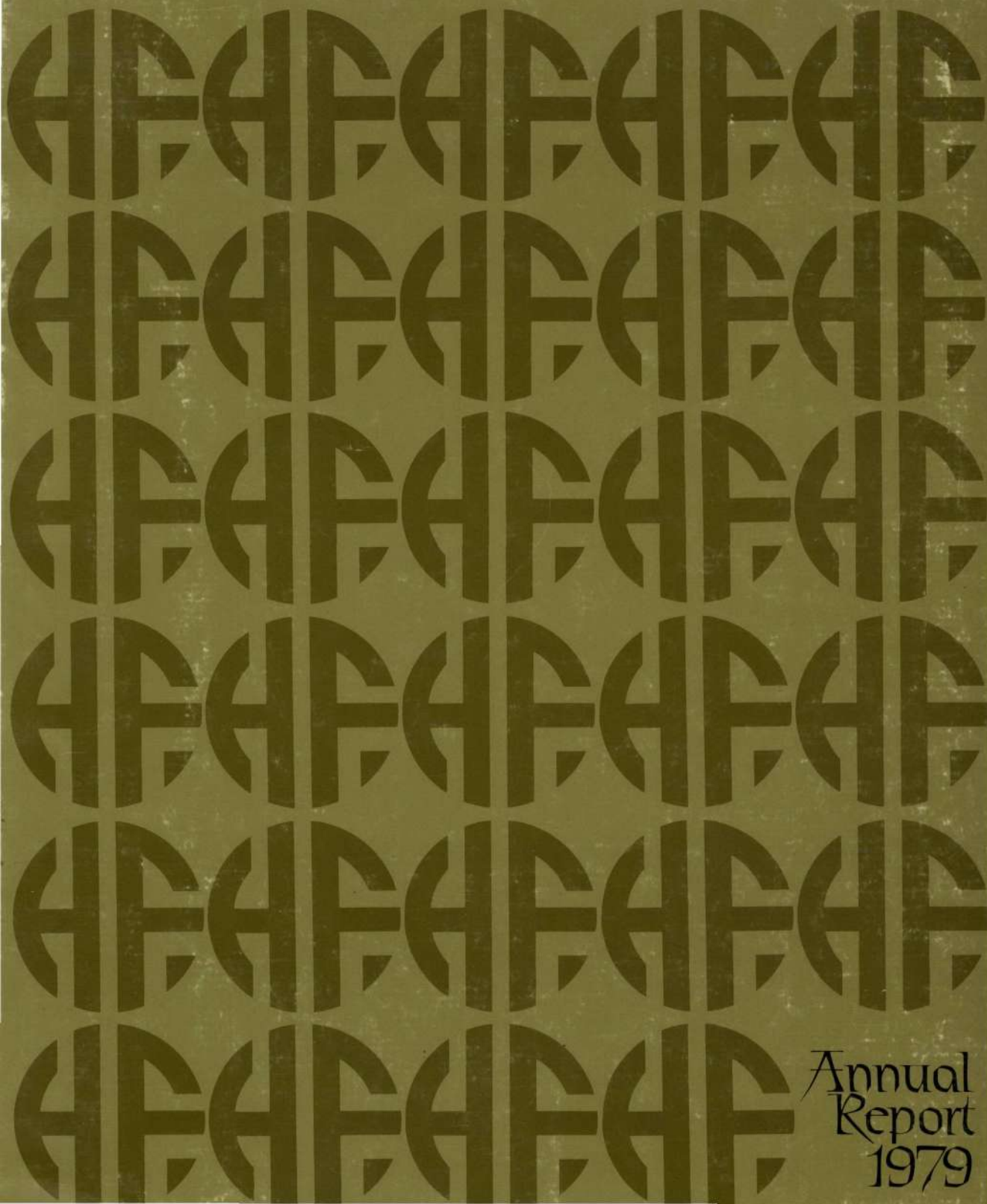


THE WILLIAM & FLORA HEWLETT FOUNDATION



Annual
Report
1979

Office of the Foundation through July 31, 1980:

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Palo Alto, California 94304
(415) 493-3665

Office of the Foundation as of August 1, 1980:

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Menlo Park, California 94025
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The Hewlett Foundation, incorporated as a private foundation in the State of California in 1966, was established by the Palo Alto industrialist William R. Hewlett, his wife, Flora Lamson Hewlett, and their eldest son, Walter B. Hewlett. The Foundation's broad purpose, as stated in the articles of incorporation, is to promote the well-being of mankind by supporting selected activities of a charitable, religious, scientific, literary, or educational nature, as well as organizations or institutions engaged in such activities.

More particularly, to date the Foundation has concentrated its resources on activities in the performing arts and the humanities; education, particularly at the university and college level; population problems; and intelligent, life-enhancing uses of the environment. Some sub-areas of particular interest to the Foundation are listed in the Program Descriptions that follow;

others are in the process of definition. Special Projects outside these four broad areas may from time to time be approved by the Board of Directors. Although the Hewlett Foundation is a national foundation, with no geographic limit stipulated in its charter, a modest proportion of disburseable funds has been earmarked for projects in the San Francisco Bay Area. The Foundation does not make grants to individuals, nor does it normally fund basic research.

In its grant-making decisions as well as in its interests and activities, the Hewlett Foundation is wholly independent of the Hewlett-Packard Company and the Hewlett-Packard Company Foundation.

The Foundation plans grant authorizations for 1980 of approximately \$8 million. Prospective applicants should consult the Program Descriptions and Advice to Applicants later in this Report.

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Personal follow-up visits ensure consistent use of contraceptives by villagers in South India, in a program sponsored by World Neighbors of Oklahoma City.



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Catalog information from over one hundred major libraries in the United States is available instantaneously through the Research Libraries Information Network.



President's Statement

The descriptions that follow in this Report set forth particular interests within each of the Foundation's program areas. The Foundation also has some general objectives that are revealed only by implication in these program statements. Our first Annual Report stated as one such broad purpose the desire to make ours an effective democratic society, a society *whose institutions work*. Effective institutions in America, we believe, are essential to human welfare not only in the United States, but throughout the world. This overriding interest of the Foundation expresses itself in grants that are intended to strengthen institutions and in grants specifically directed toward increasing the effectiveness of leadership.

The building and strengthening of institutions is not a major preoccupation of our society. Apparent indifference to such concerns is particularly acute among institutions and organizations in the not-for-profit sector, for reasons that are wholly understandable. Social service organizations concentrate on services to clients. Arts groups focus on artistic endeavors. Research and policy institutions are inevitably project-oriented. An emphasis on the end result seems, at first glance, entirely commendable. The delivery of services,

artistic productions, policy studies, is the *raison d'être* for such groups. Unfortunately, however, despite the integrity and dedication of their board and staff members, many of these agencies have serious organizational difficulties. Illustrative problems that we, along with many other funding agencies, have observed are: lack of clarity about the purposes of the organization; inadequate definition of the role of the lay board; ambiguous relations between board and staff; poor personnel practices; inadequate long-range planning, both programmatic and financial; haphazard budgeting procedures; ineffective fund-raising efforts; inexperienced management.

