



**Richard King Mellon
Foundation
1980 Annual Report**

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*Deceased November 12, 1980

Richard King Mellon Foundation 1980 Annual Report

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IN MEMORIAM
Constance Prosser Burrell

1910-1980

Constance Prosser Burrell, Chairman of the Board of Trustees of the Richard King Mellon Foundation, died November 12, 1980. Mrs. Burrell was formerly married to the Foundation's creator, the late Lieutenant General Richard King Mellon. Following his death, she was married to Mr. Peter E. Burrell, formerly of England, who survives her.

Mrs. Burrell was known for her lifelong interest and generosity to charities. In addition to her responsibilities with the Richard King Mellon Foundation, she was Chairman of the Board of Trustees of the Richard King Mellon Charitable Trusts and maintained a continuing interest in the Fort Ligonier Memorial Foundation, St. Michael's of the Valley Episcopal Church, and the Valley School of Ligonier where she served as Chairman of the Board of Trustees from the School's inception in 1947 until her passing.

In memory of Mrs. Constance Prosser Burrell, the Trustees of the Richard King Mellon Foundation unanimously adopted the following resolution:

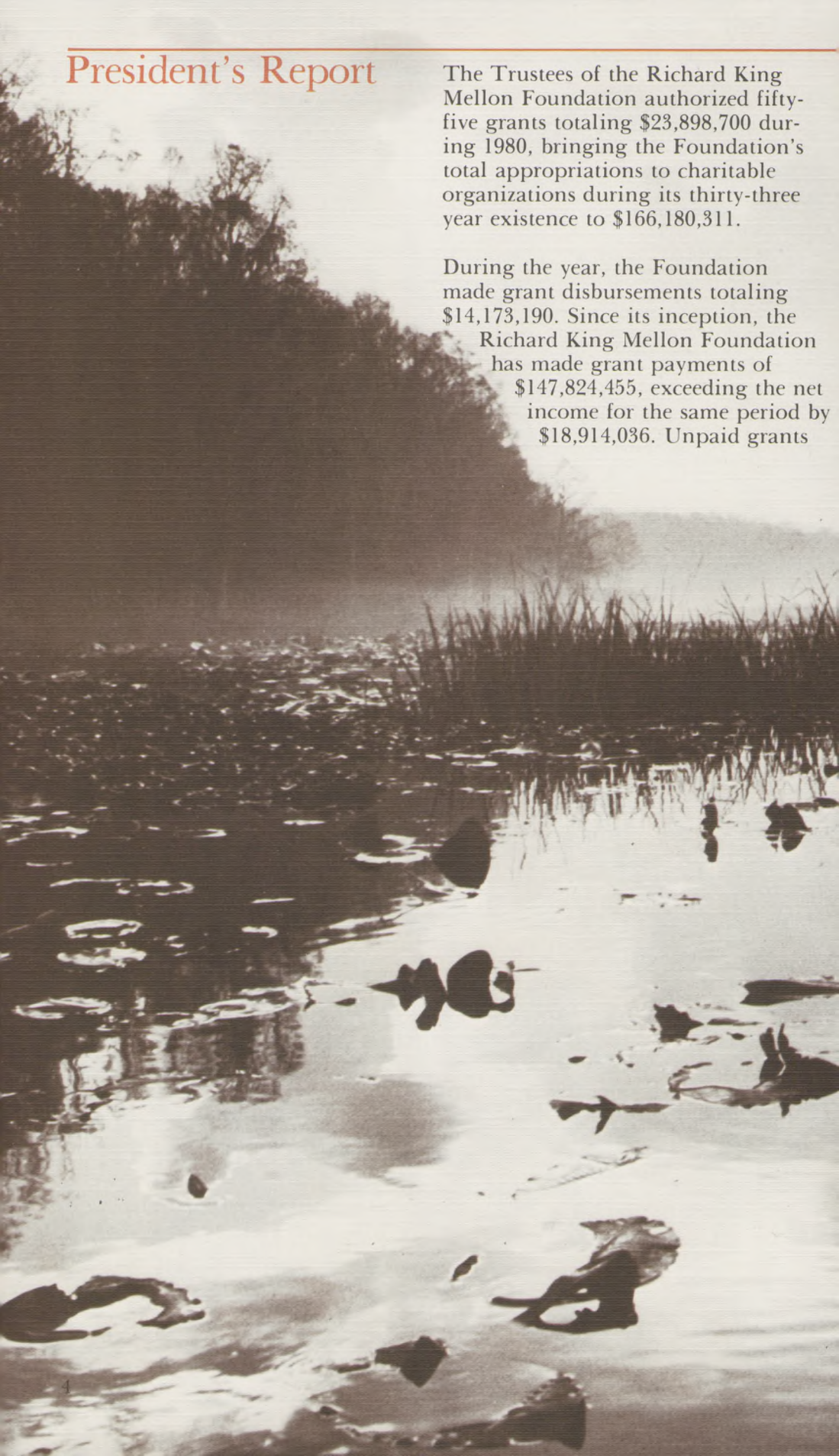
RESOLVED, that the Trustees of the Richard King Mellon Foundation record with profound sorrow the death on November 12, 1980 of Constance Prosser Burrell, Chairman of the Board of Trustees of the Richard King Mellon Foundation. Mrs. Burrell had been Chairman for thirty-three years since the Foundation inception on November 14, 1947. During the period of her stewardship, the Trustees of the Foundation distributed almost \$140,000,000 to educational and charitable institutions located in Pittsburgh and western Pennsylvania and throughout the United States. Mrs. Burrell was an interested, hardworking Trustee of the Foundation whose compassionate and thoughtful leadership will be sorely missed. It is fitting that we honor her on this anniversary date of the Foundation's beginning. For all her kindnesses, for her love of country and community, Constance Prosser Burrell will be long remembered and most particularly will her memory live in the hearts of the Trustees and Staff of the Richard King Mellon Foundation.



President's Report

The Trustees of the Richard King Mellon Foundation authorized fifty-five grants totaling \$23,898,700 during 1980, bringing the Foundation's total appropriations to charitable organizations during its thirty-three year existence to \$166,180,311.

During the year, the Foundation made grant disbursements totaling \$14,173,190. Since its inception, the Richard King Mellon Foundation has made grant payments of \$147,824,455, exceeding the net income for the same period by \$18,914,036. Unpaid grants



at the end of 1980 amounted to \$18,355,856.

Due to the Trustees' interest in conservation nationally, funds available for projects in western Pennsylvania have diminished somewhat. In 1980, \$5,543,700, or almost 25 percent of the grant dollars approved, were directed toward projects in Pittsburgh and other western Pennsylvania communities. The Trustees of the Richard King Mellon Foundation continue to be concerned with the quality of life in the Pittsburgh region. However, because fewer

grant dollars are now available for programs in this area, the Trustees must of necessity be highly selective.

Grants were awarded during the year in five broad categories: conservation, education, medicine, social services, and cultural and civic affairs. The Trustees' well-defined interest in the field of land conservation was again demonstrated in 1980, as approvals in this category represented approximately 74 percent of the Foundation's total 1980 appropriations. The Foundation's



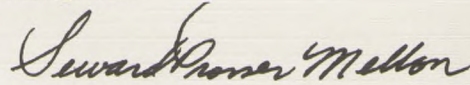
foremost priority of land conservation and wildlife preservation is a consequence and reflection of the genuine concern on the part of the Trustees for preserving this Country's natural heritage. The Trustees made the largest commitment in the Foundation's thirty-three year history, an award of \$15,000,000 to The Nature Conservancy, Arlington, Virginia. This exceptionally large grant will initiate a ten-year land acquisition program, Rivers of the Deep South. Not only is this grant the largest in the Foundation's history, it is also the largest grant ever made to a private conservation organization. In addition, a \$1,000,000 grant was approved to the Western Pennsylvania Conservancy to strengthen its capital base and foster its land acquisition activities in western Pennsylvania. The Wilderness Society received a grant of \$620,000, and the Institute for Environmental Mediation was awarded a three-year commitment of \$450,000.

During 1980, the Trustees also maintained their strong interest in supporting institutions of higher education in the Pittsburgh area. The University of Pittsburgh was the recipient of five grants totaling \$1,526,000, including a grant of \$1,200,000 to establish a second Richard King Mellon Chair in the

natural sciences. Duquesne University was awarded a grant of \$1,000,000 toward its development drive for educational service and academic vitality.

Other significant grants authorized in 1980 included a \$500,000 award to Mayo Foundation for research and treatment of bone and mineral diseases, a \$250,000 award to Children's Home of Pittsburgh for endowment support, and a \$150,000 award to Harmarville Rehabilitation Center, Inc. to double the capacity of the spinal cord unit.

The ability of the Foundation to continue its grant programs as further described in the chapters of this Report, is in great measure related to the Foundation's asset base, which increased from \$274,545,983 to \$311,455,368 during 1980.



Seward Prosser Mellon
President

1980 Grants Approved

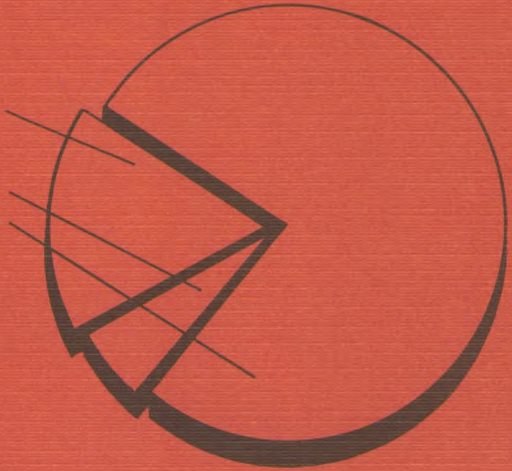
By Category

Conservation	\$17,680,000	74%
Education	4,071,000	17%
Medicine	910,000	4%
Social Services	672,200	3%
Cultural & Civic Affairs	565,500	2%
Total	<u>\$23,898,700</u>	<u>100%</u>



By Area

Pittsburgh	\$ 3,998,200	17%
Western Pennsylvania	1,545,500	6%
Other Areas	<u>18,355,000</u>	<u>77%</u>
Total	<u>\$23,898,700</u>	<u>100%</u>



1947-1980 Net Income and Grants Paid

Net Income

1947-1979	\$111,941,144
1980	<u>16,969,275</u>
Total	<u>\$128,910,419</u>

Grants paid

1947-1979	\$133,651,265
1980	<u>14,173,190</u>
Total	<u>\$147,824,455</u>

Conservation

During 1980, the Trustees of the Richard King Mellon Foundation placed major emphasis on conservation. Thirteen grants totaling \$17,680,000, or 74 percent of the Foundation's 1980 grant dollars, were made for conservation projects. Viewed in terms of historical trends, 1980 conservation authorizations are disproportionately large due to a major commitment to The Nature Conservancy.

