

The Andrew W. Mellon Foundation

*Report
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through December 31, 2000*

*140 East 62nd Street, New York, New York 10021
(212) 838-8400
<http://www.mellon.org>*

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THE ANDREW W. MELLON FOUNDATION, a not-for-profit corporation under the laws of the State of New York, resulted from the consolidation on June 30, 1969 of the Old Dominion Foundation into the Avalon Foundation with the name of the Avalon Foundation being changed to The Andrew W. Mellon Foundation. The Avalon Foundation had been founded in 1940 by Ailsa Mellon Bruce, Andrew W. Mellon's daughter. The Old Dominion Foundation had been established in 1941 by Paul Mellon, Andrew W. Mellon's son.

The Foundation makes grants in six core program areas: higher education, museums and art conservation, performing arts, population, conservation and the environment, and public affairs. Collaborative planning by the Foundation and its grantee institutions generally precedes awards and is an integral part of grant-making. Unsolicited proposals are rarely funded. Prospective applicants are therefore encouraged not to submit a full proposal at the outset but rather a query letter of a page or less that sets forth the need, nature, and amount of their request, along with evidence of suitable classification by the Internal Revenue Service. The Foundation does not make grants to individuals or to primarily local organizations.

Within each of its six programs the Foundation directs most of its grantmaking to a few areas of emphasis. Institutions and programs receiving support are often leaders in fields of Foundation activity, but may also be promising newcomers, or in a position to demonstrate new ways of overcoming obstacles to achieving program goals. The Foundation seeks to strengthen institutions' core capacities rather than encourage ancillary activities, and it seeks to continue with programs long enough to achieve meaningful results. These considerations require thoughtful, long-term collaboration with recipients.

The Foundation makes its particular areas of emphasis within core program areas known in a variety of ways. Annual reports describe grant-making activities and present complete lists of recent grants. The Foundation's website, at <http://www.mellon.org>, describes the six core program areas in some depth, offers complete texts of past Annual Reports, and furnishes other information concerning the Foundation's history, evolution, and current approach to grantmaking.

PRESIDENT'S REPORT

It has not been my practice to focus the annual President's Report on levels of grantmaking or financial matters. The substance of what the Foundation does is what matters, and this year I will, once again, emphasize programmatic developments and directions. Last year was a most unusual year, however, and current and prospective programmatic thinking can only be understood in the context of the higher levels of grantmaking made possible by the favorable financial returns enjoyed recently by this Foundation (as well as by many other foundations, colleges, universities, and not-for-profit organizations).¹

Applying the usual pay-out rate (and making other assumptions about expenses and taxes), we estimate that the Foundation's grantmaking requirement rose from just under \$160 million in 1999 to nearly \$210 million in 2000—an unprecedented one-year increment of approximately \$50 million. It was against this backdrop that the Trustees held their annual Retreat in September of 2000.

Grantmaking Philosophy: Deeper or Broader?

The discussions that began at the September Retreat are ongoing, and it would be wrong to suggest that irrevocable decisions have been made. The Trustees and staff did, however, arrive at one broad conclusion. In the words of the minutes of the Retreat discussion:

At the conclusion of the Retreat, following the Trustees' review of current program areas and plans, the Trustees stated that there was much important work to be done in the Foundation's traditional areas of support and that programs in these areas should be deepened. There was agreement that, in the short run at least, highest priority in the allocation of

¹ In recognition of the significance of recent investment returns, T. Dennis Sullivan, our Financial Vice President and chief investment officer, has prepared a short paper describing the Foundation's investment policies and results. This paper is available on request from the Foundation and is also posted on the Foundation's website (<http://www.Mellon.org>).

scarce senior staff time should go to the development of new initiatives in areas such as the humanities and scholarly communications.

This judgment is consistent with the Foundation's longstanding view that grantmaking should be confined to a relatively small number of areas in order to permit focused attention, to leverage existing staff capabilities, and to have as much impact as possible on key institutions and defining issues. As I will indicate below, there appear to be excellent opportunities in the areas in which the Foundation has been working for some time, specifically: higher education and scholarship (especially in the humanities), with emphasis placed on both liberal arts colleges and research universities; the extension of opportunities for talented minority students and faculty members; libraries and scholarly communication, including research in information technology and its manifold applications in creating digital resources; art museums and art conservation, with new attention paid to the science of conservation; the performing arts; population (now including refugee studies); and conservation and the environment. This is, we believe, a rich and rewarding set of territories in which to make grants and to pursue research. Thus, we believe it makes sense to continue to pursue a "deeper" rather than a "broader" approach to grantmaking—doing more in the areas we know and in which we have competence.

This approach has the further advantage of allowing the Foundation's staff to remain small enough that individuals can know each other well and work effectively across program categories. Grantees regularly express appreciation for the relatively straightforward way in which the Foundation operates, and we agree that there is a great deal to be said for avoiding the need for intermediate levels of oversight and more bureaucracy.

As always, there will be shifts in emphasis within program areas, and one of the objectives of these annual reports is to alert grantees to prospective changes in direction. At the same time we do not anticipate any radical change in the mix of grants made. In many instances, we will seek to provide the same kinds of direct support that we have provided in the past (examples include support of doctoral and postdoctoral fellowships, curatorships, discretionary funds for college presidents, some "tools and text" projects, research in ecology and population/forced migration, and support for new

works in the performing arts). Grants will also be made for planning purposes or to meet one-time needs (for example, help in finishing work on editing texts or putting in place a new program of study). Research in fields such as higher education will also continue to be supported, and we recognize that many such grants are in their nature risky as it is hard to know whether the researcher will or will not find interesting results. Especially in recent years, we have made some larger appropriations in support of particularly promising projects. Laurance Rockefeller once referred to this strategy as “growing a few tall trees.”

The Foundation also expects to maintain a long time-horizon and to stay with programs long enough to have an impact (the Mellon Minority Undergraduate Fellowship program is a good example); we have tried to avoid a “stop-and-start” mentality. At the same time, we review programs periodically to decide when an initiative should be concluded. In addition, the Foundation always reserves some funds for flexible deployment and new probes so that it can pursue new opportunities when they arise.

One evolving pattern is worth highlighting. Fostering collaborations has clearly become increasingly important over time. At recent meetings with college and university presidents, many suggested that institutions need to work together in areas such as the application of information technology to teaching and learning and the archiving of scholarly materials in the arts and humanities. Yet it is very difficult for colleges or universities to form such collaborations on their own: the individual institutions are often too competitive; no one institution is able or willing to invest the resources needed to give definition to the effort; and schools are often unable, on their own, to obtain the needed venture capital. Several presidents said explicitly that they thought that the Foundation had an especially important role to play in: (a) bringing appropriate groups of institutions “to the table;” (b) providing, in especially promising situations, upfront financing (venture capital) that otherwise might be sought through for-profit mechanisms; and (c) contributing leadership (or some mechanism for stimulating and organizing the thinking of others) in considering problems that affect many of the institutions that we care about—policies concerning intellectual property rights and the development of new applications of information technology are two frequently mentioned examples.

As one university president put it, what is most needed is

“dollars-plus” grantmaking, where the “plus” is meant to represent at least a modest organizational or intellectual contribution. This formulation presents a challenge that we are willing to accept. At the same time, we are well aware that great care has to be taken in building effective partnerships. The only kinds of initiatives and collaborations that are likely to succeed are those in which there is a widely felt sense of shared ownership. Leadership needs to be low-key and highly collegial. In developing and modifying program ideas, and in evaluating existing programs, Foundation staff will continue to consult closely with leading thinkers and practitioners in particular fields.

Another general topic discussed at the Trustee Retreat was: How international should Mellon be in its grantmaking? National boundaries mean less and less in the fields in which we work. While we expect that the great majority of our grants will continue to go to US organizations, the Trustees and staff believe that we should be more willing than in the past to make grants to foreign organizations when that is the best way to advance a programmatic objective. One important lesson from the experience to date with the Dunhuang art-imaging project (discussed later in this report) is that, because of its independence and its not-for-profit status, the Foundation can sometimes be more effective in achieving international collaborations than can entities with a governmental “taint.” In our recent experience, promoting international collaboration in scholarship and the arts has evoked very positive responses.

In concluding this brief discussion of the Foundation’s philosophy of grantmaking, and especially in restating our intention to do more within our traditional fields of activity, I should make three other points. First, there has been, and will continue to be, a great deal of substantive change in the activities that we support *within* each of the broad fields of interest to the Foundation. Second, while there is, we believe, great opportunity to do more within these established fields, we continue to think about other kinds of opportunities as well. Finally, the financial markets can “take” as well as “give,” and it would be foolish to assume that any foundation will continue to enjoy the kinds of returns that have been realized over the last two years—indeed, asset values could of course decline. So, it will be important to proceed steadily and even cautiously in moving from one level of appropriations to another. We do not want to create a series of funding “cliffs” for ourselves or for our grantees.

Appropriations in 2000

The Foundation's initial projection of appropriations for calendar (and fiscal) year 2000 was \$175 million—already a substantial increase over the \$156 million appropriated in 1999 and the \$144 million appropriated in 1998. As it became clear in the course of the year that investment performance made it possible to raise this target, additional commitments were made; by the time of the September Retreat, nearly \$135 million had been appropriated. A further round of increases in budgets was approved at that time and approximately \$85 million was appropriated in December 2000—by far the largest amount ever approved at any Board meeting. Thus, total appropriations for 2000 were \$220 million.

This total is somewhat deceiving, however, in that it includes roughly \$25 to \$30 million of substantial one-time appropriations designed to provide core support to leading institutions in fields of special interest to the Foundation and to institutions on which the Foundation relies to carry out some of its programs. The latter category includes the American Council of Learned Societies (ACLS), the Woodrow Wilson National Fellowship Foundation (WWNFF), and the Social Science Research Council (SSRC). Special grants were also made to the Population Council, the Alan Guttmacher Institute, the International Rescue Committee, Columbia University, Tufts University; to the Trust for Public Land, the Organization for Tropical Studies; to the Appalachian College Association; and to Opera America, the Alliance of Resident Theatres, the American Music Center, and the Marlboro School of Music; to the Foundation of the American Institute for Conservation of Historic and Artistic Works; to the Foundation Center; and to CERGE-EI. None of these organizations had a base of financial assets that allowed it to benefit appreciably from the extraordinary returns offered by financial markets in recent years, and yet each continues to play a very important role in its field and deserves, we believe, core support.²

² More generally, the financial markets, and especially the returns earned by investments in private equity, have had highly disproportionate effects on different not-for-profit institutions. Those that already had substantial financial assets and that were aggressive investors during this period benefited far more than those without large initial holdings and those that were less able (or less inclined) to sacrifice liq-

As we now look ahead to 2001, we are projecting appropriations of \$210 million, or about \$35 million more than the initial projection for 2000. A recent review of plans submitted by program officers indicates no lack of worthy projects. In fact, we have had to moderate proposed increases in commitments in some areas because of other strong claims on the Foundation's resources. Any concerns that we might have felt last September about our ability to respond effectively to the opportunities offered by larger resources while continuing to focus on our established fields of activity, have been addressed. It is hard to imagine how I could ever have harbored any doubts about the creativity of my colleagues when faced with expanded opportunities. The staffing changes described in last year's report have increased markedly the grantmaking capacity of the Foundation—and just at the right time. Fortunately, we are much better positioned today to pursue an expanded (“deeper”) strategy than we were even a year or two ago. New and relatively new colleagues such as Danielle Carr, Lydia English, Ira Fuchs, Krista House, Suzanne Lodato, Joe Meisel, and Don Waters have already made a tremendous difference.

*Recent Programmatic Developments:
Higher Education*

Roughly three-fifths of the Foundation's total appropriations are made to institutions in the field of higher education. This very large “slice of the pie” includes grants made not only to research universities and liberal arts colleges in this country, but also to their counterparts in countries such as South Africa. In addition, we group under this heading all of the Foundation's initiatives intended to enhance opportunities for minority students and faculty members, a number of major projects in scholarly communication and in libraries, and research in higher education. A dominant cross-cutting emphasis is support of the arts and humanities, and we plan to increase our already considerable activities in these core areas.

uidity for high returns. The implications of the resulting “wealth disparities” within fields such as higher education pose important questions for the system as a whole (as well as, of course, for the institutions most directly affected), and we are at the very early stages of an examination of these issues.

Doctoral Education in the Humanities

Over the last decade the Foundation has invested approximately \$80 million in a long-term effort to improve the quality and effectiveness of graduate education in selected departments of the humanities and social sciences at ten universities. The program has been in place in 52 departments and programs and, from its beginning, has sought to encourage departments to reassess their curricula, examinations, advising, timetables, and dissertation requirements so as to facilitate timely degree completion and reduce attrition while maintaining or increasing the quality of doctoral training they provided. A major objective has been to encourage departmental accountability for the graduate students whom they admit. It was understood from the start that the program would have a ten-year life, and this was its last year.

Considerable efforts have been made to cushion the withdrawal of support, on which these 52 departments and their universities have become very dependent. Between 1995 and 1998, the Foundation made outright grants of \$1 million to each of the ten universities and then granted an additional \$1 million per institution to be matched on a three-to-one basis in order to allow the participating institutions to make permanent the most important features of the Mellon graduate education program. More recently, large appropriations have been made to Columbia and Chicago to assist these universities with their ongoing efforts to strengthen the financial base of their important but underfunded doctoral programs. Selective grants of this kind may continue to be made.

Extensive data on the workings of this ambitious program and its outcomes have been collected since its inception and will continue to be collected and analyzed until the last cohorts are presumed to have finished their studies. We expect in time to publish a full report of what has been learned from this unprecedented effort to encourage change and to assess the effects—including both successes and disappointments—as recorded in regular reports from the participating institutions and captured in a massive longitudinal database of information about graduate students participating in the program.

At the same time that we are concluding this very large program of institutional grants, we are continuing our investment in the complementary program of portable fellowships for first-year

students that is designed to attract some of the best undergraduates in the country to the study of the humanities. In addition to renewing our support for The Andrew W. Mellon Fellowships in Humanistic Studies, we have decided to increase the stipends, so that these will remain among the most prestigious fellowships available to first-year students.

The Foundation is also contemplating a new program that would provide archival training for doctoral students in all fields of the humanities. The increasing use of archival materials by literary scholars, art historians, and musicologists, as well as historians, suggests that doctoral students in these fields should be encouraged to employ archival sources and methods in their dissertation work. The aim would be to promote the use of these kinds of sources among the rising generation of scholars. Other new ideas will no doubt emerge. The main message is simply that the Foundation is in no way leaving the field of graduate education in the humanities.³

Notwithstanding these ongoing, new, and in some instances expanding programs of support for graduate education, the conclusion of the ten-university graduate education initiative opens new “programmatic space” for other forms of support of the humanities (and of the arts and sciences more generally) in both research universities and liberal arts colleges.

Postdoctoral Fellowships

While the Foundation has a long history of making grants for postdoctoral fellowships, in the recent past such support has been available only to liberal arts colleges and to those research universities *not* included in the ten-university program of institutional support (because we did not want to concentrate the Foundation’s support on too few research universities). In 2000, staff began invit-

³The Foundation also supports advanced graduate students in the humanities and social sciences who need to travel abroad for their dissertation research through a program administered jointly by the ACLS and the SSRC, a new program at the Institute of Historical Research at the University of London, highly successful graduate workshops pioneered at the University of Chicago and taking root elsewhere, and dissertation seminars aimed at strengthening graduate training primarily in the fields of art history, history, and literature. We are also increasing our support for minority students in this country who are pursuing PhDs and for graduate education in South Africa.

ing some of these ten institutions to join the broader competition for postdoctoral fellowships, and awards were made to Columbia University, Cornell University, and the University of Chicago. Columbia and Cornell will concentrate these fellowships in particular areas (art history and American studies, respectively), while the University of Chicago's program will involve an internal competition open to all departments and degree-granting programs in the humanities, as well as to selected departments and programs in the social sciences (anthropology, history, human development, political science, sociology, and the Committee on Social Thought). We anticipate that more grants of this kind will be made in 2001 and subsequent years.⁴ The postdoctoral fellowships the Foundation supports differ somewhat from the model familiar in the biological and physical sciences. Not only are they closely tailored to meet institutional needs, they are also intended to give fellows the chance to teach first-rate undergraduates along with pursuing their own research.