How do these organizational deficiencies arise? The explanation in some instances lies in the organizations' origins. They are often established by people who have ability and competence in the field in question but lack managerial experience. Board members are often selected for their interest in the work of the organization or their value as potential donors, rather than for their experience in organizational matters. Even board members with corporate board and executive experience often suspend managerial judgment when they serve not-for-profit organizations.

Another explanation for the neglect of management and organization concerns is the dearth of funds for strengthening management or for support of the institution as opposed to its projects, its programs, or the work of individual members. Throughout society one finds a general skepticism toward institutional growth, a wariness toward administrative expansion and the development of an overhead structure.

Finally, funding sources themselves, both individual and corporate, bear a share of the responsibility for neglect of organizational problems. They share the general skepticism about administrative expansion. They share the general desire for products, for tangible, identifiable results that will reflect immediate credit on them as sponsors.

While such an attitude may be defensible for individual donors, it seems to me harder to justify on the part of foundations. Foundations occasionally manage their own programs but more often depend on other organizations to achieve their goals. They therefore have an obligation to take organizational problems seriously. In both the long and the short run, it is in the interest of foundations to contribute to the

organizational strength of institutions that implement foundation goals. When we help them become well managed, we decrease their dependency on foundation support and increase their attractiveness to other donors.

These considerations have led us to have a sympathetic attitude toward proposals that will strengthen the organizations in which we have a program interest. We have provided funds for management training, for management assistance, and for the development of more effective procedures. We have provided general support funds to institutions whose leadership has a demonstrated capacity for sound judgment in allocating scarce resources. While we may on occasion, in making a general support grant, indicate a special interest in particular programs, the grant provides flexibility so that when appropriate, the needs of the organization for planning, project development, and general supervision can be at least partially met.

Our general interest in improving the effectiveness of institutions has led us naturally to a particular concern with strengthening the position and effectiveness of their leaders. We have given particular emphasis to grants that increase the opportunity for sensitive

judgments on the part of qualified and experienced leaders.

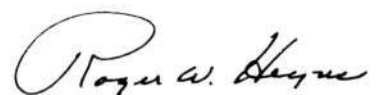
Leadership roles in our society are increasingly difficult to perform satisfactorily. The problems organizations face are complex, often arise from circumstances outside the control of the organization itself, and increasingly require technical, specialized knowledge to be understood and solved. Because of an increasing distrust of authority in virtually all types of organizations over the past two decades, decision-making typically involves extensive consultation and the sharing of authority. As a consequence timely, responsive action is difficult, and leaders are more frequently perceived as sources of frustration than as sources of help. While this desire to restrict the authority of leaders is understandable in the light of recent history, it may well be that we have preempted too much of the discretion that effective leadership requires. We would do better, I think, to improve our procedures for holding leaders accountable, and for removing them promptly when they fail, rather than continue the present tendency to grant them too little authority to meet the responsibilities with which they are entrusted.

Many of the institutions with which the Foundation deals have leaders of ability and experience who lack the opportunity and resources for the fruitful exercise of discretion. This observation has led us to support several programs that provide funds to be expended at the discretion of the organization's leader, whether it be the director of a population center, the university officer responsible for international programs, or the president of a liberal arts college. In these instances we have not required that the leaders establish consultative mechanisms, but have chosen to contribute to a better match between the responsibilities of these leaders and the resources they have to deal with them. We do not intend by this mode of grantmaking to trivialize the importance to us or to their organizations of the quality and effectiveness of executive decisions; nor do we regard lightly the value for any decision-maker of intelligent advice. But as we see it, these are not where today's major institutional problems lie. They reside, rather, in excessive restriction on individual judgment.

We recognize that in making discretionary and general support grants, we are running counter to views and practices that have demonstrated their

validity. We believe, nonetheless, that leaders of important institutions require the freedom to choose, in the light of their informed judgment about their organizations' needs and opportunities, between attractive alternative uses of foundation funds.

The Foundation will continue to make project and program grants. The message here, however, is that the Hewlett Foundation has a persistent and vigorous desire to strengthen the not-for-profit organizations working in our areas of interest. We have expressed this interest through management improvement, general support, and discretionary grants. We will continue to be interested in grantmaking strategies that show promise for strengthening organizations and for enhancing the ability of their leaders to take timely and effective action toward goals we share.



Program Descriptions

Docents trained by Environmental Volunteers of Palo Alto encourage hands-on investigation of the environment.



The program statements that follow contain certain objectives of the Hewlett Foundation. Other goals are general; they underlie all the programs and all the funding choices the Foundation makes. First, the Foundation has a strong basic commitment to the voluntary, nonprofit sector, to the sector that lies between industry and government. Institutions and organizations in this category serve purposes very important to our society, and their health and effectiveness is a major concern. Accordingly, the Foundation intends to assist efforts to improve their financial base and their efficiency.

Second, the Foundation also believes that private philanthropy is of great value to the society. Support from individuals, businesses, or foundations can supplement government funding, and in some important cases provide a benign and fruitful alternative. The Foundation considers the nation's habits of philanthropy, individual and corporate, less healthy than they should be, and therefore will be particularly receptive to proposals that show promise of stimulating private philanthropy.

A great many excellent organizations meet both the general criteria sug-

The National Opera Institute, Washington, D.C., prepares apprentices for professional roles, both as performers and as administrators.



gested here and the specifications set forth in the statements that follow. Competition for the available funds is intense. The Foundation can respond favorably to only a small proportion of the worthwhile proposals it receives.

ARTS & HUMANITIES

The Arts and Humanities Program's main focus is on the performing arts—music, dance, theater. The Foundation has a secondary interest in museum management and in special collections of unusual value to the arts. The Hewlett Foundation hopes to make a strong contribution to the cultural life of the San Francisco Bay Area, but will from time to time consider requests from organizations outside the region that have national impact.

Performing arts groups are gaining in number and quality, yet the most promising young artists continue to experience a critical need for the often costly advanced training programs and special projects that would enable them to develop their talents to the fullest. Proposals for the training and development of gifted young professional artists are therefore particularly welcome. Among the grants in this category in 1979 were those to the Oakland Symphony Association and the Marin Civic Ballet.

We are interested in programs that will help college, conservatory, and training company graduates make the difficult transition to recognized professional status. We welcome proposals that will give such young artists sustained collegial exposure to working professionals and integrate them in nontrivial ways in professional performances.

The Foundation has an interest in unique opportunities to preserve the works of living masters. We expect such opportunities to be rare but, as with the festival in honor of the composer Ernst Krenek held at the University of California, Santa Barbara, we hope to recognize their value when they occur. The Foundation continues to seek ways to foster the effective management of arts organizations, particularly those that will stabilize internal management structures, whether by augmenting staff in understaffed departments (the One Act Theatre Company of San Francisco has received a grant for this purpose) or by offering advanced professional consulting to working managers. We will consider proposals for management training and technical assistance, including projects aimed at the development of alternative sources of funding for the arts. The Foundation is also interested in the development of artistic

leadership in cultural organizations. Although open to requests from individual groups, the Foundation has a special interest in projects and organizations that, like the National Opera Institute and the American Association of Museums, assist all or most of the groups in a particular category. Proposals for general operating expenses, special projects, and, under special circumstances, capital improvements will be considered. We welcome proposals for joint funding of projects with other foundations and with corporations.

