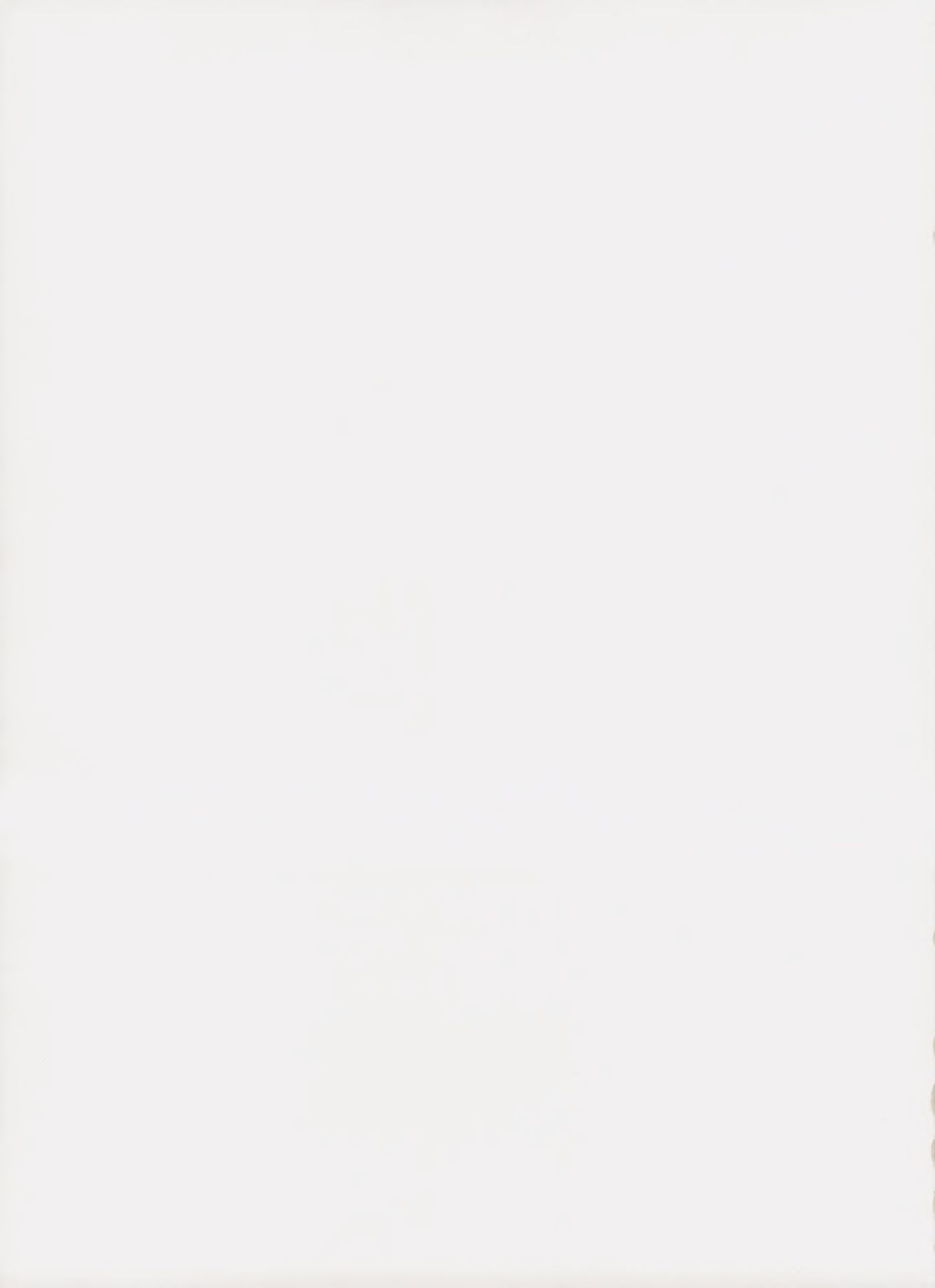


Richard King Mellon Foundation 1986 Annual Report





Richard King Mellon Foundation

1986 Annual Report

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Richard King Mellon Foundation 1986 Annual Report

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Richard King Mellon
1899–1970



Richard King Mellon was born in Pittsburgh, Pennsylvania on June 19, 1899, the son of Richard Beatty Mellon and Jennie King Mellon. Mr. Mellon served his country in both World Wars and in peacetime, attaining the rank of Lieutenant General, United States Army Reserve, and receiving the Distinguished Service Medal. Mr. Mellon was the dominant figure in the financial, industrial, and civic life of his community for many years. He was President of Mellon National Bank and for twenty years Chairman of the Board of Mellon National Bank and Trust Company and, as a director, he aided the growth of many of the Nation's leading enterprises, particularly Gulf Oil Corporation and Aluminum Company of America.

Mr. Mellon, Founder, President and Governor of T. Mellon and Sons, inspired and led the rebirth of a great American city. His creative energies forged the Pittsburgh Renaissance, an architectural, civic, social, and educational masterpiece.

In 1936, Mr. Mellon married the former Constance Mary Prosser, who served as Chairman of the Board of Trustees of the Richard King Mellon Foundation from its inception in 1947 until her death in 1980.

A renowned sportsman, Mr. Mellon generously endeavored to preserve the quality of the natural environment and to protect its wildlife.

Mr. Mellon died on June 3, 1970.

Richard King Mellon Foundation

The Richard King Mellon Foundation, a private grantmaking foundation located in Pittsburgh, Pennsylvania, was created on November 14, 1947, by Lieutenant General Richard King Mellon of Pittsburgh and Ligonier, Pennsylvania. The sole purpose of the Foundation is to make grants for such philanthropic purposes as, in the best judgment of the Trustees, are in the public interest.

Approximately every five years, the Trustees and Officers of the Richard King Mellon Foundation make a concerted effort to examine their goals, objectives, and priorities in an attempt to insure the most efficient use of the resources under their stewardship. The most recent review was conducted in 1982, at which time the Trustees reaffirmed that the improvement of the quality of life in Pittsburgh and western Pennsylvania is the Foundation's foremost priority. This conviction to concentrate the Foundation's philanthropic resources on the betterment of this geographic area is an overriding consideration in evaluating grant requests in all program categories with the exception of conservation, which remains both a local and national effort.

The Trustees' well-established interest in conservation remains specifically in the areas of land acquisition and wildlife preservation. It is intended that conservation will be the Foundation's primary program thrust and, in addition to being pursued on a local basis, it will remain the Foundation's primary interest outside of Pittsburgh and western Pennsylvania.

The field of education, an area of major interest to the Trustees throughout the years, will continue to be emphasized in the future. Support for undergraduate higher education will be restricted to selected institutions in the immediate Pittsburgh vicinity. Certain programs at leading graduate schools nationwide may be of interest, and undertakings in primary and secondary education continue to be reviewed on a selective basis.

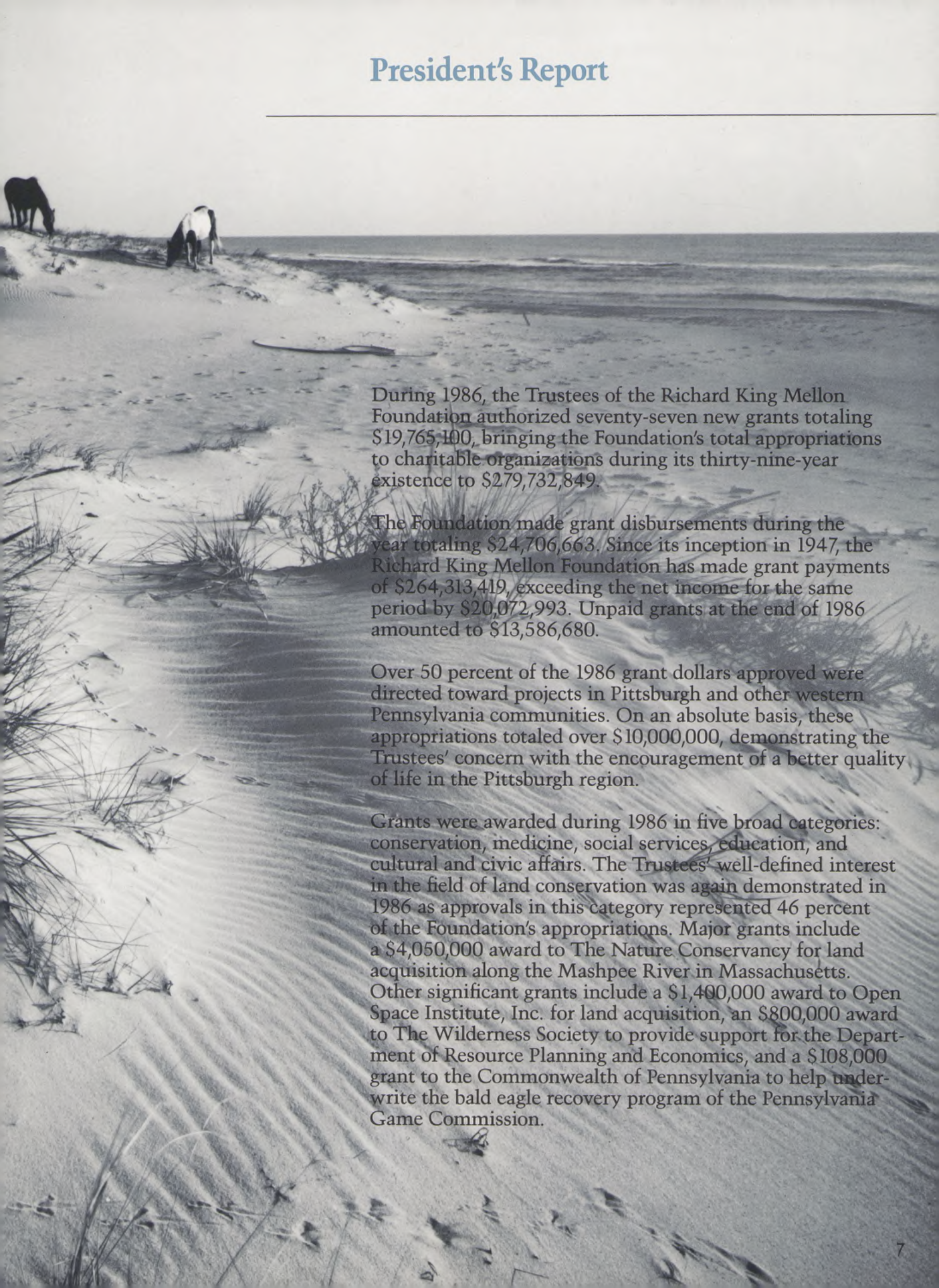
Significant emphasis will be placed on organizations operating in the social services field, a sector comprised of many agencies confronted with significant program and budget curtailments. The Trustees will continue to concentrate on organizations improving the quality of life in Pittsburgh and western Pennsylvania, with a special interest in serving youth and the elderly.