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.



A \$15 million grant from the Foundation will enable The Nature Conservancy to initiate a ten-year land acquisition program, Rivers of the Deep South, to help protect several hundred thousand acres of bottomland hardwood forests which form the corridors for six vital southern rivers.

Conserving Natural Areas

In 1980, the Trustees of the Richard King Mellon Foundation approved a grant of \$15,000,000 to The Nature Conservancy in support of a new major conservation project, Rivers of the Deep South, which will represent a ten-year effort to protect the bottomland hardwood forests which form the corridors for six vital rivers.

Unknown to most Americans, a major network of rivers flows relatively undisturbed through the Deep South. These rivers, the Suwannee, the Apalachicola, the Choctawhatchee, the Mobile-Tensaw, the Pascagoula, and the Pearl, meander south through the panhandle of Florida, southern Alabama, and southern Mississippi. They empty into the Gulf of Mexico between Cedar Key, Florida and New Orleans, Louisiana.

Unlike much of the east and west coasts of the United States, the topography of the Deep South is extremely low and flat. Thus, instead of rushing in a relatively straight line to the sea, these southern rivers flow in a snake-like fashion across large areas. The continually enriched soils found in these floodplains have produced millions of acres of bottomland forests containing a mixture of deciduous hardwoods such as hickory, pecan, tupelo, gum and several types of oak.

Over one million sportsmen hunt and fish these river systems. Deer, turkey, raccoon, squirrel, bass, crappie, bream, and many species of ducks are examples of some of the game and fish that live in the river corridors. Many nongame species such as alligators and black bear also rely on this habitat. When the rivers reach the Gulf, they create an entirely new environment. The bays,

estuaries, and vast marshlands that these rivers form along the coast support a large commercial fishing industry and provide some of the best sportfishing found anywhere in America.

It is a well-known fact that bottomland hardwood forests provide superb habitat for numerous species. Equally important however is the fact that these forests also play an important role in controlling floods and purifying the rivers before they reach the more fragile areas of the Gulf. Due to their relatively undisturbed nature, beauty, and tremendous productivity, these six rivers play an important role in the natural, social, and economic structure of the Deep South.

In the early nineteenth century, there were over fifty million acres of bottomland hardwood forests blanketing the river systems of the southeast, the vast majority of these lying along the Mississippi River. Today, there are less than four million acres of bottomland hardwoods left in America. The primary threat to bottomland hardwood forests has always been, and still remains, channelization projects undertaken to promote the conversion of bottomland hardwoods to agricultural uses. Unrelenting efforts to create more farmland along the rich floodplains of the South and to control flooding on existing farmlands in the same area have caused great destruction to natural river systems.

All six river systems can still be saved and, while all of the remaining bottomland hardwoods should be protected, it is reasonable to assume that approximately 350,000 acres lying along these rivers can be protected during the next ten years.

Major tracts of land will have to be acquired and it is hoped also that a significant portion of these properties will be donated to The Nature Conservancy by major timber companies and large individual landowners.

The Nature Conservancy does not intend to retain any major landholdings along these river corridors or undertake any long-term management obligation for the lands acquired. The most appropriate long-term owners and managers of these bottomland hardwood forests and the rivers they protect are the individual states and the U.S. Fish and Wildlife Service.

The Trustees of the Richard King Mellon Foundation approved the largest grant in its thirty-three year history, a \$15,000,000 commitment to The Nature Conservancy as an addition to the Richard King Mellon Land Preservation Fund. It will be used to provide the initial infusion of private funding to help acquire critical forestland corridors along the six southern rivers. As these natural areas are then sold to public agencies, at cost, for permanent stewardship, proceeds of the sales will then be returned to the Land Preservation Fund where they will be utilized on a revolving basis to preserve other critical properties along the southern rivers. The \$15,000,000 award to The Nature Conservancy is the largest grant ever made to a conservation organization and brings to \$24,000,000 the total capital support which the Foundation has provided for the Richard King Mellon Land Preservation Fund of The Nature Conservancy.



Although the Foundation is pursu-

ing land conservation activities on a nationwide basis, it maintains a strong interest in these objectives within western Pennsylvania. In 1980, the Trustees of the Richard King Mellon Foundation approved a grant of \$1,000,000 for capital support to the Western Pennsylvania Conservancy, the largest private land conservation organization in the Commonwealth of Pennsylvania. Founded in 1932, the Conservancy is a membership organization whose

The Western Pennsylvania Conservancy, the largest private land conservation organization in the Commonwealth of Pennsylvania, received a grant of \$1 million from the Foundation to strengthen its capital base and provide the necessary support to carry out its acquisition activities to preserve unspoiled natural areas such as this.



primary purpose is to conserve water, land, and wildlife. It performs its conservation purpose by acquiring significant tracts of undeveloped land in western Pennsylvania and by educating the public and its membership on environmental issues, especially the topic of land conservation.

Since its inception in 1932, the organization has protected more than eighty thousand acres of prime natural lands throughout western Pennsylvania. Nearly all Conservancy projects are transferred, at cost, to public agencies to be used as parks, forests, and gamelands, making the properties available for the enjoyment and recreation of all people. Five of Pennsylvania's most

beautiful state parks originated as projects of the Western Pennsylvania Conservancy.

The \$1,000,000 grant awarded to the Western Pennsylvania Conservancy will strengthen its capital base and provide the necessary support to carry out its acquisition program to preserve significant natural areas.

Resource Allocation

The use and allocation of natural resources has emerged as a most critical and divisive issue. Controversy and debate have served to identify the issues, order priorities, and suggest alternate future directions. In 1980, the Trustees of the Richard King Mellon Foundation approved two grants totaling more than \$1,000,000 in support of projects which address difficult resource allocation decisions in ways that develop appropriate solutions and encourage broad public understanding, trust, and the support necessary to implement them.

The first resource allocation grant was a \$620,000 award to The Wilderness Society representing three-year support to establish the Natural Resource Policy Analysis Unit which will supply the facts and figures needed to make persuasive economic and resource management arguments for conservation initiatives.

In the 1980's, land preservationists face difficult challenges, given the economic pressures which are shaping public and private decision making. Increasingly, conservation decisions will be put to economic tests. Often, however, conservationists have lacked the research and information necessary to make persuasive arguments for conservation initiatives.

The establishment of the Natural





The Institute for Environmental Mediation provides a means through which the voluntary process of mediation is applied to resolve environmental disputes. In the case shown here, the Institute was instrumental in settling a controversy between county government and an Indian tribe regarding the future management and development of a 1,200-acre undeveloped island.

Resource Policy Analysis Unit will enable The Wilderness Society to professionally address complex resource allocation questions involved in preserving wildlands. Many natural resource decisions and potential controversies will be more easily resolved when the environmental and economic costs and benefits of land-use decisions are accurately determined. The Unit will provide quick research and data analysis for fast-breaking developments in controversies over resource economics, land management, and forestry.

The Unit will focus primarily on conflicts over the hundreds of millions of acres managed by the National Parks Service, the U.S. Forest Service, the U.S. Fish and

Wildlife Service, and the Bureau of Land Management. Its findings will be made available to these land management agencies, to other conservation groups, and to the public.

The second grant approved by the Trustees of the Richard King Mellon Foundation aimed at resolving environmental conflict was to the Institute for Environmental Mediation, an organization devoted to understanding and demonstrating the potential of the mediation process for the resolution of such conflicts.

The Institute for Environmental Mediation was established in 1975 as the Office of Environmental Mediation at the University of Washington. In late 1980, however, the

Institute established itself as an independent, nonprofit organization but still maintains a working relationship with the University.

Since 1975, the Institute's voluntary process of mediation has been highly successful in negotiating resolutions to disputes involving flood control, wetlands protection, port development, transportation system development, and a variety of other issues.

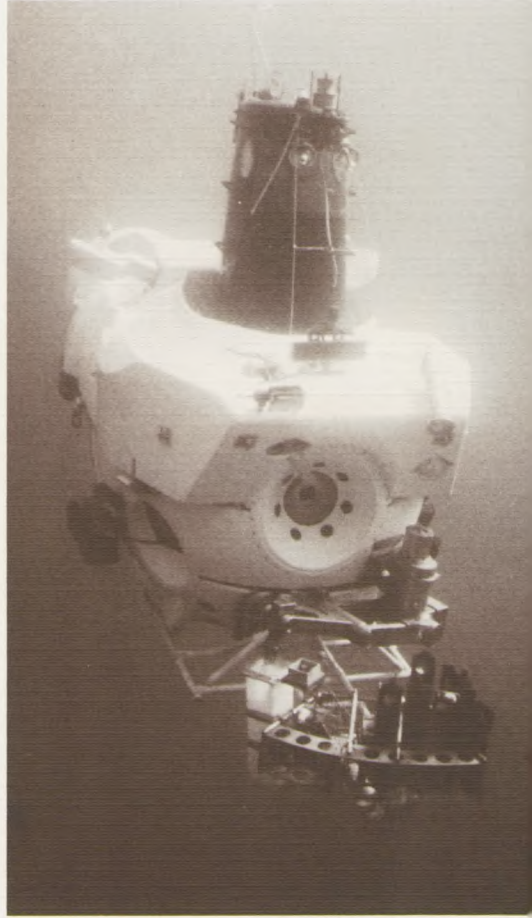
Although the Institute expends the majority of its energies carrying out a five-phase mediation process, it also offers seminars and training programs for individuals, agencies, and corporations throughout the nation in order to acquaint parties involved in environmental-economic conflicts with the potentials and limitations of achieving negotiated settlements through the use of mediation.