We regret that we cannot consider proposals in the following areas: crafts, the visual arts, and literature; independent projects or exhibitions of individual artists; arts programs of public school districts, training programs for elementary and secondary school children, community arts programs, and recreational or therapeutic programs of social service agencies; and independent radio, television, or film projects except as they address one of the specific Arts Program objectives described above.

Teachers trained in the Kodály Program of music instruction at Holy Names College, Oakland, introduce young students throughout the San Francisco Bay Area to principles of musical composition.



EDUCATION

In its Education Program, the Hewlett Foundation will continue to work primarily with the selective liberal arts colleges, the predominantly black private colleges, and the major research universities. In general the Foundation is interested in proposals that promise to strengthen the institution generally and benefit a number of institutions at the same time, rather than requests to meet immediate, highly specific needs.

Through January 1980, the Foundation has made ten grants as part of its joint program with the Andrew W. Mellon Foundation to endow presidential discretionary funds at leading private liberal arts colleges. These grants are intended to enhance the colleges' capacity for self-renewal and will be used principally but not exclusively for faculty and curriculum development. To minimize unrewarded effort on the part of applicants, participation will be by invitation only. In selecting participants, the foundations are assisted by an advisory committee.

With regard to the predominantly black colleges, although they have educated a disproportionately high percentage of the nation's black college graduates, they suffer a disproportionately low rate of financial support from

their alumni. Stronger support from increasingly successful alumni would provide these colleges with a stable source of long-term funding. In 1977 the Bush Foundation of St. Paul, Minnesota, invited the Hewlett Foundation to help extend its notably successful challenge grant program for alumni giving at black colleges in the United Negro College Fund. The Foundation will continue to support this program through 1980.

The Foundation will focus its assistance to research universities in two areas: the research libraries and international and area studies. With respect to research libraries, the Foundation believes that only with well-conceived collaborative efforts can major libraries hope to perform routine services, build their collections, and preserve deteriorating materials without being overwhelmed by spiraling costs. In 1978 the Foundation supplemented its earlier grant to the Council on Library Resources with a grant to the Research Libraries Group (RLG) for the development of computerized bibliographic services. Based at Stanford but owned by its nineteen member institutions, RLG provides cataloging services to eighty other libraries; an additional one hundred libraries use RLG to conduct bibliographic searches.

With respect to international and area studies, in keeping with its institutional approach to education, the Foundation has initiated a program to endow discretionary funds for these studies at research universities. Participation in this program, as in the self-renewal program for liberal arts colleges, is by invitation. Two grants—to the University of California, Los Angeles, and Stanford University—were made in 1979; three more are contemplated for 1980. The staff is also considering opportunities to increase public awareness and understanding of international affairs.

The Foundation is in the fourth year of a five-year commitment to MESA (Mathematics, Engineering, Science Achievement), a program intended to correct the underrepresentation of minorities in engineering and the sciences. The program's activities are focused on the motivation and preparation of pre-college minority students within California.

The Foundation has an interest in moral and theological education, but requests from individual theological schools or seminaries will not be accorded high priority.

The Foundation does not encourage requests to fund student aid, construction, basic research, health research, or health education programs. Nor can it consider requests involving kindergar-

ten through twelfth grade except as these may explicitly relate to other Foundation objectives. Support for applied research will be given consideration only insofar as the project in question is relevant to other Foundation interests.

Students in environmental field studies, University of California, Santa Cruz, track a relocated herd of Bighorn sheep.



ENVIRONMENT

The Environment Program of the Hewlett Foundation is designed to encourage intelligent, life-enhancing uses of man's natural environment for education, conservation, and development. The Foundation will consider land acquisition proposals only when they involve areas of unique ecological value that are demonstrably suited to educational purposes. Two programs of the Nature Conservancy—the National Heritage Program in California and the nationwide Land Preservation Fund—received support in 1979. We encourage such proposals only from organizations that are equipped to document the ecological value of a given site and to plan and implement educational programs of scientific merit once the land is acquired.

It is increasingly clear that major environmental questions are not simple issues and in the long run are not best resolved by impassioned side-taking either in the political arena or in the courts. The Foundation will therefore support organizations that produce policy-oriented studies designed to improve the objectivity and thoughtfulness of decision-making on environmental issues. Grants for such work were made in 1979 to Resources for the Future and the Environmental Law Institute. We welcome proposals from organizations that have established, or

show the capacity to establish, a record of sound, dispassionate, policy-related analysis of environmental questions.

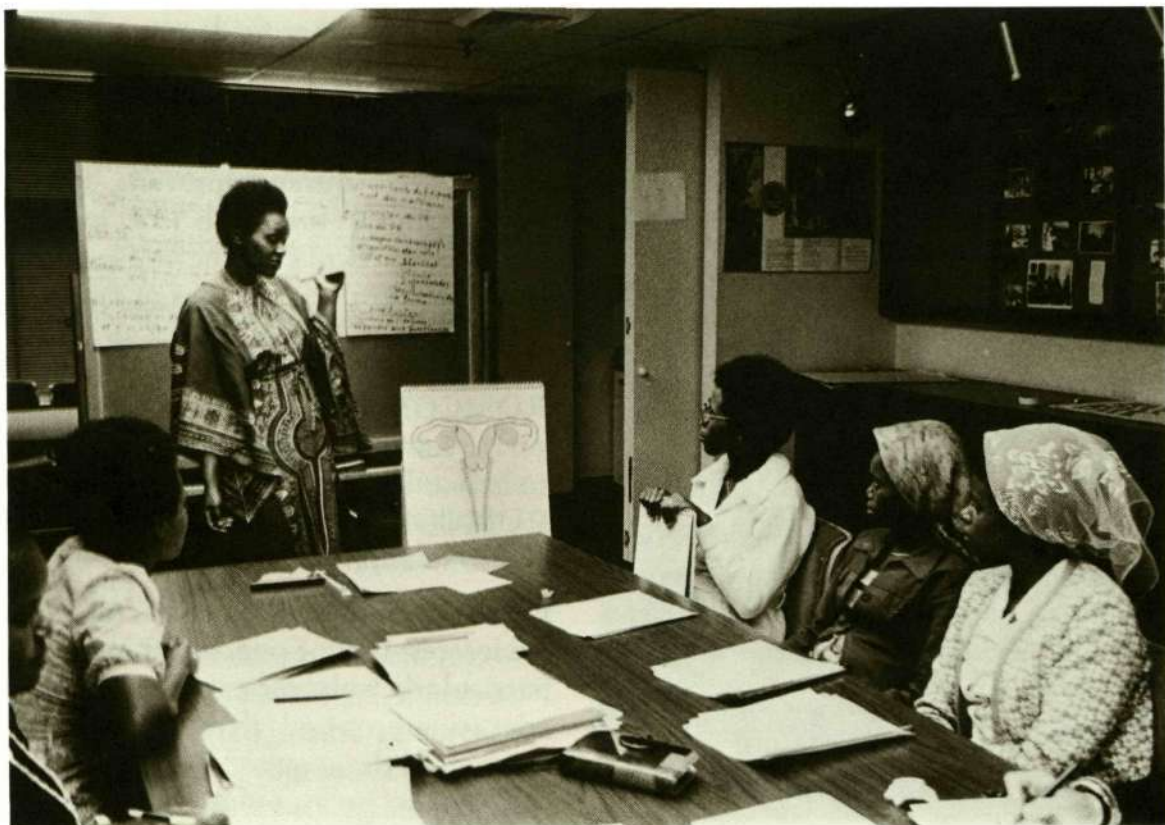
The intensifying struggle over numerous environmental issues has confirmed the Foundation in its intentions to encourage new mechanisms to avert or resolve conflicts over environmental questions. Accordingly, the Foundation has encouraged proposals from organizations that can play a third-party role in the management of disputes. We continue to welcome proposals from organizations that would apply methods of conflict management developed in other fields to environmental problems, or would develop new mechanisms for resolving environmental disputes in a less divisive manner than currently prevails. Two such proposals funded in 1979 were designed to encourage the implementation of recommendations of the National Coal Policy Project at Georgetown University and to enable ROMCOE (Rocky Mountain Center on the Environment), based in Denver, to help other groups learn from ROMCOE's experience in managing environmental conflict.