In addition, a new program of "Special Collection Fellowships" is aimed at enabling recent PhDs to work intensively in research libraries in collections related to their scholarly interests while also performing useful bibliographic work for libraries and possibly collaborating in projects that would provide broad scholarly access to special collections through electronic media. The program would also encourage academics to engage in important scholarly activities that are no longer given much attention, such as the editing of correspondence and the production of scholarly editions of texts. A program of this kind might also make a modest contribution to bridging the divide that often exists between academics and librarians.

⁴ The Foundation also intends to continue to fund postdoctoral fellowships provided through the Sawyer Seminars as well as those offered by liberal arts colleges. Support for postdoctoral programs at research universities dates back to December 1974; the first such grant to a liberal arts college went to Bryn Mawr in 1975. Since 1994, the Trustees have approved 14 grants in support of postdoctoral fellowships at liberal arts colleges, six of which have been renewed. These programs have been so effective in enriching teaching at the colleges while simultaneously providing excellent opportunities for aspiring faculty to gain teaching experience and complete research projects, that the Foundation has been making challenge grants to assist colleges to endow the most successful ones. Three have been endowed already, and in 2000 another challenge grant of this kind was made to Wellesley, which has run an exemplary program.

Faculty Support

Even more significant than increased funding for postdoctoral fellowships is the marked increase in the emphasis the Foundation is now giving to faculty support. The time is right, we believe, to make new and larger investments in a variety of programs designed to aid faculty at both research universities and liberal arts colleges. This is one of the most important themes to emerge from the September Retreat.

It is not that we are starting from ground zero:

- Over the last five years, the Foundation has funded a range of fellowships for individual scholars at various stages in their careers. Most have been connected in one way or another to institutes for advanced study (e.g., the National Humanities Center and the Institute for Advanced Study, the Center for Advanced Study in the Behavioral Sciences) and independent research libraries (e.g., the Folger Shakespeare Library, the Huntington).⁵
- One of the Foundation's newer ventures along these lines is the Burkhardt Fellowships, which are overseen by the American Council of Learned Societies (ACLS) and aimed specifically at encouraging research that is wide-ranging, venturesome, and entails a long time commitment. For recently tenured professors in the humanities and allied social sciences, these fellowships provide both a stipend and the chance to spend a year at one of a limited number of institutes for advanced study. It is hoped that the fellows will benefit from having uninterrupted time and opportunities for vigorous scholarly exchange. Also responding to the need of scholars for longer-term but portable research support, the Foundation has recently joined the American Philosophical Society in establishing a fellowship program.

⁵The Foundation also supports short-term (usually three-month) research fellowships for younger humanists from Eastern Europe (Hungary, Poland, the Czech Republic, the Slovak Republic and Bulgaria) to work at one of 14 institutes for advanced study in Europe and the Middle East (e.g., the Warburg Institute in London, the Wissenschaftskolleg in Berlin, and the Albright Institute of Archaeological Research in Jerusalem).

- Considerable support has also been provided to faculty, graduate students, and postdoctoral fellows through the Sawyer Seminars, which were inaugurated in 1994 as a way of providing opportunities for scholars in a wide variety of fields to address questions of contemporary relevance from comparative and historical perspectives. The seminars are held for a limited period of time, most typically one year, and are independent of the curriculum. To date, 59 seminars have been held at 24 institutions.
- A number of liberal arts colleges, working both in small teams and collaboratively, have received planning grants to consider the best ways for small institutions to provide career enhancements over the course of a faculty member's professional life span and on into retirement. Faculty support has also been provided to Appalachian colleges (administered through the Appalachian College Association) and to Historically Black Colleges and Universities.

We expect to continue all of these programs⁶ and, in addition, to initiate several new ones. The standards of scholarly accomplishment necessary for achieving tenure at both research universities and top-tier liberal arts colleges are increasingly rigorous, and yet the availability of research support for even the most promising junior faculty members in the humanities remains very uneven. The ACLS will take responsibility for administering the first of these new initiatives, which will provide enhanced opportunities for junior faculty. Increasing availability of research support for junior faculty members in the humanities and related social sciences has been identified as a high priority by college and university presidents and provosts during recent discussions with Foundation staff, and the ACLS received a grant of \$2.3 million last December to award 66 new semester-long research fellowships in three annual competitions.

Five other new initiatives are under active consideration. Because of the importance of this package of proposals, Harriet Zuckerman and Pat McPherson intend to devote the special essay in

⁶ Needless to say, these initiatives are in addition to support for faculty research and training that is provided through the Conservation and Environment and Population and Forced Migration programs.

next year's annual report to a fuller discussion of these programs, several of which we expect to have underway by then. Meanwhile, I will list them so that readers of the report will be aware of the direction of our thinking.

1. *Mellon Foundation Distinguished Achievement Awards*. The Foundation proposes to create a new set of awards for outstanding senior faculty who are actively influencing their fields and who are also at stages in their careers where much of their best work still lies ahead of them (we hope!). These are envisioned as three-year awards that will be sufficiently generous to allow the recipients to gain not only additional time and support for their own scholarship but also the opportunity to invite colleagues from other colleges and universities to work with them. The chairman of the Foundation's Board of Trustees, Hanna Holborn Gray, President Emeritus of the University of Chicago, has agreed to chair a selection committee that will be asked to select up to five winners each year from pools of candidates nominated by leading scholars. This flagship program is intended to have high visibility and to underscore the Foundation's strong commitment to supporting the most compelling ideas and the ablest people in the humanities.

2. *New Directions Fellowships*. Both scholars and administrators share the view that multi-disciplinary research holds enormous promise. It is possible that the Foundation might be able to foster such research at the highest standard of quality by instituting a series of fellowships for pre-tenure or recently tenured humanists which would allow them to acquire systematic training outside their own disciplines. Such a program would permit scholars to work on the problems that interest them most and to do so at an appropriate level of sophistication.

3. *Emeritus Fellowships at Research Universities*. With the lifting of mandatory retirement at age 65, the transition of scholars from teaching and administrative duties to emeritus status has become problematic, especially at the research universities and especially because of the large number of appointments these institutions made in the 1960s. The best evidence in hand (from the Foundation-supported study of more than 100 institutions)

indicates that earlier studies underestimated the numbers of faculty members, especially in private research universities, who elect to continue teaching past 65 years of age.⁷ Although the problems that the “uncapping” of retirement presents cut across all disciplines and are far too large for the Foundation to contemplate trying to resolve, a program of Emeritus Fellowships for senior scholars in the humanities and humanistic social sciences would enable the best to continue research and writing while also providing an incentive to give up permanent posts.

4. *Anticipating Retirements at Liberal Arts Colleges.* The situation is quite different at leading liberal arts colleges. Many expect to experience a large number of faculty retirements in the next five to ten years, and the Foundation is interested in helping these colleges take advantage of this situation, rather than be weakened by it. We expect to provide wasting endowment grants to selected colleges to enable them to make new appointments in advance of retirements.

5. *Strategic Grants for Faculty Support.* At both research universities and liberal arts colleges there is concern that increased competition for faculty who provide critically important leadership for their departments, the institution as a whole, and their fields of study, may make it problematic for some institutions to maintain their high academic standards and intellectual “edge.” Accordingly, we may invite some colleges and universities that are of unquestioned quality but particularly hard-pressed financially (often because they had relatively small endowments when financial markets began to generate larger and larger returns) to submit proposals for one-time targeted grants intended to help them recruit and retain faculty leaders at a time when they may be subject to increased raiding by more affluent competitors. Also, we would like to ensure that excellent institutions have opportunities to do new things when promising ideas are identified. In keeping with this Founda-

⁷ Orley Ashenfelter and David Card, “How Did the Elimination of Mandatory Retirement Affect Faculty Retirement?” Industrial Relations Section, Princeton University, Working Paper #448, October 2000.

tion's emphasis on the humanities, we are especially concerned that faculty strength in these fields not be eroded—and that opportunities to strengthen programs not be limited to the most well-endowed institutions.

Minority Scholars and Faculty at HBCUs

The Mellon Minority Undergraduate Fellowship (MMUF) Program is the centerpiece of the Foundation's efforts to increase the number of highly qualified minority candidates enrolled in PhD programs in core fields within the arts and sciences and to increase the diversity of faculties at colleges and universities throughout the country.⁸ In June 2000, the Trustees renewed their support of this program by appropriating \$11 million to extend it for another six years. Since its inception in 1988, the Foundation has appropriated over \$36 million for the operation of MMUF at 32 institutions (16 colleges and 16 universities) and at a consortium of private Historically Black Colleges and Universities (HBCUs) through a program overseen by the United Negro College Fund (UNCF). MMUF is entering its 12th year, and the cumulative progress is visible: 40 fellows have received the PhD with an additional 20 scheduled to receive their doctoral degree within a year. There are currently 450 students working in various stages of progress toward the PhD in Foundation-supported fields. An additional 340 state that they intend to pursue graduate study in the near future.

Over the last two years Foundation staff, under the leadership of Lydia English, have put in place a number of new programs designed to build on the momentum that has been established by addressing the needs of MMUF scholars beyond their admission to graduate school. In partnership with the Social Science Research Council (SSRC), the Foundation funds Predoctoral Research grants, which help to pay for books, travel, equipment and other incidental research expenses; the SSRC also organizes an Annual Summer Conference that has been highly successful in fostering intellectual interactions and developing a community spirit ("we are all in this together"). In December 1999, the Foundation's Trustees

⁸ The MMUF program (as well as the CEUTT program mentioned later in this report) launched its website in 2000, providing a range of information and services to grantees. (See <http://www.mmuf.org> and <http://www.ceutt.org>.)

approved programs of Dissertation Completion Grants and Travel and Research Grants to be administered by the Woodrow Wilson National Fellowship Foundation (WWNFF).

Providing support for tenure-track faculty is a logical next step in pursuing the longer-term objective of increasing the diversity of tenured faculty members at colleges and universities throughout the country. Accordingly, a further appropriation of \$2.6 million was made to WWNFF in March 2000 to establish a competitive grant program for tenure-track junior faculty members from underrepresented groups at the liberal arts colleges and research universities with which the Foundation traditionally works; in addition, all former Mellon Minority Undergraduate Fellows will be eligible wherever they are teaching. The objective is to give junior faculty members adequate time and support to develop research programs that will qualify them for tenure. All fellows will be paired with a senior faculty mentor, and WWNFF will convene a yearly meeting of fellows and mentors. This programmatic structure should give young faculty access to a wide network of scholars in their fields and increase the chances that they will earn tenure.⁹

Even more recently, in December 2000, the Trustees approved a redesigned Faculty Career Enhancement Program intended to increase the number of doctorate-holding faculty members at four-year institutions that are members of the UNCF, and to provide additional teaching and learning opportunities for faculty members at these institutions. Previous efforts (dating back to 1989) to serve the same basic objective had disappointing results. Though faculty at these institutions were highly committed to academic careers, a variety of circumstances—length of time away from academic study, heavy teaching loads, limited availability of institutional support for research and sabbaticals, family obligations, and other barriers—impeded their progress toward the degree.

⁹There are striking parallels between efforts in the US to achieve more diverse faculties and the far more daunting problems faced by universities in post-Apartheid South Africa. The Foundation is continuing its support of graduate training in South Africa and has now introduced a complementary program of internships for young faculty (at Rhodes University and at the University of Natal) that is similar in many respects to the expanded MMUF program in this country. Also, the Foundation is now supporting the establishment of an MMUF program at the University of Cape Town.

Following careful review, a major restructuring of the program has now been accomplished. Expectations concerning the number of faculty who will be able to resume full-time doctoral study have been modified to be more realistic. In addition, a broader array of opportunities to engage in scholarly work at their home institutions will be made available to faculty. These will include summer workshops and short-term visits to research institutes in this country and abroad. This uneven history is a useful reminder that programs must be carefully monitored and revised when necessary to achieve what continue to be important objectives.

Cost-Effective Uses of Technology in Teaching (CEUTT)

Since 1996 the Foundation has made 22 grants designed to test the ability of new information technologies to enhance teaching in cost-effective ways. In 2001, we expect to make the final grants under this program: these are “case study” in nature, and focus on specific initiatives at particular colleges and universities. A major transition is underway to a new program with broader scope and aims. The intention is to provide support for rigorous studies of applications of instructional technology that will include online education and distance learning. Such studies are especially timely since the higher education sector is now witnessing both an explosion in Web-based teaching and the emergence of e-learning as a possible revenue stream. In this context, it seems important to sponsor research on a wider variety of issues that have economic, technical, legal, and policy dimensions, and not to limit ourselves so narrowly to examining cost-effectiveness.

At the same time, we hope to encourage the publication of a book that will bring together the lessons learned from earlier case-studies that have progressed far enough to permit at least tentative conclusions to be reached. Saul Fisher is the program officer at the Foundation primarily responsible for this area of activity.

Scholarly Communication in a Digital Age

Another recurring theme of the September Retreat is that the Foundation may be able to make a major contribution in a number of the fields in which it has a longstanding interest by shaping the ways in which digital technologies are used. The Foundation’s combination of extensive interactions with libraries and their applica-

tions of information technology, a rewarding and highly instructive experience with JSTOR, and relatively recent staffing developments (especially the addition to our staff of Ira Fuchs, Donald Waters, and the legal tandem of Michele Warman and Gretchen Wagner) puts the Foundation in a strong position to stimulate both the institutional collaborations and the kinds of new thinking that grantees appear to be seeking. The Foundation's 1999 Annual Report contains a detailed description of many of the Foundation's activities that relate to information technology, and the text of the Romanes Lecture I gave at Oxford last October provides my sense of the broader intellectual and commercial context within which these fast-moving developments need to be understood. In what follows, I will not repeat those earlier presentations but rather highlight more recent developments that may be of particular interest to grantees and other readers of this report.¹⁰

JSTOR

JSTOR is the best known of the Foundation-sponsored projects in this broad area, and we continue to follow its progress closely even though it has been a free-standing not-for-profit organization since 1995. At last count, nearly 1,000 institutions in more than 40 countries¹¹ have elected to participate in JSTOR and have licensed one or more components of the JSTOR database (which now contains not only the original Art & Sciences I Collection of 117 journals but also the General Science and Ecology & Botany Collections). Nearly 3.2 million articles were printed from the database in the calendar year 2000. Usage continues to expand at

¹⁰The Romanes Lecture was titled "At a Slight Angle to the Universe: The University in a Digitized and Commercialized Age." It has been published in pamphlet form by the Princeton University Press and is available from the Foundation on request, as is the Foundation's 1999 Annual Report. Both documents are also available on the Foundation's website, <http://www.mellon.org>.

¹¹ Articles can only be viewed, searched, or printed satisfactorily if fast internet connections are available. Working with others, the Foundation (led by Tom Nygren and Stuart Saunders) helped to achieve a major breakthrough in 2000 when three years of negotiation culminated in an agreement whereby South African universities will receive much wider bandwidth at affordable prices. The Foundation made a grant of \$1 million to help the universities take full advantage of this new opportunity, which will allow them, among other things, to access JSTOR.

an exponential rate, there is evidence that libraries are beginning to realize significant economies (especially in savings on stack space) from participating in JSTOR, and the annual access fees paid by participating institutions are now sufficient to make JSTOR self-sustaining. Still, there is, as always, much more to accomplish.

