

Richard King Mellon Foundation

1979 Annual Report



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*Deceased September 5, 1979

Richard King Mellon Foundation

1979 Annual Report

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President's Report

During 1979, the Trustees of the Richard King Mellon Foundation authorized forty-seven new grants totaling \$11,322,230, bringing the Foundation's total appropriations since 1947 to \$142,281,611.

The Foundation made grant disbursements during the year total-

ing \$12,909,385. Since its inception, the Richard King Mellon Foundation has made grant payments of \$133,651,265, exceeding the net income for the same period



by \$21,710,121. Unpaid grants at the end of 1979 amounted to \$8,630,346.

Almost 40 percent of the 1979 grant dollars approved were directed

toward projects in Pittsburgh and other western Pennsylvania communities. On an historical basis, this represents a diminished allocation for charitable activities in this geographical region and is a consequence of the Foundation's emphasis in the field of land conservation and wildlife preservation on a national scale. The Trustees of the Richard King Mellon Foundation continue to be concerned with the encouragement of a better quality of life in the Pittsburgh region.



However, because fewer grant dollars are now available for program activity in this geographic area, the Trustees must of necessity be highly selective.

Grants were awarded during the year in five broad categories: conservation, social services, education, medicine, and cultural and civic affairs. The Trustees' well-established interest in the field of land conservation was again demonstrated in 1979, as approvals in this category represented approximately 55 percent of the Foundation's total 1979 appropriations. The Foundation's foremost priority of land conservation and wildlife preservation is a consequence and reflection of the genuine concern on the part of the Trustees for preserving this Country's natural heritage. A \$2,000,000 grant was approved to The Nature Conservancy to help purchase and preserve the Mashomack tract on Shelter Island, New York. A \$1,000,000 commitment was approved for The Conservation Foundation, Inc. for major capital support, and a \$250,000 award, payable over five years, was approved in support of the Wildlife-Wildlands Institute at the University of Montana.


In 1979, the Foundation approved several management grants which the Trustees hope will enable the recipient organizations to improve management capabilities, operate in a more efficient and economical manner, and provide the most needed and relevant services possible. Grants of this nature were awarded in the categories of social

services, education, and cultural affairs.

Other significant grants authorized in 1979 include a \$500,000 award to Harvard University to establish a Division of Health Policy Research and Education and a \$250,000 award to the University Health Center of Pittsburgh, Inc. to establish a unit at Western Psychiatric Institute and Clinic to specialize in learning and emotional problems of youth.

It is with deep regret that the Trustees and Officers of the Richard King Mellon Foundation record the death on September 5, 1979 of Mr. Luther G. Holbrook, who served as a Trustee of the Foundation for more than twenty years. Mr. Holbrook contributed greatly to the Foundation's deliberations and his counsel will be sorely missed.

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.

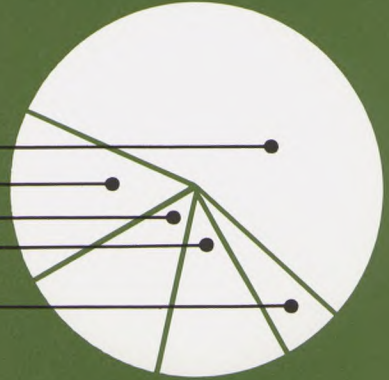


Seward Prosser Mellon
President

1979 Grants Approved

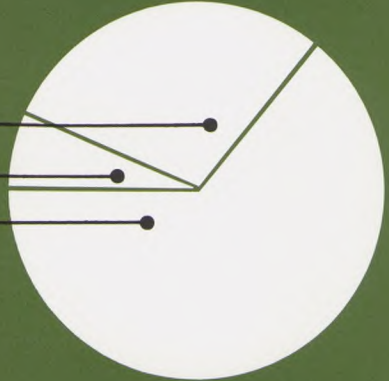
By Category

Conservation	\$ 6,223,530	55%
Social Services	1,669,000	15%
Education	1,425,000	13%
Medicine	1,390,000	12%
Cultural & Civic Affairs	614,700	5%
Total	<u>\$ 11,322,230</u>	<u>100%</u>



By Area

Pittsburgh	\$ 3,678,100	32%
Western Pennsylvania	790,600	7%
Other Areas	6,853,530	61%
Total	<u>\$ 11,322,230</u>	<u>100%</u>



1947-1979 Net Income and Grants Paid

Net Income

1947-1978	\$ 98,723,910
1979	<u>13,217,234</u>
Total	<u>\$111,941,144</u>

Grants Paid

1947-1978	\$120,741,880
1979	<u>12,909,385</u>
Total	<u>\$133,651,265</u>

Conservation

The major area of interest to the Trustees of the Richard King Mellon Foundation during 1979 was conservation. Twelve commitments totaling \$6,223,530 were approved during the year, representing 55 percent of the 1979 grant program.

Land conservation and wildlife preservation represent the Foundation's foremost priority. It is being pursued on both a local and national basis and is the Foundation's primary

interest outside of western Pennsylvania. The immediate 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.

Conserving Natural Areas

The Nature Conservancy is a national organization dedicated to the preservation of lands with ecological

A \$2 million grant from the Foundation enabled The Nature Conservancy to acquire the 2,000-acre Mashomack tract on Shelter Island, approximately 100 miles from New York City. Mashomack contains many outstanding natural land and water systems which provide ideal habitat for the endangered nesting osprey, shown below.



Photo: Michael Male

or environmental value. For more than twenty-seven years, the Conservancy has worked with conservationists, industry, and private philanthropy to preserve approximately 1.6 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.

In 1979, the Trustees of the Richard King Mellon Foundation approved a grant of \$2,000,000 to The Nature Conservancy to enable it to purchase for conservation purposes one of the largest and most ecologically diverse tracts of land still unprotected in the urban northeast part of the Country. The funds were used to acquire the 2,000-acre Mashomack tract which comprises about one-third of Shelter Island, New York. Shelter Island is located off the eastern tip of Long Island, about one hundred miles from New York City.

Mashomack is one of the few unprotected pieces of private waterfront property on the northeast coast. A peninsula with twelve miles of coastal beach, Mashomack contains many outstanding natural qualities and has a variety of different ecological systems, including forests, uplands, fresh water wetlands, and extensive tidal salt marshes.

Wildlife is particularly abundant on the Mashomack tract. Shelter Island and nearby Gardiner's Island support the largest concentration in New York State of the nesting osprey, a threatened population due to the cumulative effects of the use of pesticides. Aided by new regulations regarding the use of such chemicals, these magnificent birds are now beginning to make a comeback. Because of its large undisturbed size and location, Mashomack represents a prime habitat for efforts to increase the numbers of this vanishing species. Mashomack also supports an abundant and diverse population of other bird species such as herons,

egrets, and terns which make use of the extensive marshes and coastland, while offshore areas are prime wintering habitat for mallards, swans, canvasback and wood ducks. Inland forests and fields provide habitat for wild turkey, deer, broadwing and red-tail hawks, and other fauna. The size and diversity of habitat makes Mashomack one of the most remarkable havens for wildlife in the entire Northeast.

The acquisition and protection of Mashomack as a natural oasis was of the highest priority to The Nature Conservancy. The eastern Long Island area surrounding Mashomack, already densely settled, is under increasingly severe development pressure. Now that Mashomack has been acquired, it will be actively managed as a nature preserve. The primary stewardship objective will be the protection of Mashomack's natural land and water systems. Priority will be given to the endangered osprey population, to ducks and shore birds, and to the dynamic plant and animal communities in both salt and fresh water wetlands.

The Trustees of the Foundation approved a grant of \$2,000,000 to The Nature Conservancy as an addition to the Richard King Mellon Land Preservation Fund to be used on a revolving basis for acquisition purposes. The grant proceeds were temporarily used to enable the Conservancy to exercise the necessary purchase options related to the Mashomack tract. As soon as permanent funding has been obtained from the many sources closer to Shelter Island, the grant proceeds will be returned to the Land Preservation Fund to be used again and again to save endangered natural areas throughout the Country. The 1979 grant to The Nature Conservancy brings to \$9,000,000 the total capital support which the Foundation has provided for the Richard King Mellon Land Preservation Fund.

Education

The Trustees of the Richard King Mellon Foundation approved several grants designed to further the education and knowledge of persons interested in the areas of conservation or environment. Such individuals would include professionals in the field who are charged with managing nonprofit organizations, students in institutions of higher education who are contemplating careers in a field of conservation and, equally important, the citizenry which in many locales represents the only means of preserving the environment and accompanying wildlife.

In 1979, Yale University was the recipient of a \$420,000 grant from the Foundation to establish a national program in the School of Forestry and Environmental Studies designed to improve the functioning of nonprofit natural resource and environmental organizations. If the gains of the conservation and environmental movements of the past decade are to be

The School of Forestry and Environmental Studies at Yale University is establishing a program designed to help improve the business and administrative skills of professional managers of nonprofit natural resource and environmental organizations.



sustained, citizen organizations must substantially improve their professional capabilities and thereby their credibility with an increasingly skeptical public. To deal more effectively with current and economic issues, the professional managers of these nonprofit organizations must have access to educational institutions for executive training and policy analysis. A glaring weakness of many nonprofit organizations is their lack of business and administrative acumen. Training in managerial skills is essential if the organizations are to survive.

The program will be housed in the School of Forestry and Environmental Studies. In order to provide all of the ingredients necessary for effective service to nonprofit environmental organizations, the program will have linkages with the School of Organization and Management, the Law School, the Department of Epidemiology and Public Health, and the Institution for Social and Policy Studies.