Environmental education is of continuing interest to the Foundation. We particularly welcome environmental education proposals that relate to our interests in the acquisition of ecologically unique areas, policy, and the

management of conflict. The internship programs of the University of California, Santa Cruz, and California Tomorrow, for example, address both environmental education and policy issues. In addition, we encourage environmental education programs

that demonstrate community support and make effective use of volunteers. Several small grants, including those to Environmental Traveling Companions of San Francisco and the Living Desert Association of Palm Desert, California, were expressions of this interest.

A social worker from Rwanda shows how she promotes child spacing to a class at the Margaret Sanger Institute in New York, in a program administered jointly with the Rwandese Ministry of Social Affairs.



POPULATION

Despite progress in many countries toward reducing birthrates, the significance of population growth as a worldwide problem remains undiminished. If present trends continue, world population will be at least twice its present size in the next century, and within fifty years the populations of most countries will have outstripped the food and energy resources available to them. The Hewlett Foundation will therefore continue to allocate substantial resources to projects in the population field, particularly those involving the less developed countries, where most of the unsustainable population growth will occur.

Within this broad field, the Foundation has specific interests in the following areas: the training of population experts; policy-related research on population issues, particularly the relationship of socioeconomic factors to fertility; the support of comprehensive family planning services and other fertility-reducing programs; and education in human sexuality.

The Foundation's interests in the training of population experts and in policy research were expressed in 1979 through four grants to university pop-

ulation centers in the United States—Columbia, Johns Hopkins, the University of Texas, and the University of Southern California.

We plan continued support not only for analyses of the key variables affecting fertility behavior in a specific region and the way they interact, but also for efforts to implement fertility-reducing development policies. The Foundation will look to organizations that show an awareness of the complex relations between motivation, social and economic development, and fertility behavior, and that have an appreciation for the importance of both societal and personal approaches to population questions.

In this connection, the Foundation awarded grants to World Neighbors for family planning activities, to the Margaret Sanger Center for training programs in Africa, and to the International Fertility Research Program and the Program for the Introduction and Adaptation of Contraceptive Technology for their efforts toward increasing the availability, acceptance, and safety of fertility regulation methods.

The Foundation hopes to support innovative approaches to education in human sexuality and other programs

concerned with the fertility-related behavior of the nation's eleven million sexually active teenagers, as well as others experiencing unwanted pregnancies. Grants for this purpose were made in 1979 to the National Alliance for Optional Parenthood and to the Planned Parenthood Federation of America. Within the United States, support for locally based organizations that provide direct family planning services has been limited to Planned Parenthood affiliates in and near the San Francisco Bay Area.

The Foundation will not consider support for biomedical research on reproduction or the development of contraceptives; nor will it fund population education programs directed toward the general public.

REGIONAL GRANTS

Through the Regional Grants Program, the Hewlett Foundation responds to requests from organizations in the San Francisco Bay Area serving local residents in need of assistance. The Foundation makes grants to human service organizations and has a special interest in projects that would promote community and social development. In addition, we will support organizations in both categories that are seeking to strengthen their management. We will consider proposals for general, pro-

gram, and project support, for periods of one to three years. We welcome opportunities to co-sponsor programs with other funding sources.

Among the recipients of major grants in 1979 were the Bay Area Urban League, for a training program that will prepare disadvantaged young people to pursue careers in banking and computer technology; Friends to Parents and Florence Crittenton Services, which provide supportive services to young parents whose children are considered at risk; and A Central Place, which provides shared office facilities and management assistance to community service organizations in Oakland and other East Bay cities.

In choosing among the many proposals from human service organizations, the Foundation gives preference to those which show promise of demonstrating new and creative ways to meet community social needs. Two grants that reflect this preference were those to the Community Board Program and La Raza Information Center. The Community Board Program administers a neighborhood-based dispute resolution program in a racially mixed area of San Francisco in which local volunteers are trained to mediate disputes between neighbors in a way that will diminish rather than exacerbate on-

going antagonisms. The bilingual staff of La Raza Information Center directs Latino residents of the San Francisco Mission District to available public services, and also provides such direct services as translation and job counseling.

Other new grants went to support Bay Area organizations that addressed such community problems as youth unemployment and the need for more trained volunteers. The program continues its interest in community development organizations that make proposals to improve the quality of life and the climate for business investment in low-

income communities of the Bay Area. So that the Regional Grants Program might remain flexible enough to respond to local needs as they arise, we have preferred not to delineate too rigidly specific areas of interest in the human services category. Yet because barely a tenth of the formal requests received can be supported, we do not encourage proposals involving physical or mental health; law and related fields; criminal justice or juvenile delinquency; public school education; drug and alcohol addiction; or the problems of the elderly and the handicapped.

The Community Board of San Francisco held four hearings in the fall of 1979 at which merchants, youths, parents, and police discussed ways to halt neighborhood vandalism.



Ernst Krenek conducts the Los Angeles Chamber Orchestra in a performance of his works at the festival held in his honor at the University of California, Santa Barbara, in April 1979.



Authorizations
and
Disbursements
1979

ARTS & HUMANITIES

	UNPAID DEC. 31, 1978	1979		UNPAID DEC. 31, 1979
		GRANTS AUTHORIZED	PAYMENTS MADE	
AMERICAN ASSOCIATION OF MUSEUMS WASHINGTON, D.C. <i>For accreditation program</i>		\$ 75,000	\$ 25,000	\$ 50,000
BAY AREA MUSIC ARCHIVES SAN FRANCISCO <i>For John L. Wasserman Memorial Record Library</i>		2,300	2,300	
CABRILLO GUILD OF MUSIC APTOS, CALIFORNIA <i>For general support of Cabrillo Music Festival</i>		10,000	\$10,000	
CALIFORNIA COLLEGE OF ARTS AND CRAFTS OAKLAND <i>For development of data-processing system</i>		3,670	3,670	
CALIFORNIA SHAKESPEAREAN FESTIVAL VISALIA <i>For personnel and production-planning costs</i>		15,000	15,000	
UNIVERSITY OF CALIFORNIA, SANTA BARBARA <i>To support Krenek Festival</i>	\$ 25,000		25,000	
COMMUNITY MUSIC CENTER OF SAN FRANCISCO <i>For community orchestra and development office</i>	20,000		20,000	
COUNCIL FOR THE ARTS, PALO ALTO <i>For the Community Box Office project</i>		10,000	10,000	
<i>For travel to conference</i>		500	500	
FINE ARTS MUSEUMS FOUNDATION SAN FRANCISCO <i>For general operating expenses of Downtown Center</i>		25,000	16,000	9,000
FOLGER SHAKESPEARE LIBRARY WASHINGTON, D.C. <i>For building renovation</i>	200,000		70,000	130,000
FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT, LOS ALTOS HILLS, CALIFORNIA <i>To enable colleges to hire director for Flint Center for the Performing Arts</i>		15,000		15,000
GOLDEN GATE UNIVERSITY, SAN FRANCISCO <i>To provide stipends for internships in arts oraganizations</i>	12,000		12,000	