As JSTOR's appeal continues to grow, the importance of adding more disciplines in the arts and sciences becomes increasingly important and efforts are now underway to add a language and literature collection, a second major Arts & Sciences Collection, and a music collection, to name a few examples. Lack of coverage of the leading journals in art history is particularly noticeable and has been troubling to the Foundation, not only because the field is central to the humanities but also because works of art (and therefore the secondary publishing pertaining to them) play such an important role in interdisciplinary studies. Anthropologists, archaeologists, classicists, historians, political scientists, literary scholars, sociologists, and others regard works of art as essential evidence for understanding societies and cultures. As high-quality digital representations of works of art become available through projects such as "ArtSTOR" (described in the next section of this report), the creation of electronic and hypertext links between scholarly articles in art history and the digital images of the subject works of art will become extremely valuable to scholars and students. However, scholars will fully realize the potential of the art history literature in their use of digitized images only if that literature is itself represented digitally. It is therefore vital that JSTOR take steps to add an art history cluster to its database, and in 2000 the Foundation appropriated \$2.8 million of funding for this purpose.

Quite apart from the high cost of digitizing this image-rich literature, the single largest challenge to significant advances in the application of technology for the scholarly study and use of art images has been the complexity of the intellectual property rights associated with digitized images. Uncertainty about the likely consequences has led some institutions to opt for "solutions" that severely limit scholarly access either by offering only thumbnail-sized or low-resolution images or by restricting distribution to audiences operating behind network "firewalls." Alleviating these concerns, which have broad ramifications, would be a signal accomplishment. Accordingly, the Foundation and JSTOR have been working closely with a leading intellectual property rights law firm

in New York, and we have been greatly encouraged to learn that the legal risks of digitizing images can be reduced and made manageable.¹²

ArtSTOR

As explained in detail in the 1999 Annual Report, the Foundation has been working on ways in which it might encourage the establishment of ArtSTOR, an electronic archive dedicated to producing, assembling, and distributing images of works of art and related scholarly materials. Considerable progress has been made. Work has proceeded apace in digitizing the design collection at MoMA, the quality of the images is superb, and development of the software providing exceptional levels of search capacity has surpassed projections.

The second major pilot project, the digitization of the cave art at Dunhuang, on the edge of the Gobi desert in Western China, has also proceeded on schedule—amazingly so! Our colleague, Don Waters, provided the Trustees with this succinct background statement in recommending a grant to the Guimet Museum in Paris to digitize its important holdings of materials related to the cave grottos at Dunhuang:

Over the last year, an extraordinary collaboration, supported by formal agreements between the Foundation and the Dunhuang Research Academy (DRA), Northwestern University, the British Library, Oxford University, [and] the Guimet Museum has tested the feasibility of re-connecting, in an easily searchable scholarly database of digitized images, the cave art in Dunhuang, China and related art works, manuscripts, silk banners, and other objects currently housed in museums and libraries around the world. In July 2000, Foundation staff demonstrated a prototype of the archive at the Centennial Celebration of the Discovery of the Library Cave in Dunhuang, China. The demonstration was received with much enthusiasm and was accompanied by the signing of a

¹² The Foundation has continued to refine its basic policy on intellectual property rights. This policy may be reviewed on the Foundation's website, <http://www.mellon.org>, and is also available in hard copy on request. Questions concerning the policy should be addressed to Gretchen Wagner at the Foundation.

final agreement between the Foundation and the DRA to continue the digitization of the cave art in Dunhuang. This agreement is key to the further development of the online database, which is to be known as the Mellon International Dunhuang Archive (MIDA).

Speaking more personally, I can report that presenting the prototype of the MIDA database, signing the formal agreement on which so many people in this country and in China had worked for so long, and observing the worldwide interest in Dunhuang studies was an experience that I will long remember. Our Chinese hosts and collaborators were unfailingly courteous and helpful, and we look forward to continuing to work with them. Following the Centennial Celebration, the Northwestern team, led by Professor Sarah Fraser and Harlan Wallach, resumed the task of photographing additional caves and, in addition, began a highly promising program of training Chinese photographers and computer scientists interested in doing similar work on their own.

In addition to the appropriation to the Guimet (\$420,000), an appropriation of \$1.1 million was made to the British Library in response to a request from Dr. Susan Whitfield for support of the digitization and documentation of large numbers of manuscripts and printed scrolls that were transported at the turn of the century from the Library Cave at Dunhuang to London by Sir Aurel Stein. The manuscripts are of great scholarly interest because of the information they provide on the lives of those who traversed the Silk Road and, more generally, on the history and culture of China; they are also of independent interest because some, dating from the 9th century, are the earliest copies of printed texts in the world (produced by the use of wood blocks). The majority of the documents are in Chinese, but there is a substantial collection of documents in Tibetan and Uighur and some in other languages such as Sanskrit. Efforts continue to add other content to the Dunhuang Archive, including manuscripts, textiles, paintings and other objects now located in France, Britain, India, and Russia.

Although many questions are still open, definite progress has been made in planning the contours of ArtSTOR. Discussions with scholars outside the Foundation, as well as deliberations at the September Trustee Retreat, have confirmed that there is a major

opportunity to serve scholars worldwide by providing internet access to both specialized research collections (such as the Design Collection at MoMA, the Mellon International Dunhuang Archive, and other “deep tranches”) and a more broadly conceived image gallery that could draw upon different kinds of holdings. Several people with whom we consulted have urged the Foundation to move ahead as rapidly as possible with the establishment of ArtSTOR because of their sense that present efforts to digitize art are too often “institution-centric,” inadequately documented, and lacking in awareness of the particular needs of the scholarly community.

Others have suggested that there is an urgent need for a credible art portal set up on a not-for-profit basis to serve educational and scholarly purposes, to which students and scholars would turn in the first instance to see what content is available. Such an entity might be able to establish standards for digitizing and cataloguing materials and might be able to distribute them using a common database architecture that has considerable functionality, is easy to use, and is highly searchable. Extensive conversations with Michael Ester at Luna Imaging have been very encouraging in this regard. If ArtSTOR materializes, owners of other content may well want to have their collections made available through it (as some preliminary conversations already indicate), especially if a sustainable business model can be developed and links can be established to complementary scholarly resources such as JSTOR and its presumptive art history cluster.

This opportunity is especially appealing because it lies at the intersection of the Foundation’s longstanding interests in the arts, major museums, galleries, libraries, and scholarship and teaching in the humanities. It also takes advantage of existing staff capabilities and what we have learned about the applications of information technology and intellectual property rights through working with JSTOR and other organizations in the broad field of scholarly communication. At the same time, we recognize that a considerable upfront investment would be needed to launch ArtSTOR; that there is much that we do not know about both the range of desired content and the uses that would be made of the resource for teachers and research by students and scholars; and, finally, that extensive collaborations will be needed with willing partners if ArtSTOR is to

become one of Mr. Rockefeller's proverbial "tall trees." James Shulman is leading the Foundation's ArtSTOR activities, and he would welcome ideas and suggestions from interested readers.

Electronic Publishing, Archiving, Portals, and Library Preservation

So many new developments are occurring within the Foundation's program of scholarly communication that it is impossible to do justice to even a fraction of them in this report. Let me mention just four.

Electronic Publishing of Mathematics Journals. The Cornell University Library received a grant of \$750,000 to assist "small" publishers of mathematics journals (defined as those who produce three or fewer mathematics titles) to move into the online environment dominated by Springer-Verlag, Elsevier and other large commercial publishers. The vast majority of these small publishers are not commercial concerns, but scholarly societies or departments within universities. Their publications are very important to the academic community and yet they cannot afford to introduce the searching and linking features increasingly expected by users. The Cornell Library has designed a prototype of tools to assist these non-commercial publishers. If this project succeeds, and brings them together under its "Project Euclid" banner, it could be a model for other fields. (The Foundation is also supporting other electronic publishing initiatives, including the creation of a digital version of the Political Science Quarterly by the Academy of Political Science and the development of a digital imprint by the University of Virginia.)

Archiving of Electronic Journal Publications. Assuring the long-term maintenance of digital information in electronic journals and other forms of electronic publications remains a vexing problem for those responsible for generating and maintaining the scholarly record. It remains unclear whether publishers or libraries (or intermediaries such as JSTOR) should take responsibility for making the investments needed to develop broadly useful archiving capacities. After considerable consultation with librarians and publishers about how best to approach this complex problem, Foundation staff extended an invitation to 13

institutions to participate in the planning phase of a possible new initiative, the Mellon Electronic Journal Archiving Program. The seven institutions that responded with the strongest proposals are Stanford, Yale, the University of Pennsylvania, Harvard, Cornell, the New York Public Library, and MIT. We expect to review the ideas developed by these institutions and then to provide additional support in response to the most promising proposals.

Internet Portal Development. In 2000, the Foundation made new grants to the American Society of International Law and the University of Wisconsin to develop discipline-based internet portal services. Scholars and students today struggle to find precise information in the tangled web of online materials. The major search engines offer little precision in retrieval and no guarantee of authority, and there are few tools that alert users to new online materials as they appear in any given domain. Portals such as Yahoo! are inadequate for scholarly purposes. These two projects are designed to explore the technical requirements of internet portals that are oriented to scholars and to see whether a standard “toolkit” could be constructed that would lower the costs of developing internet portal services in a variety of disciplines. The widespread interest in resources of this kind is reflected in another grant made in 2000, an appropriation of \$1 million to allow the Refugee Studies Centre at Oxford to develop a portal to serve the field of forced migration. (The Foundation has also made a grant to the University of Delaware to create portal software that can be used by all colleges and universities—see discussion in the next section.)

Preservation of Major Research Collections. The rapid development of electronic technologies does not eliminate the need for traditional methods of preservation of important research collections. In 2000, the Foundation made the first of what it expects will be carefully targeted series of endowment grants with matching requirements that are intended to strengthen the capacity of leading research libraries to care properly for the large (and growing) corpus of material for which they are responsible. This first grant, of \$2,250,000, went to the New

York Public Library, which has developed a new approach to conservation that combines use-based repairs with proactive curatorial involvement to ensure systematic identification and treatment of deteriorating materials.

Other Applications of Information Technology

As I noted earlier, one of the most oft-repeated requests made by college and university presidents, provosts, and deans in meetings with staff members is that the Foundation provide both leadership and financial support to address shared problems in the field of information technology. Without exception, colleges and universities are eager to take advantage of new opportunities, but they do not want to duplicate efforts or expend larger sums of money than any single institution (or small group of institutions) could afford; also, these institutions are well aware of the problems many face in recruiting and retaining well qualified technical staff. Thinking through this set of issues has been a top priority for Pat McPherson and Danielle Carr within the Foundation's liberal arts college program.

As readers of earlier reports will be aware, the Foundation has made large investments in the Center for Educational Technology (CET) at Middlebury College (which has emphasized language teaching in liberal arts colleges). In considering the future of CET, a much broader "Centers Strategy" has been developed that would involve setting up three or more regional centers, each with a special programmatic focus, but each also charged with helping to meet the basic needs for training and technical assistance of liberal arts colleges within its catchment basin. The current plan is to restructure the Center for Educational Technology based at Middlebury College, to enhance an existing center at Southwestern University in Texas, and perhaps to establish a mid-western center in Ann Arbor, Michigan. If this approach proves successful, a fourth center might be established on the West coast. Participating colleges would be expected to cover some of the costs of the programs at the centers which benefit them, but the Foundation would also expect to provide centralized guidance (working with an Advisory Committee) and core funding. Collaborations of this kind seem essential if small institutions, in particular, are not to end up on the wrong side of the so-called "digital divide."

This year also marked the beginning of efforts by the Foundation's newly appointed Vice President for Research in Information Technology, Ira Fuchs, to assist colleagues, such as Pat McPherson, to address these issues within their own domains and, simultaneously, to recommend strategically important grants that are intended to lead to new, affordable software offerings for the institutions we seek to serve.

The first appropriation of this kind was made to the University of Delaware (\$770,000) in support of the development and distribution of an Open Source Web application that will provide a single electronic gateway for institutions of higher education to use in accessing information resources. A number of commercial solutions are available, but they offer less-than-optimal products. A consortium of universities known as JA-SIG (The Java in Administration Special Interest Group) is creating a collaborative alternative that will result in Open Source portal software and permit institutions of higher education and scholars to consolidate and customize online information in ways that are appropriate locally.

The intention is to encourage development of a common infrastructure, while permitting institutions and individual scholars to retain the ability to customize their approaches and share new techniques and new software enhancements. This "uPortal" project will result in a variety of features, including a single graphical interface for access to all university information and services; a single log-on to obtain authentication and authorization to all appropriate information resources and applications; a framework that will facilitate integration of all academic and administrative elements of the university community; an ability for community members to personalize and customize the manner in which they obtain and view information; an ability for universities to control and manage their own internet appearance and content; and, finally, a vendor-independent, non-proprietary Web portal free of undesired commercialization or advertising.

An even more ambitious project was launched with a grant of nearly \$2.5 million to the Massachusetts Institute of Technology to support the collaborative development of a set of standards and a scalable, sustainable system for Web-enabled education. Many institutions of higher education are beginning to offer courses and other educational materials over the internet, but the tools available from current vendors are often very expensive or incompatible with

existing campus computing infrastructures. These difficulties are compounded at smaller institutions, not only because commercial packages are costly but also because of the more daunting cost of customizing these off-the-shelf solutions to fit their environments. Small colleges and universities need comprehensive integrated packages that will permit them to engage in a full range of online teaching and learning initiatives.

MIT and a group of collaborating institutions are proposing an “Open Knowledge Initiative” that will begin by defining and publishing a set of standards for creating a Web-based learning environment. In addition, the Open Knowledge Initiative will identify, design, and package a set of Web-enabled learning components that will be of service to the widest range of educational institutions. By working within a standards-based framework, the Open Knowledge Initiative will permit universities and colleges, as well as commercial vendors, to construct additional components and modules that can be seamlessly integrated with the set of base components. Examples of such new components include voice recording, instructor voice annotation, management of multimedia content, and integration with online data collections.

Other Programs

Space will permit me to mention only one new (or developing) theme within each of the other major program areas. The Foundation expects to continue to invest amounts ranging from \$15 to more than \$20 million within each, and readers interested in learning more about new plans should contact the appropriate program officers or senior advisors (Angelica Rudenstine for Museums, William Robertson for Conservation and the Environment, Catherine Wichterman for Performing Arts, and Carolyn Makinson for Population/Forced Migration). Last year’s annual report contained a long essay by Ms. Makinson on developments in her areas, and Catherine Wichterman contributed a similar essay, focused on symphony orchestras, in the 1998 annual report.

Science and Art Conservation

Quarterly Trustee meetings are often the occasion for discussion of a paper by a staff member outlining a proposed new area of

emphasis. Last December, Angelica Rudenstine, Senior Advisor for the Museum and Art Conservation Program, presented a position paper on “Scientific Research in Art Conservation” that described the history of such research and then reported conclusions based on extensive consultations with scientists and conservators including a series of three round-table discussions (in February 1999, August 1999, and March 2000). These discussions highlighted some of the complexities that characterize the field and make it difficult to chart an immediate course for program development. For example, conservation science lacks clear definition and involves a number of different kinds of activity. It is not a scientific discipline in itself, but rather brings together various fields (chemistry, engineering, physics, biology, geology, etc.) to serve the purposes of conservation and curatorial scholarship. In addition, there is no specific training for the “conservation scientist,” and indeed there is considerable consensus among scientists in North America that a special postgraduate degree in conservation science, however defined, would inevitably lack rigorous scientific focus and would therefore fail to attract excellent candidates.

While there is much more to be learned from continuing conversations and study, the need for more scientists is clear; establishment of senior positions at major museums is seen as the highest priority. Yet museums lack the resources to make such major investments on their own. The Foundation’s Trustees have indicated their willingness to fund a limited number of new positions (probably through endowment) and to contribute toward planning and equipping labs and developing research programs. An important first step was taken at the December meeting of the Trustees with the approval of an appropriation of \$2,750,000 to the Art Institute of Chicago, which will now launch a search for a senior scientist. This individual will be charged with leading a coordinated effort to integrate science into the ongoing conservation activities of the museum. Once on staff, such a scientist might also be in a position to establish partnerships with scientists in neighboring universities, in industry, and in other museums in order to build and strengthen the department. Over time, it would of course also be desirable to make provision for junior positions or postdoctoral fellowships, but recruitment of senior leadership plainly must come first.