The four-part program will offer mid-career fellowships to executives of private organizations, and in a reverse arrangement, ten graduate students will be placed as interns in nonprofit conservation and environmental organizations. The program will also offer continuing education in the form of workshops and seminars to help update organizations on policy issues or on new operational and analytical techniques such as finance and budgeting. Research efforts to assemble and analyze facts crucial to current conservation and environmental topics will also be undertaken.

The Foundation's grant of \$420,000 provides initial funding to establish the program and insure its first five years of operation.

The Quebec-Labrador Foundation is a nonprofit organization designed to meet the needs and support the aspira-



The Atlantic Center for the Environment, the educational division of The Quebec-Labrador Foundation, promotes environmental awareness and encourages public involvement in the resource management of the north Atlantic region.

tions of the people of the Atlantic region, specifically the isolated communities in the State of Maine and in the Canadian provinces of Newfoundland, New Brunswick, Newfoundland-Labrador, and Quebec. The natural resources of this region have been exploited since early colonial times. Shallow rivers permit only limited navigation, the soil is relatively poor, and the growing season is short.

The Foundation is uniquely able to help the people of the Atlantic region maintain their dignity and sense of

worth by motivating them to play a more active role in decisions affecting their environment and lives. The educational division of The Quebec-Labrador Foundation, the Atlantic Center for the Environment, is dedicated to the wise management of natural resources. It promotes environmental awareness and encourages public involvement in the resource management of the Atlantic region by offering summer and year-round educational programs to the citizens in rural communities.

The programs and educational emphasis are being expanded to equip people with the tools, experience, and information so they may more directly control their own destinies, guide their children more wisely, and manage their natural resources for their own long-term best interests. The educational programs are based on the premise that momentum for conservation and proper resource management will not come from professionals, but from the citizens who care about what is happening to their environment. Specialists on the Center's staff help the people to learn and to protect their wilderness, manage their fisheries and wildlife, conserve their waterfowl, and preserve their wetlands through workshops, summer education programs, internships, public presentations, and publications.

The Trustees of the Richard King Mellon Foundation approved a grant of \$150,000, payable over a four-year period, to The Quebec-Labrador Foundation, Inc. to provide funds for the environmental programs of the Atlantic Center for the Environment. It is the Trustees' hope that what is learned in the area of environmental education and the methodology used by the Center may be useful to other parts of the United States.

The Center for Environmental

Intern Programs operates several programs in various locations throughout the United States. The main purpose of the intern programs is to place qualified graduate and undergraduate students in salaried internships in both the public and private sectors to complete short-term projects in environmental and energy matters.

Each program is designed as a regional service to students, businesses, government agencies, and citizens groups to administer internships related to challenging contemporary environmental projects. By providing organizations with high quality, low cost technical assistance, the programs facilitate the completion of important projects and at the same time offer students the opportunity to work closely with professionals in environmentally related fields.

In 1977, with funding from several foundations in Ohio, the Center established an environmental intern program to serve the lower Great Lakes region of Ohio, Indiana, Michigan, and western Pennsylvania. Interns have been placed with numerous corporations, government agencies, and nonprofit organizations. An evaluation of the participating students and sponsors indicated that the program is fulfilling a need in the region and a greater demand exists for interns in the western Pennsylvania area. To meet this demand, the Trustees of the Richard King Mellon Foundation approved a grant of \$20,000 to the CEIP Fund, Inc. to expand the number of intern placements in Pittsburgh and western Pennsylvania.

Founded in 1969, the Environmental Law Institute is a national research center for the analysis of measures to protect the environment and enhance the use of natural resources.

In late 1978, the Institute began publication of its *National Wetlands*

Newsletter to focus attention on the Nation's wetlands by bringing together key information of interest to the scientific, legal, and political communities on a regular basis. It covers a full spectrum of wetlands topics such as science, Federal and state laws, policies and programs, legislative activities and litigation, and notices of symposia, conferences, and workshops.

The *National Wetlands Newsletter*, through its comprehensive and timely reporting of major wetlands issues, has established itself as a national clearing house for information related to wetlands and floodplains. The *Newsletter* is currently the primary means by which this information is rapidly and simultaneously transferred to Federal, state, and local agency personnel,

scientists, private conservation groups, and others concerned with implementing wetland protection programs. Not only do subscribers rely on the *Newsletter* to keep them abreast of current developments, but many use it as a continuing reference tool.

The Trustees of the Richard King Mellon Foundation approved a grant of \$10,000 to the Environmental Law Institute to help underwrite the publication of the *National Wetlands Newsletter*.

Wildlife Research

The University of Montana recently established a research and public education project, the Wildlife-Wildlands Institute. Its main objective is to help assure the preservation and wise management of the Nation's wildlands and

The University of Montana recently established the Wildlife-Wildlands Institute as a research and public education project to help assure the preservation and wise management of the Nation's wildlands and the wildlife which it supports.

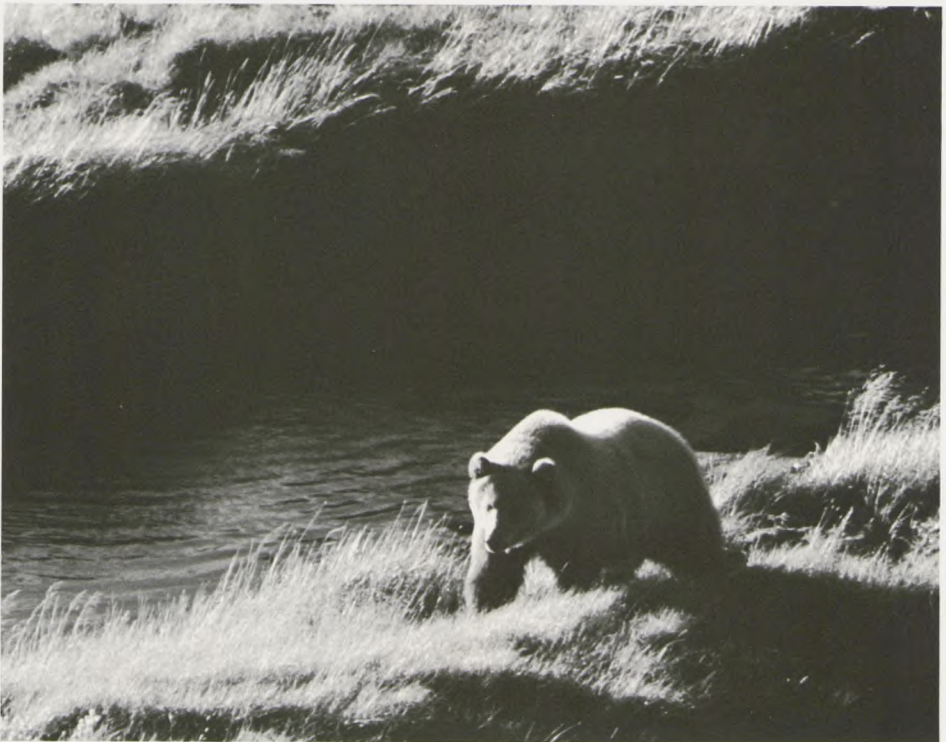


Photo: Frank and John Craighead
©National Geographic Society

the accompanying wildlife. Although this is a responsibility which lies with state and Federal agencies, it is the Institute's belief that the responsible public agencies need constructive guidance from the private sector.

The Institute acts as an objective, scientific, fact-finding organization to assist the public agencies in their stewardship role. The Director of the Wildlife-Wildlands Institute is Dr. John J. Craighead, one of the foremost naturalists in the Country today, who has contributed substantial knowledge through research in the fields of botany, natural history, and zoology. Under his leadership and guidance, the Institute will conduct and direct ongoing research on wilderness wildlife species employing pioneer research techniques and methodology to generate data and information leading to improved management of wild-

life and wilderness areas.

Dr. Craighead is perhaps best known for the extensive research he has conducted over the years on the North American grizzly bear. It is encouraging to note that Dr. Craighead and the Institute have been successfully working with state and Federal authorities to develop a long needed recovery plan for the grizzly bear in Yellowstone National Park and certain adjacent areas. Included in the goals of the official recovery plan are population targets and the delineation of critical grizzly bear habitat in the Yellowstone ecosystem.

The Trustees of the Richard King Mellon Foundation approved a grant of \$250,000, payable over a five-year period, to the University of Montana Foundation to support the establishment of Wildlife-Wildlands Institute.

The following is a list of grants approved in 1979 for conservation activities:

CEIP Fund, Inc. Lincoln, Massachusetts	
To expand program in western Pennsylvania	\$ 20,000
The Conservation Foundation, Inc. Washington, District of Columbia	
Toward capital fund	1,000,000
Environmental Law Institute Washington, District of Columbia	
To fund publication of newsletter	10,000
Loyalhanna Watershed Association, Inc. Ligonier, Pennsylvania	
Three-year operating support	30,000
The Nature Conservancy Arlington, Virginia	
Acquisition of natural areas	2,000,000
Support for Asset Lands Fund	1,603,530
The Quebec-Labrador Foundation, Inc. Ipswich, Massachusetts	
Program support for the Atlantic Center for the Environment	150,000
Resources for the Future, Inc. Washington, District of Columbia	
Program support	250,000

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University of Montana Foundation Missoula, Montana	
Support for the Wildlife-Wildlands Institute	\$ 250,000
Western Pennsylvania Conservancy Pittsburgh, Pennsylvania	
Three-year support for Pennsylvania Land Policy Project	40,000
The Wildlife Conservation Fund of America Columbus, Ohio	
Three-year operating support	450,000
Yale University School of Forestry and Environmental Studies New Haven, Connecticut	
To institute program to strengthen personnel in private environmental organizations	420,000
	<u>\$6,223,530</u>

Social Services

Awards to various organizations in the social services field totaled \$1,669,000, or 15 percent of the Foundation's 1979 grant program.