	UNPAID DEC. 31, 1978	1979		UNPAID DEC. 31, 1979
		GRANTS AUTHORIZED	PAYMENTS MADE	
HOLY NAMES COLLEGE, OAKLAND <i>To support Kodaly program of music instruction</i>	200,000		100,000	100,000
MARGARET JENKINS DANCE STUDIO SAN FRANCISCO <i>For San Francisco Dance Management project</i>		16,025	16,025	
MARIN CIVIC BALLETT SAN RAFAEL, CALIFORNIA <i>For dance conservatory training program</i>		39,650	26,150	13,500
MARIN SYMPHONY ASSOCIATION SAN RAFAEL, CALIFORNIA <i>For general support of Orchestra Piccola and coaching program</i>		11,000	7,000	4,000
NATIONAL OPERA INSTITUTE WASHINGTON, D.C. <i>For apprenticeship program in Opera Administration</i>		30,000	15,000	15,000
OAKLAND SYMPHONY ORCHESTRA ASSOCIATION <i>For Minority Fellowship program</i>		20,000	20,000	
OLD GLOBE THEATRE, SAN DIEGO <i>For fundraising campaign</i>		5,000	5,000	
ONE ACT THEATRE COMPANY OF SAN FRANCISCO <i>To provide salaries for business manager, other staff</i>		30,000	20,000	10,000
PALACE OF ARTS AND SCIENCES FOUNDATION SAN FRANCISCO <i>For support of Exploratorium</i>	25,000		25,000	
PERFORMING ARTS SERVICES SAN FRANCISCO <i>To support voucher plan</i>	20,000		20,000	
SAN FRANCISCO BALLETT <i>To support training programs for gifted young dancers</i>		75,000	25,000	50,000
SAN FRANCISCO BAY AREA DANCE COALITION <i>For seminar on dance criticism</i>		850	850	
SAN FRANCISCO FOUNDATION <i>To assist six arts groups adversely affected by Proposition 13</i>		15,000	15,000	

	UNPAID DEC. 31, 1978	1979		UNPAID DEC. 31, 1979
		GRANTS AUTHORIZED	PAYMENTS MADE	
SAN FRANCISCO OPERA <i>For the Opera Laboratory project</i>		80,000	40,000	40,000
SAN FRANCISCO PERFORMING ARTS CENTER <i>Toward construction of Concert Hall, Rehearsal Hall</i>	200,000		200,000	
SAN FRANCISCO SYMPHONY ASSOCIATION <i>For National Auditions program, musicians' salaries</i>		71,200	35,600	35,600
SAN MATEO COUNTY HISTORICAL ASSOCIATION SAN MATEO, CALIFORNIA <i>To support museum membership campaign</i>		10,000		10,000
SCHOOL OF AMERICAN BALLET NEW YORK CITY <i>For general support</i>		150,000	50,000	100,000
STANFORD UNIVERSITY MUSIC LIBRARY <i>To purchase audio equipment for Archive of Recorded Sound</i>		8,337	8,337	
THEATRE FLAMENCO OF SAN FRANCISCO <i>For choreographers' workshop</i>		6,000	6,000	
WESTERN ASSOCIATION OF ART MUSEUMS OAKLAND <i>For Museum Management Institute</i>		18,000	18,000	
YOUNG AUDIENCES OF THE BAY AREA SAN FRANCISCO <i>For administrative support</i>	2,961		2,710	251
Total Arts and Humanities	\$704,961	\$742,532	\$865,142	\$582,351

EDUCATION

	UNPAID DEC. 31, 1978	1979		UNPAID DEC. 31, 1979
		GRANTS AUTHORIZED	PAYMENTS MADE	
ALBAN INSTITUTE, WASHINGTON, D.C. <i>Toward project "Forecasting the Future of Protestant Theological Education"</i>		\$ 10,000	\$ 10,000	
AMERICAN COUNCIL ON EDUCATION WASHINGTON, D.C. <i>For general support</i>	\$225,000		75,000	\$150,000
AMERICAN UNIVERSITIES FIELD STAFF HANOVER, NEW HAMPSHIRE <i>To increase financial stability by subsidizing fees of new university memberships, expanding staff to serve new members</i>		100,000	50,000	50,000
ASSOCIATION FOR RECORDED SOUND COLLECTIONS, STANFORD <i>To assist experiment in cataloguing record collections</i>		11,070	11,070	
ASSOCIATION OF THEOLOGICAL SCHOOLS VANDALIA, OHIO <i>For scholarship and professional development of faculty and administrative staff in member institutions</i>	37,500		37,500	
ASSOCIATION FOR WOMEN IN SCIENCE WASHINGTON D.C. <i>For support of fellowship program</i>		1,000	1,000	
BUSH FOUNDATION, ST. PAUL, MINNESOTA <i>For College Alumni Challenge Grant program to increase alumni support of predominantly black private colleges</i>	900,000		300,000	600,000
UNIVERSITY OF CALIFORNIA, BERKELEY <i>For Mathematics, Engineering, Science Achievement (MESA) program to prepare minority high school students for mathematics-based careers</i>	100,000	250,000	100,000	250,000
UNIVERSITY OF CALIFORNIA, LOS ANGELES <i>To help endow discretionary funds for international and area studies</i>		150,000	75,000	75,000
CITIZENS' SCHOLARSHIP FOUNDATION OF AMERICA, CONCORD, NEW HAMPSHIRE <i>To help extend their scholarship information service to California</i>		6,000	6,000	
COUNCIL ON LEARNING, NEW YORK CITY <i>For temporary support of Change magazine</i>		10,000	10,000	