Collaboration in Ecosystems Research

The importance of institutional collaborations has grown within every programmatic area supported by the Foundation. This trend is perhaps most pronounced among liberal arts colleges, and is clearly reflected in the “Centers Strategy” for taking advantage of advances in information technology as well as in coordinated efforts to design new programs of faculty career enhancement and library collaboration. Among research universities, collaborations are taking place in, for example, efforts to share responsibility for storing core library collections. But it is in the research area that the practice of working together, across institutional lines, is most firmly established.

The following examples illustrate the Foundation’s approach in encouraging collaborations within the field of ecology.

- To begin outside the United States, a University of Cape Town research group studying mechanisms controlling the distribution of alternative grassland types in southern Africa savannas has successfully enlisted collaborators from the University of Wageningen, in The Netherlands, and the University of the Witwatersrand, University of Stellenbosch, and the National Botanical Institute of South Africa. As in all research of this kind, the Foundation encourages the inclusion of a strong training component, and much has been accomplished by involving students in the program. Also in South Africa, the Foundation is working to establish a number of research and training efforts using the facilities and ecosystems contained in Kruger National Park. These projects will involve extensive collaborations with scientists in the United States as well as at various South African universities.
- The interrelated set of research and training projects that study a range of ecosystem processes across the Hawaiian islands began with project grants to Stanford University and has expanded to include researchers at 24 universities, producing about 100 peer-reviewed publications since 1997. The islands of Hawaii are created by the movement of a tectonic plate across a “hot spot” of volcanic activity, and the sites of the Hawaiian Ecosystems Study range from only days old to over four million years old. The combination of broad ranges of cli-

mates and soil ages with a nearly uniform geology and relatively simple native biota makes possible analyses of ecosystem interactions that cannot be easily matched elsewhere.

- Perhaps the most extensive collaboration within the ecosystems program is longstanding support for expanding the range of ideas and collaborations within the Hubbard Brook Ecosystems Study (HBES). Hubbard Brook is part of the White Mountain National Forest in New Hampshire. In 1983, HBES was initiated by Drs. F. Herbert Bormann, Gene E. Likens, Noye M. Johnson, and Robert S. Pierce. The Foundation provided “venture capital” for HBES beginning in 1980 and, while most of the actual research has been supported by others (chiefly the National Science Foundation and Forest Service), the program has involved more than 150 senior investigators since then, has resulted in over 1,500 publications, and is one of the most extensive and longest lasting continuous research efforts on natural ecosystems.

International Opportunities in the Performing Arts

The Foundation’s programs in the performing arts, led by Catherine Wichterman, combine continuing concern for the commissioning of new work, the strengthening of important institutions (as in the highly successful Symphony Orchestra Program), and new departures. In the materials she prepared for the September Retreat, Ms. Wichterman noted that:

Increasingly, artists in all disciplines are working in an international environment. They need access to touring markets, but more important, they need opportunities to explore influences on their work that originate in other countries and cultures. We are having conversations with Arts International about ways to help facilitate artist exchanges and residencies, and additional resources could be extremely beneficial in this effort. We would not foresee funding companies outside the US, but providing access for American artists is critical in this environment, particularly in the development of new work.

This idea has already been translated into a proposed grant to Arts International prepared for consideration by the Trustees at their first meeting in 2001. The grant, of \$750,000 to support inter-

national exchange programs, would not only allow emerging US companies to explore creative and technical options abroad, it would help members of the next generation of American artists to establish global reputations. The Initiative illustrates well the “international” theme noted near the start of the report.

Applied Research in Population and Forced Migration

In her essay included in last year’s annual report, Carolyn Makinson provided a comprehensive description of the Foundation’s activities in the field of refugee studies and forced migration. Since then, the Foundation’s population program has undergone fundamental restructuring and change. The programs in population and forced migration have merged, and staff are thinking about how best to take advantage of the resulting opportunities for synergy. We anticipate that larger grants will be made in areas of continuing interest—especially as capacity for applied research grows among practitioner organizations and university centers in the field of forced migration, as demographic centers develop new programs on urbanization and internal migration, and as selected centers in developing countries (e.g., Costa Rica, Egypt, Lebanon, South Africa) expand their programs.

Perhaps the most noteworthy development is the evident—and very gratifying—interest of practitioner organizations and leading centers of applied research in the social sciences to work closely together. For example, the Carolina Population Center (CPC), one of the leading demographic centers in the US, is collaborating with IPAS, an organization that provides technical assistance and training to reproductive health organizations in developing countries. CPC and IPAS plan to work together in Mexico and Kenya to evaluate the feasibility of using the World Wide Web to educate adolescents on reproductive health issues and to collect information from them on their knowledge, attitudes, and behavior. CPC intends to assess the Web as a mechanism by which to conduct longitudinal surveys, addressing issues such as confidentiality, attrition, missing data, and cost effectiveness; IPAS hopes the project will improve the design and implementation of its health programs for adolescents. This is another form of collaboration that offers real hope of improving both the quality of the underlying research (by ground-

ing it in issues that matter) and the capacity of “front-line” organizations to make use of what can be learned about approaches that are more and less effective.

As I hope this brief recitation of some of the directions in which the Foundation is moving makes clear, the year just past has been an extremely exciting and rewarding one for the staff and the Trustees. It is a privilege of the highest order to have the opportunity to consider how most effectively to make use of even larger resources, and I am sorry only that the need to honor at least some rough space constraint has prevented me from providing more examples and more detail. (I have been able to mention only a small fraction of the grants made during 2000 and have said nothing about the ongoing research program of the Foundation; as always, the back part of the report contains a complete listing of all appropriations approved in the last year.)

In concluding the report, I want to say a special word of thanks to the Foundation’s grantees, whom we regard as full partners in the process of designing and carrying out programs. Some considerable fraction of the time of staff members is devoted to meeting, singly and in groups, with presidents, provosts, deans, faculty members, directors of programs, and other interested parties. These discussions are almost always wide-ranging and productive. It is the ideas of those most directly involved in the core activities of teaching, learning, performing, delivering services, providing information resources, and thinking new thoughts that drive our grantmaking. We rely heavily on this small army of “partners,” and I suspect that we do not say “thank you” often enough.

William G. Bowen
February 13, 2001

The Andrew W. Mellon Foundation

Summary of Grants and Contributions, 2000

	<i>Payable and Committed at</i>	<i>2000 Grants and Commitments</i>		<i>Payable and Committed at</i>
	<i>Dec. 31, 1999*</i>	<i>Appropriated</i>	<i>Paid</i>	<i>Dec. 31, 2000</i>
Conservation and the Environment	\$ 0	\$ 22,626,000	\$ 20,126,000	\$ 2,500,000
Museums and Art Conservation	7,816,500	20,569,750	19,945,092	8,441,158
Performing Arts	2,475,630	20,396,000	17,861,319	5,010,311
Higher Education and Scholarship	25,332,108	127,403,405	121,399,867	31,335,646
Population	1,146,344	25,542,500	21,100,393	5,588,451
Public Affairs	2,813,249	3,590,000	5,237,479	1,165,770
Program Grants & Commitments—Totals . . .	\$ 39,583,831	\$220,127,655	\$205,670,150	\$ 54,041,336
Contributions	—	200,000	200,000	—
Totals	<u>\$ 39,583,831</u>	<u>\$220,327,655</u>	<u>\$205,870,150</u>	<u>\$ 54,041,336</u>

*Restated. Reflects cancellation in 2000 of 4 commitments totalling \$376,750.

The Andrew W. Mellon Foundation

Classification of Grants

CONSERVATION AND THE ENVIRONMENT

Appropriated

Brown University,
Providence, Rhode Island:

To support a program of ecological research and training	\$ 250,000
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Carnegie Institution of Washington,
Washington, DC:

To support a program of ecological research and training	1,200,000
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Cornell University,
Ithaca, New York:

To support a program of ecological research and training	275,000
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To support a program of ecological research and training	150,000
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Duke University,
Durham, North Carolina:

To support a program of ecological research and training	390,000
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Ecological Society of America, Inc.,
Washington, DC:

To support the creation of an electronic version of the Society's three journals	23,000
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Harvard University,
Cambridge, Massachusetts:

To support a program of ecological research and training	43,000
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CONSERVATION AND
THE ENVIRONMENT

(continued)

Appropriated

International University Exchange Inc.,
Washington, DC:

To support a program of ecological research and training	322,000
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Marine Biological Laboratory,
Woods Hole, Massachusetts:

To support a program of ecological research and training	1,000,000
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To support a program of ecological research and training	265,000
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Missouri Botanical Garden,
St. Louis, Missouri:

To support a program of ecological research and training	900,000
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To support a pilot program to digitize rare botanical reference works and make images available using the Internet	200,000
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National Park Foundation,
Washington, DC:

To support a program of ecological research and training	1,400,000
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New York Botanical Garden,
Bronx, New York:

To support a program of ecological research and training	600,000
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To support a pilot program to digitize rare botanical reference works and make images available using the Internet	195,000
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CONSERVATION AND
THE ENVIRONMENT

(continued)

Appropriated

Oregon State University,
Corvallis, Oregon:

To support a program of ecological research and
training 220,000

Organization for Tropical Studies, Inc.,
Durham, North Carolina:

For use as endowment 2,500,000

To support a program of ecological research and
training 395,000

Pennsylvania State University,
University Park, Pennsylvania:

To support a program of ecological research and
training 50,000

Pontificia Universidad Catolica de Chile,
Santiago, Chile:

To support a program of ecological research and
training 280,000

Resources for the Future,
Washington, DC:

To support studies of the effects of environmental
regulations 250,000

Rice University,
Houston, Texas:

To support a program of ecological research and
training 164,000

Scientific Committee on Problems
of the Environment,
Paris, France:

To support a program of ecological research and
training 200,000

CONSERVATION AND
THE ENVIRONMENT

(continued)

Appropriated

Smithsonian Institution,
Washington, DC:

To support a program of ecological research and
training 250,000

To support a program of ecological research and
training 120,000

South African National Parks,
Skukuza, South Africa:

To support a program of ecological research and
training 200,000

To support a program of ecological research and
training 25,000

Stanford University,
Stanford, California:

To support a program of ecological research and
training 800,000

To support a program of ecological research and
training 300,000

Trust for Public Land,
San Francisco, California:

For use as general support 2,500,000

For use as general support 1,750,000

Universidad de Costa Rica,
San Jose, Costa Rica:

To support a program of ecological research and
training 290,000

CONSERVATION AND
THE ENVIRONMENT

(continued)

Appropriated

University of California at Davis,
Davis, California:

To support a program of ecological research and
training 310,000

To support a program of ecological research and
training 76,000

University of California at Riverside,
Riverside, California:

To support studies of the effects of environmental
regulations 150,000

University of California at Santa Barbara,
Santa Barbara, California:

To support a program of ecological research and
training 320,000

To support a program of ecological research and
training 288,000

To support a program of ecological research and
training 170,000

University of Canterbury,
Christchurch, New Zealand:

To support a program of ecological research and
training 320,000

University of Cape Town Fund, Inc.,
New York, New York:

To support a program of ecological research and
training 380,000

To support a program of ecological research and
training 163,000

CONSERVATION AND
THE ENVIRONMENT

(continued)

Appropriated

University of Colorado at Boulder,
Boulder, Colorado:

To support a program of ecological research and
training 195,000

University of Connecticut,
Storrs, Connecticut:

To support a program of ecological research and
training 350,000

University of Georgia,
Athens, Georgia:

To support a program of ecological research and
training 65,000

University of Montana,
Missoula, Montana:

To support a program of ecological research and
training 360,000

University of Nevada at Las Vegas,
Las Vegas, Nevada:

To support a program of ecological research and
training 235,000

University of Nevada at Reno,
Reno, Nevada:

To support a program of ecological research and
training 90,000

University of Pennsylvania,
Philadelphia, Pennsylvania:

To support a program of ecological research and
training 415,000

CONSERVATION AND
THE ENVIRONMENT

(continued)

Appropriated

University of Puerto Rico,
San Juan, Puerto Rico:

To support a program of ecological research and training	239,000
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University of the Witwatersrand,
Johannesburg, South Africa:

To support a program of ecological research and training	25,000
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University of Wisconsin at Madison,
Madison, Wisconsin:

To support a program of ecological research and training	690,000
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Woods Hole Oceanographic Institution,
Woods Hole, Massachusetts:

To support a program of ecological research and training	220,000
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Yale University,
New Haven, Connecticut:

To support a summary publication of research projects on basic ecology of the Copper River Delta in Alaska . .	30,000
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To support a program of ecological research and training	28,000
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Total—Conservation and the Environment	<u><u>\$22,626,000</u></u>
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MUSEUMS AND
ART CONSERVATION

Appropriated

Art Institute of Chicago,
Chicago, Illinois:

To establish a permanent endowment in support of
a Senior Conservation Scientist and to establish and
operate a scientific laboratory \$ 2,750,000

To improve scholarly access to unique archival
documents 750,000

Brooklyn Institute of Arts and Sciences,
Brooklyn, New York:

To improve scholarly access to unique archival
documents 750,000

Buffalo State College Foundation, Inc.,
Buffalo, New York:

To establish a permanent endowment in support of
graduate conservation fellowships and to facilitate
curriculum development 2,400,000

Detroit Institute of Arts Founders Society,
Detroit, Michigan:

To establish a permanent endowment in support of
curatorial research and travel and a program for visiting
curatorial specialists 750,000

Foundation of the American Institute for
Conservation of Historic and Artistic Works, Inc.,
Washington, DC:

To endow a program for mid-career training of
conservation professionals and to support the position
of Program Director 1,800,000

To support a study tour in France for mid-career
wooden artifact conservators 45,000

MUSEUMS AND
ART CONSERVATION

(continued)

Appropriated

George Eastman House,
Rochester, New York:

For supplementary equipment to support training in
the field of photograph conservation 145,250

To support expenses associated with the selection
process for the Mellon Advanced Residency Program
in Photograph Conservation 14,000

Henry E. Huntington Library & Art Gallery,
San Marino, California:

To establish three postdoctoral Andrew W. Mellon
Curatorial Fellowships 390,000

Institute of Fine Arts Foundation,
New York, New York:

To establish a permanent endowment in support of
graduate conservation fellowships and to facilitate
curriculum development 1,800,000

Isabella Stewart Gardner Museum, Inc.,
Boston, Massachusetts:

To support scholarly exhibitions based on the
permanent collection 750,000

To support scholarly exhibitions based on the
permanent collection 50,000

Kansas University Endowment Association,
Lawrence, Kansas:

To establish a permanent endowment to strengthen
the educational role of the museum's collections and
programs 475,000

Museum of Fine Arts, Boston,
Boston, Massachusetts:

To improve scholarly access to unique archival
documents 750,000

MUSEUMS AND
ART CONSERVATION

(continued)

Appropriated

Philadelphia Museum of Art,
Philadelphia, Pennsylvania:

To establish a permanent endowment in support of
one Senior Conservatorship and three post-graduate
conservation fellowships and to support publication
and presentation projects directly related to
conservation 2,625,000

To improve scholarly access to unique archival
documents 750,000

Seattle Art Museum,
Seattle, Washington:

To establish a permanent endowment in support of the
Conservation Department and to support the position
of Chief Conservator 1,750,000

University of Chicago,
Chicago, Illinois:

To establish a permanent endowment to strengthen
the educational role of the museum's collections and
programs 500,000

University of Delaware,
Newark, Delaware:

To establish a permanent endowment in support of
graduate conservation fellowships and to facilitate
curriculum development 1,300,000

To support additional expenses associated with a
collaborative workshop in photograph conservation 25,500

Total—Museums and Art Conservation \$20,569,750

PERFORMING ARTS	<i>Appropriated</i>
Alabama Shakespeare Festival, Inc., Montgomery, Alabama:	
To support the Southern Writers' Project	\$ 250,000
Alliance of Resident Theatres, New York, New York:	
To expand its revolving loan program for New York nonprofit theaters and to strengthen institutional performance	1,000,000
American Conservatory Theatre Foundation, San Francisco, California:	
To support artistic initiatives	300,000
American Music Center, Inc., New York, New York:	
For use as matching endowment and to support information programs and services to the field	2,500,000
Ballet Theatre Foundation, Inc., New York, New York:	
To support design and production costs of <i>The Pied Piper of Hamelin</i>	50,000
Baltimore Symphony Orchestra, Inc., Baltimore, Maryland:	
To strengthen artistic and administrative performance .	800,000
Boston Modern Orchestra Project Inc., Boston, Massachusetts:	
To strengthen administrative capacity	50,000
Boston Symphony Orchestra, Inc., Boston, Massachusetts:	
To support the Tanglewood Music Center's Interarts Initiative	50,000