In accordance with the Foundation's geographical restrictions on grants in this category, all awards made during 1979 supported improvement in the provision and delivery of social services to citizens of Allegheny County and western Pennsylvania.

The largest social service grant approved in 1979 was a \$900,000 award to The United Way of Allegheny County representing annual support for a three-year period. Several grants were also approved to assist the senior citizens of western Pennsylvania, a

special segment of the population with its own distinct problems and needs.

Three grants in the social services category funded the introduction of new approaches to or the expansion of internal management programs. These undertakings should strengthen local management capabilities and produce more viable and effective social service organizations.

Senior Citizens

The elderly represent an increasing proportion of our population and a segment of society beset by its own complex interrelated problems. Only in the past decade has society made a

The Lemington Home for the Aged is a skilled and intermediate nursing care institution serving the needs of Pittsburgh's senior minority citizens. A new 180-bed facility is planned to help accommodate the growing demand for Lemington's services.



concerted effort to initiate specialized delivery of services to this human resource sector. In 1979, the Richard King Mellon Foundation approved three grants to organizations serving the elderly, with the intent that more services will be delivered to a larger number of people with a greater concern for the individual.

For the past one hundred years, the Lemington Home for the Aged has devoted its services and attention to the needs of Pittsburgh's senior minority citizens. Lemington is an accredited, skilled and intermediate nursing care institution and is the only such minority operated institution in western Pennsylvania. Sensitive to the many needs of the elderly, its services encompass a broad range of treatment, restorative, and outreach programs.

Studies demonstrate that aged minority persons have limited access to existing nursing homes. Many are excluded from proprietary facilities because of the high cost. The large and growing demand for Lemington's services far exceeds the capacity of its present thirty-three-bed facility. Its admissions are limited to females and there is a large waiting list.

Lemington Home has received approval from the Health Systems Agency of Southwestern Pennsylvania to construct a new 180-bed skilled and intermediate care nursing facility which will be available to minority men and women, thus enabling Lemington to provide more thorough, direct, and supportive services to its residential patients. The facility will allow Lemington to expand its community day care program and also serve as an education and training center for students interested in gerontology.

The Trustees of the Richard King Mellon Foundation approved a conditional grant of \$100,000 to Lemington Home for the Aged to be applied toward the new skilled and intermediate care nursing facility.

Approximately 25 percent of the population of the City of Pittsburgh is fifty-five years of age or older. The individuals in this segment of the population have specific educational, medical, service, and recreational needs which must be fulfilled if they are to enjoy productive senior years. Located in the East Liberty section of Pittsburgh, Vintage is a multipurpose center helping to meet the needs of this population group.

It is Vintage's goal to provide opportunities for persons to combat loneliness, depression, and apathy through participation in group activities. Services include medical exams and health education, entertainment, lectures, consumer education, referral services, crafts, and hot lunch programs.

During its seven years of operation, weekly attendance at Vintage has increased from forty to 310 citizens. The early growth and success of Vintage necessitated the purchase and renovation of a larger building to house its programs. The Trustees of the Richard King Mellon Foundation awarded a grant of \$40,000 to Vintage toward the purchase and renovation of a new facility better suited to the organization's present and future plans.

The third grant in support of service to the elderly was awarded to Community Human Services Corporation, a neighborhood organization providing social and medical services to more than seven hundred people in the south Oakland section in Pittsburgh. The residents of the community helped construct a neighborhood activity center which provides services for people in need of assistance in such areas as housing, unemployment, and health problems.

A chief concern of Community Human Services is providing assist-

ance to those aged people who will have to leave the neighborhood to reside in public nursing care facilities if provision for their living in the neighborhood cannot be arranged. In response to this concern, Community Human Services recently established a domiciliary care program to provide supervised living for twelve disabled elderly or mentally ill residents. The program is housed in a residence and its physical connection with the neighborhood activity center allows access to the family health clinic and other services. The twelve sleeping rooms are carefully designed to provide a homelike atmosphere in which the dining, leisure activities, and primary care functions can be carried out.

The Trustees of the Richard King Mellon Foundation approved a grant of \$25,000 to Community Human Services Corporation to be applied toward the purchase price of the building acquired to house the domiciliary care program for the elderly.

Management Grants

In these times of limited resources and strained budgets, the Trustees of the Richard King Mellon Foundation are particularly interested in underwriting projects which enable organizations to improve management capabilities resulting in more efficient and economical operations. In 1979, the Trustees approved three management grants of this nature to social service organizations to fund new approaches to or the expansion of internal management programs.

Housing Opportunities, Inc., the recipient of such a grant, is a private nonprofit housing agency. Its main objective is to help families with marginal incomes become home owners. Its basic service, the earned home ownership program, provides counseling on budgeting, home maintenance, credit, and financial planning. The family being counseled is permitted to rent for six to eighteen months a house

owned by Housing Opportunities. During this period, the family and its counselor work closely together and once the family demonstrates financial competence, Housing Opportunities helps obtain a mortgage from a local lending institution. If the family is still ineligible for a mortgage, Housing Opportunities will provide a low-interest second mortgage and cosign for the first mortgage.

A large portion of the annual revenues of Housing Opportunities is derived from contracted services with government agencies and from private grants. To protect itself against any major fluctuations in these funding sources, Housing Opportunities decided to explore alternatives to help stabilize its income, including the possible establishment of a profit making business whose earnings might contribute substantially to the nonprofit agency.

The Trustees of the Richard King Mellon Foundation approved a \$94,000 grant, payable over a three-year period, for Housing Opportunities, Inc. to research and pursue the possibility of establishing such a business. It is hoped that Housing Opportunities will be able to produce and implement a funding model capable of being replicated elsewhere, thus enabling other nonprofit organizations to develop funding sources which are less dependent on charitable support.

Social and Community Services of the Diocese of Pittsburgh, Inc. is a nonprofit organization incorporated in 1977 to coordinate and integrate the diocesan human service delivery programs in the six counties under the auspices of the Roman Catholic Diocese of Pittsburgh. Approximately ten thousand people annually receive diocesan services including home meals, foster family care, day care, employment assistance, adoption, and counseling.

Prior to 1977, the Diocese's human service delivery units in the six counties had limited opportunities for a unified approach to their operations. The formation of Social and Community Services provided the mechanism necessary to centralize the six program delivery units, to help identify the welfare needs of the citizens of each of the counties, and to plan the most efficient development of resources available to meet these needs.

To help accomplish these objectives, Social and Community Services is implementing a management information system to produce a uniform, systematic, and integrated process for collecting and interpreting both finan-

cial and programmatic decision making data. Upon completion, the management information system will permit better accountability to funding sources and provide a more efficient delivery of services that are responsive to community needs.

The Trustees of the Richard King Mellon Foundation approved a grant of \$30,000 toward the start-up costs and equipment purchases necessary to develop and implement the management information system.

A third management grant was awarded to Youth Guidance, Inc., an organization committed to preventing

Youth Guidance brings mature Christian laymen into one-to-one relationships with boys and girls in need of adult friendships and guidance. Family counseling services are provided as are summer camping experiences and field trips.



and controlling juvenile delinquency in western Pennsylvania. Its three-pronged program brings mature Christian laymen into one-to-one relationships with boys and girls in need of adult friendships and guidance, provides family counseling services, and sponsors summer camps. Children between the ages of eight and fifteen years are assigned to Youth Guidance by juvenile courts, police departments, schools, and the social agencies.

The one-to-one program operated by Youth Guidance is almost totally dependent upon volunteers to accomplish its objectives and goals. Youth Guidance has initiated a program to expand and strengthen its volunteer staff so as to provide a more effective service to a greater number of youngsters. To expand the recruitment of volunteers, Youth Guidance has established an outreach program through suburban churches, each of which provides a volunteer staff associate and church volunteers to work with Youth Guidance youngsters. In addition, to provide volunteers with the best possible background and training, Youth Guidance contracted on a one-time basis with an outside consultant and a local college to develop a training package and curriculum to be used continuously to train Youth Guidance instructors and volunteers.

The Trustees of the Richard King Mellon Foundation awarded Youth Guidance, Inc. a management grant of \$30,000 to underwrite the cost of the program for expanded recruitment and training of volunteers.

Mental Disabilities

Goodwill Industries is a rehabilitation agency providing job training and placement, sheltered employment workshops, and supportive services for the handicapped who are trying to build new lives.

Many programs and activities at

Goodwill depend largely upon usable donated items such as clothes, furniture, and appliances. Goodwill workers repair donated items as part of their vocational training and the revenue from the sale of restored wares provides funds to pay their wages.

The inflationary spiral of the past few years has placed a critical burden on all the operations of Goodwill Industries, however, increased costs have been most acutely experienced in the area of equipment and fuel for the fleet of collection trucks. Unfortunately, the extreme cost increases are being experienced during a period when revenues derived from governmentally funded rehabilitation programs have been reduced.

In order to combat this dual problem of increased costs and lower revenues, Goodwill Industries has decided to substantially increase the number of metal collection boxes placed throughout Allegheny County. Rather than relying on house calls as its main source of donated goods, it is hoped that the expanded collection box system will be the most economically efficient method of obtaining donated goods, thus improving sales revenue and minimizing cost increases.

The Trustees of the Richard King Mellon Foundation approved a grant of \$105,000 to enable Goodwill Industries of Pittsburgh to purchase an additional three hundred collection boxes and place them in semiprotected sites around Allegheny County during the next three years.