	UNPAID DEC. 31, 1978	1979		UNPAID DEC. 31, 1979
		GRANTS AUTHORIZED	PAYMENTS MADE	
COUNCIL ON LIBRARY RESOURCES WASHINGTON, D.C. <i>For development of computerized bibliographic system for nation's libraries</i>	300,000		50,000	250,000
FUND FOR THEOLOGICAL EDUCATION PRINCETON, NEW JERSEY <i>For minority fellowship program</i>	37,500			37,500
GRADUATE THEOLOGICAL UNION, BERKELEY <i>For Common Library fund</i>	500,000		500,000	
INTERNATIONAL COUNCIL ON THE FUTURE OF THE UNIVERSITY, NEW YORK CITY <i>For general support of Council's convening, research, and publication activities</i>		60,000	35,000	25,000
MASSACHUSETTS INSTITUTE OF TECHNOLOGY <i>Toward start-up costs for College of Science, Technology and Society</i>	375,000		75,000	300,000
MEXICAN AMERICAN ENGINEERING SOCIETY PLACENTIA, CALIFORNIA <i>For annual symposium</i>		500	500	
NATIONAL COMMISSION ON RESEARCH WASHINGTON, D.C. <i>For general support of efforts to reconcile Federal accountability requirements and universities' reporting capacities and practices</i>		45,000	45,000	
NATIONAL CONGRESS ON CHURCH-RELATED COLLEGES AND UNIVERSITIES, SHERMAN, TEXAS <i>For Study Commissions of the Congress</i>		10,000	10,000	
NATIONAL INSTITUTE FOR CAMPUS MINISTRIES NEWTON CENTRE, MASSACHUSETTS <i>For general support</i>		75,000	40,000	35,000
PRESIDENT'S COMMISSION ON FOREIGN LANGUAGE AND INTERNATIONAL STUDIES WASHINGTON, D.C. <i>For survey of public attitudes toward study of foreign languages</i>		4,000	4,000	
RESEARCH CORPORATION, NEW YORK CITY <i>For research grants to liberal arts college faculty</i>	100,000		50,000	50,000

	UNPAID DEC. 31, 1978	1979		UNPAID DEC. 31, 1979
		GRANTS AUTHORIZED	PAYMENTS MADE	
RESEARCH LIBRARIES GROUP, STANFORD <i>For the Research Libraries Information Network</i>		300,000	100,000	200,000
STANFORD UNIVERSITY <i>For Bay Area Program on Global Education, to help school teachers improve their handling of international subjects</i>		14,700	14,700	
<i>To endow discretionary funds for international and area studies</i>		150,000		150,000
WESTERN ASSOCIATION OF SCHOOLS AND COLLEGES, OAKLAND <i>To support workshops on using new accreditation standards and procedures</i>		34,500		34,500
Total Education	\$2,575,000	\$1,231,770	\$1,599,770	\$2,207,000

Representatives of the International Council on the Future of the University discuss results of the Council's study of Swedish universities with Swedish officials at conference held in Stockholm in October 1979.



ENVIRONMENT

	1979		UNPAID DEC. 31, 1979
	UNPAID DEC. 31, 1978	GRANTS AUTHORIZED	
ALASKA CENTER FOR THE ENVIRONMENT ANCHORAGE <i>For meeting to re-establish Alaskan Conservation Foundation</i>		\$ 397	\$ 397
UNIVERSITY OF ALASKA, FAIRBANKS <i>For meeting to plan land management institute</i>		5,400	5,400
AMERICAN ARBITRATION ASSOCIATION NEW YORK CITY <i>For Research Institute's work on dispute management</i>		15,000	\$15,000
AMERICAN INDIAN LAWYER TRAINING PROGRAM, OAKLAND <i>For seminar on Indian Natural Resource Law and Finance</i>		3,000	3,000
UNIVERSITY OF CALIFORNIA, SANTA CRUZ <i>For Environmental Field Program, particularly student intern program</i>		45,000	15,000
<i>For Blue Whale project</i>		3,500	3,500
CALIFORNIA MARINE MAMMAL CENTER FORT CRONKHITE <i>To extend membership and develop environmental education program</i>		7,000	3,000
CALIFORNIA TOMORROW, SAN FRANCISCO <i>For the Environmental Intern Program</i>		35,000	25,000
CITY UNIVERSITY OF NEW YORK <i>For Neighborhood Open Space project of Center for Human Environments</i>		3,000	3,000
COMMUNITY ENVIRONMENTAL EDUCATION PROGRAM, DALY CITY, CALIFORNIA <i>For "HANDS Across America" project to evaluate accessibility to the handicapped of national parks</i>		1,000	1,000
CONSERVATION FOUNDATION WASHINGTON, D.C. <i>For general support</i>	\$120,000		60,000
ENVIRONMENTAL LAW INSTITUTE WASHINGTON, D.C. <i>For efforts to enhance Institute's effectiveness</i>		90,000	45,000

	UNPAID DEC. 31, 1978	1979		UNPAID DEC. 31, 1979
		GRANTS AUTHORIZED	PAYMENTS MADE	
ENVIRONMENTAL TRAVELING COMPANIONS SAN FRANCISCO <i>For support of Bay Area program introducing handicapped people to the wilderness</i>		5,000	5,000	
ENVIRONMENTAL VOLUNTEERS, PALO ALTO <i>To support training program for environmental education volunteers</i>	10,000		10,000	
FILOLI CENTER, WOODSIDE, CALIFORNIA <i>For interest-free loan for land acquisition</i>	400,000			400,000
FORUM ON COMMUNITY AND THE ENVIRONMENT, PALO ALTO <i>For management of conflict over use of Castle Rock State Park</i>		2,000	2,000	
GEORGETOWN UNIVERSITY, WASHINGTON, D.C. <i>To support implementation activities of the National Coal Policy Project</i>		50,000	50,000	
GRAND TETON ENVIRONMENTAL EDUCATION CENTER, KELLY, WYOMING <i>To provide special equipment for the Center</i>		5,000	5,000	
LAKE COUNTY OFFICE OF EDUCATION LAKEPORT, CALIFORNIA <i>For planning costs of an environmental studies center</i>		6,000	6,000	
LIVING DESERT ASSOCIATION, PALM DESERT, CALIFORNIA <i>To develop a volunteer docent program</i>		3,000	3,000	
MONTEZUMA ECOLOGY CENTER, LOS GATOS, CALIFORNIA <i>For membership campaign costs</i>		750	750	
NATURE CONSERVANCY, ARLINGTON, VIRGINIA <i>For Natural Heritage Program in California, and for nationwide Land Preservation Fund</i>		400,000	200,000	200,000
<i>For the Fairfield Osborn Preserve's Sonoma mountain experience educational program</i>		2,000	2,000	
NEW JERSEY OFFICE OF DISPUTE SETTLEMENT TRENTON <i>For Community Dispute Resolution Conference</i>		1,000	1,000	

	UNPAID DEC. 31, 1978	1979		UNPAID DEC. 31, 1979
		GRANTS AUTHORIZED	PAYMENTS MADE	
OCEANIC SOCIETY, SAN FRANCISCO <i>For development of Speakers Bureau in the Bay Area</i>		7,000		7,000
PENINSULA CONSERVATION CENTER SANTA CRUZ, CALIFORNIA <i>For Harbinger Communications to develop database for timely decision needs</i>		25,000	25,000	
PUBLIC LANDS INSTITUTE, DENVER <i>For general support</i>	80,000		34,644	45,356
RESOURCES FOR THE FUTURE WASHINGTON, D.C. <i>For general support</i>		400,000	100,000	300,000
ROCKY MOUNTAIN CENTER ON THE ENVIRONMENT, DENVER <i>To communicate Center's experiences to others concerned with managing environmental conflict</i>		100,000	50,000	50,000
SAN DIEGO STATE UNIVERSITY <i>For environmental program "Educational Growth Opportunities for Senior Adults"</i>		1,800	1,800	
SEMPERVIRENS FUND, LOS ALTOS, CALIFORNIA <i>For hiring and training of two California Tomorrow Interns</i>		6,500	6,500	
Total Environment	\$610,000	\$1,223,347	\$676,194	\$1,157,153