Following its establishment as an independent organization in 1980, the Institute is attempting to broaden its base of financial support. Toward this end, the Trustees of the Richard King Mellon Foundation approved a grant of \$450,000 to the Institute for Environmental Mediation representing three-year start-up support.

Other Programs

Woods Hole Oceanographic Institution was established in 1930 by recommendation of the National Academy of Sciences. It is the only major independent marine research and educational organization in the Country and is one of the world's best known institutions of oceanographic research.

Woods Hole has strong educational and research programs in marine biology, chemistry, geology



Woods Hole Oceanographic Institution is one of the foremost marine research and education organizations in the Country. The deep submergence research vessel illustrated here is utilized by the Institution and has the capability of operating at four thousand meters.

and geophysics, ocean engineering, and physical oceanography. Each of these disciplines incorporates many subspecialties of a highly technical and diverse nature ranging from marine acoustics to the study of animal distribution in the oceans.

The Trustees of the Richard King Mellon Foundation approved a grant

of \$250,000 to Woods Hole Oceanographic Institution to be used as matching funds toward a challenge grant from the Andrew W. Mellon Foundation of New York City to establish an endowed research fund. The income from this permanent fund will be used to provide initial funding for the research of young scientists, fellowships to enable mid-career scientists to explore new directions, or support for distinguished senior scientists to review and synthesize major areas of research. The major purpose of the fund is to encourage research which would not otherwise be supported by governmental sources, thus preserving the Institution's independence of thought and expanding its flexibility of action.

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The World Wildlife Fund-U.S. was established in 1961 to raise funds to support and administer conservation projects, both in the United States and abroad, to save endangered wildlife and wilderness areas. The Fund places great emphasis on conservation in the Western Hemisphere and focuses on preserving habitats and ecosystems, with their multitude of species.

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The nature of each project varies according to the circumstance, from scientific research, to the purchase of wilderness areas, to the provision of equipment for maintenance and protection of National Parks. The objective in each case is to support action that will result directly in effective measures to protect endangered species and habitat.

The principal source of financial support for the World Wildlife Fund-U.S. comes from approximately sixty thousand individuals who make regular contributions to the Fund's conservation programs. One area which the Fund believes holds major potential for significant long-term revenue growth is that of commercial product promotions. With an established identity and programmatic interests that are readily marketable, the World Wildlife Fund-U.S. has undertaken an aggressive effort to develop commercial product promotions as a major source of ongoing income.

The Trustees of the Richard King Mellon Foundation approved a grant of \$125,000 to World Wildlife Fund, Inc. to support this three-year project and broaden the Fund's income base.

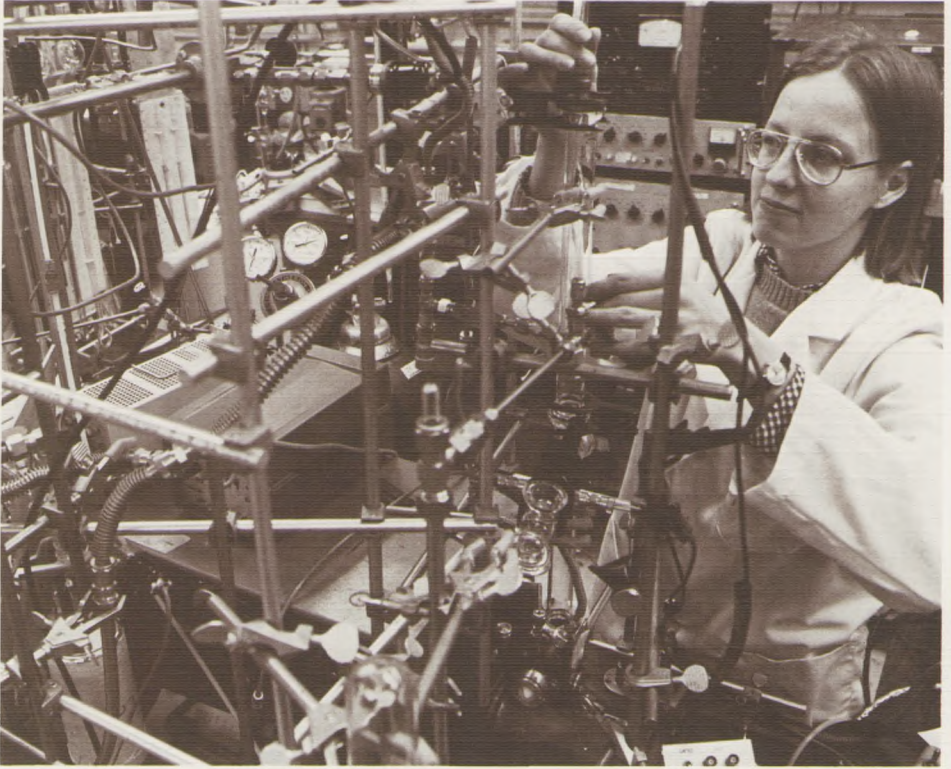
The following is a list of grants approved in 1980 for conservation activities:

Audubon Society of Western Pennsylvania, Inc.	
Pittsburgh, Pennsylvania	
Endowment support for Beechwood Farms Nature Reserve	\$ 20,000
CEIP Fund, Inc.	
Lincoln, Massachusetts	
Support for program in western Pennsylvania	20,000

RICHARD KING MELLON FOUNDATION

Environmental Law Institute Washington, District of Columbia To fund publication of newsletter	\$ 20,000
Institute for Environmental Mediation Seattle, Washington Three-year start-up funding	450,000
National Audubon Society New York, New York Funding public education effort to establish a national wildlife refuge in Canaan Valley, West Virginia	10,000
The Nature Conservancy Arlington, Virginia Acquisition of natural areas	15,000,000
Toward purchase of Placentia Island, Maine and State of Maine Revolving Fund.....	100,000
University of Montana Foundation Missoula, Montana For publications of Wildlife- Wildlands Institute	60,000
Western Pennsylvania Conservancy Pittsburgh, Pennsylvania Capital support	1,000,000
The Wilderness Society Washington, District of Columbia To establish Natural Resource Policy Analysis Unit.....	620,000
To underwrite services of independent consultant	5,000
Woods Hole Oceanographic Institution Woods Hole, Massachusetts Toward matching endowment challenge grant	250,000
World Wildlife Fund, Inc. Washington, District of Columbia Three-year support to develop commercial promotions	125,000
	<u>\$17,680,000</u>

Education



The Foundation approved a grant of \$1.2 million to the University of Pittsburgh Faculty of Arts and Sciences for the establishment of the Richard King Mellon Chair in the natural sciences, in the Department of Chemistry, the Department of Biological Sciences, or the Department of Psychology.

The second largest area of activity for the Richard King Mellon Foundation during 1980 was education. Twelve grants totaling \$4,071,000 were approved during the year, representing 17 percent of the 1980 grant dollars approved.

Grant activity emphasized the Trustees' primary interest in this category, the advancement of higher education in the immediate Pittsburgh vicinity, although certain programs at leading graduate schools nationwide were also of interest.

Although the majority of the 1980 education awards provided direct institutional support, selected scholarship funding was also authorized.

Higher Education

The largest education grant approved in 1980 by the Richard King Mellon Foundation was an award of \$1,200,000 to the University of Pittsburgh Faculty of Arts and Sciences for the establishment of a second Richard King Mellon Chair in the natural sciences. The grant will be used to endow a Chair in the Department of Chemistry, the Department of Biological Sciences, or the Department of Psychology.

In 1967, the University combined its programs in the natural sciences, the humanities, and the social sciences to form the Faculty of Arts and Sciences. Since that time, the natural sciences have benefitted greatly from the development of strong teaching and research programs. Specifically, funds from the National Science Foundation helped bring the Department of Chemistry to a position of strength and helped the Department achieve a reputation for excellence, notably in organic and physical chemistry.

The Department of Biological Sciences, created in 1976, has been growing in strength and importance and has been attracting excellent scholars to its faculty and excellent students to its programs.

In the Department of Psychology, a strong development effort was initiated in the late 1960's in neuro-psychobiology which has brought this program to its present level of national recognition for its work in neurosciences.

The Foundation's grant to create the Richard King Mellon Chair in the natural sciences will further the University's efforts to strengthen its programs and provide the impetus to propel them into a position of national eminence. This is the

second Chair which the Foundation has funded in the Faculty of Arts and Sciences. The first Chair, funded in 1978 through a grant of \$1,200,000, was established in the Department of Physics.

Duquesne University, a city-based private institution, is more than a century old and has been a very important resource to the community. The achievements of the alumni in the health professions, law, business, fine arts, government, sciences, religion, and education bear witness to the University's commitment to quality.

In 1980, Duquesne University announced the first major comprehensive fund drive in the University's history. The drive is designed to deal not with expansion, but with consolidation and strengthening. The University seeks to raise \$20 million to insure its continued growth as an institution of higher education. The campaign will raise funds for endowment, academic development, renovation of physical facilities, and operations. The University recognizes that it must strengthen academic programs through the selective enrichment of the most promising and productive segments while constantly examining those areas where future growth is uncertain.

The Trustees of the Richard King Mellon Foundation approved a grant of \$1,000,000 to Duquesne University toward the development campaign. Of this amount, \$500,000 was designated for capital needs in the School of Law, where programs and educational quality have produced a significant number of well-trained people in the legal profession in



Duquesne University has embarked on a five-year, \$20 million fund drive for new endowment, physical facilities, academic programs, and operating support. It represents Duquesne's first comprehensive campaign in its 103-year history and is designed to meet the overall development needs of its eight schools and colleges.

Pittsburgh. The remaining \$500,000 is an unrestricted capital grant and is to be used by the University toward its highest priorities within the campaign.

In 1980, the Trustees of the Richard King Mellon Foundation also approved a grant to the University of Pittsburgh for the Office of Continuing Education for Women, a service established in 1964 to help create an educational climate and an access point for women over thirty years of age to continue or complete their education.

The goals of the Office include encouraging mature women to

return to school, informing women of changing opportunities, providing guidance leading to retraining or new educational directions in order to seek new career opportunities, and creating special admissions considerations based upon careful analysis of student backgrounds that do not fit traditional criteria.