The Verland Foundation operates a residential care facility for mentally retarded children and young adults. There are over sixty residents at the facility, all severely or profoundly retarded, including many confronted with multiple physical handicaps.

The ultimate goal for each mentally

retarded individual is the attainment of as high a level of independence as is possible in every area of life. Hopefully, as the functional level of each client improves, he will be able to advance to a less restrictive environment such as a group home.

The present facility of The Verland Foundation will be closed in the near future because it is outdated and does not conform to safety codes. The Trustees of the Richard King Mellon Foundation approved a grant of \$100,000 to The Verland Foundation, Inc. toward its capital campaign for the construction of a new ten-cottage intermediate care facility to be erected on a donated twelve-acre site. Each free standing cottage will house six residents and is designed to eliminate the feeling of a large institution. In addition to the ten cottages, an activities building will provide the setting for physical, occupational, and recreational therapy as well as other specialized instructional needs.

Other Programs

Children's Oncology Services of Pittsburgh, Inc. is an organization comprised of parents, physicians, medical personnel, and citizens who are concerned about the needs of seriously ill children and their families. It was formed in 1977 for the purpose of providing housing and supportive systems for child oncology patients and their parents during periods of hospitalization or treatment at Pittsburgh hospitals.

Children's Oncology Services purchased and completely renovated a three-story, ten-bedroom residence in the Shadyside section of Pittsburgh to serve as the Ronald McDonald House. It serves as a home away from home for parents or families who must travel more than twenty-five miles to receive medical treatment at Pittsburgh hospitals for their children suffering from cancer, leukemia, or other serious illnesses. The house provides comfort-



The Verland Foundation operates a residential care facility for mentally retarded children and adults. Physical and recreational therapy are provided along with other specialized training needs.

able, convenient, and inexpensive lodgings and the proper setting to help ease the physical and psychological burdens of the families.

The primary co-sponsors of the Ronald McDonald House are the owners of local McDonald's franchises and the members of the Pittsburgh Steelers football organization. Additional support was also provided by numerous Pittsburgh foundations, corporations, and individuals. The Trustees of the Richard King Mellon Foundation approved a grant of \$35,000 toward the purchase and renovation of the Ronald McDonald House.

Parents Anonymous is a nationwide crisis intervention organization for parents who abuse their children. It employs self-help principles and methodology similar to those of Alcoholics Anonymous. Through weekly



The Ronald McDonald House in the Shadyside section of Pittsburgh provides a home away from home for parents and families who must travel more than twenty-five miles to receive medical treatment at Pittsburgh hospitals for their seriously ill children.

meetings, telephone contacts, and personal counseling it strives to help the parent gain self-control and replace abusive behavior with that which will promote a good parent-child relationship. Parents Anonymous of Pittsburgh was established through voluntary efforts in 1974 and now acts as the coordinating and directing force for twelve chapters that are serving a total of 400 children and 200 adults within Allegheny County.

It has been found that over 90 percent of abusive parents were abused as children. Parents Anonymous feels that to break this cycle of family violence from one generation to the next, abusive parents need assistance to develop a sense of worth, self-confidence, and self-esteem. Parents Anonymous of Pittsburgh is establishing a family development program that will be available to any members of the twelve local chapters. For abusive parents who have recognized their problems and are striving for self-improvement on the road to recovery, the demonstration program will offer comprehensive support services such as therapeutic child care, crisis support, transportation, and various educational opportunities.

The Trustees of the Richard King Mellon Foundation approved a grant of \$25,000 representing two-year support for Parents Anonymous of Pittsburgh to help underwrite the family development program.

The following is a list of grants approved in 1979 for social service programs:

Alpha House, Inc. Pittsburgh, Pennsylvania	
Operating support (conditional).....	\$ 30,000
Boy Scouts of America Allegheny Trails Council Pittsburgh, Pennsylvania	
Toward development of camp.....	50,000

Richard King Mellon Foundation

Children's Oncology Services of Pittsburgh, Inc. Pittsburgh, Pennsylvania To help establish Ronald McDonald House	\$ 35,000
Community Human Services Corporation Pittsburgh, Pennsylvania To help establish domiciliary care program	25,000
Female Offenders Program of Western Pennsylvania Pittsburgh, Pennsylvania To assist in relocation of headquarters	10,000
George Junior Republic Association of Western Pennsylvania Grove City, Pennsylvania Toward construction of recreation-physical education complex	75,000
Goodwill Industries of Pittsburgh Pittsburgh, Pennsylvania To expand system of collection boxes	105,000
Housing Opportunities, Inc. McKeesport, Pennsylvania To explore alternatives to stabilize funding streams	94,000
Lemington Home for the Aged Pittsburgh, Pennsylvania Toward construction of new facility (conditional)	100,000
Parents Anonymous of Pittsburgh Pittsburgh, Pennsylvania Two-year support for family development program	25,000
Social and Community Services of the Diocese of Pittsburgh, Inc. Pittsburgh, Pennsylvania Support to develop management information system	30,000
The United Way of Allegheny County Pittsburgh, Pennsylvania Three-year operating funds	900,000
The Verland Foundation, Inc. Pittsburgh, Pennsylvania Toward construction of intermediate care facility	100,000
Vintage Pittsburgh, Pennsylvania Capital support	40,000
Robert Boyd Ward Home for Children Pittsburgh, Pennsylvania Capital support	20,000
Youth Guidance, Inc. Pittsburgh, Pennsylvania For expanded recruitment and training of volunteers	30,000
	<u>\$1,669,000</u>

Education

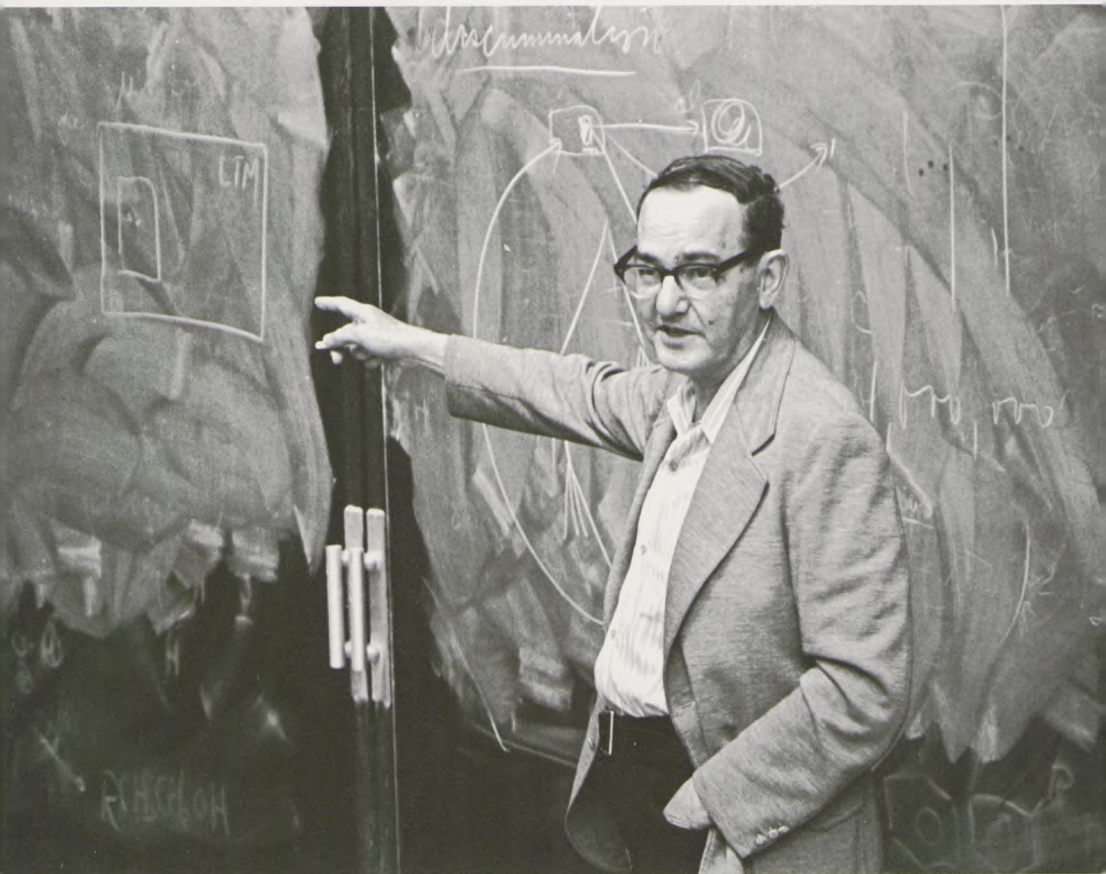
The third largest category of grant activity for the Richard King Mellon Foundation during 1979 was education. Six grants totaling \$1,425,000 were approved during the reporting period, representing 13 percent of the 1979 program.

Grant activity emphasized the Trustees' primary interest in this category, the advancement of higher education. Although the majority of the 1979 awards provided direct institutional support, grants were also authorized for selected scholarship programs.

Institutional Support

A major grant was awarded to Carnegie-Mellon University, a private institution which emphasizes high quality education and research for undergraduate and graduate students. The Trustees of the Foundation approved a grant of \$1,000,000 to Carnegie-Mellon University toward the President's 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.

A grant of \$1 million was awarded to Carnegie-Mellon University toward the President's Discretionary Fund. A portion of these funds will be allocated to the Department of Psychology to support the research work of Dr. Herbert A. Simon, the Richard King Mellon Professor of Computer Science and Psychology. Dr. Simon was named the 1978 recipient of the Nobel Prize in Economics for his pioneering work in decision making processes in economics.



