30,000	
Western Pennsylvania Conservancy Pittsburgh, Pennsylvania		12,500	12,500	
Winchester-Thurston School Pittsburgh, Pennsylvania		500,000	500,000	
The Young Life Campaign Pittsburgh, Pennsylvania	43,000		43,000	
Young Men and Women's Hebrew Association & Irene Kaufmann Centers Pittsburgh, Pennsylvania		50,000	50,000	
Totals	<u>\$5,571,130</u>	<u>\$9,805,601</u>	<u>\$7,697,442</u>	<u>\$7,679,289</u>

*Grant-in-kind

**See Note 4 on page 48.

Statement of Net Assets

December 31, 1977

Richard King Mellon Foundation

Cash and receivables		\$	373,140
Investments at market quotations:			
Stocks and other equity securities	\$188,958,139		
Temporary investments	34,741,442		
Long-term debt instruments	24,167,422		
Other investments and deposits	<u>180,466</u>		248,047,469
Program-related investment, at cost:			
Pittsburgh Historical Collection			<u>22,331</u>
Total assets			248,442,940
Less amounts reserved for:			
Grants approved but not paid	7,679,289		
Federal excise tax	<u>424,480</u>		<u>8,103,769</u>
Net assets			<u><u>\$240,339,171</u></u>

The notes on page 48 are an integral part of the financial statements.

Statement of Changes in the Fund

Richard King Mellon Foundation

	Year Ended December 31, 1977	Cumulative from Inception on November 14, 1947 to December 31, 1977
Contributions received	\$ 1,419,445	\$134,714,949
Realized gain from disposition of investments	1,733,624	45,019,608
Unrealized appreciation or (depreciation) on invest- ments, at market quotations	<u>(24,133,483)</u> (20,980,414)	<u>91,216,621</u> 270,951,178
Investment income	<u>\$ 9,387,073</u>	<u>\$101,080,502</u>
Less:		
Administrative and investment expenses	1,015,176	9,901,510
Federal excise tax	<u>424,480</u>	<u>2,770,278</u>
	<u>1,439,656</u>	<u>12,671,788</u>
Net income	7,947,417	88,408,714
Grants paid	<u>7,697,442</u>	<u>111,341,432</u>
Grants paid less than or (in excess) of net income .	<u>249,975</u>	<u>(22,932,718)</u>
Increase or (decrease) in fund	<u><u>\$(20,730,439)</u></u>	248,018,460
Less amount reserved for grants approved but not paid		<u>7,679,289</u>
Net assets, December 31, 1977		<u><u>\$240,339,171</u></u>

The notes on page 48 are an integral part of the financial statements.

Summary of Investments

December 31, 1977

Richard King Mellon Foundation

	Amount at	
	Book	Market
	Value	Quotations at December 31, 1977
STOCKS AND OTHER EQUITY SECURITIES		
Common stocks:		
Aerospace	\$ 36,680	\$ 39,063
Airlines and air freight	339,023	295,987
Amusement	382,231	256,284
Apparel and textiles	232,762	214,525
Automotive	289,467	278,750
Banking	2,621,633	2,301,162
Brewing and distilling	597,196	326,475
Broadcasting and cable television	1,016,625	1,134,350
Building materials	1,798,139	1,623,488
Business services	186,819	185,250
Chemical	2,234,652	1,983,150
Coal	7,696	6,975
Construction and material handling	392,078	612,763
Containers	787,921	919,493
Cosmetic and household products	3,270,662	2,838,915
Drug	2,829,675	2,097,287
Electrical equipment	2,630,883	2,371,169
Electronics	1,284,027	1,128,063
Farm equipment	259,324	228,800
Finance	294,328	371,237
Food products	3,674,845	3,501,043
Hospital supply	2,993,271	2,545,500
Industrial machinery and materials	1,321,896	1,110,737
Insurance	7,749,579	82,143,463
Merchandising	2,402,935	2,910,512
Multi-industry	73,810	71,638
Non-ferrous metals and mining	5,555,939	6,151,964
Office equipment and photocopy	5,896,324	6,187,731
Oil and gas	34,569,942	53,449,125
Oil and gas servicing	1,855,012	2,350,169
Paper	655,370	597,944
Photographic	1,729,487	836,063
Public utility—electric	566,054	550,725
Public utility—gas	51,349	51,925
Public utility—telephone, etc.	2,235,113	2,467,170
Publishing and printing	985,092	1,135,950
Railroads	539,921	529,088
Railroad equipment	44,003	48,250
Restaurants and lodgings	1,126,581	952,952
Steel	283,415	272,887
Tire and rubber	16,423	15,025
Tobacco	708,493	731,488
Trucking	2,963	3,150
Other industries	1,015,930	1,001,404
Total common stocks	<u>97,545,568</u>	<u>188,829,089</u>