PERFORMING ARTS

(continued)

Appropriated

Brooklyn Philharmonic Symphony Orchestra, Inc., Brooklyn, New York:	
To support its strategic planning process	50,000
Center Stage Associates, Inc., Baltimore, Maryland:	
To support artistic initiatives and the associate artist program	225,000
Center Theatre Group of Los Angeles, Los Angeles, California:	
To support new play development and resident artist programs	275,000
Chicago Symphony Orchestra, Chicago, Illinois:	
To support its Musician Residency Program	600,000
Conductors' Retreat at Medomak, Ann Arbor, Michigan:	
To support artistic initiatives and strengthen administrative capacity	44,000
Connecticut Players Foundation, Inc., New Haven, Connecticut:	
To support its Playwrights Program	225,000
Cornerstone Theater Company, Inc., Los Angeles, California:	
To support its strategic planning process	10,000
Dance Works, Inc., New York, New York:	
To support the Pentacle Help Desk	15,000

PERFORMING ARTS

(continued)

Appropriated

Eugene O'Neill Memorial Theater Center, Inc.,
New York, New York:

To support the National Playwrights Conference 50,000

Grantmakers in the Arts,
Seattle, Washington:

To support research, publications, and information
services 10,000

Guthrie Theatre Foundation,
Minneapolis, Minnesota:

To support its Company Development Program 250,000

Intiman Theatre,
Seattle, Washington:

To support artistic initiatives 150,000

Jacob's Pillow Dance Festival, Inc.,
Lee, Massachusetts:

To support planning for its media residency program
for choreographers 50,000

Louisiana Philharmonic Orchestra,
New Orleans, Louisiana:

To strengthen artistic and administrative performance 800,000

Lyric Opera of Chicago,
Chicago, Illinois:

To support productions of American operas 1,200,000

Marlboro School of Music, Inc.,
Philadelphia, Pennsylvania:

For use as endowment 750,000

McCarter Theatre Company,
Princeton, New Jersey:

To support new play development 225,000

PERFORMING ARTS

(continued)

*Appropriated*Musical Arts Association,
Cleveland, Ohio:

To strengthen artistic and administrative performance . . . 600,000

National Guild of Community Schools
of the Arts, Inc.,
Englewood, New Jersey:To support partnership programs between orchestras
and community music schools 50,000New Jersey Performing Arts Center Corporation,
Newark, New Jersey:

To support costs of its Community Subsidy Program . . . 40,000

New Mexico Symphony Orchestra,
Albuquerque, New Mexico:

To strengthen artistic and administrative performance . . . 600,000

New World Symphony Inc.,
Miami Beach, Florida:

To support musician training and artistic activities 50,000

New York Theatre Workshop, Inc.,
New York, New York:

To support artistic initiatives 225,000

Opera America, Inc.,
Washington, DC:

For use as matching endowment 2,200,000

Philadelphia Orchestra Association,
Philadelphia, Pennsylvania:

To support its strategic planning process 50,000

Pittsburgh Symphony Society,
Pittsburgh, Pennsylvania:

To strengthen artistic and administrative performance . . . 200,000

PERFORMING ARTS

(continued)

Appropriated

Playwright's Horizons, Inc.,
New York, New York:

To support new play development 225,000

Richmond Symphony,
Richmond, Virginia:

To strengthen artistic and administrative performance . 700,000

Saint Paul Chamber Orchestra Society,
Saint Paul, Minnesota:

To strengthen artistic and administrative performance . 200,000

San Francisco Symphony,
San Francisco, California:

To strengthen artistic and administrative performance . 200,000

Saratoga International Theater Institute Inc.,
New York, New York:

To support costs of set construction for *War of the
Worlds* 45,000

Seattle Symphony Orchestra, Inc.,
Seattle, Washington:

To strengthen artistic and administrative performance . 700,000

Shakespeare Theatre,
Washington, DC:

To support artistic initiatives 275,000

Spanish Theatre Repertory Company, Ltd.,
New York, New York:

To support artistic initiatives 225,000

St. Lukes Chamber Ensemble, Inc.,
New York, New York:

To strengthen artistic and administrative performance . 600,000

PERFORMING ARTS

(continued)

*Appropriated*Sundance Institute,
Salt Lake City, Utah:

To support the Sundance Theatre Laboratory 450,000

Theatre Communications Group, Inc.,
New York, New York:To establish the New Generations Mentorship
Program 2,000,000Theatre de la Jeune Lune,
Minneapolis, Minnesota:

To support artistic and administrative development . . . 150,000

Theatre for a New Audience Inc.,
New York, New York:To support administrative development and the
American Directors Project 225,000

To support market research and planning 32,000

Trinity Repertory Company,
Providence, Rhode Island:To support new play development and resident artist
programs 225,000Virginia Polytechnic Institute and State University,
Blacksburg, Virginia:

To support the Orchestra Exchange Program 50,000

Yale University,
New Haven, Connecticut:To support Yale Repertory Theatre's Associate Artist
Program 150,000

Total—Performing Arts

\$20,396,000

HIGHER EDUCATION
AND SCHOLARSHIP

Appropriated

Academia Istropolitana Nova,
Svätý Jur, Slovakia:

To support a program in public administration, library
improvements, and general management \$ 350,000

Academy of Political Science,
New York, New York:

To support the design and publication of an electronic
version of *Political Science Quarterly* 102,000

Acadia University,
Wolfville, Nova Scotia, Canada:

To study the best way to provide new studio classrooms
for several science departments and to consider ways to
connect them to local schools 50,000

Adelphi University,
Garden City, New York:

To support the formulation of an information
technology strategy 32,000

American Antiquarian Society,
Worcester, Massachusetts:

To support postdoctoral fellowships 500,000

American Council of Learned Societies,
New York, New York:

To support research leaves for junior faculty members
in the humanities 2,300,000

To support core activities and new initiatives 2,000,000

To support a subscription to JSTOR and its
introduction to scholarly associations 14,000

American Council on Education,
Washington, DC:

To support a project to bring a greater international
focus to undergraduate education 42,600

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

American Economic Association, Inc.,
Nashville, Tennessee:

To support research on the evolving role of regional
economic associations 6,000

American Friends of the Institute of
Historical Research (London), Inc.,
Ithaca, New York:

To support efforts to increase the level of private sector
support for the Institute of Historical Research 50,000

American Fund of the University
of the Orange Free State,
Chicago, Illinois:

To support graduate fellowships for students from
disadvantaged backgrounds and to prepare them for
academic careers 900,000

American Philosophical Society,
Philadelphia, Pennsylvania:

To support sabbatical fellowships for faculty members
in the humanities and social sciences 1,475,000

American Political Science Association,
Washington, DC:

To support a planning study, conducted in partnership
with the Harvard University Library, to determine the
feasibility and costs of establishing an online scholarly
portal for the Association 50,000

American Pontifical Institute
for Mediaeval Studies Corp.,
Plymouth, Michigan:

To endow a faculty chair in manuscript studies 840,000

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

American Society of International Law,
Washington, DC:

To support the development of discipline-based portal
services 680,000

American University of Paris, Inc.,
Paris, France:

To implement a new curriculum 300,000

Amherst College,
Amherst, Massachusetts:

To support a postdoctoral fellowship program 500,000

To strengthen the relationship between the academic
and residential programs 105,000

To support faculty career enhancement 91,000

To design a business plan for the journal *Hopscotch:
A Cultural Review* 15,000

Appalachian College Association,
Berea, Kentucky:

To foster presidential collaborative projects among
member colleges 3,000,000

To support a study of graduates of colleges in Central
Appalachia 300,000

To support digitization of selected archival materials at
seven Appalachian colleges 50,000

Associated Colleges of Central Kansas,
McPherson, Kansas:

To support an enrollment management project 45,000

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

Associated Colleges of the Midwest, Inc.,
Chicago, Illinois:

To support programs in information literacy and
collaborative collections management 645,000

To promote cooperation and collaboration among
liberal arts colleges 500,000

Associated Colleges of the South, Inc.,
Atlanta, Georgia:

To promote cooperation and collaboration among
liberal arts colleges 500,000

To support centers for educational technology in the
Northeast, South, and Midwest 146,500

Association for Core Texts and Courses,
Philadelphia, Pennsylvania:

To permit a group of American scholars to consult on
the development of core humanities programs in several
universities in Central Asia 15,000

Association of Vermont Independent Colleges,
Shelburne, Vermont:

To support a collaborative venture in environmental
science and technology 45,400

Association pour le Rayonnement
des Arts asiatiques (Musée Guimet),
Paris, France:

To support the planning and organizing of the
digitization of Dunhuang materials as part of the
Mellon International Dunhuang Archive 50,000

To support the digitization and documentation of
objects and photographs to be included in the Mellon
International Dunhuang Archive 420,000

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

Austin College,
Sherman, Texas:

To support faculty career enhancement and institutional planning on the use of instructional technology	25,000
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Bard College,
Annandale-on-Hudson, New York:

To support an interdisciplinary program in human rights, sponsored by Southern African universities and United States liberal arts colleges	320,000
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Barnard College,
New York, New York:

To endow a postdoctoral fellowship program	1,500,000
To support faculty career enhancement	650,000
To support the renewal of an undergraduate fellowship program	400,000
To strengthen the relationship between the academic and residential programs	122,000

Bates College,
Lewiston, Maine:

To assist presidents of liberal arts and historically black colleges to meet the goals they have set for their respective institutions	250,000
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Bennington College,
Bennington, Vermont:

To support a new distance learning component for the college's language center	40,000
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Bethune-Cookman College,
Daytona Beach, Florida:

To assist presidents of liberal arts and historically black colleges to meet the goals they have set for their respective institutions	300,000
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HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

Bowdoin College,
Brunswick, Maine:

To support the renewal of an undergraduate fellowship program	400,000
To support existing environmental studies programs . .	300,000
To strengthen the relationship between the academic and residential programs	90,000

British Library,
London, United Kingdom:

To support the digitization of manuscripts, texts, and related materials from the Library's Stein Collection . .	7,100
To support the digitization and documentation of manuscripts and printed scrolls for the Mellon International Dunhuang Archive	1,100,000

Brookings Institution,
Washington, DC:

To support postdoctoral fellowships	300,000
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Brooklyn College,
Brooklyn, New York:

To support the renewal of an undergraduate fellowship program	300,000
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Brown University,
Providence, Rhode Island:

To support postdoctoral fellowships at the John Carter Brown Library	400,000
To support a project measuring the pedagogic effectiveness and costs of using technology to improve undergraduate instruction	400,000
To support the renewal of an undergraduate fellowship program	300,000

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

Bryn Mawr College,
Bryn Mawr, Pennsylvania:

To support the renewal of an undergraduate fellowship
program 400,000

To strengthen the relationship between the academic
and residential programs 92,000

To support planning for the future of graduate
programs in the history of art, classics, and classical
and Near Eastern archeology 50,000

Burlington Magazine Foundation, Inc.,
New York, New York:

To sustain and enhance the quality and accessibility of
the magazine 641,000

California Institute of Technology,
Pasadena, California:

To support the renewal of an undergraduate fellowship
program 150,000

Carleton College,
Northfield, Minnesota:

To support faculty career enhancement 600,000

To support the renewal of an undergraduate fellowship
program 350,000

To support existing environmental studies programs . . . 300,000

Carnegie Mellon University,
Pittsburgh, Pennsylvania:

To support the establishment of a Center for the Arts in
Society 800,000

To support a project measuring the pedagogic
effectiveness and costs of using technology to improve
undergraduate instruction 550,000

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

Case Western Reserve University,
Cleveland, Ohio:

To support new "Mellon Seminars: Issues in
Interpretation" 48,000

CERGE-EI Foundation,
Teaneck, New Jersey:

For use as endowment 1,000,000

China Cultural Property Promotion Association,
Beijing, China:

To hire a translator for the training program that is part
of the cooperative project between the Dunhuang
Research Academy and the Foundation 43,400

To support development of a training program in
China as part of the cooperative project between the
Dunhuang Research Academy and the Foundation 5,000

Citizens' Scholarship Foundation of America, Inc.,
St. Peter, Minnesota:

To support a planning initiative with six selective
liberal arts colleges to prepare low-income and
minority students for higher education 50,000

City University of New York,
New York, New York:

To support new "Mellon Seminars: Issues in
Interpretation" 45,000

Claremont McKenna College,
Claremont, California:

To support a strategic planning process 50,000

College of William and Mary,
Williamsburg, Virginia:

To support existing environmental studies programs 300,000

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

College of Wooster,
Wooster, Ohio:

To support a new curriculum 400,000

Columbia University,
New York, New York:

To support postdoctoral fellowships in the humanities . 1,700,000

To support the improvement of foreign language
instruction and its greater cost-effectiveness 1,200,000

To support the construction and implementation of
reliable measures of the uses, costs, and benefits of
electronic publishing initiatives 530,000

To support the renewal of an undergraduate fellowship
program 400,000

To improve the quality and effectiveness of graduate
education within selected departments of the
humanities and related social sciences while reducing
time-to-degree and attrition rates 225,000

To support Sawyer Seminars on the historical and
cultural sources of contemporary developments 210,000

To assist the winners of the Gutenberg-e dissertation
award in transforming their manuscripts into electronic
publications 43,000

Cornell University,
Ithaca, New York:

To support postdoctoral fellowships in the humanities
and related social sciences 1,400,000

To support Project Euclid, an electronic publishing
initiative 750,000

To support the renewal of an undergraduate fellowship
program 350,000

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

To improve the quality and effectiveness of graduate education within selected departments of the humanities and related social sciences while reducing time-to-degree and attrition rates	225,000
To support the development of archives for long-term maintenance of electronic journal publications	150,000
Dartmouth College, Hanover, New Hampshire:	
To support the renewal of an undergraduate fellowship program	250,000
Davidson College, Davidson, North Carolina:	
To support pilot activities in its orientation program	142,000
Dickinson College, Carlisle, Pennsylvania:	
To develop enrollment management strategies	50,000
Duke University, Durham, North Carolina:	
To support postdoctoral fellowships in the humanities and related social sciences	2,000,000
To support the renewal of an undergraduate fellowship program	350,000
To support its summer research opportunities program	275,000
Eastern Cape Higher Education Association Trust, Port Elizabeth, South Africa:	
To support the creation of a shared library system in South Africa's Eastern Cape Province	1,175,000

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

Eastern Seaboard Association of Tertiary Institutions,
Durban, South Africa:

To support an inter-institutional, collaborative research
program 80,000

Emory University,
Atlanta, Georgia:

To support new fellowship programs 475,000

To support a fellowship program that would allow
advanced graduate students at Emory to teach at
Dillard University 450,000

To support a Sawyer Seminar on the historical and
cultural sources of contemporary developments 110,000

Foundation for Library and Information
Service Development Ltd.,
Pretoria, South Africa:

To support acquiring and installing an integrated
library management system for the National Library
of South Africa 400,000

Frick Collection,
New York, New York:

To support a systematic survey of the photographic
images held by the Frick Art Reference Library to
determine the nature and distribution of classes of
intellectual property rights ownership in those images 25,000

Friends of Hungarian Higher Education Foundation,
Budapest, Hungary:

To support the introduction of effective resource
development techniques and institutional advancement
practices into Hungarian higher education 20,000

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

The Graduate School and University Center,
City University of New York,
New York, New York:

To support a Sawyer Seminar on the historical and
cultural sources of contemporary developments 110,000

Great Lakes Colleges Association, Inc.,
Ann Arbor, Michigan:

To support programs in information literacy and
collaborative collections management 650,000