POPULATION

	UNPAID DEC. 31, 1978	1979		UNPAID DEC. 31, 1979
		GRANTS AUTHORIZED	PAYMENTS MADE	
ASSOCIATION FOR VOLUNTARY STERILIZATION NEW YORK CITY <i>To support Latin American training programs</i>	\$60,000		\$30,000	\$30,000
BROWN UNIVERSITY <i>For general support of Population Studies and Training Center</i>	150,000		50,000	100,000
UNIVERSITY OF CALIFORNIA, BERKELEY <i>To support visit of Indian professor of family planning</i>		\$ 3,000	3,000	
COLUMBIA UNIVERSITY <i>For general support of Center for Population and Family Health</i>		120,000	40,000	80,000
FLORIDA STATE UNIVERSITY <i>To support Library of the Center for the Study of Population</i>	47,000		15,000	32,000
ALAN GUTTMACHER INSTITUTE NEW YORK CITY <i>For general support</i>	200,000		100,000	100,000
INTERNATIONAL FERTILITY RESEARCH PROGRAM, RESEARCH TRIANGLE PARK NORTH CAROLINA <i>For dissemination of contraceptive methods, implementation of family planning programs</i>		80,000	40,000	40,000
JOHNS HOPKINS UNIVERSITY <i>For general support of Population Center</i>		120,000	40,000	80,000
UNIVERSITY OF MICHIGAN <i>For general support of Population Studies Center</i>	150,000		50,000	100,000
NATIONAL ALLIANCE FOR OPTIONAL PARENTHOOD, WASHINGTON, D.C. <i>For general support of educational activities, particularly among teenagers</i>		60,000	30,000	30,000
PATHFINDER FUND, CHESTNUT HILL, MASSACHUSETTS <i>For support of Women's Division, Fertility Services Division, and Human Resources/Rapid Response Program</i>	97,500		65,000	32,500
UNIVERSITY OF TEXAS, AUSTIN <i>For general support of Population Research Center</i>		120,000	40,000	80,000

	UNPAID DEC. 31, 1978	1979		UNPAID DEC. 31, 1979
		GRANTS AUTHORIZED	PAYMENTS MADE	
PLANNED PARENTHOOD AFFILIATES				
NORTHERN CALIFORNIA				
<i>To Contra Costa County affiliate, for expansion and renovation of clinic</i>		20,000	20,000	
<i>To San Joaquin County affiliate, to strengthen base of private support</i>		10,000		10,000
<i>To San Mateo County affiliate, for general support</i>	20,000		10,000	10,000
<i>To Santa Clara County affiliate, for general support</i>	20,000		10,000	10,000
<i>To Santa Cruz County affiliate, for remodeling of facility, development of family planning/educational resource in Watsonville</i>		23,500	20,000	3,500
PLANNED PARENTHOOD FEDERATION OF AMERICA, NEW YORK CITY				
<i>For domestic activities</i>		300,000	100,000	200,000
POPULATION COUNCIL, NEW YORK CITY				
<i>For support of fellowship program to train population experts in social science, demography, and program management</i>	200,000		100,000	100,000
POPULATION CRISIS COMMITTEE				
WASHINGTON, D.C.				
<i>For work connected with Parliamentarians' Conference on Population and Development</i>	30,000		30,000	
POPULATION INSTITUTE, WASHINGTON, D.C.				
<i>To cover cost of issue of Popline reporting on Parliamentarians' Conference on Population and Development</i>		1,200		1,200
PRINCETON UNIVERSITY				
<i>For general support of Office of Population Research</i>	150,000		50,000	100,000
PROGRAM FOR THE INTRODUCTION AND ADAPTATION OF CONTRACEPTIVE TECHNOLOGY, SEATTLE				
<i>To support efforts in Latin America to convey family planning ideas to illiterate people</i>		17,820	17,820	
UNIVERSITY OF SOUTHERN CALIFORNIA				
<i>For development of population policy program by Population Research Laboratory in collaboration with School of Public Administration</i>		75,000	25,000	50,000

	UNPAID DEC. 31, 1978	1979		UNPAID DEC. 31, 1979
		GRANTS AUTHORIZED	PAYMENTS MADE	
MARGARET SANGER CENTER, NEW YORK CITY <i>For training of family planning managers in West Africa</i>		60,000	35,000	25,000
MARGARET SANGER CENTER, NEW YORK CITY <i>To establish population education programs for foreign students in the United States</i>		7,500		7,500
WORLD NEIGHBORS, OKLAHOMA CITY <i>For support of family planning activities</i>		180,000	60,000	120,000
YALE UNIVERSITY <i>For general support of Economic Demography Group of the Economic Growth Center</i>	90,000		33,000	57,000
Total Population	\$1,214,500	\$1,198,020	\$1,013,820	\$1,398,700

A family counseling session at the Watsonville clinic recently opened by Planned Parenthood of Santa Cruz County, California



REGIONAL GRANTS

	UNPAID DEC. 31, 1978	1979		UNPAID DEC. 31, 1979
		GRANTS AUTHORIZED	PAYMENTS MADE	
BAY AREA URBAN LEAGUE, SAN FRANCISCO <i>For general support of training center</i>		\$150,000	\$70,000	\$80,000
BIG SISTERS OF EAST PALO ALTO/EAST MENLO PARK <i>For coordinator's salary</i>	\$ 4,480		4,480	
<i>For general support</i>		35,000	17,500	17,500
A CENTRAL PLACE, OAKLAND <i>For administrative and operating expenses</i>		50,000	18,000	32,000
CHINATOWN NEIGHBORHOOD IMPROVEMENT RESOURCE CENTER, SAN FRANCISCO <i>For general support</i>	31,000		31,000	
CITIZENS POLICY CENTER, SANTA BARBARA <i>For Open Road/New Jobs program to help establish businesses that train young apprentices</i>		25,000	25,000	
COMITÉ HISPANOAMERICANO PRO LENGUA Y CULTURA, SAN FRANCISCO <i>For Hispanic Heritage Week</i>		2,500	2,500	
COMMUNITY BOARD PROGRAM SAN FRANCISCO <i>For general support of experimental program to resolve neighborhood disputes</i>		65,000	32,500	32,500
COMMUNITY FOUNDATION OF SANTA CLARA COUNTY, SAN JOSE <i>For development program to increase Foundation's capacity to fund community-enhancement projects</i>		50,000	30,000	20,000
EAST BAY ASIAN LOCAL DEVELOPMENT CORPORATION, OAKLAND <i>For general support</i>	90,000		30,000	60,000
FAMILY SERVICE AGENCY OF SAN MATEO COUNTY, SAN MATEO <i>For in-home care program</i>	15,000		15,000	
FLORENCE CRITTENTON SERVICES, PALO ALTO <i>For general support of Crittenton Friends program for single parents</i>		20,000	10,000	10,000
FRIENDS TO PARENTS, SOUTH SAN FRANCISCO <i>For program counseling teenage parents</i>		26,000	13,000	13,000