According to demographic studies, there is an increasing number of persons in the category of nontraditional students, such as the woman returning to college after changes in her family obligations, the individual returning to college to seek the necessary background for a career change, or the recently widowed or divorced individual. Their problems

and needs for assistance often require a different type of counseling from that normally available to the typical college freshman. Eligibility for the services of the Office has been lowered to twenty-five years of age and men, many of whom are now facing education situations similar to those of women, are also welcome.

Recognizing the value of the Office as an asset to both the community and the University, the Trustees of the Richard King Mellon Foundation approved a grant of \$46,000 to the University of Pittsburgh representing two-year operating support for the Office of Continuing Education for Women.

Research

Support in the area of research was provided through a grant to the University of Pittsburgh for the Center for Philosophy of Science. The Center was founded in 1960 to implement the belief that philosophy must draw on the results of major scientific theories and contrib-

ute to the conceptual innovations wrought by fundamental advances in the sciences.

The Center for Philosophy of Sciences is a research, not a teaching, unit of the University of Pittsburgh. It seeks to help promote an environment in which the philosophical analysis of science and technology can flourish. To this end, it works closely with the Departments of Philosophy and History and Philosophy of Science as well as other departments within the University.

There are now twenty-five permanent Fellows of the Center, consisting of prominent full professors from ten academic departments in the University. The Center is instrumental in promoting the interests of these outstanding faculty members and gives them the opportunity to perform research and hold seminars

The Foundation approved a grant of \$250,000 to the University of Pittsburgh for program development for the Center for Philosophy of Science, a research unit founded at the University to promote the philosophical analysis of science and technology.



and lecture series in their areas of interest and expertise. National and international recognition has continued to accrue to members of the Center.

In 1980, the Trustees of the Richard King Mellon Foundation approved a grant of \$250,000 to the University of Pittsburgh for future program development for the Center for Philosophy of Science.

Endowment Management

Of the more than three thousand public and independent education institutions in the Country, approximately five hundred colleges and universities have entered the challenging decade of the 1980's with the advantage of having accumulated individual endowments of at least \$3 million. These institutions have both greater flexibility and greater potential to maintain excellent standards of education.

Since the support derived from endowments is crucial to academic endeavors, the management of endowments is perhaps more important than ever before if the margin of excellence is to be preserved at these institutions. The endowments of the five hundred colleges and universities with individual endowments of at least \$3 million totals approximately \$14 billion. The potential impact of endowment management can best be illustrated by the fact that an improvement of 1 percent in the investment return of these assets could generate almost \$150 million of additional funds annually for the support of higher education.

The Academy for Educational Development, founded in 1961 to help colleges and universities solve long-range educational, administrative, and financial problems, is

undertaking a twenty-one-month study of the policies, practices, and investment performance of endowment funds of thirty selected institutions of higher education. Such topics as asset allocation, investment guidelines, performance monitoring and evaluation, and fund manager selection and relations will be analyzed from the standpoint of the stewardship responsibility of the board of trustees. The information collected will be used to identify the relationships between policies and board actions and endowment performance to help illustrate which policies and approaches seem to produce the best results and which approaches appear less satisfactory.

After several seminars with representatives from the thirty institutions and their fund managers, a publication will be prepared to provide examples of how boards of trustees can best fulfill their stewardship with respect to the management of college and university endowments. It should enable boards to develop or refine sound policies and to communicate more effectively with fund managers and custodian banks.

The Trustees of the Richard King Mellon Foundation approved a grant of \$150,000 to the Academy for Educational Development, Inc. to help underwrite this study and the resultant publication in hopes that higher education in the long run will be strengthened through the improvement of endowment management.

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RICHARD KING MELLON FOUNDATION

The following is a list of grants approved in 1980 for education programs:

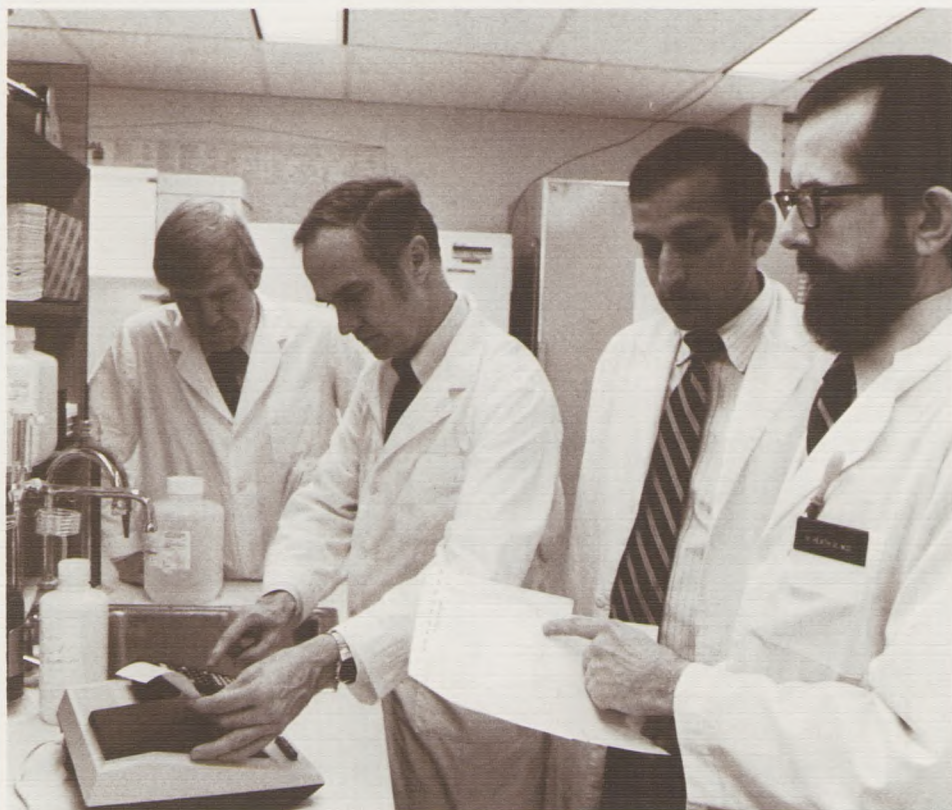
Academy for Educational Development, Inc. New York, New York Toward study, Enhancing the Management of College and University Endowments	\$ 150,000
Duquesne University Pittsburgh, Pennsylvania Development Campaign School of Law	500,000
Unrestricted capital support	500,000
The University of Georgia College of Agriculture Experiment Stations Athens, Georgia Three-year support for research project, Irrigated Multiple-Cropping Production System	1,040,000
National Merit Scholarship Corporation Evanston, Illinois Additional appropriation for Richard King Mellon Merit Scholarship Program	230,000
University of Pittsburgh Pittsburgh, Pennsylvania Center for Philosophy of Science Program support for four years.....	250,000
Faculty of Arts and Sciences To establish a Chair in the natural sciences	1,200,000
Graduate School of Business Three-year support for Center for Economic Education	15,000
Office of Continuing Education for Women Two-year support	46,000
Vice Chancellor's Office for Public Affairs Discretionary Fund	15,000
Point Park College Pittsburgh, Pennsylvania Toward renovation of the Pittsburgh Playhouse (conditional)	50,000
United Negro College Fund, Inc. New York, New York Support for 1980 campaign	25,000
Valley School of Ligonier Ligonier, Pennsylvania Expansion of facilities.....	50,000
	\$4,071,000

Medicine

During 1980, the Trustees of the Richard King Mellon Foundation approved six grants in this category amounting to \$910,000, or 4 percent of the total 1980 commitments. The Trustees of the Foundation continue to maintain an interest in medical activities of quality, however, because fewer grant dollars are available for the Foundation's medical program, it must be a highly selective one.

Five of the six awards were concentrated on organizations in Pittsburgh and western Pennsylvania to support local medical services, a hospice program, and to provide additional funding for the Health Policy Institute established in 1979 to deal with issues of health policy and medical care costs on a local basis.

Larger grant approvals included a \$500,000 award to Mayo Foundation and a \$100,000 grant to Latrobe Area Hospital.



Research Support

In 1980, a commitment of \$500,000 was authorized to the Mayo Foundation, the parent organization for the Mayo Graduate School of Medicine, the Mayo Clinic, the Mayo Medical School, and Mayo research programs. The funds provided by this grant are to develop a comprehensive research facility for the study of bone and mineral diseases, and to develop a continuing program for the application of new medical knowledge to patients with bone and mineral diseases.

Metabolic bone diseases are a common, disabling and poorly understood group of diseases. It is estimated that the most common bone disease, osteoporosis, affects 25 percent of all postmenopausal white women in North America and northern Europe. At present, the precise cause and effective treatment of metabolic bone diseases are not known. However, recent technological advances now make it possible to measure and relate biological events that control mineral metabolism to changes in human bone.

Mayo Clinic is establishing a facility for the investigation of bone and mineral disease. The Mayo Mineral Research Laboratory, a basic scientific unit, and the Mayo Mineral Disease Clinic, a diagnostic and therapeutic service center for patients with bone and mineral problems, will strengthen their cooperative working relationship and jointly

A Foundation grant of \$500,000 will enable Mayo Clinic to establish a facility for the investigation of bone and mineral disease and a program of clinical investigation to apply new medical knowledge and technology to the diagnosis and treatment of human bone and mineral diseases.