Medicine, cultural activities, and civic affairs are recognized as essential to the quality of life in Pittsburgh, but are considered to be secondary priorities of the Foundation. Involvement in these activities will be concentrated in Pittsburgh and western Pennsylvania, however, with the increasing demands being placed upon the Foundation's resources, the scope of interest has narrowed considerably.

TRUSTEES, RICHARD KING MELLON FOUNDATION



President's Report



During 1986, the Trustees of the Richard King Mellon Foundation authorized seventy-seven new grants totaling \$19,765,100, bringing the Foundation's total appropriations to charitable organizations during its thirty-nine-year existence to \$279,732,849.

The Foundation made grant disbursements during the year totaling \$24,706,663. Since its inception in 1947, the Richard King Mellon Foundation has made grant payments of \$264,313,419, exceeding the net income for the same period by \$20,072,993. Unpaid grants at the end of 1986 amounted to \$13,586,680.

Over 50 percent of the 1986 grant dollars approved were directed toward projects in Pittsburgh and other western Pennsylvania communities. On an absolute basis, these appropriations totaled over \$10,000,000, demonstrating the Trustees' concern with the encouragement of a better quality of life in the Pittsburgh region.

Grants were awarded during 1986 in five broad categories: conservation, medicine, social services, education, and cultural and civic affairs. The Trustees' well-defined interest in the field of land conservation was again demonstrated in 1986 as approvals in this category represented 46 percent of the Foundation's appropriations. Major grants include a \$4,050,000 award to The Nature Conservancy for land acquisition along the Mashpee River in Massachusetts. Other significant grants include a \$1,400,000 award to Open Space Institute, Inc. for land acquisition, an \$800,000 award to The Wilderness Society to provide support for the Department of Resource Planning and Economics, and a \$108,000 grant to the Commonwealth of Pennsylvania to help underwrite the bald eagle recovery program of the Pennsylvania Game Commission.

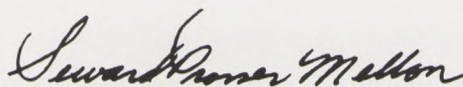
Major awards in the field of medicine include a \$3,000,000 grant to the University of Pittsburgh to provide operating support for the Pittsburgh Cancer Institute, a \$300,000 grant to the University of Pittsburgh Department of Biological Sciences to help underwrite research regarding middle-ear infections, a \$250,000 grant to the Eye & Ear Health Corporation toward construction of the Ophthalmic Research Center, and grants of \$250,000 each to Mercy Hospital for its cardiac rehabilitation program and Latrobe Area Hospital to assist with physician recruitment.

Significant grants to social service organizations in 1986 include a \$750,000 grant to The United Way of Allegheny County to provide three-year support, a conditional \$350,000 award to Community Human Services Corporation to provide an endowment to help underwrite its activities at Wood Street Commons, a \$250,000 grant to The Wesley Institute, Inc. toward the acquisition and renovation of its educational facilities, and a \$100,000 grant to the Allegheny County Association for Children with Learning Disabilities toward its capital campaign for the purchase and renovation of its headquarters building.

Educational grants include a \$550,000 award to the National Merit Scholarship Corporation to underwrite the continuation of the Richard King Mellon Scholarship Program, a \$250,000 award to Carnegie-Mellon University to be applied toward the President's Discretionary Fund, and capital grants of \$500,000 to The Ellis School and \$250,000 to Sewickley Academy. A \$100,000 award was also granted to the Allegheny Conference on Community Development to provide two-year support for the Allegheny Conference Education Fund.

Cultural awards include a \$500,000 conditional grant to the Buhl Science Center for the construction of the new science center, and a \$500,000 grant toward the capital campaign of the Metropolitan Pittsburgh Public Broadcasting, Inc.

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 \$586,726,095 to \$684,366,808 during 1986.



Seward Prosser Mellon
President

**1986 Grants Approved
By Category**

Conservation	\$ 9,043,000	46%
Medicine	4,473,000	23
Social Services	2,215,000	11
Education	2,143,100	11
Cultural & Civic Affairs	1,891,000	9
	<hr/>	
	\$19,765,100	100%

By Area

Pittsburgh	\$ 9,201,100	47%
Western Pennsylvania	963,000	5
Other	9,601,000	48
	<hr/>	
	\$19,765,100	100%

1947-1986 Net Income and Grants Paid

Net Income		Grants Paid	
1947-1985	\$227,189,415	1947-1985	\$239,606,756
1986	17,051,011	1986	24,706,663
	<hr/>		<hr/>
	\$244,240,426		\$264,313,419

Conservation

Since its founding in 1935, The Wilderness Society has focused its work entirely on the preservation of the Nation's vast heritage of public lands, approximately one million square miles of national parks, forests, wildlife refuges, and other lands.



During 1986, the Trustees of the Richard King Mellon Foundation continued to place major emphasis on conservation. Twenty-one grants totaling \$9,043,000, or 46 percent of the Foundation's 1986 grant approvals, were made for conservation projects. Conservation represents the largest area of activity for the Foundation during the year.

Land conservation and resulting 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 land from development and to assist in wildlife preservation.

Since its founding in 1935, The Wilderness Society has focused its work entirely on the preservation of the Nation's vast heritage of public lands, approximately one million square miles of national parks, forests, wildlife refuges and other lands.

The Wilderness Society has become a leader within the conservation community for its ability to integrate sound resource analysis and public education. In 1981, with a grant from the Richard King Mellon Foundation, The Wilderness Society became the first national environmental organization to establish an economic policy department, thus bringing a new and much needed discipline to land preservation and management issues.

More recently, the Society has focused its analytical team of resource economists, ecologists, foresters, and lawyers on the long-range management plans now being issued by the United States Forest Service for each of the 155 national forests. Once final, these plans will guide the future use of the forests over the next half century. Nationwide, The Wilderness Society has undertaken detailed

critiques of key forest plans, studying the economic and physical suitability of the forest lands for logging and the effects that the plans will have on wildlife habitat, biological diversity, watershed protection, recreation and wilderness.

Increasingly, the Society is focusing on developing ecosystem management principles. Its goal is to protect the few remaining large, natural ecosystems in this country from further fragmentation, development and pollution. Many of these areas, such as Greater Yellowstone, the Everglades, the Mojave Desert, and the Pacific Northwest old-growth forests, include national parks surrounded by other federal lands.

In recognition of the need for sound, factually based resource policy analysis to support successful conservation initiatives, the Trustees of the Richard King Mellon Foundation approved a grant of \$800,000 to The Wilderness Society. Drawing on experience with individual national forest plans, the Society will prepare a series of analytical papers on generic issues critical to the future management of the entire national forest system. The grant will also enable