To promote cooperation and collaboration among
liberal arts colleges 500,000

To support centers for educational technology in the
Northeast, South, and Midwest 147,500

Grinnell College,
Grinnell, Iowa:

To support faculty career enhancement 102,000

Hampshire College,
Amherst, Massachusetts:

To assist presidents of liberal arts and historically
black colleges to meet the goals they have set for their
respective institutions 250,000

Hampton University,
Hampton, Virginia:

To assist presidents of liberal arts and historically
black colleges to meet the goals they have set for their
respective institutions 300,000

To support a project measuring the pedagogic
effectiveness and costs of using technology to improve
undergraduate instruction 100,000

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

Harvard University,
Cambridge, Massachusetts:

To evaluate whether intensive college counseling of high school students can close the gap in college attendance between high and low-income youth	700,000
To support the renewal of an undergraduate fellowship program	400,000
To support a program of teaching and research on the history of modern physical science	400,000
To strengthen doctoral training in Latin American history	400,000
To support digitizing, cataloging, and making available photographs documenting American women's history	295,000
To complete and document a study of undergraduate writing	255,000
To improve the quality and effectiveness of graduate education within selected departments of the humanities and related social sciences while reducing time-to-degree and attrition rates	225,000
To support the development of archives for long-term maintenance of electronic journal publications	145,000
For use by the Counseling and Consulting Psychology Program of the Graduate School of Education for data collection on the Medical School Diversity Study	50,000
To support planning on how libraries, museums, and archives can utilize new search and retrieval technologies to make cataloging and information pertaining to their collections more visible to Internet users	19,000
To support the Timbuktu Library project in Mali, Africa	2,500

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

Harvey Mudd College,
Claremont, California:

To support the development of a pilot program in
international education and technology 170,000

Haverford College,
Haverford, Pennsylvania:

To support faculty career enhancement 700,000

To support new fellowship programs 475,000

To strengthen the relationship between the academic
and residential programs 150,000

Heritage College,
Toppenish, Washington:

To support new fellowship programs 630,000

To plan and prepare a proposal to the Foundation to
establish an institute for the preservation and study of
the Sahaptin language group and their cultures 40,000

Higher Education Policy Institute,
San Jose, California:

To support costs of an external review of the National
Center for Public Policy and Higher Education's
state-by-state report card project on higher education
needs 15,000

Historical Society of Pennsylvania,
Philadelphia, Pennsylvania:

To support a comprehensive analysis of the Society's
manuscript, graphics, and art and artifact collections
and the development of a long-range plan for the
systematic preservation and cataloging of these
materials 250,000

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

Hobart and William Smith Colleges,
Geneva, New York:

To support existing environmental studies programs . . . 290,000

Hunter College,
New York, New York:

To support the renewal of an undergraduate fellowship
program 400,000

Illinois Wesleyan University,
Bloomington, Illinois:

To assist presidents of liberal arts and historically
black colleges to meet the goals they have set for their
respective institutions 250,000

Institute for Advanced Study,
Princeton, New Jersey:

To support visiting memberships for young scholars
within the School of Historical Studies 650,000

Institute for Democracy in South Africa,
Pretoria, South Africa:

To support research and publication on South Africa's
Truth and Reconciliation Commission 30,000

Jamaica Center for Arts and Learning, Inc.,
Jamaica, New York:

To support establishment of the College Choice
Program 45,000

Johnson C. Smith University,
Charlotte, North Carolina:

To expand the interdisciplinary program 400,000

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

JSTOR,

New York, New York:

To cover initial costs of adding art history journals to its
database 2,800,000

To support detailed studies of the use of the JSTOR
database 400,000

Kenyon College,

Gambier, Ohio:

To support appointments of junior or intermediate
faculty members in humanities or social sciences in
advance of key retirements 800,000

Latin American Studies Association, Inc.,

Pittsburgh, Pennsylvania:

To enable Latin American scholars to attend its
annual Congress and to extend the Lecturing
Fellowship program 150,000

Lawrence University,

Appleton, Wisconsin:

To assist presidents of liberal arts and historically
black colleges to meet the goals they have set for their
respective institutions 250,000

LeMoyne-Owen College,

Memphis, Tennessee:

To strengthen the relationship between the academic
and residential programs 45,000

Lewis and Clark College,

Portland, Oregon:

To assist presidents of liberal arts and historically
black colleges to meet the goals they have set for their
respective institutions 250,000

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

Library Information Network Consortium,
Riga, Latvia:

To support training librarians	19,000
To support training in cataloging	16,000
To support the attendance of the National Librarian at the International Federation of Library Associations Conference in Jerusalem	2,500

Macalester College,
Saint Paul, Minnesota:

To support new fellowship programs	475,000
To strengthen the relationship between the academic and residential programs	88,000
To support the development of a research agenda on competition and cooperation in higher education	46,000
To support research on determinants of the degree of civic engagement among college graduates	45,000

Massachusetts Institute of Technology,
Cambridge, Massachusetts:

To support the development of standards and a system for Web-enabled education	2,450,000
To support the establishment of a Center for the Study of Diversity in Science, Technology, and Medicine	750,000
To support the development of an economic plan for sustaining an archive of the digital intellectual output of faculty and research staff	215,000
To support the development of archives for long-term maintenance of electronic journal publications	145,000
To support a Sawyer Seminar on the historical and cultural sources of contemporary developments	107,000

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

Michigan State University,
East Lansing, Michigan:

To support a collaborative cultural heritage training
and technology program in South Africa 600,000

Middlebury College,
Middlebury, Vermont:

To support existing environmental studies programs 285,000

To support centers for educational technology in the
Northeast, South, and Midwest 150,000

To establish the Institute for Technology and the
Liberal Arts in South Burlington, Vermont 50,000

Minnesota Private College Research Foundation,
St. Paul, Minnesota:

To support the project "Paying For College—
Access, Affordability and Choice in Minnesota Higher
Education" 50,000

Morehouse College,
Atlanta, Georgia:

To strengthen the relationship between the academic
and residential programs 58,000

Morris Brown College,
Atlanta, Georgia:

To create a summer program enabling undergraduates
to conduct research in international studies, in
collaboration with the University of Minnesota 50,000

Mount Holyoke College,
South Hadley, Massachusetts:

To strengthen the relationship between the academic
and residential programs 95,000

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

To study the consequences of making the SAT exam optional for admission to the college	33,795
To secure key staff to develop the technology centers' project	23,160
Muhlenberg College, Allentown, Pennsylvania:	
To support professional development activities for faculty	47,600
National Academy of Sciences, Washington, DC:	
To support the evaluation of electronic book usage	216,000
To support research on racial trends in population and their consequences for health, education, and employment	50,000
National Association of Mathematicians, Inc., Baltimore, Maryland:	
To support undergraduate mathematical research conferences for African-American students	150,000
New Jersey Historical Society, Newark, New Jersey:	
To support a study to select an online public access catalog	18,000
New York Academy of Sciences, New York, New York:	
To support the preparation and publication of the proceedings from the conference entitled "Unity of Knowledge: the Convergence of Natural and Human Science"	30,000
To support the acquisition and implementation of computing hardware and software	25,000

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

New York Public Library,
New York, New York:

To support the preservation of the Library's general
research collections 2,250,000

To support the development of archives for long-term
maintenance of electronic journal publications 150,000

New York University,
New York, New York:

To support completion of a five-year project to
improve access to the New-York Historical Society's
library collections 2,365,000

To support a Sawyer Seminar on the historical and
cultural sources of contemporary developments 108,000

To support the initial design and specification for
a database structure and input application for the
management and distribution of digitized music 50,000

Newberry Library,
Chicago, Illinois:

To support postdoctoral fellowships in the humanities 400,000

Northeast Document Conservation Center,
Andover, Massachusetts:

To send a faculty of four to South Africa to present
a one-week workshop on digital conversion and
microfilming 36,000

Northwestern University,
Evanston, Illinois:

To support projects measuring the pedagogic
effectiveness and cost of using technology to improve
undergraduate instruction 150,000

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

To support the Honors Workshop Program in Biology and Chemistry designed to increase academic performance of minority students	50,000
Oberlin College, Oberlin, Ohio:	
To endow a postdoctoral fellowship program	1,500,000
To support the renewal of an undergraduate fellowship program	400,000
Occidental College, Los Angeles, California:	
To support existing environmental studies programs . .	300,000
To support developing sustainable strategies for Web development and maintenance, and to provide a model for collaboration	275,000
To support upgrade of the administrative software used by the development and alumni offices	41,000
Oxford Centre for Islamic Studies, Oxford, United Kingdom:	
To support the production of printed and electronic versions of an <i>Atlas of the Social and Intellectual History of Muslims in South Asia</i> , and the development of a research database	520,000
PEN American Center, Inc., New York, New York:	
To support modernization of International PEN's executive procedures	15,000

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

Pennsylvania State University,
University Park, Pennsylvania:

To assist in analyzing requirements for campus-wide
multi-disciplinary systems for storage, search, retrieval,
and scholarly use of digitized visual resources 755,000

To support projects measuring the pedagogic
effectiveness and costs of using technology to
improve undergraduate instruction 450,000

To support new "Mellon Seminars: Issues in
Interpretation" 58,000

Pitzer College,
Claremont, California:

To support a long-range planning initiative 50,000

Pomona College,
Claremont, California:

To support faculty career enhancement 90,000

Princeton University,
Princeton, New Jersey:

To support the renewal of an undergraduate fellowship
program 300,000

To improve the quality and effectiveness of graduate
education within selected departments of the
humanities and related social sciences while reducing
time-to-degree and attrition rates 225,000

To support the preparation and delivery of papers on
critical issues facing doctoral education in the arts and
sciences 34,000

To support the digitization of manuscripts and the cre-
ation of an electronic monograph on book publishing in
18th century France 24,000

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

For use by the Slavic bibliographer at Firestone Library to deliver papers on JSTOR in Russia	3,100
Queens College, Flushing, New York:	
To support the renewal of an undergraduate fellowship program	350,000
Randolph-Macon Woman's College, Lynchburg, Virginia:	
To assist 14 liberal arts colleges in Pennsylvania and Virginia to gain access to JSTOR	94,500
Recorded Anthology of American Music, Inc., New York, New York:	
To support the planning, design, and prototype implementation of the Database of Recorded American Music	250,000
Reed College, Portland, Oregon:	
To support developing sustainable strategies for Web development and maintenance and to provide a model for collaboration	365,000
Renaissance Society of America, Inc., New York, New York:	
To support the editing and publication of the letters of Lorenzo de' Medici	220,000
Rhodes University, Grahamstown, South Africa:	
To support an internship program aimed at developing potential academic staff from groups underrepresented in its faculty	900,000

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

Rice University,
Houston, Texas:

To support the renewal of an undergraduate fellowship
program 300,000

Rochester Institute of Technology,
Rochester, New York:

For use by the Image Permanence Institute to support
the development of methods to improve preservation
management in libraries, museums, and archives 500,000

Rosenbach Museum & Library,
Philadelphia, Pennsylvania:

To endow a program of research fellowships 50,000

Sarah Lawrence College,
Bronxville, New York:

To strengthen the relationship between the academic
and residential programs 87,000

Skidmore College,
Saratoga Springs, New York:

To support the development of new courses for the law
and society program, and for a review of advising and
career development services 47,600

Smith College,
Northampton, Massachusetts:

To support appointments of junior or intermediate
faculty members in humanities or social sciences in
advance of key retirements 800,000

To support new fellowship programs 475,000

To support faculty career enhancement 91,000

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

To develop a pilot program for future exchange initiatives between American liberal arts colleges and the University of Cape Town and other South African universities, in collaboration with Wellesley College . . .	47,500
Social Science Research Council, New York, New York:	
To support core activities and new initiatives	1,000,000
Somerset House Art History Foundation, Merion Station, Pennsylvania:	
To support upgrade of the user interface of the Witt Computer Index, which provides scholarly access to a subset of art objects represented in the photo archive held by the Witt Library of the Courtauld Institute of Art	20,500
South African Bibliographic and Information Network, Centurion, South Africa:	
To provide access to JSTOR for academic and research institutions in South Africa	340,000
Southeastern Pennsylvania Consortium for Higher Education, Radnor, Pennsylvania:	
To permit 14 liberal arts colleges in Pennsylvania and Virginia to gain access to JSTOR	197,500
Spelman College, Atlanta, Georgia:	
To strengthen the office of institutional research	450,000
To prepare female mathematicians for doctoral programs, in collaboration with Bryn Mawr College . . .	115,000

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)	<i>Appropriated</i>
To strengthen the relationship between the academic and residential programs	91,000
To support current efforts to enhance the orientation program	6,000
 St. Mary's College of Maryland, Saint Mary's City, Maryland:	
To develop a case study to present at the 2001 Best Practices Seminar of the Global Partners Project	35,000
 Stanford University, Stanford, California:	
To support graduate research workshops in the humanities	650,000
To support evaluation of High Wire Press journal usage	650,000
To improve the quality and effectiveness of graduate education within selected departments of the humanities and related social sciences while reducing time-to-degree and attrition rates	450,000
To support the development of archives for long-term maintenance of electronic journal publications	440,000
To support the renewal of an undergraduate fellowship program	350,000
To support the development of computerized techniques for three-dimensional modeling of sculpture and cultural artifacts from the Renaissance	100,000
 Swarthmore College, Swarthmore, Pennsylvania:	
To endow a postdoctoral fellowship program	1,500,000
To support the renewal of an undergraduate fellowship program	300,000

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

To support the development of sustainable strategies for Web development and maintenance and to provide a model for collaboration	280,000
Syracuse University, Syracuse, New York:	
To support a project measuring the pedagogic effectiveness and costs of using technology to improve undergraduate instruction	112,000
Teachers College - Columbia University, New York, New York:	
To support research for the project "The Education of Southern African Americans in Northern Research Institutions from Plessy to Brown (1896-1954)"	43,000
Tsinghua University Education Foundation, Beijing, China:	
For use by the Tsinghua University Library in experimenting with the use of JSTOR	36,000
Tulane University, New Orleans, Louisiana:	
To prepare African-American high school males for college	246,000
Union College, Schenectady, New York:	
To support a study of the feasibility of using consortial approaches to provide post-retirement medical insurance at liberal arts colleges	190,000
To support reconceptualizing and restructuring the freshman preceptorial	39,000
To continue support for a study of faculty retirement at liberal arts colleges	8,800

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

Union Theological Seminary,
New York, New York:

To support the retrospective conversion of the Burke Library catalog to electronic form	1,250,000
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United Negro College Fund, Inc.,
Fairfax, Virginia:

To support the renewal of an undergraduate fellowship program and renewal of administrative expenses for summer internships in ecology research	2,000,000
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To support a faculty doctoral program	1,500,000
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To support a junior faculty career enhancement program	925,000
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University of California,
Oakland, California:

To support planning for a study of alternative methods of managing library collections composed of both print and digital materials	80,000
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To support a study of alternative methods of managing library collections composed of both print and digital materials	670,000
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University of California at Berkeley,
Berkeley, California:

To support projects measuring the pedagogic effectiveness and costs of using technology to improve undergraduate instruction	350,000
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To improve the quality and effectiveness of graduate education within selected departments of the humanities and related social sciences while reducing time-to-degree and attrition rates	225,000
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HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

University of California at Los Angeles,
Los Angeles, California:

To support postdoctoral fellowships in the humanities . . . 770,000

To support a longitudinal study of students' academic
performance 370,000

University of Cambridge,
Cambridge, United Kingdom:

To support the purchase, cataloging, and repair of Isaac
Newton's papers 674,000

University of Chicago,
Chicago, Illinois:

To support postdoctoral fellowships in the humanities
and related social sciences 1,600,000

To strengthen doctoral training in Latin American
history 550,000

To support the renewal of an undergraduate fellowship
program 300,000

To improve the quality and effectiveness of graduate
education within selected departments of the
humanities and related social sciences while reducing
time-to-degree and attrition rates 225,000

To support Sawyer Seminars on the historical and
cultural sources of contemporary developments 220,000

University of Connecticut,
Storrs, Connecticut:

To support a project that will preserve the archives
of the African National Congress and conduct oral
histories of its leadership 665,000

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

University of Delaware,
Newark, Delaware:

To develop and distribute an Open Source Web
application to enable institutions of higher learning
to access information resources 770,000

University of Denver,
Denver, Colorado:

To support a final appropriation for the International
Career Advancement Program 400,000

University of Florida,
Gainesville, Florida:

To support a study tracing the linkages between
academic and industrial research 510,000

To support projects measuring the pedagogic
effectiveness and costs of using technology to improve
undergraduate instruction 270,000

University of Illinois at Urbana-Champaign,
Champaign, Illinois:

To support travel of the director and assistant director
of the Mortenson Center for International Library
Programs to South Africa to assess the need for a
professional development program and training
center 3,000

To support a training program for South African
librarians 250,000

University of Maryland,
Adelphi, Maryland:

For use by the Center for Environmental Studies to
further collaboration of Appalachian colleges 430,000

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

University of Maryland at College Park,
College Park, Maryland:

To support the extension of LangNet, a Web-based
resource for the use of teachers of Spanish and heritage
Spanish-speaking students 35,000

University of Massachusetts at Boston,
Boston, Massachusetts:

To assist efforts to establish an institute through which
senior academics can undertake policy studies and
provide consultation and mentoring 15,000

University of Michigan,
Ann Arbor, Michigan:

To improve the quality and effectiveness of graduate
education within selected departments of the
humanities and related social sciences while reducing
time-to-degree and attrition rates 225,000

To support the preparation of an inventory of existing
digital image management and access systems 27,000

University of Missouri at Columbia,
Columbia, Missouri:

To support a project measuring the pedagogic
effectiveness and costs of using technology to improve
undergraduate instruction 200,000

University of Natal,
Durban, South Africa:

To support an internship program aimed at developing
potential academic staff from groups underrepresented
in its faculty 1,000,000

University of North Carolina at Chapel Hill,
Chapel Hill, North Carolina:

To support programs in Latin American studies 800,000

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

University of Oklahoma,
Norman, Oklahoma:

To support short-term research fellowships in the history of science	49,000
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University of Oxford,
Oxford, United Kingdom:

To support the establishment of a Digital Library Resource Development Fund to encourage scholarly research that employs digitized special collections at the University's libraries	775,000
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To support the digitization Aurel Stein's diary of his 1907 trip to Dunhuang, China and its incorporation into the Mellon International Dunhuang Archive	5,500
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University of Pennsylvania,
Philadelphia, Pennsylvania:

To support postdoctoral fellowships at the McNeil Center for Early American Culture	300,000
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To support the renewal of an undergraduate fellowship program	250,000
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To improve the quality and effectiveness of graduate education within selected departments of the humanities and related social sciences while reducing time-to-degree and attrition rates	225,000
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To support the design and development of a prototype method of integrating archival and artifactual collections	170,000
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To support the development of archives for long-term maintenance of electronic journal publications	150,000
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HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

University of Puget Sound,
Tacoma, Washington:

To strengthen the relationship between the academic
and residential programs 120,000

To support editorial costs associated with *The Records of
Early English Drama* series 100,000

University of Southern California,
Los Angeles, California:

To support the renewal of an undergraduate fellowship
program 350,000

To support a project measuring pedagogic effectiveness
and costs of technology in improving undergraduate
instruction 280,000

University of the South,
Sewanee, Tennessee:

To strengthen the relationship between the academic
and residential programs at liberal arts colleges 71,000

University of the Witwatersrand,
Johannesburg, South Africa:

To support the Wits Institute for Social and Economic
Research 1,000,000

University of Toronto,
Toronto, Canada:

To support postdoctoral fellowships at the Pontifical
Institute for Medieval Studies 440,000

Toward editorial costs of the *Dictionary of Old English* . . 300,000

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

University of Virginia,
Charlottesville, Virginia:

To support the establishment of an electronic imprint
at the University Press for publication of originally
digital scholarly research 640,000

To support research and training in the economics of
higher education 200,000

University of Washington,
Seattle, Washington:

To support a Sawyer Seminar on the historical and
cultural sources of contemporary developments 110,000

University of Wisconsin at Madison,
Madison, Wisconsin:

To support the development of discipline-based portal
services 400,000

To support graduate research workshops in the
humanities 50,000

Vanderbilt University,
Nashville, Tennessee:

To support the planning of an electronic publishing
project devoted to the history and culture of the
Ancient Near East 27,000

Vassar College,
Poughkeepsie, New York:

To support developing sustainable strategies for Web
development and maintenance and to provide a model
for collaboration 280,000

To support planning a media studies program 50,000

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

Wake Forest University, Winston-Salem, North Carolina:	
To restructure its foreign study program	45,000
Washington and Lee University, Lexington, Virginia:	
To support appointments of junior or intermediate faculty members in humanities or social sciences in advance of key retirements	800,000
To support the development of a new resource center for faculty members	390,000
Washington University, St. Louis, Missouri:	
To support the renewal of an undergraduate fellowship program	300,000
To support new "Mellon Seminars: Issues in Interpretation"	120,000
Wellesley College, Wellesley, Massachusetts:	
To support faculty career enhancement	2,500,000
To endow a postdoctoral fellowship program	1,500,000
To support the renewal of an undergraduate fellowship program	250,000
To strengthen the relationship between the academic and residential programs	98,000
To develop a pilot program for exchange initiatives between American liberal arts colleges and the University of Cape Town and other South African universities, in collaboration with Smith College	47,500

HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

Wesleyan University,
Middletown, Connecticut:

To support appointments of junior or intermediate faculty members in humanities or social sciences in advance of key retirements	800,000
To support a postdoctoral fellowship program	500,000
To support the renewal of an undergraduate fellowship program	400,000
To support existing environmental studies programs . .	290,000
To strengthen the relationship between academic and residential programs	95,000

Western Cape Tertiary Institutions Trust,
Cape Town, South Africa:

To increase the Internet bandwidth available to institutions of higher education in South Africa	1,000,000
To support CALICO staff training in library applications software	50,000

Western Interstate Commission
for Higher Education,
Boulder, Colorado:

To support the development of tools that assess the costs and benefits of technology-mediated instruction .	50,000
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Wheaton College,
Norton, Massachusetts:

To support a faculty review of the curriculum	40,000
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Willamette University,
Salem, Oregon:

To support the establishment of study abroad centers in Mexico and Cuba, and to explore the possibility of a program in South Africa	33,850
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HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

Williams College,
Williamstown, Massachusetts:

To support the renewal of an undergraduate fellowship program	300,000
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Woodrow Wilson National Fellowship Foundation,
Princeton, New Jersey:

To support the Mellon Fellowships in Humanistic Studies	3,000,000
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To support fellowships for junior faculty from underrepresented groups	2,600,000
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To support core activities and new initiatives	1,000,000
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World Learning Inc.,
Brattleboro, Vermont:

For use by the School for International Training to enhance the measurement of language learning in the College Semester Abroad programs	50,000
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Xavier University of Louisiana,
New Orleans, Louisiana:

To support existing environmental studies programs ..	300,000
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To assist presidents of liberal arts and historically black colleges to meet the goals they have set for their respective institutions	300,000
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Yale University,
New Haven, Connecticut:

To strengthen doctoral training in Latin American history	500,000
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To support the renewal of an undergraduate fellowship program	400,000
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HIGHER EDUCATION
AND SCHOLARSHIP

(continued)

Appropriated

To improve the quality and effectiveness of graduate education within selected departments of the humanities and related social sciences while reducing time-to-degree and attrition rates	225,000
To support the development of archives for long-term maintenance of electronic journal publications	150,000
To support a study on monographs used in teaching . .	42,000
To support an expanded study of the linguistic applications of JSTOR	35,000
Total—Higher Education and Scholarship	<u><u>\$127,403,405</u></u>

POPULATION *Appropriated*

Alan Guttmacher Institute,
New York, New York:

For use as a matching endowment \$ 1,500,000

American University in Cairo,
New York, New York:

To support programs in Middle Eastern population
studies 600,000

For use by its Social Research Centre to establish a
fund to stabilize the positions of key members of its
research staff 600,000

To support research and training programs in the field
of forced migration 180,000

American University of Beirut,
New York, New York:

To support programs in Middle Eastern population
studies 390,000

Baylor College of Medicine,
Houston, Texas:

To support junior investigators in reproductive biology
and research relevant to contraceptive development . . . 420,000

Brookings Institution,
Washington, DC:

To support public education and policy analysis in the
field of forced migration 180,000

Brown University,
Providence, Rhode Island:

To support research and training programs related to
urbanization and migration in developing countries . . . 600,000

Carnegie Endowment for International Peace,
Washington, DC:

To support public education and policy analysis in the
field of forced migration 240,000

POPULATION

(continued)

*Appropriated*Christian Children's Fund,
Richmond, Virginia:

To support an assessment of research and training needs related to psychosocial programs for populations in crisis	60,000
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Columbia University,
New York, New York:

To establish an endowed professorship in the field of forced migration and health	1,000,000
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To support research and training programs in the field of forced migration	900,000
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To support an assessment of research and training needs related to psychosocial programs for populations in crisis	60,000
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Cooperative for Assistance and
Relief Everywhere, Inc. (CARE),
Atlanta, Georgia:

To support research and training related to refugee protection and the interrelationships among international law, human rights, and humanitarian assistance	100,000
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George Mason University,
Fairfax, Virginia:

To enhance the connectivity and use of international computer networks by key organizations in the US and developing countries	600,000
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Georgetown University,
Washington, DC:

To support research and training programs in the field of forced migration	300,000
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POPULATION

(continued)

*Appropriated*Harvard University,
Cambridge, Massachusetts:

To support research and training programs in the field of forced migration	450,000
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To support research relevant to the psychosocial needs of refugees and displaced persons	50,000
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International Rescue Committee, Inc.,
New York, New York:

To support its epidemic prevention and preparedness strategy	1,000,000
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To support research on educational provisions for displaced populations	200,000
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To support research on refugee children and adolescents	150,000
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For use by the Women's Commission for Refugee Women and Children to support research on refugee children and adolescents	150,000
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To support research and training related to refugee protection and the interrelationships among international law, human rights, and humanitarian assistance	100,000
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To support an assessment of research and training needs related to psychosocial programs for populations in crisis	60,000
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For use by the Women's Commission for Refugee Women and Children to support a survey of educational programming in emergency settings	50,000
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POPULATION

(continued)

Appropriated

International Union for the Scientific
Study of Population,
Liege, Belgium:

To support travel fellowships for the quadrennial
conference in Brazil 50,000

Johns Hopkins University,
Baltimore, Maryland:

To support research and training programs related to
urbanization and migration in developing countries . . . 500,000

JSTOR,
New York, New York:

To support the addition of titles in population studies
and related fields of sociology 450,000

Massachusetts Institute of Technology,
Cambridge, Massachusetts:

To support research and training programs in the field
of forced migration 360,000

Mercy Corps International,
Portland, Oregon:

To support activities related to staff development and
training 100,000

To support applied research on refugee health 100,000

National Academy of Sciences,
Washington, DC:

To support research relevant to population policy in
developing countries 450,000

Oregon Health Sciences University,
Portland, Oregon:

To support junior investigators in reproductive biology
and for research relevant to contraceptive development 420,000

POPULATION

(continued)

*Appropriated*Population Council,
New York, New York:

In general support of its Policy Research Division	1,500,000
For use as a matching endowment	1,000,000
To support programs in Middle Eastern population studies	600,000
To support the Navrongo research program	360,000

Population Reference Bureau, Inc.,
Washington, DC:

To identify emerging significant topics in population research and training	80,000
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Princeton University,
Princeton, New Jersey:

To support research and training programs related to urbanization and migration in developing countries . . .	600,000
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Queen Margaret University College, Edinburgh,
Edinburgh, Scotland:

To support an assessment of research and training needs related to psychosocial programs for populations in crisis	180,000
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Research Foundation of the State University
of New York,
Albany, New York:

To support research and training programs related to urbanization and migration in developing countries . . .	480,000
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Save the Children Federation, Inc.,
Westport, Connecticut:

To support an assessment of research and training needs related to psychosocial programs for populations in crisis	60,000
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POPULATION

(continued)

*Appropriated*Social Science Research Council,
New York, New York:

To support research on educational provisions for displaced populations	200,000
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To support research and training related to refugee protection and the interrelationships among international law, human rights, and humanitarian assistance	100,000
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To support research on educational provisions for displaced populations	48,500
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Tufts University,
Medford, Massachusetts:

To endow the position of Director of the Feinstein International Famine Center	1,000,000
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For use by the Feinstein International Famine Center to support a review of humanitarian practitioner training	30,000
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Universidad de Costa Rica,
San Jose, Costa Rica:

To support research and training programs in the demography of Central America	245,000
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Universite de Montreal,
Montreal, Canada:

To support research and training programs related to urbanization and migration in developing countries . . .	450,000
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University of California at Los Angeles,
Los Angeles, California:

To support research and training programs in the demography of Central America	145,000
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POPULATION

(continued)

Appropriated

University of Kansas Medical Center
 Research Institute, Inc.,
 Kansas City, Kansas:

To support junior investigators in reproductive biology
 and research relevant to contraceptive development . . . 420,000

To support junior investigators in reproductive biology
 and research relevant to contraceptive development . . . 360,000

University of Michigan,
 Ann Arbor, Michigan:

To support research and training programs related to
 urbanization and migration in developing countries . . . 600,000

University of North Carolina at Chapel Hill,
 Chapel Hill, North Carolina:

To support research and training programs related to
 urbanization and migration in developing countries . . . 600,000

To support the development of a specialization in
 Middle Eastern population research and training 450,000

University of Oxford,
 Oxford, United Kingdom:

To support the development of an electronic portal in
 the field of forced migration 1,000,000

To support research on refugee children and
 adolescents 150,000

To support a feasibility study for an electronic portal on
 forced migration 44,000

University of Pennsylvania,
 Philadelphia, Pennsylvania:

To support junior investigators in reproductive biology
 and for research relevant to contraceptive development 360,000

POPULATION

(continued)	<i>Appropriated</i>
To support programs to encourage talented minority students to enroll in doctoral programs in demography	300,000
To support research and training programs related to urbanization and migration in developing countries . . .	300,000
To support a first-year fellowship program for doctoral training of demographers from developing countries . .	240,000
 University of Texas at Austin, Austin, Texas:	
To support research and training programs related to urbanization and migration in developing countries . . .	510,000
To support programs to encourage talented minority students to enroll in doctoral programs in demography	300,000
 University of the Witwatersrand, Johannesburg, South Africa:	
To convene a meeting to foster discussion and informed program planning among South African initiatives in demography, population, and related fields	40,000
 University of Virginia, Charlottesville, Virginia:	
To support junior investigators in reproductive biology and for research related to contraceptive development .	420,000
 Total—Population	 <u>\$25,542,500</u>

PUBLIC AFFAIRS	<i>Appropriated</i>
Foundation Center, New York, New York:	
To support upgrading and extending the Center's online services	\$ 900,000
Institute for International Economics, Washington, DC:	
To support research on international economic policy issues	825,000
National Academy of Sciences, Washington, DC:	
To support a panel study that will measure racial discrimination	250,000
RAND Corporation, Santa Monica, California:	
To support a report on major issues in science and technology	25,000
Research Triangle Institute, Research Triangle Park, North Carolina:	
To support the Census Public Reaction Study	50,000
Social Science Research Council, New York, New York:	
To support pre- and postdoctoral fellowships, workshops, research planning, and programmatic evaluation in the field of international migration	1,500,000
World Media Foundation, Inc., Cambridge, Massachusetts:	
To support an expanded Living on Earth Website featuring environmental journalism	40,000
Total—Public Affairs	<u><u>\$3,590,000</u></u>

CONTRIBUTIONS	<i>Appropriated</i>
Association of Governing Boards of Universities and Colleges, Washington, DC:	
For general support	\$ 35,000
Council on the Environment, Inc., New York, New York:	
To support its Waste Prevention and Recycling Service	30,000
Eviction Intervention Services, New York, New York:	
For general support	40,000
Foundation Center, New York, New York:	
For general support	30,000
Marymount Manhattan College, New York, New York:	
For general support	30,000
Nonprofit Coordinating Committee of New York, Inc., New York, New York:	
For general support	35,000
Total—Contributions	<u>\$200,000</u>
Grand Totals	<u><u>\$220,327,655</u></u>

Financial Statements

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Trustees of
The Andrew W. Mellon Foundation

In our opinion, the accompanying balance sheets and the related statements of activities and cash flows present fairly, in all material respects, the financial position of The Andrew W. Mellon Foundation (the "Foundation") at December 31, 2000 and 1999, and the change in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Foundation's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
New York, New York
March 16, 2001

The Andrew W. Mellon Foundation

Balance Sheets

At December 31, 2000 and 1999

	<u>2000</u>	<u>1999</u>
	<i>(In thousands)</i>	
ASSETS		
Investments:		
Marketable securities	\$3,501,691	\$3,184,810
Limited liquidity investments	1,205,707	1,296,247
Other	56,000	50,000
	<u>4,763,398</u>	<u>4,531,057</u>
Cash.....	20,238	16,534
Investment and other income receivable	24,847	11,659
Receivable from unsettled securities sales	64,783	42,318
Federal excise tax refund receivable.....	3,780	3,325
Property, at cost less accumulated depreciation of \$3,549 and \$3,123 at December 31, 2000 and 1999, respectively.....	<u>11,191</u>	<u>10,790</u>
Total assets	<u><u>\$4,888,237</u></u>	<u><u>\$4,615,683</u></u>
LIABILITIES AND NET ASSETS		
Grants payable	\$ 8,707	\$ 5,958
Payable from unsettled securities purchases	197,680	93,690
Accrued expenses.....	2,955	2,425
Deferred federal excise tax payable.....	<u>11,065</u>	<u>26,865</u>
Total liabilities	220,407	128,938
Net assets (unrestricted).....	<u>4,667,830</u>	<u>4,486,745</u>
Total liabilities and net assets	<u><u>\$4,888,237</u></u>	<u><u>\$4,615,683</u></u>

The accompanying notes are an integral part of these financial statements.