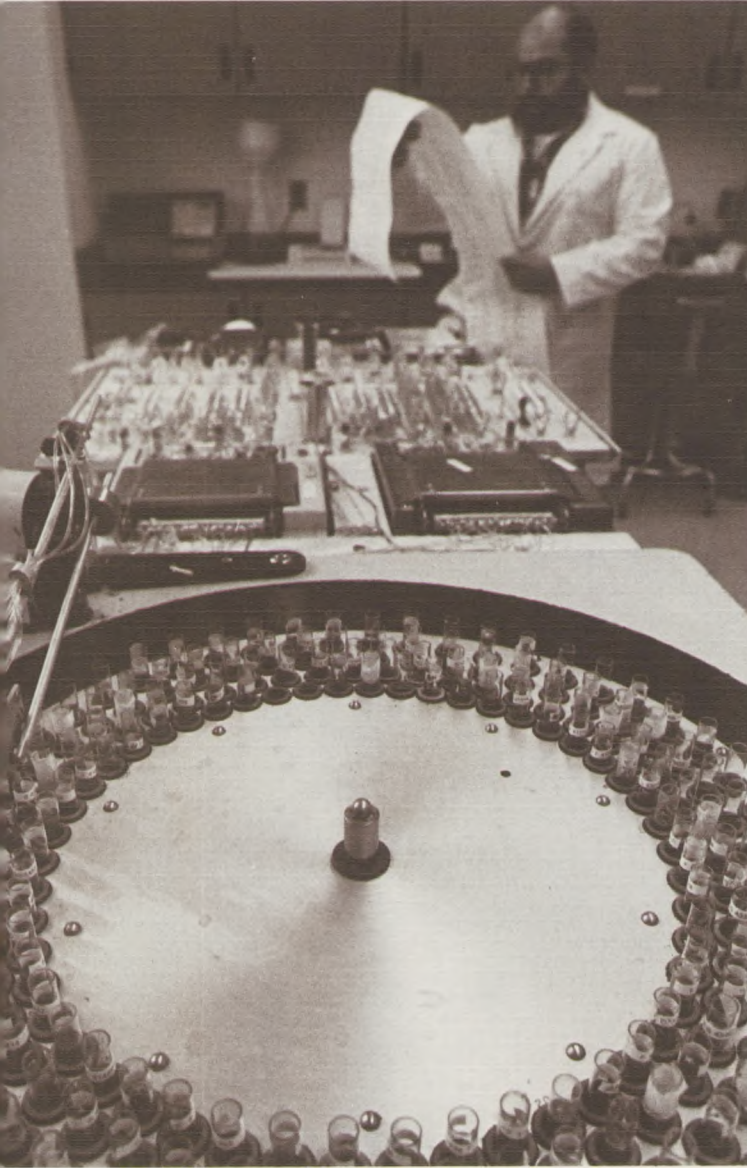
develop the capability for bone histomorphometry, one of the most sensitive and modern techniques available for obtaining accurate microscopic analysis of human bone. The Clinic also plans to establish an ongoing broad program of clinical investigation to apply this new medical knowledge and technology to the diagnosis and treatment of human disease.

The grant provided by the Richard King Mellon Foundation will be paid over a five-year period during which it is hoped research will point the way to successful methods of treatment and prevention of these painful disabilities.

Medical Services

In western Pennsylvania, Central Blood Bank of Pittsburgh is the major blood supply source and center of knowledge regarding the utilization of blood and its components. It supplies more than 95 percent of the blood used in Allegheny and Washington Counties, including all of the blood requirements of its thirty member hospitals. Without Central Blood Bank, these hospitals would not have a local blood source. Principal services now being performed by the Blood Bank include blood collection and distribution, research, and education and training.

The use of blood in western Pennsylvania has more than doubled since 1970 due to the development of new surgical lifesaving techniques, improved emergency procedures, and cures for previously untreatable diseases. Central Blood Bank found itself severely restricted by space limitations due to the growth and demand for its services. In 1979, the Blood Bank initiated a major program of improvement and expansion



Central Blood Bank of Pittsburgh supplies more than 95 percent of all the blood used in hospitals in Allegheny and Washington Counties. The Center was renovated and enlarged at a cost of nearly \$2 million to provide western Pennsylvania with one of the most sophisticated blood centers in the Country.

to its building which now permits it to make more efficient the many functions for which it is responsible.

The Trustees of the Richard King Mellon Foundation approved a grant of \$75,000 to Central Blood Bank of

Pittsburgh toward its capital drive to finance the renovations to its headquarters.

Since 1919, the Visiting Nurse Association of Allegheny County has

offered services to meet and anticipate the needs of County residents in coordination with other health care providers. The objectives of the Association are to provide skilled care and other therapeutic services on a part-time basis to the sick and handicapped in their homes, to provide health guidance to individuals and families for the prevention of disease, and to collaborate with other professional groups in programs for better community health.

Services provided in the home by the Association include skilled nurs-

ing, homemaker-home health aid, occupational and physical therapy, speech therapy, and social case work. Services in the community include group work for stroke victims and health education and screening activities for ambulatory individuals and groups. Persons who require other health services are directed to resources such as physicians, hospitals, nursing homes, or private duty nurses.

In addition to support from the United Way, the Association receives a substantial amount of its operating

In coordination with other health care providers, the Visiting Nurse Association of Allegheny County provides services to meet and anticipate the health care needs of County residents. The Association offers skilled care and other therapeutic services on a part-time basis to the sick and handicapped in their homes.



funds from third-party reimbursement. Accordingly, the Association handles a great volume of medical records, bills, invoices and accounts receivable. The Association plans to purchase its own computer terminals, printer, and other related hardware to enable it to connect to a service bureau central processor. This will enable the Association to expedite its cash management systems, accelerate third-party approvals and reimbursements, and develop an agency-wide patient information system.

The Trustees of the Richard King Mellon Foundation approved a grant of \$45,000 to the Visiting Nurse Association of Allegheny County to help acquire the necessary computer hardware to improve its cash management and data processing system.

Hospice Program

Normal systems of health care delivery are rarely designed to provide for the special medical, emotional, and spiritual needs of the dying patient. There are few facilities which are available to the terminally ill patient and his family after definitive treatment has been exhausted. There is a need to provide special care which lends support to both the patient and the family faced with this situation. Hospice care, a relatively new concept, provides this support.

In February, 1979, Forbes Health System established the first hospice program available to terminally ill patients in western Pennsylvania. The basic goal of the Forbes Hospice Program is to provide palliative care for the dying and assistance for the patient's family. A secondary goal of the program is to create an atmo-

sphere which enables and encourages a terminally ill patient to live as normal a life as the illness will allow.

The Hospice Program particularly stresses home care for patients because studies have shown that terminally ill individuals prefer to live out their lives at home. Regularly scheduled visits to the patient's home are made by a staff of doctors, nurses, social workers, and volunteers specializing in hospice care.

An eight-bed inpatient hospice unit was established at a Forbes Health System facility to be utilized only in those cases where the patient has no family or friends to look after him, or in those instances where the patient's family requires a temporary rest from the emotionally demanding care which they are providing the dying member at home.

Since its establishment in 1979, the Forbes Hospice Program has cared for well over one hundred patients. The oldest of these was eighty-eight years of age, the youngest was seven.

Since the hospice concept in this Country is relatively new, third-party payers have been reluctant to accept it for reimbursement. A new program usually must be in operation several years and demonstrate effective service before third-party reimbursement is available.

The Trustees of the Richard King Mellon Foundation believe the Forbes Hospice Program provides a valuable service and attends to the special and long-neglected needs of the terminally ill. A grant of \$80,000 was awarded to the Forbes Health System to help underwrite the Hospice Program.

The following is a list of grants approved in 1980 for medical programs:

Allegheny Conference on Community Development Pittsburgh, Pennsylvania Supplemental two-year support for Health Policy Institute	\$ 20,000
Central Blood Bank of Pittsburgh Pittsburgh, Pennsylvania Toward renovation program	75,000
Forbes Health System Pittsburgh, Pennsylvania Support for Hospice Program	80,000
Latrobe Area Hospital Latrobe, Pennsylvania Medical Director's Discretionary Fund	100,000
Mayo Foundation Rochester, Minnesota Five-year support for Mayo Clinic for research and treatment programs for bone and mineral diseases	500,000
Sports Medicine Institute Pittsburgh, Pennsylvania Three-year start-up support	90,000
Visiting Nurse Association of Allegheny County Pittsburgh, Pennsylvania Toward purchase of computer hardware	45,000
	<u>\$910,000</u>

Social Services

During 1980, awards to eleven social service organizations amounted to \$672,200, or 3 percent of the Foundation's total grant dollars approved.

The largest social service grant approved in 1980 was a \$250,000 award to Children's Home of Pittsburgh for endowment support. Other social service grants provided program or capital support for agencies serving the handicapped, children and youth, and several other emerging needs.

In accordance with the Foundation's geographical restrictions on grants in this program category, all awards made during 1980 were directed toward support for improvement in the provision and delivery of social services to citizens of Allegheny County and western Pennsylvania.



Handicapped

Harmarville Rehabilitation Center operates a comprehensive rehabilitation program designed to help patients reach their maximum level of independence and enable them to return to productive lives in the community. The Center serves patients who are suffering from strokes, amputations, spinal cord injuries, or a wide range of other disabilities which may be helped by rehabilitative procedures.

Each year almost twelve thousand Americans, the majority between the ages of eighteen and thirty-five years, suffer spinal cord injuries that result in paraplegia or quadraplegia. Automobile accidents are the greatest single cause of these injuries while sporting accidents, industrial mishaps, and gunshot wounds are also major causes.

Approximately three years ago Harmarville established a model program which specializes in the treatment of spinal cord injuries. A special twenty-bed unit was built and a team of doctors and therapists was assembled to concentrate their efforts on patients with spinal cord disabilities. The comprehensive four-phase program provides counseling, treatment, and rehabilitation. The highly successful spinal cord program has been able to reduce the average length of stay significantly, from thirty weeks to twelve weeks. The higher patient turnover not only enables more patients to be treated, it also allows Harmarville to

Harmarville Rehabilitation Center has established a model program for paraplegics and quadraplegics suffering from spinal cord injuries. Shown here, brushing teeth becomes a routine effort with the aid of a velcro strap to hold the toothbrush.



Consultation and education programs for mothers of infants are an important preventive mental health service offered by Allegheny East Mental Health and Mental Retardation Center.

reach them in the earlier and more critical phases of their recovery.

As part of a major capital expansion of the Center, the spinal cord unit was recently expanded from twenty to forty beds and a second team of spinal cord doctors and therapists was recruited. To help the Center double the capacity of its spinal cord program the Trustees of the Richard King Mellon Foundation approved a grant of \$150,000 to provide staff support, specialized furnishings, and custom rehabilitation exercise equipment for the program.

Allegheny East Mental Health and Mental Retardation Center is one of the eleven base service units through which the County of Allegheny subcontracts and implements its mental health and mental retardation services for its citizens.

The Center serves a population of approximately 180,000 people in communities in the eastern part of the County. It provides a wide range of services including diagnostic therapeutic programs, rehabilitative services, consultation and education programs, and the encouragement of good mental practices for the prevention of mental disabilities. The Center also provides a range of residential programs for the mentally retarded, including a supervised apartment complex, maximum independence apartments, and a specialized foster home program for mentally retarded or emotionally disturbed children.