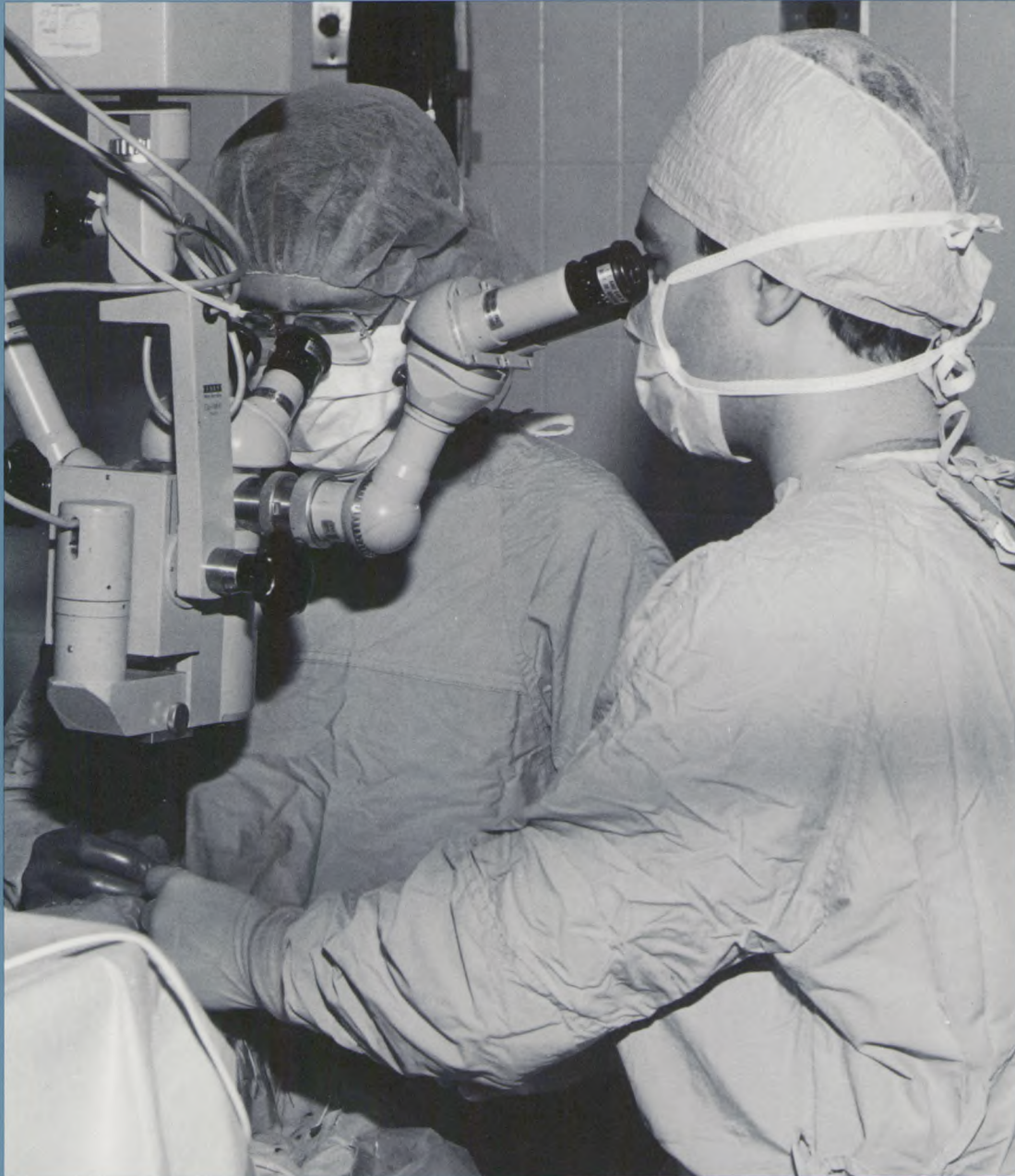
the Society to evaluate, both from an economic and ecological standpoint, the resources of millions of acres of western wildlands being studied for wilderness protection by the Bureau of Land

Management, and the Department of Interior's recommendation to open the Arctic National Wildlife Refuge in Alaska to oil and gas development.

The following is a list of grants approved in 1986 for conservation activities:

Alliance to Save Energy Washington, District of Columbia <i>Energy efficiency demonstration project</i>	\$ 5,000
American Farmland Trust Washington, District of Columbia <i>Farmland protection revolving fund</i>	150,000
American Wilderness Alliance Englewood, Colorado <i>Operating support</i>	150,000
Boone & Crockett Club Alexandria, Virginia <i>To purchase and develop the Theodore Roosevelt Memorial Ranch</i>	500,000
Commonwealth of Pennsylvania Harrisburg, Pennsylvania <i>Toward Pennsylvania Game Commission Bald Eagle Recovery Program</i>	108,000
Cornell University James A. Baker Institute for Animal Health Ithaca, New York <i>Capital campaign</i>	100,000
Craighead Wildlife-Wildlands Institute, Inc. Missoula, Montana <i>Operating support</i>	500,000
Inform, Inc. New York, New York <i>Operating support</i>	200,000
Loyalhanna Watershed Association, Inc. Ligonier, Pennsylvania <i>Operating support</i>	25,000
National Audubon Society New York, New York <i>Toward land acquisition</i>	150,000

National Fish and Wildlife Foundation Washington, District of Columbia	
<i>Operating support</i>	\$50,000
The Nature Conservancy Arlington, Virginia	
<i>Coachella Valley film project</i>	75,000
<i>Mashpee River corridor protection project</i>	4,050,000
Open Space Institute, Inc. New York, New York	
<i>Land preservation activities in the Catskills</i>	1,400,000
Oregon Land Use Project Portland, Oregon	
<i>Two-year operating support</i>	50,000
Southern Illinois University Cooperative Wildlife Research Laboratory Carbondale, Illinois	
<i>Research of Key Deer</i>	100,000
University of Vermont Department of Botany Burlington, Vermont	
<i>To continue research on the effects of acid precipitation on forest ecosystems</i>	300,000
The Izaak Walton League of America, Inc. Arlington, Virginia	
<i>Capstone Hunting Ethics Program Planning</i>	50,000
Western Pennsylvania Conservancy Pittsburgh, Pennsylvania	
<i>To assist fundraising activities for Fallingwater</i>	30,000
The Wilderness Society Washington, District of Columbia	
<i>Operating support for Department of Resource Planning and Economics</i>	800,000
The Wildlife Conservation Fund of America Columbus, Ohio	
<i>Toward Project What's Right campaign</i>	250,000
Total	\$9,043,000



The Trustees of the Foundation approved a second grant of \$3,000,000 for the Pittsburgh Cancer Institute which was established in 1983. Under the leadership of nationally recognized basic and clinical scientists, the comprehensive center applies the latest knowledge to the diagnosis and treatment of all types of cancer.

During 1986, the Trustees of the Richard King Mellon Foundation approved nine grants in this category totaling \$4,473,000, or 23 percent of the Foundation's 1986 grant approvals.

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 highly selective. Total approvals in this category in 1986 were unusually large on an annual basis due to several major grants, including a \$3,000,000 commitment to support the Pittsburgh Cancer Institute, a \$300,000 award to the University of Pittsburgh for research to develop a vaccine for middle-ear infection, and a \$250,000 grant to the Eye & Ear Health Corporation toward construction of the Ophthalmic Research Center.

Cancer continues to be a major national health problem, affecting three of four families directly and countless others indirectly. It is estimated that 870,000 Americans will learn that they have cancer during the coming year alone. In western Pennsylvania, which has a general cancer rate above the national average and particularly high rates of lung and gastrointestinal cancer, the situation is even more critical. Yet historically, western Pennsylvania was one of the few regions in the United States without a comprehensive, up-to-date facility for cancer patients. The limited facilities that were available were not supported by well focused research, even though the treatment alternatives for most forms of cancer are at this point still experimental.

For these reasons and with the support of a \$3,000,000 start-up grant from the Richard King Mellon Foundation in 1983, a consortium of the University of Pittsburgh, Carnegie-Mellon University, and the six hospitals comprising the University Health Center of Pittsburgh established the Pittsburgh Cancer Institute, a comprehensive center dedicated

to applying the latest knowledge to the diagnosis and treatment of all types of cancer.

Remarkable progress has been made at the Pittsburgh Cancer Institute since its establishment only three years ago. More than ninety staff and faculty members have been hired, and associate directors have been recruited for all of the major organizational areas, including medical oncology, cancer nursing and patient care services, surgical oncology, radiation oncology, basic research, epidemiology and preventive oncology, and administration.

Basic and Applied Research

The Institute has attracted a talented group of clinicians and researchers from medical and scientific centers nationwide, many of whom have transferred their funded research projects to the Institute. In addition, projects developed by scientists and clinicians at the Institute stand on their own merit and already have received substantial support from federal and private sources.

Basic research, with a strong emphasis

on immunology and molecular biology is laying the foundation for a number of important clinical trials, especially in the new and promising area of biological response modifiers, substances that can trigger the body's immune system to fight cancers. In recent months, five new clinical trials of various modifiers have been implemented at the Institute, including the first United States clinical testing of a promising Japanese anticancer drug, Picibanil, through an exclusive contract with a Japanese drug manufacturer.

More traditional forms of therapy are being explored at the Pittsburgh Cancer Institute, including studies on the development of more effective methods of chemotherapy, alone or in combination with surgical techniques. New uses for nuclear magnetic resonance, or NMR imaging, are also being investigated through the Pittsburgh Nuclear Magnetic Resonance Institute in the hope of detecting cancers earlier and monitoring new cancer therapies more effectively.

Clinical and Diagnostic Facilities

A new ambulatory care center for adult cancer patients will soon be opening in a remodeled section of Falk Clinic, and Children's Hospital of Pittsburgh has undergone special preparations for the care of young cancer patients. Each of the hospitals affiliated with the Medical and Health Care Division of the University of Pittsburgh has been developing protocol areas to carry out the high level of patient monitoring required by cancer care. Plans to create a new radiation oncology center are under way to insure that modern radiotherapy resources are fully integrated with the delivery of other

cancer treatment methods such as medical and surgical oncology.

Education, Training, and Community Outreach

The joint M.D./Ph.D. Program offered by the University of Pittsburgh and Carnegie-Mellon University has attracted federal funding enabling the Pittsburgh Cancer Institute to continue to benefit from and contribute to this combined degree program designed for exceptionally talented students who have a clear interest in pursuing a career in medical research.