A portion of these grant funds, \$100,000, will be allocated to the Department of Psychology to support the research work of Dr. Herbert A. Simon, the Richard King Mellon Professor of Computer Science and Psychology, who is leading a major research effort in the study of human thought processes. Dr. Simon is responsible for major breakthroughs in the understanding of man's thinking processes and his work has already made a significant impact on psychology throughout the world. Dr. Simon was named the 1978 recipient of the Nobel Prize in Economics for his pioneering work in decision making processes in economics.

Approximately \$200,000 of the grant funds will be allocated to the Department of Computer Science to continue major undertakings previously underwritten by the Foundation. Original research has been conducted and has resulted in a significantly increased reputation for the Department, now considered to be one of the best in the Nation. The Department undertakes a large amount of research on a contract basis, but has a shortage of funds to use for the development of new ideas. It is intended that the proceeds of the grant from the Richard King Mellon Foundation will strengthen the Department's capability to explore new areas.

The remaining \$700,000 toward the President's Discretionary Fund will be used to improve the quality of the University, primarily to reinforce those areas which are already strong and to provide support for new ideas and for departments which will benefit from additional assistance. The funds also serve as an incentive for departments to improve in order to receive further funding.

In 1979, the Trustees of the Richard King Mellon Foundation approved a grant to the Marine Biological Labora-



Located on Cape Cod, the Marine Biological Laboratory is a seaside scientific research station and school for instruction in biology. The excellent research conducted at the Laboratory has enabled it to achieve a position of established authority in American biology.

tory at Woods Hole, Massachusetts. It was established as a station for scientific study and a school for instruction in biology and natural history in 1888.

The Laboratory is located on Cape Cod because the marine fauna and flora are uncommonly abundant and varied. The coastline, with its numerous capes and bays, sand and mud flats, open water and protected inlets, also contributes to the remarkable abundance and diversity of marine species.

The Laboratory was founded as a seaside biological research station with the premise that fundamental processes of life such as cell division, muscle contraction, and nerve impulse conduction might be studied more easily in simple animals of the sea than in humans. Research at the Laboratory has confirmed this concept and Marine Biological Laboratory, with a position of established authority in American biology, is one of the excellent scientific institutions of the world.

During the academic year, Marine Biological Laboratory offers opportunities for study and research for advanced undergraduate and graduate students. Over a recent five-year period, the Laboratory facilities were used by highly qualified investigators, faculty, and students representing 358 domestic and 79 foreign institutions.

As the Laboratory approaches the conclusion of its first one hundred years of service, it is initiating a major capital campaign for the rehabilitation and reconstruction of its campus. The goal is for the Laboratory to begin its second century of service to American biology in a position of physical excellence and financial stability. A grant of \$120,000 from the Richard King Mellon Foundation was approved in 1979 to underwrite the expenses of the senior development staff and the central campaign office designed to guide the development drive through to a successful conclusion.

The third award approved in 1979 in the area of higher education was a \$73,000 grant to the University of Pittsburgh, Office of Special Seminars, to provide two-year operating support for a valuable and successful program, The American Experience, for executives and administrators in the business, medical, legal, religious, governmental, social, and educational communities. 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 which 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 William F. Buckley, Jr., George Bush, John B. Connally, Elliott L. Richardson, and Dean Rusk.

The American Experience constitutes the only platform in the Pittsburgh area where people 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.

Educational Opportunities

During 1979, the Trustees of the Richard King Mellon Foundation approved two new commitments to provide scholarship assistance to enable students to either attend private secondary schools or pursue post-high school educational opportunities.

The first was an award of \$100,000, payable over a two-year period, to the Negro Educational Emergency Drive, an organization which provides financial assistance in the form of grants, loans, and scholarships for post-high school education to black students from the Greater Pittsburgh community. In addition to providing funds, NEED helps students obtain other forms of financial assistance such as Federal and state aid and grants from other scholarship agencies.

NEED was organized in 1963 when it became apparent that large numbers of black students from city, county, and parochial high schools were unable to afford higher education. Although some gifted students are aided by NEED, its program is deliberately geared toward average students whose opportunities for education are not as great. Since 1963, NEED has

made over fifteen thousand awards. An important benefit of this program is that many students aided by NEED return to Pittsburgh as skilled, motivated employees.

During 1979, the Foundation also made a commitment to support the local chapter of A Better Chance, Inc., a national organization engaged in the recruitment and placement of disad-

vantaged and minority students in the Nation's leading secondary schools.

A Better Chance and participating secondary schools will provide approximately seven dollars toward scholarships for every two dollars received in Pittsburgh. Thus, the Foundation's grant of \$32,000, payable over a two-year period, will generate \$112,000 from sources outside the Pittsburgh area and will provide full scholarships for eight area students.

The following is a list of grants approved in 1979 for education programs:

A Better Chance, Inc. Boston, Massachusetts	
Two-year scholarship aid for Pittsburgh students	\$ 32,000
Carnegie-Mellon University Pittsburgh, Pennsylvania	
President's Discretionary Fund	1,000,000
The Forman Schools, Inc. Litchfield, Connecticut	
Capital support	100,000
Marine Biological Laboratory Woods Hole, Massachusetts	
To underwrite expenses of capital campaign	120,000
Negro Educational Emergency Drive Pittsburgh, Pennsylvania	
Two-year financial assistance	100,000
University of Pittsburgh Office of Special Seminars Pittsburgh, Pennsylvania	
Two-year support for The American Experience	73,000
	<u>\$1,425,000</u>

Medicine

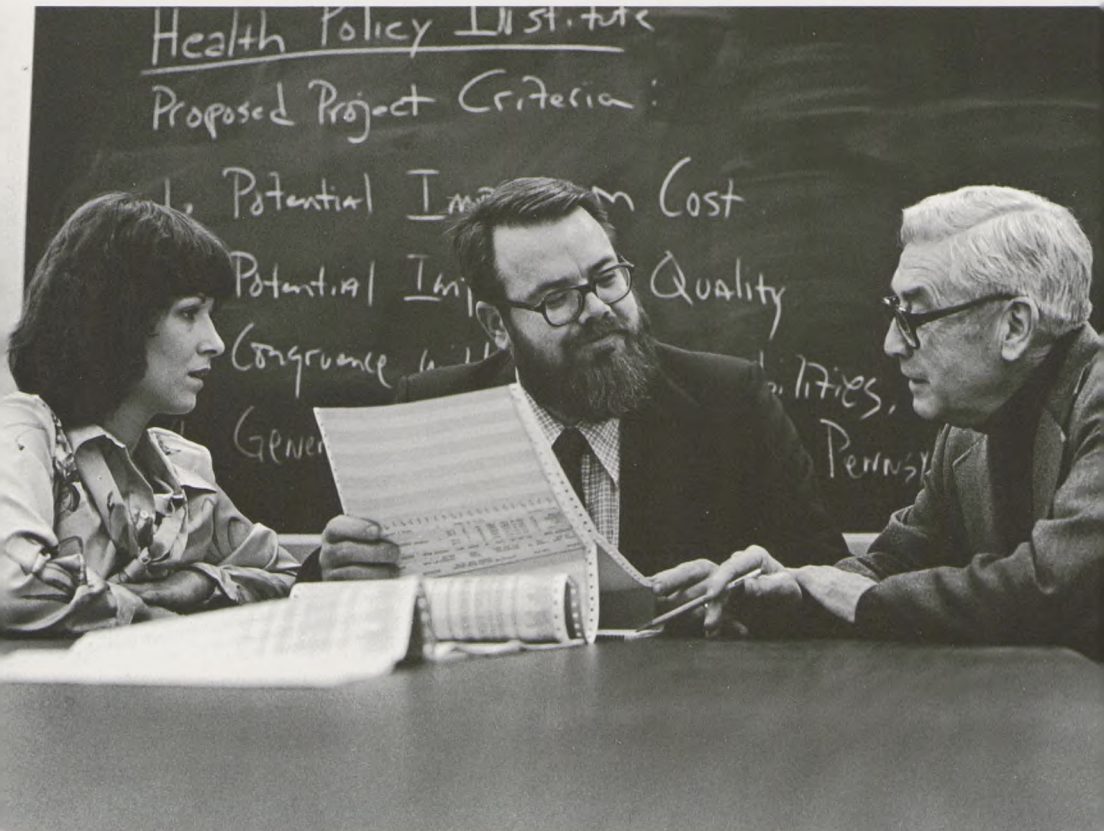
During 1979, the Trustees of the Richard King Mellon Foundation approved six grants in this category amounting to \$1,390,000, or 12 percent of the 1979 total commitments. The Trustees of the Foundation continue to maintain an interest in medical activities of quality, however, because fewer grant dollars are now available for the Foundation's medical program, it must be a highly selective one.

Two grants totaling \$575,000 were awarded to help sponsor programs dealing with health policy issues and medical care costs. Harvard University, the recipient of a \$500,000 grant, is in an excellent position to approach

these complex nationwide problems on an interdisciplinary basis, and the Allegheny Conference on Community Development received \$75,000 to help establish the Health Policy Institute at the University of Pittsburgh to deal with these questions on a local basis.

Other major grants in the medical field include a \$500,000 award to Latrobe Area Hospital for capital support and a \$250,000 grant to the University Health Center of Pittsburgh, Inc. to establish a unit at Western Psychiatric Institute and Clinic to specialize in learning and emotional problems of youngsters.

A grant of \$75,000 was awarded to the Allegheny Conference on Community Development to help establish the Health Policy Institute based at the University of Pittsburgh. The Institute will study health related issues as they affect health care costs in southwestern Pennsylvania and will promote cost containment recommendations of practical application in this region.