In order to accommodate its expanded mental health services, the Center renovated its present headquarters building to provide a substantial increase in clinical space and enlarged administrative and staff support area. Toward this capital improvement project, the Trustees of the Richard King Mellon Foundation approved a \$60,000 grant to Allegheny East Mental Health and Mental Retardation Center, Inc.

Children and Youth

Children's Home of Pittsburgh is an infant adoption agency and one of the select few in the Country which is totally private in terms of funding and administration. The primary area served by Children's Home is western Pennsylvania and, since its founding in 1893, the institution has served as the first home for more than 3,300 babies. Its goal is to secure an appropriate adoptive home for each infant based upon the child's natural heritage, medical condition, and emotional needs.

The Home stresses individual attention for the infants, the natural



Children's Home of Pittsburgh is a privately funded and administered infant adoption agency that stresses individual attention for the infants, the natural parents, and the adoptive parents. The Foundation approved a grant of \$250,000 toward the Home's endowment development campaign.

parents, and for the adoptive parents. Babies are provided with constant nursing attention and expert medical services when needed. The Home relies on a small but capable staff of professional social workers and nurses to counsel and advise the natural parents as well as the adoptive parents.

Inflation and the increasingly complex nature of the adoption process has made it much more costly for the Home to continue to

provide the excellent quality of adoption service available only through the private sector. For this reason the Children's Home of Pittsburgh has embarked on a \$1,500,000 endowment expansion drive toward which the Trustees of the Richard King Mellon Foundation approved a grant of \$250,000.

A relatively small but most interesting and unusual grant of \$6,800 was awarded to the National Hemophilia Foundation to underwrite a pilot effort to send nine young chronic disease patients from western Pennsylvania to the Hurricane Island Outward Bound School for a ten-day adaptive outdoor course in sailing and survival skills.

In a collaborative effort by the National Hemophilia Foundation, the Hemophilia Center of Western Pennsylvania, Children's Hospital of Pittsburgh, and the Hurricane Island Outward Bound School, a challenging experience was provided in August, 1980, for six individuals with corrected congenital heart defects and three severe hemophilia patients. The ten-day course at Hurricane Island, Maine, began with a short sailing expedition on which the students learned seamanship, navigation, sailing theory, first aid, shelter building, and outdoor cooking. Time was also spent doing community service projects, performing the ropes course, rock climbing, and experiencing a three-day solo on an uninhabited island.

The students were carefully screened on the basis of their interests and a realistic assessment by their physicians as to their physical ability to participate in such a course. An individualized training



A grant of \$6,800 to the Western Pennsylvania Chapter of the National Hemophilia Foundation enabled nine young chronic disease patients from western Pennsylvania to attend the Hurricane Island Outward Bound School for a ten-day adaptive outdoor course in sailing and survival skills.

and exercise program for each student was developed and adhered to for two months prior to the start of the Outward Bound course.

The Outward Bound course provided a challenging experience which encouraged the development of self-confidence, self-reliance, and improved physical conditioning. The course was planned as a pilot effort which may serve as a prototype for similar adaptive courses which could be offered around the Country for hemophilia and heart patients as well as other chronic disease groups.

Other Programs

In a 1976 study, the University of Pittsburgh Center for Urban Research estimated that during the

course of a year 48,000 people in Allegheny County are hungry and suffer pain because of lack of food. This includes the elderly on a fixed income, low-income families with extremely high utility bills, and families experiencing unemployment for the first time. In spite of food stamp and welfare programs, the highest incidence of hunger is still to be found in low-income neighborhoods.

To help alleviate the hunger problem in western Pennsylvania, The Hunger Action Coalition, Inc. is undertaking the relatively new concept of a food bank, of which there are now more than eighty in existence around the Country. A food bank is a nonprofit warehouse facility where salvageable but nonsaleable food donated by area producers and distributors is sorted and made available to various social service agencies who work with people in need. The food is wholesome and nutritious, but perhaps it is mislabeled or the cans or cartons are dented or damaged.

The food bank concept allows social service agencies to deal directly with a single food distribution center. Serving as a central outlet, a food bank not only eliminates duplication of effort among the social service agencies, but it also insures that larger quantities of food will be available and judiciously distributed throughout the community.

The Pittsburgh Community Food bank was opened in late 1980 and during its first two months of operation distributed over 150,000 pounds of donated food to seventy social service agencies.

The Trustees of the Richard King Mellon Foundation approved a grant

of \$15,500 to The Hunger Action Coalition, Inc. toward certain renovation and equipment needs of the Pittsburgh Community Food Bank.

•
Job Advisory Service is a nonprofit employment and educational assistance organization that provides information, planning, support services, and counseling to assist area women in setting and achieving personally satisfying career goals. Job Advisory assists women who are either making educational plans in pursuit of a career or who are seeking assistance in finding or changing jobs. The agency is increasingly serving employed women who seek to improve their job positions. In 1979, almost 60 percent of its clients were employed either full or part time.

Since its inception, Job Advisory Services has aided over six thousand women in establishing and pursuing career goals. Toward this end, the organization prepares individuals to do a systematic self-inventory and job search. It serves women through individual and vocational counseling, career planning and job readiness workshops, vocational testing, and occupational and educational information.

The agency is providing a wide range of services to a diverse population of individuals and organizations and is conducting a client development project to increase public awareness of Job Advisory Service and to convey the proper description and understanding of the agency's programs and strengths.

The Trustees of the Richard King Mellon Foundation approved a grant of \$15,000 to Job Advisory Service, Inc. to underwrite these promotional activities.

RICHARD KING MELLON FOUNDATION

The following is a list of grants approved in 1980 for social service programs:

Allegheny East Mental Health and Mental Retardation Center, Inc. Pittsburgh, Pennsylvania Toward renovation program.....	\$ 60,000
Boy Scouts of America Westmoreland-Fayette Council Greensburg, Pennsylvania Toward construction of Scout Service Center	75,000
Children's Home of Pittsburgh Pittsburgh, Pennsylvania Endowment support	250,000
Goodwill Industries of Pittsburgh Pittsburgh, Pennsylvania To acquire six hydraulic stitching machines	15,000
Harmarville Rehabilitation Center, Inc. Pittsburgh, Pennsylvania To double capacity of spinal cord program	150,000
Health and Welfare Planning Association Pittsburgh, Pennsylvania Three-part study of adult day care programs in Allegheny County	32,000
The Hunger Action Coalition, Inc. Pittsburgh, Pennsylvania Start-up support for Pittsburgh Community Food Bank	15,500
Job Advisory Service, Inc. Pittsburgh, Pennsylvania To underwrite outreach and public relations program.....	15,000
National Hemophilia Foundation Western Pennsylvania Chapter Pittsburgh, Pennsylvania To underwrite pilot adaptive outdoor program for chronic disease patients	6,800
Pennsylvania Association for Retarded Citizens, Inc. Allegheny County Chapter Pittsburgh, Pennsylvania Underwrite seminar for Board of Directors	2,900
United Cerebral Palsy Association of the Pittsburgh District Pittsburgh, Pennsylvania Toward purchase and renovation of facility	50,000
	<u>\$672,200</u>

Cultural & Civic Affairs



The Economics of Amenity Program to be carried out in Pittsburgh and other cities will emphasize the partnership process between public and private sectors for cost-efficient use of resources and will promote the understanding of amenities as an important component of community economic development strategies.

During 1980, the Trustees of the Richard King Mellon Foundation authorized thirteen grants in this category amounting to \$565,500, or 2 percent of the total 1980 approvals.

The major portion of these funds was awarded for civic affairs in western Pennsylvania. Grants involving civic matters provided annual funding for two civic organizations, supported studies regarding cooperative efforts on both an intergovernmental and a private-public basis, and matched further contributions to a challenge grant intended to promote community involvement in the Ligonier Valley area. Four grants totaling \$148,000 were directed toward cultural affairs in Pittsburgh and western Pennsylvania, including three grants approved to provide operating support for local performing arts organizations.

Public-Private Partnerships

Partners for Livable Places is dedicated to improving the quality of life in the Nation's communities. Its primary goals are the conservation or sensitive development of the physical environment. To encourage a greater public consciousness of physical surroundings and their economic and social consequences, Partners emphasizes the process of partnership between public and private sectors for cost-efficient use of resources.

The economic vitality of the Nation's communities is directly linked to the quality of local amenities. To insure the stability of the existing labor force and to encourage possible expansion in employment, local investment decisions must increasingly take into account a mix of factors such as recreation, cultural resources, attractiveness of physical and scenic assets, and the quality of air and water.

The principal focus of Partners for Livable Places during the next several years is the Economics of Amenity Program which will consist of an integrated agenda that combines research, technical assistance, demonstration projects, and public awareness in order to promote the understanding of amenities as an important component of community economic development strategies. The Program will feature case studies demonstrating how, in these times of limited resources, communities can contribute to their economic growth through such concepts as cultural planning, profit by design, natural and scenic resource recovery, public space management, and cultural tourism. Economics of Amenity presents a realistic strategy for the public and private sectors to join

forces and stimulate employment, increase local revenues, and enhance the quality of life for residents and visitors alike.

The Economics of Amenity Program will be carried out in approximately thirty major cities in the United States, including the City of Pittsburgh. The Trustees of the Richard King Mellon Foundation approved a grant of \$150,000, payable over a three-year period, to Partners for Livable Places to help underwrite this program with the expectation that major benefits may accrue to the Pittsburgh metropolitan area and others.

Many cities in the United States have long been experiencing economic, social, and physical deterioration. In recent years the problems of such cities have worsened and the declines have accelerated. Not only have cities faced worsened conditions, but they have been forced to compete with surrounding suburbs for jobs and investment, and state and federal aid.

In response to this situation, the Committee for Economic Development is conducting a study of six cities in which public-private partnerships have successfully combatted local urban deterioration and promoted revitalization in terms of economic stability, refurbished the physical and social environs of a city and, with the assistance of the private sector, improved the capacities of municipal government to effectively deal with local city problems.

The objectives of the project are to develop thorough case studies of cities where public-private partnerships have worked effectively to improve the urban environment and

to increase public and private understanding of urban deterioration and stimulate action to revitalize cities.