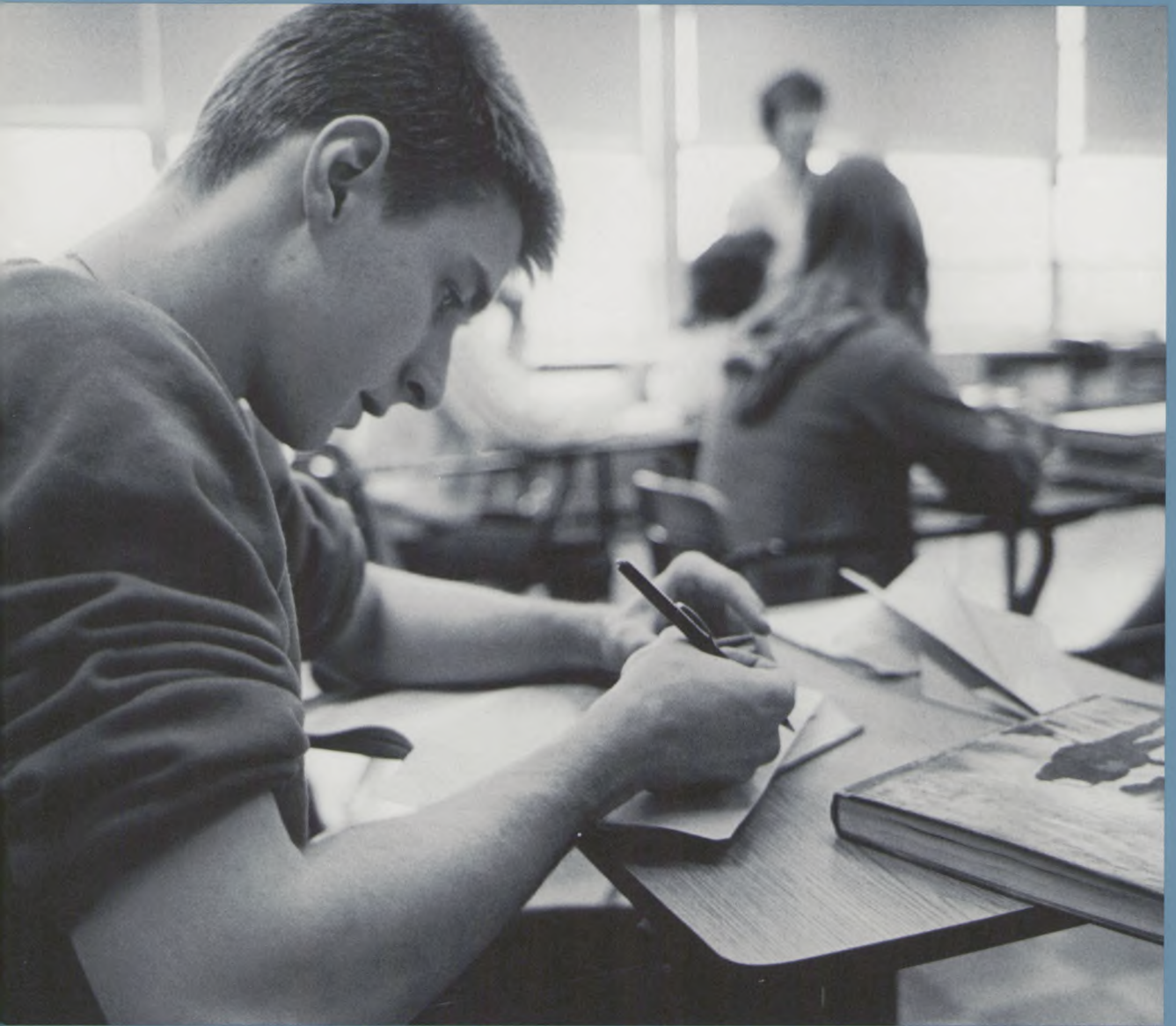
The Pittsburgh Cancer Institute is also developing a public education program that deals with cancer prevention, diagnosis, and treatment. The regional nursing community benefits from the Institute's courses and curriculum in oncological nursing care and patient education issues. Cancer education among health care professionals and the public continues to be one of the highest priorities of the Pittsburgh Cancer Institute.

In 1983, recognizing the potential impact a successful cancer center could have on the quality of life in Pittsburgh and the surrounding region, the Trustees of the Richard King Mellon Foundation approved a \$3,000,000 grant to provide three-year support to launch the Pittsburgh Cancer Institute. In 1986, the Trustees of the Foundation approved a second grant of \$3,000,000 to insure that the Pittsburgh Cancer Institute continues to become an internationally recognized center for the prevention, diagnosis, management, and innovative treatment of many forms of cancer.

The following is a list of grants approved in 1986 for medical programs:

Association of Professors of Medicine Philadelphia, Pennsylvania <i>Operating support for Task Force on Internal Medicine Manpower</i>	\$ 188,000
Dubois Regional Medical Center Dubois, Pennsylvania <i>Support for the Hahne Regional Cancer Center</i>	10,000
Eye & Ear Health Corporation Pittsburgh, Pennsylvania <i>Toward construction of the Ophthalmic Research Center</i>	250,000
The Albert B. Ferguson, Jr., M.D. Orthopaedic Foundation Pittsburgh, Pennsylvania <i>Endowment support</i>	25,000
Latrobe Area Hospital Latrobe, Pennsylvania <i>To assist physician recruitment</i>	250,000
Mercy Hospital Pittsburgh, Pennsylvania <i>Cardiac rehabilitation program</i>	250,000
National Academy of Sciences Institute of Medicine Washington, District of Columbia <i>Operating support</i>	200,000
University of Pittsburgh Pittsburgh, Pennsylvania <i>Operating support of Pittsburgh Cancer Institute</i>	3,000,000
<i>Toward research program for middle-ear infection vaccine in Department of Biological Sciences</i>	300,000
Total	\$4,473,000

Social Services



The Allegheny County Association for Children and Adults with Learning Disabilities provides multifaceted services for children, adolescents, and adults who have learning disabilities that can be overcome through proper intervention and training programs.

Awards to various organizations in the social services field totaled \$2,215,000, or 11 percent of the Foundation's 1986 grant approvals. In accordance with the Foundation's geographic restrictions on grants in this program category, virtually all awards made during 1986 were directed toward support for improvement in the provision and delivery of social services to citizens of Allegheny County and southwestern Pennsylvania. The Trustees of the Foundation have expressed a particular interest in serving the youth and the elderly.

The largest social services grant approved in 1986 was a \$750,000 award to The United Way of Allegheny County representing three-year campaign support. Community Human Services Corporation received a conditional endowment grant of \$350,000 to help underwrite support activities in the single room occupancy facility at Wood Street Commons. Other social services grants provided program or capital support for agencies serving children and youth, the mentally or physically handicapped, the homeless, and those seeking employment.

It is estimated that there are more identified learning disabled children and adolescents in the United States than the combined total of all children identified as deaf, blind, emotionally disturbed, retarded, or multihandicapped. The United States Office of Education estimates that there are two million school age children with a learning disability receiving specialized services. Many special education authorities feel that learning disabled adults comprise the majority of the illiterate individuals in the United States today.

A learning disability is a neurologically based handicap which prevents an individual from meaningfully processing information and can significantly affect an individual's academic achievement, ability to secure and hold employment, and feeling of self worth. Research has documented that a vast number of societal problems, such as school drop-outs, juvenile delinquency, unemployment, illiteracy, and substance abuse

are the direct result of undiagnosed or untreated learning disabilities.

A learning disability is a handicap that cannot be seen or easily detected, thus delaying diagnosis and intervention. The prognosis for a productive life can be enhanced through the use of proper intervention and training programs specifically designed and based upon the individual's strengths and weaknesses.

The Allegheny County Association for Children and Adults with Learning Disabilities was incorporated in 1968 and provides multifaceted services for learning disabled children, adolescents, and adults. The agency operates a fully accredited elementary through post-secondary education program, a diagnostic clinic, an adult prevocational program, and an information and referral service.

The Association actively promotes the educational and general welfare of learning disabled people in the Pittsburgh area

and serves many of the most severely learning disabled clients that public schools are unable to serve. The Association is also drawing attention to the growing concern of adult illiteracy, and is committed to providing programming for illiterate learning disabled adults, especially those who are displaced workers.

The Trustees of the Richard King Mellon Foundation approved a grant of \$100,000 to the Allegheny County Association for Children with Learning Disabilities to assist with the purchase and renovation of a public school facility in which the Association conducts most of its activities on behalf of the learning disabled population.

The following is a list of grants approved in 1986 for social services programs:

Adelphoi Latrobe, Pennsylvania <i>Toward capital campaign</i>	\$ 175,000
Allegheny County Association for Children with Learning Disabilities Pittsburgh, Pennsylvania <i>Toward purchase of school building</i>	100,000
American Cancer Society Greater Pittsburgh Unit Pittsburgh, Pennsylvania <i>To produce videotapes regarding childhood cancer (Conditional)</i>	50,000
American National Red Cross Pittsburgh-Allegheny County Chapter Pittsburgh, Pennsylvania <i>Flood relief</i>	50,000
Bethlen Home of the Hungarian Reformed Federation of America Ligonier, Pennsylvania <i>Operating support</i>	50,000
<i>Toward facility improvements</i>	50,000
Care Break Pittsburgh, Pennsylvania <i>Operating support</i>	20,000
Community Human Services Corporation Pittsburgh, Pennsylvania <i>Endowment to underwrite activities at Wood Street Commons (Conditional)</i>	350,000

The Dole Foundation Washington, District of Columbia <i>Program support</i>	\$25,000
Health Research and Services Foundation Pittsburgh, Pennsylvania <i>Toward purchase of mobile health testing vans (Conditional)</i>	30,000
Job Advisory Service, Inc. Pittsburgh, Pennsylvania <i>Operating support</i>	10,000
Mon-Yough Community Social Services, Inc. McKeesport, Pennsylvania <i>Toward renovation of sheltered workshop</i>	25,000
Salvation Army Pittsburgh, Pennsylvania <i>Flood relief</i>	50,000
The United Way of Allegheny County Pittsburgh, Pennsylvania <i>Campaign support for 1986, 1987 and 1988</i>	750,000
The Wesley Institute, Inc. Pittsburgh, Pennsylvania <i>Toward acquisition and renovation of facilities</i>	250,000
Western Pennsylvania Caring Foundation, Inc. Pittsburgh, Pennsylvania <i>To help provide insurance for children of the unemployed</i>	75,000
Westmoreland Girl Scout Council, Inc. Greensburg, Pennsylvania <i>Property improvements</i>	38,000
YMCA McKeesport McKeesport, Pennsylvania <i>Toward capital needs at headquarters and camp</i>	75,000
Youth Guidance, Inc. Pittsburgh, Pennsylvania <i>Operating support</i>	27,000
Youth Opportunity Unlimited Pittsburgh, Pennsylvania <i>To provide meals for the homeless</i>	15,000
Total	\$2,215,000



The Allegheny Conference Education Fund, established in 1979 to reduce the isolation of the Pittsburgh Public Schools from the broader community, has become the model after which forty-three local education funds have been patterned nationwide.