The Andrew W. Mellon Foundation

Statements of Activities

For the years ended December 31, 2000 and 1999

	<u>2000</u>	<u>1999</u>
	<i>(In thousands)</i>	
INVESTMENT RETURN:		
Gain (loss) on investments:		
Realized.....	\$1,108,588	\$ 498,540
Unrealized, net.....	(774,749)	773,332
Interest	37,474	41,500
Dividends	61,268	34,239
Other income	6,220	7,094
	<u>438,801</u>	<u>1,354,705</u>
Less: Investment expenses	(15,168)	(13,909)
Net investment return.....	<u>423,633</u>	<u>1,340,796</u>
EXPENSES:		
Program grants and contributions, net	207,062	153,789
Salaries, pensions and benefits.....	7,554	7,130
Other administrative and office expenses.....	4,893	3,787
Current provision for federal excise tax	23,039	9,706
	<u>242,548</u>	<u>174,412</u>
Change in net assets	181,085	1,166,384
Net assets (unrestricted) at beginning of year.....	<u>4,486,745</u>	<u>3,320,361</u>
Net assets (unrestricted) at end of year	<u>\$4,667,830</u>	<u>\$4,486,745</u>

The accompanying notes are an integral part of these financial statements.

The Andrew W. Mellon Foundation

Statements of Cash Flows

For the years ended December 31, 2000 and 1999

	<u>2000</u>	<u>1999</u>
	<i>(In thousands)</i>	
Cash flow from investment income and operations:		
Interest and dividends received.....	\$ 85,295	\$ 78,411
Other income received	6,479	7,265
Grant refunds received.....	57	112
Grants and contributions paid.....	(204,370)	(161,501)
Investment expenses paid.....	(14,676)	(13,616)
Salaries and other administrative expenses paid.....	(11,977)	(10,556)
Federal excise tax paid	(23,500)	(10,000)
Net cash used by investment income and operations	<u>(162,692)</u>	<u>(109,885)</u>
Cash flow from investing activities:		
Proceeds from sales of marketable securities:		
Short-term.....	2,891,763	2,348,013
Other.....	4,538,382	3,488,985
Receipts from limited liquidity investments	61,962	79,423
Capital gain distributions received	6,341	595
Purchases of marketable securities:		
Short-term.....	(3,139,145)	(2,330,607)
Other.....	(3,793,573)	(3,301,046)
Purchases of limited liquidity investments	(392,081)	(169,596)
Additions to property.....	(827)	(1,199)
Net losses on financial instruments	(6,426)	(7,505)
Net cash provided by investing activities	<u>166,396</u>	<u>107,063</u>
Net increase (decrease) in cash	3,704	(2,822)
Cash at beginning of year.....	<u>16,534</u>	<u>19,356</u>
Cash at end of year.....	<u>\$ 20,238</u>	<u>\$ 16,534</u>
<i>Supplemental Disclosure of Noncash Investing Activities:</i>		
Distributions of securities received from limited liquidity investments	<u>\$ 820,443</u>	<u>\$ 163,306</u>

The accompanying notes are an integral part of these financial statements.

The Andrew W. Mellon Foundation

Statements of Cash Flows (continued)

For the years ended December 31, 2000 and 1999

Reconciliation of Change in Net Assets to Net Cash Used by Investment Income and Operations

	<u>2000</u>	<u>1999</u>
	<i>(In thousands)</i>	
Increase in net assets	<u>\$181,085</u>	<u>\$1,166,384</u>
Adjustments to reconcile change in unrestricted net assets to net cash used by investment income and operations:		
Realized gain on investments	(1,108,588)	(498,540)
Decrease (increase) in unrealized appreciation of investments	790,549	(789,032)
(Increase) decrease in income receivable.....	(13,188)	2,843
Increase (decrease) in grants payable.....	2,749	(7,600)
Increase in accrued expenses	530	311
Depreciation expense	426	343
(Decrease) increase in deferred federal excise tax payable	(15,800)	15,700
Increase in federal excise tax refund receivable.....	<u>(455)</u>	<u>(294)</u>
Total adjustments.....	<u>(343,777)</u>	<u>(1,276,269)</u>
Net cash used by investment income and operations	<u>(\$162,692)</u>	<u>(\$109,885)</u>

The accompanying notes are an integral part of these financial statements.

The Andrew W. Mellon Foundation

NOTES TO FINANCIAL STATEMENTS

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of The Andrew W. Mellon Foundation (the “Foundation”) have been prepared in conformity with generally accepted accounting principles. The significant accounting policies followed are described below.

Investments:

Investments in marketable securities are stated at market value. Market value is determined using daily closing last trade prices, where available, for all tradeable instruments on any global stock exchange. Realized gains and losses on investments in securities are calculated based on the first-in, first-out identification method.

Limited liquidity investments are stated at estimated fair value. Limited liquidity investments are primarily made under agreements to participate in limited partnerships and are generally subject to certain withdrawal restrictions. These investments are valued on the basis of the Foundation’s equity in the net assets of such partnerships. Values for these partnerships, which may include investments in both nonmarketable and market-traded securities, are provided by the general partner and may be based on historical cost, appraisals, market values discounted for concentration of ownership, or other estimates. Because of the inherent uncertainty of valuing the investments in such partnerships and certain of the underlying investments held by the partnerships, the Foundation’s estimate of fair value may differ significantly from the values that would have been used had a ready market for the investments existed. All limited partnerships are audited annually by independent auditing firms.

The other investment is the Foundation’s 100% interest in a trust which owns property from which the Foundation receives the net income. Other income is principally the income from this trust, derived primarily from royalties from coal mining, with minor amounts of income from timbering and oil and gas wells. The value of the Foundation’s investment is determined based on an estimate of the remaining mineral reserves and the timber on the properties and the discounted value of the anticipated future income. The properties are recorded at an estimated current value of \$56 million at December 31, 2000 and \$50 million at December 31, 1999.

Grants:

Grant appropriations include both conditional and unconditional grants. Unconditional grants are expensed when appropriated. Certain grants are approved by the Trustees subject to the grantee fulfilling specific conditions, most frequently that all or a portion of the grant funds be matched in a specified ratio. Such conditional grants are considered commitments and are not recorded as expense until the conditions of the grant are met. Substantially all grants payable are due within one year and are recorded at face value.

Federal Excise Tax:

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal income taxes. However, the Foundation is subject to a federal excise tax. The Foundation follows the policy of providing for federal excise tax on the net appreciation (both realized and unrealized) of investments. The deferred federal excise tax payable in the accompanying financial statements represents tax provided on the net unrealized appreciation of investments.

Property:

Property primarily consists of land and buildings and their improvements located in New York City. These buildings are depreciated on a straight-line basis over their useful lives, generally twenty-five years.

Investment Return:

Investment return includes income and realized and unrealized gains or losses on all investments. Unrealized gains (losses) comprise the increase or decrease in unrealized appreciation on marketable securities and the limited liquidity investments, net of deferred federal excise tax provided on such unrealized appreciation. Realized gain (loss) includes gains and losses realized on the sale of marketable securities and the income or loss of partnership investments and realized gains and losses, whether distributed or undistributed, from such investments.

Expenses:

Investment expenses are the costs of portfolio management, including fees for investment management, custody, and advisory services. Other administrative and office expenses include all costs of operating the Foundation offices, including maintenance and depreciation.

The Foundation's expenses are classified into three functional areas: program, which includes grants, grant-making activity and research; administration, which also encompasses investment activity; and the federal excise tax. The Foundation's expenses classified on a functional basis are as follows for 2000 and 1999:

	<u>2000</u>	<u>1999</u>
	<i>(in thousands)</i>	
Program	\$213,789	\$159,688
Administration	5,720	5,018
Federal excise tax	23,039	9,706
	<u>\$242,548</u>	<u>\$174,412</u>

Use of Estimates:

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

New Accounting Standard:

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, which requires derivative instruments to be recorded in the balance sheet at their fair value, with changes in their fair value being recognized in the change in net assets unless specific hedge accounting criteria are met. This standard will be implemented in 2001. Given the current level of the Foundation's derivative and hedging activities and its investment valuation policies, management believes the impact of this new standard on the Foundation's financial statements will not be material.

NOTE 2—INVESTMENTS:

Marketable securities held at December 31, 2000 and 1999 are summarized as follows:

	<i>December 31, 2000</i>		<i>December 31, 1999</i>	
	<i>Market Value</i>	<i>Cost</i>	<i>Market Value</i>	<i>Cost</i>
	<i>(in thousands)</i>		<i>(in thousands)</i>	
Equities.....	\$2,222,525	\$2,027,890	\$2,378,248	\$1,794,572
Fixed Income	902,582	890,460	677,609	690,650
Short-term	376,418	376,418	129,061	129,047
Other	166	178	(108)	291
Total	<u>\$3,501,691</u>	<u>\$3,294,946</u>	<u>\$3,184,810</u>	<u>\$2,614,560</u>

Pursuant to its limited partnership agreements, the Foundation is committed to contribute approximately \$512 million as of December 31, 2000 in additional capital over the next ten years. Unpaid commitments at December 31, 1999 were \$260 million.

As a result of its investing strategies, the Foundation is a party to a variety of financial instruments. These financial instruments may include equity, fixed income, and foreign currency futures and options contracts, foreign currency forwards, and interest rate cap and floor contracts. Much of the Foundation's off-balance-sheet exposure represents strategies that are designed to reduce the interest rate and market risk inherent in portions of the Foundation's investment program. Changes in the market values of these financial instruments are recognized currently in the Statement of Activities.

Through certain investment managers, the Foundation purchases and sells forward currency contracts whereby the Foundation agrees to exchange one currency for another on an agreed-upon date at an agreed-upon exchange rate to minimize the exposure of certain of its marketable securities to adverse fluctuations in financial and currency markets. As of December 31, 2000 and 1999, the Foundation had forward currency contracts with notional amounts totaling \$5.5 million and \$117 million, respectively. At December 31, 2000, approximately \$5.5 million in assets and \$5.2 million in liabilities related to open foreign currency contracts, at market value, are included in other marketable securities.

Through a securities lending program managed by its investment custodian, the Foundation loans certain stocks and bonds included in its investment portfolio to qualified investors. These investors are required to deposit cash of a like amount with the investment custodian as collateral on such loans. The Foundation's investment custodian has indemnified the program against counterparty risk. The Foundation's gross securities loaned to certain investors at December 31, 2000 amounted to approximately \$211 million.

Financial instruments such as those described above involve, to varying degrees, elements of market risk and credit risk in excess of the amounts recorded on the balance sheet. Market risk represents the potential loss the Foundation faces due to the decrease in the value of financial instruments. Credit risk represents the maximum potential loss the Foundation faces due to possible non-performance by obligors and counterparties of the terms of their contracts.

Management does not anticipate that losses, if any, resulting from its market or credit risks would materially affect the financial position and operations of the Foundation.

NOTE 3—FEDERAL EXCISE TAX:

The Internal Revenue Code imposes an excise tax on private foundations equal to 2 percent of net investment income (principally interest, dividends, and net realized capital gains, less expenses incurred in the production of investment income).

The provision for federal excise tax consists of a current provision on realized net investment income and a deferred provision on unrealized appreciation of investments. The current provision for 2000 on net investment income at 2 percent is \$23.0 million. The current provision in 1999 at 2 percent was \$9.7 million. The change in unrealized appreciation reflected on the Statement of Activities includes a provision for deferred taxes based on net unrealized appreciation of investments at 2 percent. The decrease in unrealized appreciation in 2000 resulted in a decrease of the deferred federal excise tax liability of \$15.8 million. In 1999, the deferred tax liability increased by \$15.7 million.

NOTE 4—GRANTS, CONTRIBUTIONS, and COMMITMENTS:

The following table of grant activity by major program area includes all grant appropriations approved during 2000. The grants payable and committed at December 31, 1999 have been restated to reflect cancellations of \$377 thousand.

	<i>Payable and Committed, Dec. 31, 1999</i>	<i>2000 Grants and Commitments</i>		<i>Payable and Committed, Dec. 31, 2000</i>
		<i>Appropriated</i>	<i>Paid</i>	
		<i>(In thousands)</i>		
Conservation and the Environment.....	\$ —	\$ 22,626	\$ 20,126	\$ 2,500
Museums and Art				
Conservation	7,817	20,570	19,945	8,442
Performing Arts	2,476	20,396	17,861	5,011
Higher Education and Scholarship	25,332	127,403	121,400	31,335
Population.....	1,146	25,543	21,100	5,589
Public Affairs.....	2,813	3,590	5,238	1,165
Program Grants & Commitments—Totals	39,584	220,128	205,670	54,042
Contributions.....	—	200	200	—
Totals	<u>\$39,584</u>	<u>\$220,328</u>	<u>\$205,870</u>	<u>\$54,042</u>

Grant and grant commitment activity is summarized below.

	<i>Amount</i>	
	<u>2000</u>	<u>1999</u>
	<i>(In thousands)</i>	
Grants Payable:		
Grants payable at January 1	\$5,958	\$13,558
Less grant cancellations	—	(262)
Grant expense	208,619	154,163
Less grants paid	<u>(205,870)</u>	<u>(161,501)</u>
Grants payable at December 31	<u>\$8,707</u>	<u>\$5,958</u>
Net Grant Expense:		
Unconditional grants	\$185,858	\$137,677
Conditional grants	<u>22,761</u>	<u>16,486</u>
	208,619	154,163
Less grant cancellations	—	(262)
Less grant refunds	<u>(1,557)</u>	<u>(112)</u>
	<u>\$207,062</u>	<u>\$153,789</u>
Grant Commitments:		
Grant commitments at January 1	34,003	33,614
Less commitment cancelled	(377)	(1,567)
Conditional grants appropriated	34,470	18,442
Less grants meeting conditions for payment	<u>(22,761)</u>	<u>(16,486)</u>
Grant commitments at December 31	<u>\$45,335</u>	<u>\$34,003</u>