Based upon the case research, the Committee will publish a policy statement outlining alternative types of partnerships and subsequently will launch a public information and education effort to insure that the project findings reach a broad audience of decision makers at local, state and national levels.

With a highly successful public-private partnership experience to its credit, the City of Pittsburgh was selected as one of the six case studies to be used in this three-year project. Toward this end, the Trustees of the Richard King Mellon Foundation approved a grant of \$25,000 to the Committee for Economic Development to help underwrite a portion of the study which analyzes the past successful partnerships in the City of Pittsburgh.

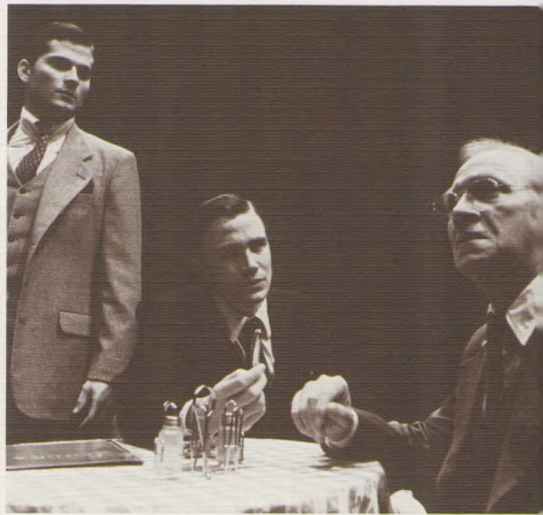
Intergovernmental Cooperation

Including the City of Pittsburgh, there are 130 separate municipalities in the County of Allegheny in western Pennsylvania. Some governments are efficient, reasonably well financed, and provide outstanding services. Others, faced with declining tax bases and populations, find it difficult to provide services because of a lack of resources. Between these two extremes are a large number of municipal governments that find it increasingly difficult to provide quality services needed by citizens.

Several noteworthy efforts have been made in recent years to encourage cooperation among local governments. However, there is currently no available source of comprehensive information about intergovernmental cooperation nor are there signifi-

cant resources to assist the communities in cooperative efforts.

Under the guidance of the Allegheny Conference on Community Development, a study will be carried out which will explore and analyze opportunities for cooperation and recommend a mechanism for assisting in the implementation of intergovernmental cooperation. The final product of this eighteen-month project will be a report which will include recommendations for future activities to improve local governments in the region. Sharing resources, mutually solving community problems, achieving efficiencies, and improving productivity are examples of what may happen through voluntary intergovernmental cooperation. To achieve these results, however, it is critical that local governments



*The Pittsburgh Public Theater, which had its inaugural season in late 1975, has developed into a performing arts resource that produces professional resident theater of the highest quality, with a repertory that includes classics (Photo: *Death of a Salesman* by Arthur Miller), contemporary works, and new plays.*

become aware of the benefits of successful cooperative efforts.

In support of this study, the Trustees of the Richard King Mellon Foundation approved a grant of \$65,000 to the Allegheny Conference on Community Development.

Cultural Affairs

During 1980, the Trustees approved grants to provide operating support for three performing arts organizations in the Pittsburgh area.

The Pittsburgh Public Theater is a professional resident theater company dedicated to staging high quality productions. Its objective is to build an audience that will support overall theatrical quality rather than individual popular productions only. During its first five seasons, the Public Theater has been very

successful in expanding both the number of plays and the number of performances given. Attendance during its fifth season averaged over 96 percent of capacity.

The goal of the Pittsburgh Public Theater is to mature into a professional production company which will be one of the Nation's major performing arts institutions. In 1980, during its sixth season, the Public Theater took an essential step to reach this goal and made the transition from a part-time to a full-time production organization. The Public Theater will operate on a twelve-month basis and will present six mainstage productions, each production playing for six and one-half weeks.

It is clearly evident that the Pittsburgh Public Theater has developed



Point Counterpoint II, the American Wind Symphony Orchestra's floating center for the arts, is based in Pittsburgh during the summers. In the fall of 1981 it will leave to start a winter season touring program and cultural exchange among Caribbean and Central American countries.

into a performing arts resource that is making a positive contribution to the quality of life in Pittsburgh by producing professional resident theater of the highest quality with a repertory that includes classics as well as contemporary works and new plays.

In recognition of its success and contributions to Pittsburgh's cultural environment, the Trustees of the Richard King Mellon Foundation approved a grant of \$58,000 to the Pittsburgh Public Theater Corporation to help underwrite its sixth season.

Since 1957, 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 the Mississippi Rivers. Talented young musicians are selected from universities all over the world for each summer's performances.

In 1976, in celebration of this Country's 200th Anniversary, the American Wind Symphony Orchestra performed on the coastal and inland waterways of the United States. A self-propelled barge, *Point Counterpoint II*, designed and built as a floating center for the arts, includes two theaters, an art gallery, a crafts exhibit, and a stage for the Orchestra.

Point Counterpoint II, now based in Pittsburgh, will be used for waterfront performances on regional waterways by the Orchestra and other performing arts groups.

In the late fall of 1981, it is hoped that *Point Counterpoint II* will leave North American waters for the first

time to start an extended touring program of concerts, resident training, and cultural exchange among Caribbean and Central American countries.

Although communities visited by *Point Counterpoint II* contribute toward program costs, funds are also required from outside sources. With this in mind, the Trustees of the Foundation approved a grant of \$45,000, payable over a three-year period, to the American Wind Symphony Orchestra.

The third performing arts organization selected for support in 1980 was the Pittsburgh Ballet Theater which was founded in 1970 as an independent organization to develop area talent and to fill the need for professional dance arts in western Pennsylvania. The Ballet stages ninety performances a year on tour in and outside of the United States.

The rapid growth and success of the Pittsburgh Ballet Theater during its first ten years has placed it among the eight major ballet companies in the United States. Recognizing that the economic structure of most performing arts groups makes it impossible to survive without public support, and acknowledging that the Pittsburgh Ballet Theater has developed as one of the national ballet theaters, the Trustees of the Richard King Mellon Foundation approved an operating grant of \$40,000 which will also be applied toward the three-year challenge grant of \$150,000 which the Ballet Theater was recently awarded by the National Endowment for the Arts.

RICHARD KING MELLON FOUNDATION

The following is a list of grants approved in 1980 for cultural and civic affairs:

Cultural

American Wind Symphony Orchestra Pittsburgh, Pennsylvania Three-year operating support	\$ 45,000
Pittsburgh Ballet Theater, Inc. Pittsburgh, Pennsylvania Incremental support for 1980-81 season and support for 1981-82 season ..	40,000
The Pittsburgh Public Theater Corporation Pittsburgh, Pennsylvania General support	58,000
Westmoreland County Museum of Art Greensburg, Pennsylvania Project support toward matching grant	5,000

Civic Affairs

Allegheny Conference on Community Development Pittsburgh, Pennsylvania Operating support	20,000
Toward study into greater cooperation among local governments in Allegheny County	65,000
Unrestricted support	25,000
Committee for Economic Development New York, New York To underwrite study of public and private civic partnerships in Pittsburgh	25,000
County of Allegheny District Attorney's Office Pittsburgh, Pennsylvania To analyze criminal jury trial preemptory challenge system in Allegheny County	25,000
Partners for Livable Places Washington, District of Columbia Three-year support for Economics of Amenity Program	150,000
Pennsylvania Economy League, Inc. Western Division Pittsburgh, Pennsylvania Annual support	12,000
To purchase computer	30,000
The Pittsburgh Foundation Pittsburgh, Pennsylvania Toward corpus of the Ligonier Valley Endowment	65,500
	<u>\$565,500</u>

Appropriations and Grants Paid

Richard King Mellon Foundation

	1980			
	Unpaid at 12/31/79	Approved	Paid	Unpaid at 12/31/80
A Better Chance, Inc. Boston, Massachusetts	\$ 16,000		\$ 16,000	
Academy for Educational Development, Inc. New York, New York		\$ 150,000	150,000	
Allegheny Conference on Community Development Pittsburgh, Pennsylvania	70,000	130,000	170,000	\$ 30,000
Allegheny East Mental Health and Mental Retardation Center, Inc. Pittsburgh, Pennsylvania		60,000	60,000	
Alpha House, Inc. (Conditional) Pittsburgh, Pennsylvania	30,000		30,000	
American Wind Symphony Orchestra Pittsburgh, Pennsylvania		45,000	15,000	30,000
Audubon Society of Western Pennsylvania, Inc. Pittsburgh, Pennsylvania		20,000	20,000	
Boy Scouts of America Westmoreland-Fayette Council Greensburg, Pennsylvania		75,000	75,000	
Carnegie Institute Pittsburgh, Pennsylvania	435,000		435,000	
CEIP Fund, Inc. Lincoln, Massachusetts		20,000	20,000	
Central Blood Bank of Pittsburgh Pittsburgh, Pennsylvania		75,000	75,000	
Children's Home of Pittsburgh Pittsburgh, Pennsylvania		250,000	250,000	
Committee for Economic Development New York, New York		25,000	25,000	
The Conservation Foundation, Inc. Washington, District of Columbia	1,300,000		1,300,000	
County of Allegheny District Attorney's Office Pittsburgh, Pennsylvania		25,000	25,000	
Ducks Unlimited, Inc. Chicago, Illinois	300,000		100,000	200,000
Duquesne University Pittsburgh, Pennsylvania		1,000,000	1,000,000	
Environmental Law Institute Washington, District of Columbia		20,000	20,000	