During 1986, the Trustees of the Richard King Mellon Foundation approved ten grants in this category totaling \$2,143,100, or 11 percent of the Foundation's 1986 grant approvals.

The Trustees maintain a major interest in the field of education, with higher education remaining the primary focus. Support for undergraduate higher education will continue to be restricted to selected institutions in the immediate Pittsburgh vicinity. Certain programs at leading graduate schools nationwide may also be of interest. The Foundation continues to maintain an interest in local public, primary and secondary education where private funding seems appropriate.

During 1986, primary and secondary education, both public and private, benefited significantly. The Ellis School received a grant of \$500,000 for its capital campaign, Valley School of Ligonier was awarded \$350,000 to be applied to its modernization program, and Sewickley Academy received \$250,000 toward its capital campaign. Higher education also received support from the Foundation in 1986, with a contribution of \$250,000 to the President's Discretionary Fund at Carnegie-Mellon University and three grants totaling \$140,000 to the University of Pittsburgh.

Following almost two years of planning, the Allegheny Conference Education Fund was established in 1979 by the Allegheny Conference on Community Development, a civic association focusing on regional economic development and downtown improvement. The Allegheny Conference Education Fund was organized with the primary goal of reducing the isolation of the Pittsburgh Public Schools from the broader community.

The Fund was created as a flexible vehicle to develop positive working relationships between the schools and the City's business, government, and civic leaders. It is intended to increase community confidence in the school

system and to channel a limited amount of private dollars into a range of efforts to support the schools.

Among the programs that the Fund administers are the following:

- 1) Mini-grants for Teachers program awards grants directly to teachers for the purpose of carrying out innovative projects with their students.
- 2) Grants for Principals program provides small grants to a school's leadership to implement building-wide programs.
- 3) Partnerships in Education program assists local corporations and businesses to "adopt" a school and develop a cooperative learning relationship.

4) Educator-in-Residence program brings nationally prominent figures to Pittsburgh to address education related issues.

The Fund is also involved in a variety of other initiatives including the convening of an ad hoc committee to develop strategies to assure adequate and appropriate financing for public schools, a counselor education project, and a public schools advocacy program. Equally important, the Fund has convened community leadership for improved public education in the City.

The Pittsburgh grantmaking community has enthusiastically responded with support for the Education Fund initiatives that have helped make the Pittsburgh Public Schools one of the best urban

school systems in the Nation. Through its first eight years of operation, the Education Fund has provided direct benefits to students and staff through specific programs, improved public perceptions of the schools, and expanded school relationships with the business community. The success of the Allegheny Conference Education Fund attracted national attention and led to the establishment in 1983 of the Public Education Fund that has now provided grant and technical assistance to forty-three local education funds nationwide. Many of these funds are modeled after the Allegheny Conference Education Fund and are attempting, at an affordable and sustainable private sector cost, to link their urban public school systems with the business and civic leadership of their cities.

The following is a list of grants approved in 1986 for education programs:

Allegheny Conference on Community Development Pittsburgh, Pennsylvania <i>Two-year support for Allegheny Conference Education Fund</i>	\$ 100,000
Carnegie-Mellon University Pittsburgh, Pennsylvania <i>Toward President's Discretionary Fund</i>	250,000
The Ellis School Pittsburgh, Pennsylvania <i>Capital campaign</i>	500,000
National Merit Scholarship Corporation Evanston, Illinois <i>Scholarship program</i>	550,000
Pittsburgh Public Schools Pittsburgh, Pennsylvania <i>Study of Magnet Program enrollment process</i>	3,100

Sewickley Academy Sewickley, Pennsylvania <i>Capital campaign</i>	\$ 250,000
University of Pittsburgh Pittsburgh, Pennsylvania <i>Two-year operating support for American Experience Program (Conditional)</i>	50,000
<i>Discretionary Fund for the Vice President of Public Affairs</i>	40,000
<i>Toward The Atlas of Pennsylvania</i>	50,000
Valley School of Ligonier Ligonier, Pennsylvania <i>Modernization program</i>	350,000
Total	\$2,143,100

Cultural & Civic Affairs



Metropolitan Pittsburgh Public Broadcasting has successfully completed a \$4.5 million capital campaign to allow the organization to maintain the important qualities that sustain its leadership position as a major production center.

During 1986, the Trustees of the Richard King Mellon Foundation awarded seventeen grants in this category amounting to \$1,891,000, or 9 percent of the 1986 approvals.

The major portion of these funds was awarded for cultural activities, primarily two grants of \$500,000 each to Metropolitan Pittsburgh Public Broadcasting, Inc. and conditionally to the Buhl Science Center. Eleven grants totaling \$1,514,000 were awarded for cultural activities in Pittsburgh and western Pennsylvania, including a three-year commitment of \$285,000 to the Pittsburgh Symphony Society and a \$85,000 award to The Pittsburgh Public Theater Corporation.

Six grants totaling \$377,000 were awarded for civic affairs. Penn's Southwest Association, a catalyst for physical renewal and economic stimulation in the nine-county area of southwest Pennsylvania, received a \$150,000 grant to provide operating support, and the Sail America Foundation for International Understanding received a \$200,000 grant to help underwrite the involvement of *Stars & Stripes* as a challenger in the recent America's Cup competition.

In 1953, WQED-TV was established as the Nation's first community-owned, educational television station. It is now the major component of Metropolitan Pittsburgh Public Broadcasting, Inc. and is a leading production center in public television broadcasting. It has led the Nation in both children's and adult programming since its inception with such favorites as *Mister Rogers' Neighborhood*, *Once Upon A Classic*, *Previn and the Pittsburgh*, and *National Geographic Society Specials*.

WQED is now often considered the standard of excellence for public television across the Nation.

One of the top priorities of WQED is to foster a community spirit through service to its residents and viewers. Toward this end, WQED created Outreach, a concept that uses the power of television to focus

community involvement on an issue of vital concern. For more than ten years, WQED has been producing programs that have been broadcast nationally to mobilize millions of Americans to deal with such problems as substance abuse, child abuse, learning disabilities, and the functionally illiterate. This dedication has never been more evident than with such successful Outreach efforts as *The Chemical People* and *Project Plus*, a campaign against adult illiteracy.

In addition to WQED-TV, Metropolitan Pittsburgh Public Broadcasting also owns and operates a second educational television station, an FM radio station, and publishes a monthly city magazine which parallels its community service activities in broadcasting.

Although engaged in an equipment intensive business, the management of

Metropolitan Pittsburgh Public Broadcasting has always recognized the pre-eminence of its people in determining the quality of its product. But it also recognized that failure to keep at least reasonably current with the rapid technological developments that have characterized the electronic media would impose severe handicaps on even the most talented individuals. For this reason, in 1985, its Board of Directors authorized a \$4.5 million capital campaign to allow the organization to maintain the important qualities that sustain its leadership position as a major production center.

communications industry in future years. The funding priorities are grouped into five major categories: television production and post production equipment, television broadcast equipment, FM radio equipment and facilities, *Pittsburgh* magazine design center and printshop, and building and facilities. The Trustees of the Richard King Mellon Foundation approved a grant in 1986 of \$500,000 to Metropolitan Pittsburgh Public Broadcasting, Inc. to be applied to the highest priorities of the capital campaign.