	Amount at	
	Book Value	Market Quotations at December 31, 1977
Preferred stock:		
Banking	\$ 176,111	\$ 129,050
Total preferred stock	<u>176,111</u>	<u>129,050</u>
TOTAL STOCKS AND OTHER EQUITY SECURITIES	<u>97,721,679</u>	<u>188,958,139</u>
TEMPORARY INVESTMENTS		
Certificates of deposit	3,319,414	3,319,672
Demand notes	5,849,000	5,849,000
Discount and interest-bearing notes	23,984,934	23,984,934
U. S. Treasury bills	1,403,332	1,416,836
Other short-term investments	<u>171,000</u>	<u>171,000</u>
TOTAL TEMPORARY INVESTMENTS	<u>34,727,680</u>	<u>34,741,442</u>
LONG-TERM DEBT INSTRUMENTS		
Corporate bonds:		
Financial	7,197,684	7,386,104
Industrial	4,294,585	4,262,622
Public utility—electric	<u>497,286</u>	<u>483,890</u>
Total corporate bonds	<u>11,989,555</u>	<u>12,132,616</u>
U. S. Treasury and Government agencies	12,053,666	11,881,648
International institution	<u>157,512</u>	<u>153,158</u>
TOTAL LONG-TERM DEBT INSTRUMENTS	<u>24,200,733</u>	<u>24,167,422</u>
OTHER INVESTMENTS AND DEPOSITS		
Fractional interests in surface and minerals in properties located in Maryland and West Virginia	113,256	112,966
Miscellaneous investments and deposits	<u>67,500</u>	<u>67,500</u>
TOTAL OTHER INVESTMENTS AND DEPOSITS	<u>180,756</u>	<u>180,466</u>
TOTAL INVESTMENTS	<u>\$156,830,848</u>	<u>\$248,047,469</u>

A complete list of investments may be obtained by writing to:
Richard King Mellon Foundation
Office of the Controller
525 William Penn Place
Pittsburgh, Pennsylvania 15219

NOTE 1—Significant Accounting Policies*Basis of Accounting*

The accounts of the Foundation are maintained on the cash basis except that federal excise taxes and grants approved but not paid are recorded as liabilities on the accrual basis.

Investments

For financial reporting purposes, investments are stated at current market quotations which, in the case of large holdings, do not necessarily represent realizable values. The book value of investments is cost or, for donated assets, the market quotations or appraised values at the date of receipt by the Foundation.

Realized gain or loss from disposition of investments is determined by specific cost identification, except that average cost is used for dispositions of donated investments. Unrealized appreciation or depreciation on investments is the difference between the book value and current market quotations of investments held at the end of the year.

Program-related Investment

The program-related investment represents expenditures made in connection with a charitable program of the Foundation.

NOTE 2—Federal Excise Tax

Federal excise tax represents a four percent tax on net investment income as defined in Section 4940 of the Internal Revenue Code.

NOTE 3—Estate Distributions

During the year 1977 the Foundation received \$9,232 as a final distribution from the Estate of the late Richard K. Mellon. The administration of the Estate was closed in 1977 by a final decree of the court having jurisdiction over such administration.

NOTE 4—Challenge Matching Grant

In 1977 the Foundation approved a challenge matching grant to The Pittsburgh Foundation to be applied to the corpus of the Ligonier Valley Endowment. Under the terms of this grant, the Foundation is committed to pay to the grantee a sum equal to the total amount of all contributions to the Ligonier Valley Endowment received during the two-year period from June 1, 1978, through May 31, 1980.

To the Trustees of Richard King Mellon Foundation:

We have examined the statement of net assets of Richard King Mellon Foundation as of December 31, 1977, the related statement of changes in the fund for the year then ended and for the period from the Foundation's inception on November 14, 1947 to December 31, 1977, and the supporting summary of investments and schedule of appropriations and grants paid. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the above mentioned financial statements present fairly the net assets of Richard King Mellon Foundation at December 31, 1977, and the changes in the fund for the year then ended and for the period from November 14, 1947 to December 31, 1977, and the supporting summary of investments and schedule of appropriations and grants paid present fairly the information included therein, all in conformity with generally accepted accounting principles applied on a consistent basis.

COOPERS & LYBRAND

Pittsburgh, Pennsylvania
March 27, 1978

Information for Applicants

All inquiries and applications for grants should be addressed to:

Mr. George H. Taber
Vice President and Director
Richard King Mellon Foundation
525 William Penn Place
Pittsburgh, Pennsylvania 15219

There are no special forms for applying for a grant. Applications should take the form of a letter and, where applicable, include the following elements:

1. A description and the general aims of the organization making the proposal.
2. A concise statement of the need or problem being addressed.
3. The specific purpose and objective for which funds are sought.
4. A clear description of how the project will be operated and an indication of whom it will serve.
5. The qualifications of the individuals who will conduct the proposed undertaking.
6. The procedure and criteria for evaluating the effectiveness of the grant once the funds have been expended.
7. An itemized budget for the project

and an explanation of how it will be financed at the expiration of the proposed grant.

All grant proposals should be accompanied by a copy of the applicant's classification ruling under current Treasury Department regulations.

The Richard King Mellon Foundation is a private, grant-making foundation with no restrictions as to fields of interest or geographic area. As a matter of practice, however, the Foundation's grant programs have always emphasized institutions and organizations in Pittsburgh and western Pennsylvania. In this geographic area, the main fields of interest are conservation, education, and medicine and health care. The regional character of the Foundation's activities is reflected in this and all previously published reports.

The Trustees are also interested in the field of land conservation in the United States.

The Foundation will not consider requests on behalf of individuals.

Richard King Mellon Foundation
1977 Annual Report
Thirtieth Anniversary