Health Care Policy

Health care policy is one of the most urgent and complex concerns in the United States today. It involves the confluence of vital issues of biomedical and behavioral science, economic constraints, personal and community aspirations, professional judgments and status, bureaucratic organization and regulation, and political alignments. These health care issues are all intertwined with many contemporary questions of public policy such as welfare assistance, insurance and professional malpractice, the distribution of health care by region and income levels, and the concern with inflation. Because of the convergence of both health care and public policy questions, health care policy must be approached with an interplay of disciplines and a sensitive understanding of a variety of other related policy issues.

Harvard University recently established a Division of Health Policy Research and Education to facilitate an interdisciplinary approach to health policy research and education in four faculties of the University—the Medical School, the Kennedy School of Government, the School of Public Health, and the Business School. The creation of a university-wide Division should greatly enhance Harvard's efforts to assess the economic, societal, and health implications of various health policy strategies, to develop new initiatives in health policy, and to train the leaders who will implement health policy in business, government, medicine, and public health.

Dr. David Hamburg, who in the fall of 1980 will complete his term as President of the Institute of Medicine of the National Academy of Science, has been named to direct the new Division. Under his leadership, the Division will be responsible for suggesting new research initiatives, designing new courses, assessing and fostering resources for work in health policy, coordinating requests for studies based in

Harvard-affiliated hospitals and ambulatory care centers, and offering administrative support for research and teaching in health policy.

The Division of Health Policy Research and Education is being organized to undertake long-term efforts to address difficult problems of major social importance in a thorough, objective manner, drawing upon a wide range of scientific and scholarly competences to clarify options and approaches to these problems. The Division must recognize and respect existing strengths at Harvard and must provide a focus for broad cooperation in analyzing crucial problems. The core faculty of the Division will conduct both research and educational activities and will also elicit the interest and cooperation of faculty and students throughout Harvard and its related institutions. Because of their deep interest in health policy, it is anticipated that certain members of other faculties in the University will be regular participants in the activities of the Division.

The Trustees of the Richard King Mellon Foundation approved a grant of \$500,000 to Harvard University toward the establishment of the Division of Health Policy Research and Education.

A second grant approved by the Trustees of the Foundation in 1979 to promote health care policy was awarded to the Allegheny Conference on Community Development to help establish the Health Policy Institute which will continually monitor health related developments and issues as they affect health care costs in Pittsburgh and southwestern Pennsylvania.

Based in the University of Pittsburgh Graduate School of Public Health, the overriding purpose of the Health Policy Institute is to increase the awareness of key civic, corporate,

and community leaders as to what specifically can be done to reduce the increase in health care costs. In order to do this, the Institute will independently research and develop solutions to major issues affecting the costs of health care in southwestern Pennsylvania and will also promote other specific cost containment ideas proposed by outside sources if they have practical application in this geographic region. The Institute will serve as a resource for the health care industry, Blue Cross, and the Health Systems Agency, and will also be available upon request to do objective research for foundations or corporations to assist in the evaluation of proposals for grants in the health field.

A vast amount of research has been and is being done in the areas of health policy and health economics, both locally and on the national level. In addition to evaluating and building on this research, regional health issues must be examined objectively by a locally based organization. The Institute, attuned to the needs, characteristics, and problems of this area, is structured to insure objective analyses of the fiscal aspects of emerging health policies in the southwestern Pennsylvania area and can materially assist with the difficult problems involved in obtaining meaningful cost containment while still insuring a quality health care delivery system.

The Foundation's grant of \$75,000

The University Health Center of Pittsburgh, Inc. was awarded a grant of \$250,000 to establish a Learning Achievement Center at Western Psychiatric Institute and Clinic. The Center will concentrate on the evaluation, research, and treatment of children with learning disabilities and emotional problems.



represents three-year start-up funds for the Health Policy Institute.

University Health Center

A grant of \$250,000 was awarded to the University Health Center of Pittsburgh, Inc. to establish a Learning Achievement Center at Western Psychiatric Institute and Clinic, the psychiatric specialty hospital of the University Health Center and the base of the Department of Psychiatry in the University of Pittsburgh School of Medicine.

The Learning Achievement Center will concentrate on the research, evaluation, and treatment of children and adolescents with learning problems and emotional disorders. The pioneer research project will seek definitive answers to frequently asked questions of how and why youngsters have difficulties adjusting to school. After assessing the child, the school, and the family setting, intervention strategies will be developed to treat the problems. Equal attention will be paid to both the child's constitutional make-up and environmental influences to determine the best course of action. Children will be drawn from a variety of neighborhoods to insure that various socio-economic backgrounds and school systems are adequately represented.

The Learning Achievement Center opens a new area of research in child psychiatry, providing the opportunity to study the whole child and apply a large body of knowledge from a variety of fields such as child psychiatry, neurology, neurophysiology, neuropsychology, and educational psychology along with the in-depth study of the school and the family environment.

The Center will provide an educational setting in which children can be studied intensively without interruption to their ordinary curriculum, while at the same time receiving the benefit of advice, planning of specialized needs, and access to clinical

resources available at all member institutions of the University Health Center.

The Foundation's grant will be used to build special laboratories for the Center and for the recruitment of new faculty.

Medical Services

The Health Research and Services Foundation was founded in 1958 as an agency through which The United Way of Allegheny County could channel funding into health research, services, and education on a county-wide basis. One of the organization's most successful projects is Health-O-Rama, a multiphasic screening program which offers the public a variety of free health tests used in the detection of diabetes, anemia, heart disease, hearing defects, visual acuity, and high blood pressure. Health-O-Rama requires the use of a large indoor facility such as a shopping mall and since it was initiated in 1959, has tested almost one million persons.

The need exists to expand the free health testing program to more conveniently serve people in locations distant from shopping malls. In 1978, the Health Research and Services Foundation initiated a pilot health testing program operated from a specially designed and equipped mobile unit. In selecting sites for the mobile health testing unit, high priority was given to lower income areas and to those areas where the elderly reside. Not only did the testing unit receive large usage, but a significantly higher than normal percentage of test results indicated the detection of some disease for those individuals in these more remote locations.

The Health Research and Services Foundation, with the support of The United Way of Allegheny County, has determined to continue the mobile health testing program on a full-time basis. The operating costs of these free tests for the community are offset by

revenues which the testing program generates from contracts with local corporations to furnish mandated health screening services for employees. The Trustees of the Richard King Mellon Foundation approved a grant of \$40,000 toward the purchase of the custom health testing unit.

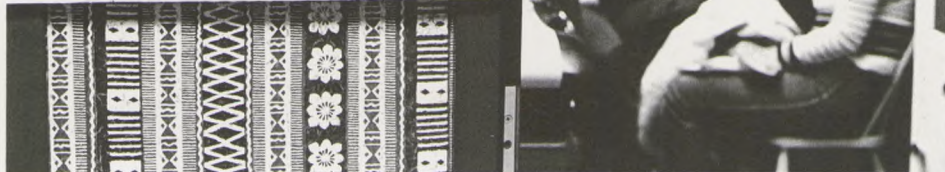

A second grant approved by the Trustees of the Foundation in support of community health services was awarded to the Pittsburgh Free Clinic, Inc. which serves a broad range of medically indigent people in urban Pittsburgh and provides consumer health advocacy services to fixed and low income residents. The Clinic is located in the East Liberty section of Pittsburgh and since its inception in 1970,

The Pittsburgh Free Clinic serves a broad range of medically indigent people in urban Pittsburgh and provides consumer health advocacy services to fixed and low income residents. The Foundation awarded the Clinic a \$25,000 capital grant in connection with the relocation of its headquarters.


has seen over 100,000 patient visits for primary care services and has provided health education services to thousands of area consumers.

Counseling is offered to patients and the community in preventive health measures and health maintenance, particularly in regard to dietary and nutritional information, venereal disease, and adherence to prescribed medical regimes. The Clinic provides help for a population in Pittsburgh which apparently does not avail itself of traditional medical services. These patients include members of urban poverty groups, young people who either do not know how to use existing medical facilities or have a distrust of them, and others who, for one reason or another, do not attend established health clinics and hospitals.

The Trustees of the Richard King Mellon Foundation approved a grant of \$25,000 to the Pittsburgh Free Clinic, Inc. to be used to purchase furnishings and medical equipment necessitated by the relocation of the Clinic's medical headquarters.



Pittsburgh
Free Clinic
661-5424



Richard King Mellon Foundation

The following is a list of 1979 awards for medical programs:

Allegheny Conference on Community Development Pittsburgh, Pennsylvania Three-year support for Health Policy Institute	\$ 75,000
Harvard University Cambridge, Massachusetts To establish a Division of Health Policy Research and Education	500,000
Health Research and Services Foundation Pittsburgh, Pennsylvania Toward purchase of mobile health testing unit	40,000
Latrobe Area Hospital Latrobe, Pennsylvania Toward capital development campaign	500,000
Pittsburgh Free Clinic, Inc. Pittsburgh, Pennsylvania To equip new headquarters	25,000
University Health Center of Pittsburgh, Inc. Pittsburgh, Pennsylvania Western Psychiatric Institute and Clinic To establish Learning Achievement Center	<u>250,000</u>
	<u>\$1,390,000</u>

Cultural & Civic Affairs

The Trustees of the Richard King Mellon Foundation authorized seven grants in this category amounting to \$614,700, or 5 percent of the total 1979 approvals.

The majority of these funds was committed for cultural activities in western Pennsylvania, the largest award being a management grant to Carnegie Institute.