The campaign addresses equipment and production needs that are both comprehensive and critically needed if WQED is to meet the challenges facing the

Following is a list of grants approved in 1986 for cultural and civic affairs:

Cultural

American Wind Symphony Orchestra Pittsburgh, Pennsylvania <i>Operating support</i>	\$ 45,000
Buhl Science Center Pittsburgh, Pennsylvania <i>Construction of proposed Center of Science (Conditional)</i>	500,000
Carnegie Library of Pittsburgh Pittsburgh, Pennsylvania <i>Restoration of Anderson Memorial</i>	10,000
County of Allegheny Pittsburgh, Pennsylvania <i>To purchase new exhibition cases for Soldiers and Sailors Memorial Hall</i>	10,000

International Poetry Forum Pittsburgh, Pennsylvania <i>Matching funds for Wolf Trap performance series</i>	\$ 9,000
Metropolitan Pittsburgh Public Broadcasting, Inc. Pittsburgh, Pennsylvania <i>Capital campaign</i>	500,000
Pittsburgh Civic Garden Center Pittsburgh, Pennsylvania <i>Toward maintenance of Mellon Park</i>	15,000
The Pittsburgh Public Theater Corporation Pittsburgh, Pennsylvania <i>Operating support</i>	85,000
The Pittsburgh Symphony Society Pittsburgh, Pennsylvania <i>Three-year operating support</i>	285,000
Pittsburgh Youth Symphony Orchestra, Inc. Pittsburgh, Pennsylvania <i>To help underwrite participation in Aberdeen International Youth Festival</i>	40,000
Southern Alleghenies Museum of Art Loretto, Pennsylvania <i>Exhibition support</i>	15,000
Subtotal, Cultural	\$1,514,000

Civic Affairs

Allegheny Conference on Community Development Pittsburgh, Pennsylvania <i>Memorial for Howard B. Stewart</i>	\$ 2,000
Carnegie-Mellon University Pittsburgh, Pennsylvania <i>Operating support for Coalition to Improve Management in State and Local Government</i>	10,000
The Grantmakers of Western Pennsylvania Pittsburgh, Pennsylvania <i>Two-year operating support</i>	5,000

Greater Pittsburgh Charitable Trust Pittsburgh, Pennsylvania <i>Two-year support for Leadership Pittsburgh.....</i>	\$10,000
Penn's Southwest Association Pittsburgh, Pennsylvania <i>Operating support.....</i>	150,000
Sail America Foundation for International Understanding San Diego, California <i>Operating support.....</i>	200,000
Subtotal, Civic Affairs	\$377,000
Total	\$1,891,000

Appropriations and Grants Paid

Richard King Mellon Foundation

	1986			
	Unpaid at 12/31/85	Approved (Rescinded)	Paid	Unpaid at 12/31/86
CONSERVATION				
Alliance to Save Energy Washington, District of Columbia <i>Energy efficiency demonstration project.....</i>		\$5,000	\$5,000	
American Farmland Trust Washington, District of Columbia <i>Farmland protection revolving fund.....</i>		150,000		\$150,000
American Fisheries Society, Inc. Bethesda, Maryland <i>To underwrite Environmental Policy Coordinator.....</i>	\$50,000		50,000	
American Wilderness Alliance Englewood, Colorado <i>Operating support.....</i>		150,000	75,000	75,000
Appalachian Mountain Club Boston, Massachusetts <i>Three-year support for program to strengthen role of volunteers.....</i>	200,000		100,000	100,000
Auburn University School of Veterinary Medicine Auburn, Alabama <i>Three-year research support..</i>	132,000		67,000	65,000
Boone & Crockett Club Alexandria, Virginia <i>To purchase and develop the Theodore Roosevelt Memorial Ranch.....</i>		500,000	500,000	
Commonwealth of Pennsylvania Harrisburg, Pennsylvania <i>Toward Pennsylvania Game Commission Bald Eagle Recovery Program.....</i>		108,000	36,000	72,000

Appropriations and Grants Paid

	1986			
	Unpaid at 12/31/85	Approved (Rescinded)	Paid	Unpaid at 12/31/86
The Conservation Foundation, Inc. Washington, District of Columbia <i>Five-year discretionary funding</i>	\$600,000		\$300,000	\$300,000
Cornell University James A. Baker Institute for Animal Health Ithaca, New York <i>Capital campaign</i>		\$100,000	100,000	
Craighead Wildlife-Wildlands Institute, Inc. Missoula, Montana <i>Operating support</i>	150,000	500,000		650,000
Ducks Unlimited, Inc. Long Grove, Illinois <i>Support for Saskatchewan Heritage Marshes project</i>	750,000		250,000	500,000
The Environmental Law Institute Washington, District of Columbia <i>Three-year operating support</i> ..	20,000		20,000	
Inform, Inc. New York, New York <i>Operating support</i>		200,000		200,000
Land Trust Exchange Mount Desert, Maine <i>Three-year operating support</i> ..	55,000		30,000	25,000
Loyalhanna Watershed Association, Inc. Ligonier, Pennsylvania <i>Operating support</i>		25,000	25,000	
Metropolitan Pittsburgh Public Broadcasting, Inc. Pittsburgh, Pennsylvania <i>To produce two conservation specials each year for three years (Conditional)</i>	2,600,000	(1,800,000)	800,000	

Richard King Mellon Foundation

	1986			
	Unpaid at 12/31/85	Approved (Rescinded)	Paid	Unpaid at 12/31/86
National Audubon Society New York, New York <i>Toward land acquisition</i>		\$150,000		\$150,000
National Fish and Wildlife Foundation Washington, District of Columbia <i>Operating support</i>		50,000	\$50,000	
National Parks & Conservation Association Washington, District of Columbia <i>Three-year operating support .</i>	\$100,000		100,000	
National Water Alliance Washington, District of Columbia <i>Three-year operating support .</i>	10,000		10,000	
Natural Resources Council of America, Inc. Washington, District of Columbia <i>Special project support</i>	25,000		25,000	
The Nature Conservancy Arlington, Virginia <i>National Wetlands Conservation Project</i>	10,000,000		10,000,000	
<i>Coachella Valley film project</i>		75,000	75,000	
<i>Mashpee River corridor protection project</i>		4,050,000	4,050,000	
Open Space Institute, Inc. New York, New York <i>Land preservation activities in the Catskills</i>		1,400,000	1,400,000	
Oregon Land Use Project Portland, Oregon <i>Two-year operating support . .</i>		50,000	50,000	
Southern Illinois University Cooperative Wildlife Research Laboratory Carbondale, Illinois <i>Research of Key deer</i>		100,000		100,000

Appropriations and Grants Paid

	1986			
	Unpaid at 12/31/85	Approved (Rescinded)	Paid	Unpaid at 12/31/86
University of Vermont Department of Botany Burlington, Vermont <i>To continue research on the effect of acid precipitation on forest ecosystems</i>		\$300,000		\$300,000
The Izaak Walton League of America, Inc. Arlington, Virginia <i>Two-year support for national hunter ethics program</i>	\$50,000	50,000	\$50,000	50,000
Western Pennsylvania Conservancy Pittsburgh, Pennsylvania <i>To assist fundraising activities for Fallingwater</i>		30,000	30,000	
The Wilderness Society Washington, District of Columbia <i>Operating support for Department of Resource Planning and Economics</i>		800,000		800,000
The Wildlife Conservation Fund of America Columbus, Ohio <i>Toward Project What's Right campaign</i>		250,000		250,000
Woods Hole Oceanographic Institution Woods Hole, Massachusetts <i>Three-year support for Coastal Research Center</i>	83,000		83,000	
TOTAL - CONSERVATION	\$14,825,000	\$7,243,000	\$18,281,000	\$3,787,000

EDUCATION

Allegheny Conference on Community Development Pittsburgh, Pennsylvania <i>Two-year support for Allegheny Conference Education Fund</i>		\$100,000	\$50,000	\$50,000
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Richard King Mellon Foundation

	1986			
	Unpaid at 12/31/85	Approved (Rescinded)	Paid	Unpaid at 12/31/86
Carnegie-Mellon University Pittsburgh, Pennsylvania <i>Toward President's Discretionary Fund</i>	\$1,500,000	\$250,000	\$1,750,000	
The Ellis School Pittsburgh, Pennsylvania <i>Capital campaign</i>		500,000		\$500,000
Enterprise and Education Foundation Pittsburgh, Pennsylvania <i>Two-year support for Allegheny County activities . .</i>	15,000		15,000	
Mineral Information Institute Pittsburgh, Pennsylvania <i>To support Energy, Resources and Environment curriculum in secondary schools, including the Pittsburgh Public Schools</i>	25,000		25,000	
National Merit Scholarship Corporation Evanston, Illinois <i>Scholarship program</i>	107,993	550,000	222,313	435,680
Negro Educational Emergency Drive Pittsburgh, Pennsylvania <i>Two-year scholarship support</i>	50,000		50,000	
Pittsburgh Public Schools Pittsburgh, Pennsylvania <i>Two-year support to train principals and vice principals in staff development</i>	141,000		141,000	
<i>Study of Magnet Program enrollment process</i>		3,100	3,100	
Sewickley Academy Sewickley, Pennsylvania <i>Capital campaign</i>		250,000	250,000	
United Negro College Fund, Inc. New York, New York <i>Three-year support</i>	35,000		35,000	

Appropriations and Grants Paid

	1986			
	Unpaid at 12/31/85	Approved (Rescinded)	Paid	Unpaid at 12/31/86
The University of Georgia College of Agriculture Experiment Stations Athens, Georgia <i>Three-year support for research project, Irrigated Multiple-Cropping Production System</i>	\$350,000		\$250,000	\$100,000
University of Pittsburgh Pittsburgh, Pennsylvania <i>Two-year support for Office of Continuing Education for Women</i>	23,000		23,000	
<i>Two-year operating support for American Experience Program (Conditional)</i>		\$50,000		50,000
<i>Discretionary Fund for the Vice President of Public Affairs</i>		40,000	40,000	
<i>Toward The Atlas of Pennsylvania</i>		50,000	50,000	
Valley School of Ligonier Ligonier, Pennsylvania <i>Modernization program</i>		350,000		350,000
TOTAL - EDUCATION	\$2,246,993	\$2,143,100	\$2,904,413	\$1,485,680

SOCIAL SERVICES

Adelphoi Latrobe, Pennsylvania <i>Toward capital campaign</i>		\$175,000		\$175,000
Allegheny County Association for Children with Learning Disabilities Pittsburgh, Pennsylvania <i>Toward purchase of school building</i>		100,000		100,000
American Cancer Society Greater Pittsburgh Unit Pittsburgh, Pennsylvania <i>To produce videotapes regarding childhood cancer (Conditional)</i>		50,000		50,000