	1980			Unpaid at 12/31/80
	Unpaid at 12/31/79	Approved	Paid	
Forbes Health System Pittsburgh, Pennsylvania		\$ 80,000	\$ 80,000	
The Forman Schools, Inc. Litchfield, Connecticut	\$ 100,000		100,000	
The Foundation Center New York, New York	30,000		30,000	
Goodwill Industries of Pittsburgh Pittsburgh, Pennsylvania	55,000	15,000	70,000	
Harmarville Rehabilitation Center, Inc. Pittsburgh, Pennsylvania		150,000	150,000	
Harvard University Cambridge, Massachusetts	500,000		500,000	
Health and Welfare Planning Association Pittsburgh, Pennsylvania		32,000	32,000	
Housing Opportunities, Inc. McKeesport, Pennsylvania	62,000		32,000	\$ 30,000
The Hunger Action Coalition, Inc. Pittsburgh, Pennsylvania		15,500	15,500	
Institute for Environmental Mediation Seattle, Washington		450,000	150,000	300,000
Job Advisory Service, Inc. Pittsburgh, Pennsylvania		15,000	15,000	
Latrobe Area Hospital Latrobe, Pennsylvania	500,000	100,000	600,000	
Lemington Home for the Aged (Conditional) Pittsburgh, Pennsylvania	100,000			100,000
Loyalhanna Watershed Association, Inc. Ligonier, Pennsylvania	20,000		10,000	10,000
Marine Biological Laboratory Woods Hole, Massachusetts	120,000		60,000	60,000
Mayo Foundation Rochester, Minnesota	58,000	500,000	158,000	400,000
National Audubon Society New York, New York		10,000	10,000	
National Hemophilia Foundation Western Pennsylvania Chapter Pittsburgh, Pennsylvania		6,800	6,800	
National Merit Scholarship Corporation Evanston, Illinois	108,345	230,000	137,490	200,855
The Nature Conservancy Arlington, Virginia	3,000,000	15,100,000	3,100,000	15,000,000

APPROPRIATIONS AND GRANTS PAID

	1980			
	Unpaid at 12/31/79	Approved	Paid	Unpaid at 12/31/80
Negro Educational Emergency Drive Pittsburgh, Pennsylvania	\$ 50,000		\$ 50,000	
Outward Bound, Inc. (Conditional) Greenwich, Connecticut	50,000			\$ 50,000
Parents Anonymous of Pittsburgh Pittsburgh, Pennsylvania	12,500		12,500	
Partners for Livable Places Washington, District of Columbia		\$ 150,000	50,000	100,000
Pennsylvania Association for Retarded Citizens, Inc. Allegheny County Chapter Pittsburgh, Pennsylvania		2,900	2,900	
Pennsylvania Economy League, Inc. Western Division Pittsburgh, Pennsylvania		42,000	42,000	
The Peregrine Fund, Inc. King of Prussia, Pennsylvania ...	50,000		50,000	
Pittsburgh Ballet Theater, Inc. Pittsburgh, Pennsylvania	20,000	40,000	30,000	30,000
The Pittsburgh Foundation Pittsburgh, Pennsylvania	1*	65,500	65,500	1*
The Pittsburgh Public Theater Corporation Pittsburgh, Pennsylvania		58,000	58,000	
Pittsburgh Symphony Society Pittsburgh, Pennsylvania	400,000		100,000	300,000
Point Park College (Conditional) Pittsburgh, Pennsylvania		50,000		50,000
The Quebec-Labrador Foundation, Inc. Ipswich, Massachusetts	112,500		37,500	75,000
Sports Medicine Institute Pittsburgh, Pennsylvania		90,000	40,000	50,000
United Cerebral Palsy Association of the Pittsburgh District Pittsburgh, Pennsylvania		50,000	50,000	
United Negro College Fund, Inc. New York, New York		25,000	25,000	
The United Way of Allegheny County Pittsburgh, Pennsylvania	600,000		300,000	300,000

RICHARD KING MELLON FOUNDATION

	1980			
	Unpaid at 12/31/79	Approved	Paid	Unpaid at 12/31/80
The University of Georgia College of Agriculture Experiment Stations Athens, Georgia		\$ 1,040,000	\$ 316,000	\$ 724,000
University of Montana Foundation Missoula, Montana	\$ 200,000	60,000	110,000	150,000
University of Pittsburgh Pittsburgh, Pennsylvania Center for the Philosophy of Science		250,000	250,000	
Faculty of Arts and Sciences ...		1,200,000	1,200,000	
Graduate School of Business ...		15,000	15,000	
Office of Continuing Education for Women		46,000	46,000	
Vice Chancellor's Office for Public Affairs		15,000	15,000	
Valley School of Ligonier Ligonier, Pennsylvania.....		50,000	50,000	
Visiting Nurse Association of Allegheny County Pittsburgh, Pennsylvania		45,000	45,000	
Western Pennsylvania Conservancy Pittsburgh, Pennsylvania	31,000	1,000,000	1,015,000	16,000
Westmoreland County Museum of Art Greensburg, Pennsylvania		5,000	5,000	
The Wilderness Society Washington, District of Columbia.....		625,000	625,000	
The Wildlife Conservation Fund of America Columbus, Ohio	300,000		150,000	150,000
Woods Hole Oceanographic Institution Woods Hole Massachusetts		250,000	250,000	
World Wildlife Fund, Inc. Washington, District of Columbia.....		125,000	125,000	
Totals	<u>\$8,630,346</u>	<u>\$23,898,700</u>	<u>\$14,173,190</u>	<u>\$18,355,856</u>

*See Note 3 on page 48

Statement of Net Assets

December 31, 1980

Richard King Mellon Foundation

Cash and receivables		\$ 3,432,636
Investments at market quotations:		
Common stocks	\$240,002,442	
Temporary investments	51,352,609	
Long-term debt instruments	<u>35,589,126</u>	326,944,177
Program-related investment, at cost:		
Pittsburgh Historical Collection		<u>22,331</u>
Total assets		330,399,144
Less amounts reserved for:		
Grants approved but not paid	18,355,856	
Federal excise tax	<u>587,920</u>	<u>18,943,776</u>
Net assets		<u>\$311,455,368</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, 1980	Cumulative from Inception on November 14, 1947 to December 31, 1980
Contributions received . . .		\$134,714,949
Realized gain from disposition of investments	\$18,988,137	88,638,790
Unrealized appreciation on investments, at market quotations	24,850,673	125,371,521
	43,838,810	348,725,260
Investment income	\$18,918,729	\$146,588,278
Less:		
Administrative and investment expenses	1,399,454	13,669,581
Provisions for federal excise tax	550,000	4,008,278
	<u>1,949,454</u>	<u>17,677,859</u>
Net income	16,969,275	128,910,419
Grants paid	<u>14,173,190</u>	<u>147,824,455</u>
Excess (deficiency) of net income over grants paid	<u>2,796,085</u>	<u>(18,914,036)</u>
Increase in fund	<u>\$46,634,895</u>	329,811,224
Less amount reserved for grants approved but not paid		<u>18,355,856</u>
Net assets, December 31, 1980		<u>\$311,455,368</u>

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

Summary of Investments

December 31, 1980

Richard King Mellon Foundation

	Amount at	
	Book Value	Market Quotations at December 31, 1980
COMMON STOCKS		
Aerospace	\$ 1,383,627	\$ 2,311,031
Amusement	951,957	1,495,793
Apparel and textiles	129,228	121,900
Automotive	1,458,686	1,100,675
Banking	2,617,828	3,180,444
Brewing and distilling	37,918	54,275
Broadcasting and cable television	31,697	28,456
Building materials	2,642,586	2,809,675
Business services	529,260	995,300
Chemical	4,277,814	4,819,613
Coal	323,789	422,250
Construction and material handling	1,450,610	1,842,475
Containers	842,249	1,116,511
Cosmetic and household products	4,196,632	4,320,860
Drug	4,378,796	5,504,575
Electrical equipment	4,407,415	4,816,450
Electronics	3,326,572	4,375,928
Farm equipment	652,365	915,438
Food products	3,410,355	3,820,966
Hospital supply	4,311,273	5,892,650
Industrial machinery and materials	2,442,476	3,567,775
Insurance	5,222,102	78,500,998
Merchandising	4,546,987	4,483,990
Multi-industry	1,110,247	1,515,238
Non-ferrous metals and mining	6,384,142	8,484,421
Office equipment and photocopy	7,312,180	10,577,131
Oil and gas	21,678,855	48,995,996
Oil and gas servicing	3,697,045	9,799,726
Paper	527,795	568,087
Photographic	856,666	1,117,050
Public utility—electric	720,241	663,614
Public utility—gas	471,554	706,500
Public utility—telephone, etc.	3,280,523	3,130,888
Publishing and printing	1,465,942	2,346,225
Railroads and other surface transportation	1,623,563	3,200,600
Railroad equipment	937,199	1,382,350
Restaurants and lodgings	1,286,096	1,433,300
Steel	965,682	980,725
Tire and rubber	527,754	536,806
Tobacco	1,626,200	2,175,136
Trucking	113,747	47,275
Other industries	780,219	1,723,917
Foreign equities	3,747,392	4,119,429
TOTAL COMMON STOCKS	112,685,264	240,002,442

	Amount at	
	<u>Book Value</u>	<u>Market Quotations at December 31, 1980</u>
TEMPORARY INVESTMENTS		
Certificates of deposit	\$ 400,000	\$ 400,000
Demand notes	5,325,000	5,325,000
Discount and interest-bearing notes	43,876,332	43,876,332
U.S. Treasury bills	699,033	708,877
Foreign short-term investments	1,040,901	1,042,400
TOTAL TEMPORARY INVESTMENTS ...	<u>51,341,266</u>	<u>51,352,609</u>
LONG-TERM DEBT INSTRUMENTS		
Corporate bonds:		
Financial	4,001,034	3,873,270
Industrial	2,950,124	2,555,906
Public utility—electric	597,043	529,675
Public utility—gas	593,179	575,832
Public utility—telephone, etc.	2,145,659	2,218,265
Total corporate bonds	<u>10,287,039</u>	<u>9,752,948</u>
United States Government obligations	22,019,297	21,015,050
Other long-term obligations	2,830,775	2,486,170
Foreign debt obligations	2,409,015	2,334,958
TOTAL LONG-TERM DEBT INSTRUMENTS	<u>37,546,126</u>	<u>35,589,126</u>
TOTAL INVESTMENTS	<u>\$201,572,656</u>	<u>\$326,944,177</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 was committed to match the total amount of all contributions to the Ligonier Valley Endowment received from November 11, 1977 through December 31, 1980. The Foundation made matching payments of \$173,810 through December 31, 1980, and has paid \$98,600 in 1981 to fulfill its commitment.

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, 1980, 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, 1980, 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, 1980, and the changes in the fund for the year then ended and for the period from November 14, 1947, to December 31, 1980, 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
April 8, 1981

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 1980 Annual Report