Approvals directed toward civic involvement included annual funding for two civic organizations and further support toward a challenge matching

grant designed to promote community development in the Ligonier area.

Cultural Activities

Carnegie Institute, a unique cultural, scientific, and educational center, is available to 2.5 million area residents and is also a national and international resource for visitors, students, and scholars in art and the natural sciences. In 1979, approximately 800,000 visitors viewed the five acres of public display area in the Institute's two separate museums, the Museum of

Carnegie Institute, comprised of the Museum of Art and the Museum of Natural History, is a national and international resource for visitors, students, and scholars in art and the natural sciences. The Institute was the recipient of a \$435,000 management grant to install a system that will computerize numerous internal functions and permit more productive and efficient operations.



Art and the Museum of Natural History.

The Museum of Natural History enjoys a worldwide reputation as a major force in the recording of the history of man. Over ten thousand biological and cultural specimens are on public exhibit, and over twelve million biological, geological, anthropological, and archaeological items are catalogued and stored for research in its collections. These collections are under the care of nearly two dozen doctoral level curators, many of whom are recognized both nationally and internationally for their research work. The Museum ranks among the Nation's top five or six, and several of its collections are the best in their discipline.

The Museum of Art, expanded in 1974 with the addition of the Sarah Scaife Gallery, has a representative collection of paintings from the late Medieval to the contemporary. Among the exemplary works spanning four centuries are superb impressionist and post-impressionist canvasses by such artists as Renoir, Monet, Degas, Cezanne, and Van Gogh. The Museum's holdings of contemporary art are well known in the art world. Drawings, prints, and sculpture span the Renaissance to present period. In addition, the Museum houses a growing collection of photographs, films, and furniture.

In 1979, the Trustees of the Foundation approved a management grant of \$435,000 to Carnegie Institute to install a system that will computerize many of the internal operations and produce significant improvement in the Institute's data management capability in such areas as museum collections, development activities, membership programs, and financial records. By computerizing its operations, the Institute expects to operate in a more productive and efficient manner while also improving its services to the general public.

The Trustees of the Richard King Mellon Foundation approved a grant of \$63,500 for the restoration of the historic formal gardens in Mellon Park, a forty-four-acre area with stately trees and graceful sloping lawns which was the site of the large brownstone mansion built in 1908 by Richard Beatty Mellon and his wife, Jennie King Mellon. The house, which stood just above the bilevel formal gardens with sweeping steps and high brick walls, was razed in 1940 and the land was deeded to the City of Pittsburgh two years later by Lt. General Richard King Mellon and Sarah Mellon Scaife in honor of their parents.

Mellon Park, now the home of the Pittsburgh Civic Garden Center and the Arts and Crafts Center, is one of the few open spaces in a heavily populated area and is enjoyed by people of all ages.

The restoration of the upper and lower formal gardens, to be named the Jennie King Mellon Gardens, includes the reinforcement of the brick retaining wall, renovation of the balustrades, reworking of the brick walkways, and a major replanting of the upper section with winter hardy flora designed for low maintenance. The restoration is a project of the Garden Club of Allegheny County and will be implemented and supervised by the Pittsburgh Civic Garden Center.

Civic Affairs

In 1979, the Richard King Mellon Foundation provided annual support for two organizations vital to the continued community development and fiscal well-being of western Pennsylvania. The Allegheny Conference on Community Development, a privately financed civic agency, received a grant of \$20,000 to be applied toward its 1979 operating needs. The Conference has long been recognized as the catalyst for the physical renewal and the growth of



The Foundation approved a grant of \$63,500 for the restoration of the historic bilevel formal gardens in Mellon Park, a forty-four-acre area owned by the City. The restoration of the upper and lower formal gardens, to be named the Jennie King Mellon Gardens, is a project of the Garden Club of Allegheny County under the direction of the Pittsburgh Civic Garden Center.

Pittsburgh. Its primary objective is to spark improvement by working with agencies, public and private, which share responsibility for community development in southwestern Pennsylvania.

The Allegheny Conference is deeply involved in numerous areas of activity ranging from neighborhood improvement to regional development and the public education system. Its primary undertaking at the present time, however, is that of playing a major leadership role, along with the Mayor of the City of Pittsburgh and the Commissioners of Allegheny County, in bringing about Renaissance II, Pittsburgh's second major master plan. The Conference was a driving force in the creation of Pittsburgh's historic Renaissance of the 1950's and is looked to for continued leadership in the 1980's.

The Pennsylvania Economy League is a nonpartisan governmental research organization. Over the years, the Western Division of the League has served, on request, various governmental bodies including counties, cities, boroughs, townships, and school districts in eleven western counties of Pennsylvania. The League is available to help promote sound fiscal policies in government and modern methods of public administration and organization, advise on the most economical and efficient methods of conducting government, and keep public officials, administrators, and citizens up-to-date on current developments and changes in the advancement of public administration.

The objectives of the League's West-

ern Division fall into three major categories, as follows:

1. to improve the capability of local public bodies to deliver governmental services efficiently and effectively
2. to encourage local public officials to adopt sound fiscal policies and assist them in putting these poli-

cies into practice

3. to assist sponsors with governmental and nongovernmental community problems

The Trustees continued their thirty-two-year support of the Pennsylvania Economy League with a grant of \$12,100 for 1979 operating funds.

The following is a list of grants approved in 1979 for cultural and civic affairs:

Cultural

Carnegie Institute	
Pittsburgh, Pennsylvania	
To purchase and install a computer system	\$435,000
Ligonier Valley Library Association	
Ligonier, Pennsylvania	
Toward salary for children's librarian	5,000
The Pittsburgh Garden Center	
Pittsburgh, Pennsylvania	
To renovate and restore formal gardens in Mellon Park	63,500
The Pittsburgh Pubic Theater Corporation	
Pittsburgh, Pennsylvania	
Supplemental support for 1979-1980 season	12,500

Civic Affairs

Allegheny Conference on Community Development	
Pittsburgh, Pennsylvania	
Operating support	20,000
Pennsylvania Economy League, Inc.	
Western Division	
Pittsburgh, Pennsylvania	
Annual support	12,100
The Pittsburgh Foundation	
Pittsburgh, Pennsylvania	
Toward corpus of Ligonier Valley Endowment	66,600
	\$614,700

Appropriations and Grants Paid

Richard King Mellon Foundation

	1979			
	Unpaid at 12/31/78	Approved (Rescinded)	Paid (Refunded)	Unpaid 12/31/79
A Better Chance, Inc. Boston, Massachusetts		\$ 32,000	\$ 16,000	\$ 16,000
Allegheny Conference on Community Development Pittsburgh, Pennsylvania	\$ 60,000	95,000	85,000	70,000
Alpha House, Inc. (Conditional) Pittsburgh, Pennsylvania		30,000		30,000
American Wind Symphony Orchestra Pittsburgh, Pennsylvania	10,000		10,000	
Audubon Society of Western Pennsylvania, Inc. Pittsburgh, Pennsylvania	10,000		10,000	
Boy Scouts of America Allegheny Trails Council Pittsburgh, Pennsylvania		50,000	50,000	
Carnegie Institute Pittsburgh, Pennsylvania		435,000		435,000
Carnegie-Mellon University Pittsburgh, Pennsylvania		1,000,000	1,000,000**	
CEIP Fund, Inc. Lincoln, Massachusetts		20,000	20,000	
Children's Oncology Services of Pittsburgh, Inc. Pittsburgh, Pennsylvania		35,000	35,000	
Community Human Services Corporation Pittsburgh, Pennsylvania		25,000	25,000	
The Conservation Foundation, Inc. Washington, District of Columbia	600,000	1,000,000	300,000	1,300,000
Ducks Unlimited, Inc. Chicago, Illinois	400,000		100,000	300,000
Environmental Law Institute Washington, District of Columbia		10,000	10,000	
Female Offenders Program of Western Pennsylvania Pittsburgh, Pennsylvania		10,000	10,000	
Forbes Health System Pittsburgh, Pennsylvania	25,000		25,000	

Richard King Mellon Foundation

	1979			Unpaid 12/31/79
	Unpaid at 12/31/78	Approved (Rescinded)	Paid (Refunded)	
The Forman Schools, Inc. Litchfield, Connecticut		\$ 100,000		\$ 100,000
The Foundation Center New York, New York	\$ 60,000		\$ 30,000	30,000
George Junior Republic Associa- tion of Western Pennsylvania Grove City, Pennsylvania		75,000	75,000	
Goodwill Industries of Pittsburgh Pittsburgh, Pennsylvania		105,000	50,000	55,000
Harvard University Cambridge, Massachusetts		500,000		500,000
Health Research and Services Foundation Pittsburgh, Pennsylvania		40,000	40,000	
Health and Welfare Planning Association Pittsburgh, Pennsylvania	75,000		75,000	
Housing Opportunities, Inc. McKeesport, Pennsylvania		94,000	32,000	62,000
Latrobe Area Hospital Latrobe, Pennsylvania		500,000		500,000
Lemington Home for the Aged (Conditional) Pittsburgh, Pennsylvania		100,000		100,000
Ligonier Valley Library Association Ligonier, Pennsylvania		5,000	5,000	
Loyalhanna Watershed Association, Inc. Ligonier, Pennsylvania		30,000	10,000	20,000
Marine Biological Laboratory Woods Hole, Massachusetts		120,000		120,000
Mayo Foundation Rochester, Minnesota	116,000		58,000	58,000
National Merit Scholarship Corporation Evanston, Illinois	241,500		133,155	108,345
The Nature Conservancy Arlington, Virginia	5,000,000	3,603,530	5,603,530**	3,000,000
Negro Educational Emergency Drive Pittsburgh, Pennsylvania		100,000	50,000	50,000