Richard King Mellon Foundation

	1986			
	Unpaid at 12/31/85	Approved (Rescinded)	Paid	Unpaid at 12/31/86
American National Red Cross Pittsburgh-Allegheny County Chapter Pittsburgh, Pennsylvania <i>Flood relief</i>		\$50,000	\$50,000	
Bethlen Home of the Hungarian Reformed Federation of America Ligonier, Pennsylvania <i>Operating support</i>		50,000	50,000	
<i>Toward facility improvements</i>		50,000	50,000	
Care Break Pittsburgh, Pennsylvania <i>Operating support</i>		20,000	20,000	
Community Human Services Corporation Pittsburgh, Pennsylvania <i>Endowment to underwrite activities at Wood Street Commons (Conditional)</i>		350,000		\$350,000
Dole Foundation Washington, District of Columbia <i>Program support</i>		25,000	25,000	
Health Research and Services Foundation Pittsburgh, Pennsylvania <i>Toward purchase of a mobile health testing van (Conditional)</i>		30,000		30,000
Home for Crippled Children Pittsburgh, Pennsylvania <i>Five-year operating support</i>	\$200,000		100,000	100,000
International Foundation for Education and Self-Help Philadelphia, Pennsylvania <i>Project support</i>	100,000		100,000	
Job Advisory Service, Inc. Pittsburgh, Pennsylvania <i>Operating support</i>		10,000	10,000	

Appropriations and Grants Paid

	1986			
	Unpaid at 12/31/85	Approved (Rescinded)	Paid	Unpaid at 12/31/86
Keystone Regional Spinal Cord Injury System Pittsburgh, Pennsylvania <i>Three-year support to underwrite community education and outreach program</i>	\$30,000		\$30,000	
Make-A-Wish Foundation of Western Pennsylvania McMurray, Pennsylvania <i>Two-year operating support</i> ..	10,000		10,000	
Manpower Demonstration Research Corporation New York, New York <i>To help underwrite Pittsburgh in Partnership with Parents Program</i>	25,000		25,000	
Mon-Yough Community Social Services, Inc. McKeesport, Pennsylvania <i>Toward renovation of sheltered workshop</i>		\$25,000	25,000	
The Parental Stress Center, Inc. Pittsburgh, Pennsylvania <i>Two-year operating support</i> ..	50,000		50,000	
Salvation Army Pittsburgh, Pennsylvania <i>Flood relief</i>		50,000	50,000	
The United Way of Allegheny County Pittsburgh, Pennsylvania <i>Campaign support of 1986, 1987 and 1988</i>		750,000	350,000	\$400,000
The Wesley Institute, Inc. Pittsburgh, Pennsylvania <i>Toward acquisition and renovation of facilities</i>		250,000		250,000
Western Pennsylvania Caring Foundation, Inc. Pittsburgh, Pennsylvania <i>To help provide insurance for children of the unemployed</i> ..		75,000	25,000	50,000

Richard King Mellon Foundation

	1986			
	Unpaid at 12/31/85	Approved (Rescinded)	Paid	Unpaid at 12/31/86
Westmoreland Girl Scout Council, Inc. Greensburg, Pennsylvania <i>Property improvements</i>		\$38,000	\$38,000	
YMCA McKeesport McKeesport, Pennsylvania <i>Toward capital needs at headquarters and camp</i>		75,000	75,000	
Young Men's Christian Association of Pittsburgh, Pennsylvania Pittsburgh, Pennsylvania <i>Toward emergency shelter for families</i>	\$25,000	(25,000)		
Youth Guidance, Inc. Pittsburgh, Pennsylvania <i>Operating support</i>		27,000	27,000	
Youth Opportunities Unlimited Pittsburgh, Pennsylvania <i>To provide meals for the homeless</i>		15,000	15,000	
TOTAL - SOCIAL SERVICES	\$440,000	\$2,190,000	\$1,125,000	\$1,505,000

MEDICINE

Allegheny Conference on Community Development Pittsburgh, Pennsylvania <i>Three-year support for Health Policy Institute</i>	\$120,000		\$60,000	\$60,000
Association of Professors of Medicine Philadelphia, Pennsylvania <i>Study of internal medicine manpower needs</i>	50,000		50,000	
<i>Operating support for Task Force on Internal Medicine Manpower</i>		\$188,000	63,000	125,000

Appropriations and Grants Paid

	1986			
	Unpaid at 12/31/85	Approved (Rescinded)	Paid	Unpaid at 12/31/86
DuBois Regional Medical Center DuBois, Pennsylvania <i>Support for the Hahne Regional Cancer Center</i>		\$10,000	\$10,000	
Eye & Ear Health Corporation Pittsburgh, Pennsylvania <i>Toward construction of the Ophthalmic Research Center</i>		250,000	250,000	
The Albert B. Ferguson, Jr., M.D. Orthopaedic Foundation Pittsburgh, Pennsylvania <i>Endowment support</i>		25,000	25,000	
Latrobe Area Hospital Latrobe, Pennsylvania <i>To assist physician recruitment</i>		250,000		\$250,000
Mercy Hospital Pittsburgh, Pennsylvania <i>Cardiac Rehabilitation program</i>		250,000	250,000	
National Academy of Sciences Institute of Medicine Washington, District of Columbia <i>Operating support</i>		200,000		200,000
University of Pittsburgh Pittsburgh, Pennsylvania <i>Operating support of Pittsburgh Cancer Institute . . .</i>	\$1,000,000	3,000,000	1,000,000	3,000,000
<i>Toward research program for middle-ear infection vaccine in Department of Biological Sciences</i>		300,000		300,000
TOTAL - MEDICINE	\$1,170,000	\$4,473,000	\$1,708,000	\$3,935,000

	1986			
	Unpaid at 12/31/85	Approved (Rescinded)	Paid	Unpaid at 12/31/86
CULTURAL				
American Wind Symphony Orchestra Pittsburgh, Pennsylvania <i>Operating support</i>	\$15,000	\$45,000	\$15,000	\$45,000
Buhl Science Center Pittsburgh, Pennsylvania <i>Construction of proposed Center of Science (Conditional)</i>		500,000		500,000
Carnegie Library of Pittsburgh Pittsburgh, Pennsylvania <i>Restoration of Anderson Memorial</i>		10,000	10,000	
County of Allegheny Pittsburgh, Pennsylvania <i>To purchase new exhibition cases for Soldiers and Sailors Memorial Hall</i>		10,000	10,000	
Duquesne University of the Holy Ghost Pittsburgh, Pennsylvania <i>Support for international tour of Tamburitzans Institute of Folk Arts (Conditional)</i>	100,000			100,000
International Poetry Forum Pittsburgh, Pennsylvania <i>Matching funds for Wolf Trap performance series</i>		9,000	9,000	
Metropolitan Pittsburgh Public Broadcasting, Inc. Pittsburgh, Pennsylvania <i>Capital campaign</i>		500,000		500,000
Pittsburgh Ballet Theatre, Inc. Pittsburgh, Pennsylvania <i>Operating support</i>	30,000		30,000	
Pittsburgh Civic Garden Center Pittsburgh, Pennsylvania <i>Toward maintenance of Mellon Park</i>		15,000	15,000	

Appropriations and Grants Paid

	1986			
	Unpaid at 12/31/85	Approved (Rescinded)	Paid	Unpaid at 12/31/86
The Pittsburgh Public Theater Corporation Pittsburgh, Pennsylvania <i>Operating support</i>		\$85,000	\$85,000	
The Pittsburgh Symphony Society Pittsburgh, Pennsylvania <i>Three-year operating support.</i>	\$85,000	285,000	85,000	\$285,000
Pittsburgh Youth Symphony Orchestra, Inc. Pittsburgh, Pennsylvania <i>To help underwrite participation in Aberdeen International Youth Festival . .</i>		40,000	40,000	
Southern Alleghenies Museum of Art Loretto, Pennsylvania <i>Exhibition support</i>		15,000	15,000	
TOTAL - CULTURAL	\$230,000	\$1,514,000	\$314,000	\$1,430,000

CIVIC

Allegheny Conference on Community Development Pittsburgh, Pennsylvania <i>Operating support</i>	\$48,000		\$24,000	\$24,000
<i>Three-year support for economic development program</i>	116,000		58,000	58,000
<i>Toward renovation of Mellon Square Park (Conditional)</i>	1,200,000			1,200,000
<i>Two-year staffing grant</i>	5,000		5,000	
<i>Memorial for Howard B. Stewart</i>		\$2,000	2,000	
Borough of Ligonier Ligonier, Pennsylvania <i>Toward renovation of Ligonier Diamond Park</i>	45,000	(7,750)	37,250	

Richard King Mellon Foundation

	1986			
	Unpaid at 12/31/85	Approved (Rescinded)	Paid	Unpaid at 12/31/86
Carnegie-Mellon University Pittsburgh, Pennsylvania <i>Operating support for Coalition to Improve Management in State and local Government</i>		\$10,000	\$10,000	
The Grantmakers of Western Pennsylvania Pittsburgh, Pennsylvania <i>Two-year operating support . .</i>		5,000	3,000	\$2,000
Greater Pittsburgh Charitable Trust Pittsburgh, Pennsylvania <i>Two-year support for Leadership Pittsburgh</i>		10,000	5,000	5,000
National Charities Information Bureau, Inc. New York, New York <i>Three-year operating support .</i>	\$15,000		10,000	5,000
Penn's Southwest Association Pittsburgh, Pennsylvania <i>Operating support</i>		150,000		150,000
Pennsylvania Economy League, Inc. Western Division Pittsburgh, Pennsylvania <i>Three-year operating support .</i>	15,000		15,000	
Pittsburgh High Technology Council Pittsburgh, Pennsylvania <i>Three-year operating support .</i>	5,000		5,000	
Sail America Foundation for International Understanding San Diego, California <i>Operating support</i>		200,000	200,000	
TOTAL - CIVIC	\$1,449,000	\$369,250	\$374,250	\$1,444,000
TOTALS	\$20,360,993	\$17,932,350	\$24,706,663	\$13,586,680