Appropriations and Grants Paid

	1979			
	Unpaid at 12/31/78	Approved (Rescinded)	Paid (Refunded)	Unpaid 12/31/79
Outward Bound, Inc. (Conditional) Greenwich, Connecticut	\$ 50,000			\$ 50,000
Pace School (Formerly The Center for Interjacent Children) Pittsburgh, Pennsylvania	50,000		\$ 50,000	
Parents Anonymous of Pittsburgh Pittsburgh, Pennsylvania		\$ 25,000	12,500	12,500
Pennsylvania Economy League, Inc. Western Division Pittsburgh, Pennsylvania		12,100	12,100	
The Peregrine Fund, Inc. King of Prussia, Pennsylvania ..	100,000	25,000 (25,000)	75,000 (25,000)	50,000
Pittsburgh Ballet Theatre, Inc. Pittsburgh, Pennsylvania	40,000		20,000	20,000
The Pittsburgh Foundation (Challenge matching grant) Pittsburgh, Pennsylvania	1*	66,600	66,600	1*
Pittsburgh Free Clinic, Inc. Pittsburgh, Pennsylvania		25,000	25,000	
The Pittsburgh Garden Center Pittsburgh, Pennsylvania		63,500	63,500	
Pittsburgh Pastoral Institute Pittsburgh, Pennsylvania	15,000		15,000	
The Pittsburgh Public Theater Corporation Pittsburgh, Pennsylvania	35,000	12,500	47,500	
Pittsburgh Symphony Society Pittsburgh, Pennsylvania	500,000		100,000	400,000
The Quebec-Labrador Foundation, Inc. Ipswich, Massachusetts		150,000	37,500	112,500
Resources for the Future, Inc. Washington, District of Columbia		250,000	250,000	
Social and Community Services of the Diocese of Pittsburgh, Inc. Pittsburgh, Pennsylvania		30,000	30,000	
The United Way of Allegheny County Pittsburgh, Pennsylvania		900,000	300,000	600,000

Richard King Mellon Foundation

	1979			
	Unpaid at 12/31/78	Approved (Rescinded)	Paid (Refunded)	Unpaid 12/31/79
The University of Georgia College of Agriculture Experiment Stations Athens, Georgia	\$ 310,000		\$ 310,000	
University Health Center of Pittsburgh, Inc. Pittsburgh, Pennsylvania Western Psychiatric Institute and Clinic		\$ 250,000	250,000	
University of Montana Foundation Missoula, Montana		250,000	50,000	\$ 200,000
University of Pittsburgh Pittsburgh, Pennsylvania School of Medicine	1,500,000		1,500,000**	
Office of Special Seminars....		73,000	73,000	
Valley School of Ligonier Ligonier, Pennsylvania	1,000,000		1,000,000**	
The Verland Foundation, Inc. Pittsburgh, Pennsylvania		100,000	100,000	
Vintage Pittsburgh, Pennsylvania		40,000	40,000	
Robert Boyd Ward Home for Children Pittsburgh, Pennsylvania		20,000	20,000	
Western Pennsylvania Conservancy Pittsburgh, Pennsylvania		40,000	9,000	31,000
The Wildlife Conservation Fund of America Columbus, Ohio.....		450,000	150,000	300,000
Yale University School of Forestry and Environmental Studies New Haven, Connecticut		420,000	420,000	
Youth Guidance, Inc. Pittsburgh, Pennsylvania		30,000	30,000	
Youth Opportunities Unlimited, Inc. Pittsburgh, Pennsylvania	20,000		20,000	
Totals	<u>\$10,217,501</u>	<u>\$11,322,230</u>	<u>\$12,909,385</u>	<u>\$8,630,346</u>

*See Note 3 on page 44

**Grant-in-kind

Statement of Net Assets

December 31, 1979
Richard King Mellon Foundation

Cash and receivables		\$	200,732
Investments at market quotations:			
Common stocks	\$197,092,797		
Temporary investments	56,778,964		
Long-term debt instruments	<u>29,422,239</u>		283,294,000
Program-related investment, at cost:			
Pittsburgh Historical Collection			<u>22,331</u>
Total assets			283,517,063
Less amounts reserved for:			
Grants approved but not paid	8,630,346		
Federal excise tax	<u>340,734</u>		<u>8,971,080</u>
Net assets			<u>\$274,545,983</u>

The notes on page 44 are an integral part of the financial statements.

Statement of Changes in the Fund

Richard King Mellon Foundation

	Year Ended December 31, 1979	Cumulative from Inception on November 14, 1947 to December 31, 1979
Contributions received ..		\$134,714,949
Realized gain from disposition of investments	\$14,750,848	69,650,653
Unrealized appreciation on investments, at market quotations	<u>20,582,037</u>	<u>100,520,848</u>
	35,332,885	304,886,450
Investment income	\$14,861,388	\$127,669,549
Less:		
Administrative and investment expenses	1,304,154	12,270,127
Provision for federal excise tax ...	<u>340,000</u>	<u>3,458,278</u>
	<u>1,644,154</u>	<u>15,728,405</u>
Net income	13,217,234	111,941,144
Grants paid	<u>12,909,385</u>	<u>133,651,265</u>
Excess (deficiency) of net income over grants paid	<u>307,849</u>	<u>(21,710,121)</u>
Increase in fund	<u>\$35,640,734</u>	283,176,329
Less amount reserved for grants approved but not paid		<u>8,630,346</u>
Net assets, December 31, 1979 ...		<u>\$274,545,983</u>

The notes on page 44 are an integral part of the financial statements.

Summary of Investments

December 31, 1979

Richard King Mellon Foundation

	Amount at	
	Book Value	Market Quotations at December 31, 1979
COMMON STOCKS		
Aerospace	\$ 1,471,932	\$ 1,787,013
Airlines and air freight.....	352,346	283,800
Amusement	636,804	648,617
Apparel and textiles	74,785	89,700
Automotive	894,306	749,056
Banking	3,202,321	3,176,675
Brewing and distilling	26,634	34,250
Broadcasting and cable television	589,739	978,450
Building materials.....	1,841,444	1,995,871
Business services	364,384	399,725
Chemical	3,310,804	3,581,325
Coal	9,862	10,250
Construction and material handling.....	879,210	1,078,344
Containers	877,029	976,698
Cosmetic and household products	2,669,610	2,394,772
Drug	3,395,719	3,426,325
Electrical equipment.....	2,345,825	2,061,606
Electronics	1,450,746	1,721,602
Farm equipment	510,115	621,888
Finance	471,721	641,825
Food products	4,864,633	4,577,118
Home furnishings	55,776	56,400
Hospital supply	4,381,361	4,665,387
Industrial machinery and materials.....	1,697,828	1,669,863
Insurance	4,977,130	81,125,270
Merchandising	3,832,154	3,965,624
Multi-industry	600,995	692,812
Non-ferrous metals and mining	5,544,300	7,077,732
Office equipment and photocopy	6,139,950	7,700,181
Oil and gas	23,309,199	43,040,536
Oil and gas servicing	2,138,305	4,162,744
Paper	434,503	428,600
Photographic	1,583,463	742,700
Public utility—electric	545,652	495,972
Public utility—gas	203,910	284,125
Public utility—telephone, etc.	2,412,644	2,453,100
Publishing and printing	2,060,872	2,547,750
Railroads and other surface transportation	348,008	380,100
Railroad equipment	744,514	868,200
Restaurants and lodgings	696,250	551,675
Steel	130,308	111,038
Tire and rubber	181,598	157,590
Tobacco	1,320,569	1,483,162
Trucking	113,748	68,900
Other industries.....	737,686	1,128,426
TOTAL COMMON STOCKS	94,430,692	197,092,797

Richard King Mellon Foundation

	Amount at	
	Book Value	Market Quotations at December 31, 1979
TEMPORARY INVESTMENTS		
Certificates of deposit	\$ 5,441,370	\$ 5,441,276
Demand notes	7,047,000	7,047,000
Discount and interest-bearing notes	42,746,000	42,746,000
U.S. Treasury bills	1,138,266	1,143,688
Other short-term investments	401,000	401,000
TOTAL TEMPORARY INVESTMENTS ...	<u>56,773,636</u>	<u>56,778,964</u>
LONG-TERM DEBT INSTRUMENTS		
Corporate bonds:		
Financial	7,751,896	7,342,988
Industrial	4,895,617	4,348,820
Public utility—electric	2,137,086	1,983,599
Public utility—telephone	924,418	794,675
Total corporate bonds	<u>15,709,017</u>	<u>14,470,082</u>
United States Government obligations	15,470,434	14,623,847
Other long-term obligations	389,373	328,310
TOTAL LONG-TERM DEBT INSTRUMENTS	<u>31,568,824</u>	<u>29,422,239</u>
TOTAL INVESTMENTS	<u>\$182,773,152</u>	<u>\$283,294,000</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

Notes to Financial Statements

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.

NOTE 2—Provision For Federal Excise Tax

Federal excise tax represents a tax on net investment income as defined in Section 4940 of the Internal Revenue Code. The current rate is two percent.

NOTE 3—Challenge Matching Grant

In 1977 the Foundation approved a challenge 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 match the total amount of all contributions to the Ligonier Valley Endowment received from November 11, 1977, through May 31, 1980. The Foundation has made matching payments of \$108,310 through December 31, 1979.

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, 1979, 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, 1979, 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 aforementioned financial statements present fairly the net assets of Richard King Mellon Foundation at December 31, 1979, and the changes in the fund for the year then ended and for the period from November 14, 1947, to December 31, 1979, 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 28, 1980

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.