Statement of Net Assets

Richard King Mellon Foundation

December 31, 1986

Cash and receivables		\$9,446,177
Investments, at market quotations:		
Stocks	\$466,527,826	
Long-term debt instruments	96,659,369	
Temporary investments	76,945,123	
Other investments	<u>33,765,982</u>	
		673,898,300
Program-related loan		1,000,000
Other assets		<u>22,331</u>
		684,366,808
Total assets		684,366,808
Less amounts reserved for:		
Grants approved but not paid	13,586,680	
Federal excise tax	<u>2,802,306</u>	
		<u>16,388,986</u>
Net assets		<u>\$667,977,822</u>

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

Statement of Changes in the Fund

Richard King Mellon Foundation

	For the year ended December 31	
	1986	1985
Income:		
Investment income	\$ 23,276,125	\$22,799,542
Expenses:		
Administrative and investment expenses	\$3,425,114	\$3,392,367
Provision for federal excise tax	2,800,000	1,532,000
	<u>6,225,114</u>	<u>4,924,367</u>
Net income	17,051,011	17,875,175
Grants approved	<u>17,932,350</u>	<u>14,146,000</u>
Excess (deficit) of net income over grants approved	(881,339)	3,729,175
Net realized gain from disposition of investments .	120,690,891	58,265,859
Unrealized appreciation (depreciation) on investments, at market quotations	<u>(16,658,530)</u>	<u>64,938,901</u>
	<u>104,032,361</u>	<u>123,204,760</u>
Increase in fund	103,151,022	126,933,935
Fund balance		
Beginning of year	<u>564,826,800</u>	<u>437,892,865</u>
End of year	<u>\$667,977,822</u>	<u>\$564,826,800</u>

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

Summary of Investments

Richard King Mellon Foundation

December 31, 1986

	Amount at	
	Book Value	Market Quotations
COMMON STOCKS		
Aerospace.....	\$5,867,290	\$6,984,500
Airlines and air freight.....	4,607,332	4,353,712
Amusement.....	3,825,665	4,249,850
Apparel and textiles.....	1,183,425	1,984,375
Automotive.....	5,667,675	6,424,875
Banking.....	30,297,102	46,507,527
Broadcasting and cable television.....	2,872,359	3,647,218
Building materials.....	5,212,642	7,144,026
Business services.....	1,084,685	1,361,075
Chemical.....	8,389,181	12,579,300
Coal.....	342,952	211,500
Construction and material handling.....	791,492	1,003,637
Containers.....	2,833,240	4,261,669
Cosmetic and household products.....	3,112,425	4,168,300
Drug.....	13,949,927	19,736,287
Electrical equipment.....	8,082,693	10,877,500
Electronics.....	7,377,693	7,432,827
Farm equipment.....	596,729	462,075
Finance.....	2,007,026	2,951,525
Food products.....	7,082,156	8,344,142
Home furnishings.....	1,069,592	762,300
Hospital supply.....	4,478,427	5,668,388
Industrial machinery and materials.....	4,271,550	4,700,282
Insurance.....	11,898,870	76,261,000
Merchandising.....	11,038,428	12,394,254
Multi-industry.....	3,418,235	4,513,980
Non-ferrous metals and mining.....	698,431	819,994
Office equipment and photocopy.....	17,908,657	20,701,325
Oil and gas.....	16,533,149	19,094,175
Oil and gas servicing.....	2,675,898	1,824,412
Paper.....	3,146,173	3,633,675
Photographic.....	3,080,331	3,495,275
Public utility - electric.....	11,850,621	12,534,362
Public utility - gas.....	982,701	980,688
Public utility - telephone.....	11,507,997	12,899,950
Publishing and printing.....	2,776,766	3,614,550
Railroad equipment.....	21,323	22,125
Railroads and other surface transportation.....	6,758,576	6,961,500
Restaurants and lodgings.....	1,748,346	2,090,221
Steel.....	724,394	431,213
Tire and rubber.....	651,008	1,004,250
Tobacco.....	1,473,980	2,073,563
Trucking.....	1,085,194	1,341,975
Other industries.....	34,115,859	36,031,021
Miscellaneous equity securities.....	40,618	476
Foreign equities.....	56,669,716	77,273,732
TOTAL COMMON STOCKS	\$325,808,529	\$465,814,606

	Amount at	
	Book Value	Market Quotations
PREFERRED STOCKS		
Industrial	\$566,201	\$597,375
Public utilities	35,298	35,925
Convertible preferred stock	37,809	79,920
TOTAL PREFERRED STOCKS	639,308	713,220
TOTAL STOCKS	326,447,837	466,527,826
LONG-TERM DEBT INSTRUMENTS		
Corporate bonds:		
Financial	1,674,781	1,704,380
Industrial	2,771,225	2,833,413
Public utility – electric	555,000	579,348
Tax exempt utilities	837,250	960,211
Total corporate bonds	5,838,256	6,077,352
United States Government and Government Agencies obligations		
	74,239,528	79,597,697
Other long-term obligations	7,292,348	7,366,253
Foreign debt obligations	3,580,759	3,618,067
TOTAL LONG-TERM DEBT INSTRUMENTS	90,950,891	96,659,369
TEMPORARY INVESTMENTS		
Demand and interest-bearing notes	75,676,272	75,676,272
Foreign short-term investments	1,268,851	1,268,851
TOTAL TEMPORARY INVESTMENTS	76,945,123	76,945,123
OTHER INVESTMENTS		
Venture capital	13,136,515	12,426,404
Realty and other	14,646,536	21,339,578
TOTAL OTHER INVESTMENTS	27,783,051	33,765,982
TOTAL INVESTMENTS	\$522,126,902	\$673,898,300

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

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, except for federal excise taxes and grants approved but not paid, are maintained on the cash basis, the result of which is not materially different from the accrual basis of accounting.

Investments

For financial reporting purposes, investments are stated primarily at market quotations which, in the case of large holdings, do not necessarily represent realizable values. Market quotations of foreign investments include the effect of the conversion into U.S. dollars at the foreign currency exchange rate in effect at year end. Investments for which market quotations are not available are stated at appraised value as determined by investment managers. The book value of investments shown on the summary of investments is cost, except for donated assets which are valued at the market quotations at the date of receipt by the Foundation, and for investments in partnerships which are accounted for under the equity method.

Realized gain or loss from dispositions of investments is determined by specific cost identification, except that average cost is used for dispositions of donated investments. Unrealized appreciation or depreciation of investments represents the change in the difference between market quotations and the total book value of investments held at the beginning and 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—Commitments

The Foundation is a Limited Partner in several limited partnerships for investment purposes. At December 31, 1986 the Foundation had contractually committed to additional investments of \$9,333,028.

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, 1986 and the related statement of changes in the fund for the years ended December 31, 1986 and 1985. We have also examined the supporting summary of investments as of December 31, 1986 and the schedule of appropriations and grants paid for the year ended December 31, 1986. Our examinations were 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, 1986 and the changes in the fund for the years ended December 31, 1986 and 1985 in conformity with generally accepted accounting principles applied on a consistent basis. In addition, the supporting summary of investments and schedule of appropriations and grants paid when considered in relation to the basic financial statements taken as a whole, present fairly the information included therein.

COOPERS & LYBRAND

Pittsburgh, Pennsylvania
April 3, 1987

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

Although there are no special forms for applying for a grant, applications should take the form of a letter or formal statement from the senior administrative officer of the organization and include the following elements:

1. A two-page executive summary providing an overview of the sponsoring organization, the proposed project, and the problem it seeks to address.
2. Background on the organization, including its history, purpose and goals, and the types of programs it offers, and the names and affiliations of the Board of Directors or Trustees.
3. Information on the proposed project:
 - The specific purpose and objective for which the funds are sought.
 - A clear description of how the project will be operated.
 - An indication of the population it will serve.
 - The qualifications of the individuals who will conduct the proposed undertaking.
 - An explanation of the plan, criteria, and indicators that will be used in evaluating the success of the program.
 - The project budget and timetable.
 - A statement of other sources of support for the project.
 - An explanation of how it will be financed at the expiration of the proposed grant.

4. A current operating budget for the sponsoring organization and a projected operating budget for the year(s) in which funding is requested.
5. Audited financial statements for the most recent two years.
6. Any readily available printed material such as annual reports, pamphlets, or catalogs.
7. A copy of the latest Internal Revenue Service determination letter indicating tax-exempt status under Sections 501(c)(3) and 509(a).

Proposals will not be given consideration unless they are accompanied by a copy of the applicant's classification ruling under current Internal Revenue Service regulations.

The Foundation will not consider requests on behalf of individuals, and normally does not consider requests for grants to conduit organizations which pass on funds to other organizations.

The full Board of Trustees meets formally twice a year, usually in June and November. Proposals should be submitted to the Foundation prior to April 1 and October 1, respectively, to allow adequate time for review before the meetings.

Cover Photo—Cottongrass alongside tundra pond with Alaska Range beyond.
George Wuerthner

Photos:
p.6-7, Wild ponies grazing on the sand dunes of Assateague Island National Seashore, Maryland. Dave Muench and The Wilderness Society

p.10, Slash pines at dawn. Connie Toops

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Robert L. Bowden

Richard King Mellon Foundation 1986 Annual Report