	UNPAID DEC. 31, 1978	1979		UNPAID DEC. 31, 1979
		GRANTS AUTHORIZED	PAYMENTS MADE	
GIRLS CLUB OF THE MID-PENINSULA MENLO PARK <i>For operating expenses, management and technical assistance</i>		6,000	5,000	1,000
INSTITUTIONAL DEVELOPMENT CORPORATION OAKLAND <i>For Cities in Schools project</i>	23,500		23,500	
JUNIOR ACHIEVEMENT OF SANTA CLARA COUNTY, SAN JOSE <i>To support Project Business</i>	12,000		7,000	5,000
LA COALICIÓN COMMUNITY SERVICE CENTER WATSONVILLE <i>For development of Watsonville Swap Market</i>	10,000		10,000	
LA PEÑA CULTURAL CENTER, BERKELEY <i>For proposed Community Conference Center</i>		5,000	5,000	
LA RAZA INFORMATION CENTER SAN FRANCISCO <i>For general support of translation, interpretation, counseling services to Spanish-speaking residents of Mission District</i>		70,000	40,000	30,000
NAIROBI DAY SCHOOL, EAST PALO ALTO <i>For general support</i>	46,000		18,000	28,000
OPENED I, EAST PALO ALTO <i>To support enrichment activities for minority children</i>		12,000	4,800	7,200
SAN FRANCISCO WOMEN'S CENTERS <i>Toward building purchase</i>		31,000	31,000	
SANTA CLARA COUNTY BAR ASSOCIATION LAW FOUNDATION, SAN JOSE <i>For neighborhood Small Claims Court project</i>		20,000	20,000	
SENIOR COORDINATING COUNCIL OF PALO ALTO AREA <i>For Retired Executive Volunteer project</i>		20,000	10,000	10,000
STANFORD-MIDPENINSULA URBAN COALITION <i>For support of program to solve social problems by enlisting business, public sector, community leaders</i>	40,000		20,000	20,000
STANFORD UNIVERSITY <i>For the Action Research Liaison Office</i>		5,000	5,000	



An engineer in the Retired Executive Volunteer Program provides expert construction supervision for the Palo Alto YMCA.

	UNPAID DEC. 31, 1978	1979		UNPAID DEC. 31, 1979
		GRANTS AUTHORIZED	PAYMENTS MADE	
UNITED WAY OF THE BAY AREA SAN FRANCISCO				
<i>For new headquarters building</i>		15,000	15,000	
<i>For poll on tax-deductibility of charitable contributions</i>		1,000		1,000
<i>For 1979 Summer Youth Project</i>		8,300	8,300	
VOCES UNIDAS BILINGUAL BROADCASTING FOUNDATION, SALINAS				
<i>To develop a noncommercial bilingual educational radio station</i>		62,500		62,500
VOLUNTEER BUREAU/VOLUNTARY ACTION CENTERS, SAN FRANCISCO				
<i>For recruitment campaign of Northern California Council of Volunteer Bureaus/Voluntary Action Centers</i>		11,000		11,000
WOMAN'S ALLIANCE, SAN JOSE				
<i>For operation of shelter for battered women and their children</i>	15,000		15,000	
Total Regional	\$286,980	\$690,300	\$536,580	\$440,700

SPECIAL PROJECTS

	1979		UNPAID DEC. 31, 1979	
	UNPAID DEC. 31, 1978	GRANTS AUTHORIZED		PAYMENTS MADE
AMERICAN HISTORICAL ASSOCIATION WASHINGTON, D.C. <i>For second and third stages of Project '87 to broaden public understanding of U.S. Constitution</i>		\$ 75,000	\$37,500	\$37,500
BERKELEY REPERTORY THEATRE <i>For construction of new theater complex</i>		50,000	50,000	
UNIVERSITY OF CALIFORNIA, BERKELEY <i>For Survey Research Center's study of voter's intentions regarding effects of Proposition 13</i>		92,500	50,000	42,500
<i>For republication expenses of book on Synanon</i>		15,000	15,000	
CENTER FOR COLLABORATIVE PROBLEM SOLVING, SAN FRANCISCO <i>For general support</i>		100,000	50,000	50,000
CLOSE UP FOUNDATION, WASHINGTON, D.C. <i>For participation of Bay Area students and teachers in Washington seminars on government and politics, with government representatives</i>		2,500	2,500	
COALITION OF NATIONAL VOLUNTARY ORGANIZATIONS/NATIONAL COUNCIL ON PHILANTHROPY, WASHINGTON, D.C. <i>To support work of Organizing Committee</i>		60,000	30,000	30,000
FORT MASON FOUNDATION, SAN FRANCISCO <i>To encourage operational self-sufficiency</i>		5,000		5,000
FOUNDATION CENTER, NEW YORK CITY <i>For general support of national program, San Francisco office</i>		75,000	25,000	50,000
HARVARD UNIVERSITY <i>For workshop prior to international conference on Attitude Change and Conflict Resolution</i>		8,400	8,400	
INSTITUTE FOR ADVANCED STUDY, PRINCETON <i>For Einstein Centennial Celebration symposium</i>		10,000	10,000	
NAACP LEGAL DEFENSE AND EDUCATIONAL FUND, NEW YORK CITY <i>To finance leadership development aspects of Minority Women Lawyers' seminar</i>		15,000	15,000	
NATIONAL JUDICIAL COLLEGE, RENO, NEVADA <i>For national seminar on Small Claims Court judges</i>		5,000	5,000	

	UNPAID DEC. 31, 1978	1979		UNPAID DEC. 31, 1979
		GRANTS AUTHORIZED	PAYMENTS MADE	
NATIONAL URBAN FELLOWS PROGRAM NEW YORK CITY <i>For Urban Fellowship program</i>	\$ 50,000		50,000	
UNIVERSITY OF NOTRE DAME <i>For Ecumenical Institute for Advanced Theological Studies, Jerusalem</i>		150,000	50,000	100,000
OVERSEAS DEVELOPMENT COUNCIL WASHINGTON, D.C. <i>For general support</i>	150,000		75,000	75,000
PALO ALTO UNIFIED SCHOOL DISTRICT <i>For Human Relations program</i>		83,000	83,000	
POTOMAC INSTITUTE, WASHINGTON, D.C. <i>For publication and distribution of conference report on national service</i>		1,000	1,000	
TWENTIETH CENTURY FUND, NEW YORK CITY <i>For task force on Presidential debates</i>		11,250	11,250	
URBAN INSTITUTE, WASHINGTON, D.C. <i>For programs in public policy and population change, employment problems, and minority disparities</i>		400,000	100,000	300,000
Total Special Projects	\$ 200,000	\$1,158,650	\$ 668,650	\$ 690,000
TOTAL—ALL PROGRAM AREAS	\$5,591,441	\$6,244,619	\$5,360,156	\$6,475,904
Less program-related commitment and loan to Filoli Center, included above		- 400,000		- 400,000
GRAND TOTAL	<u>\$5,191,441</u>	<u>\$6,244,619</u>	<u>\$5,360,156</u>	<u>\$6,075,904</u>

Advice to Applicants

Because the Program Descriptions are incomplete and under continuing review, the most efficient means of initial contact with the Foundation is a letter of inquiry, addressed to the President at the Foundation office. The letter should contain a brief statement of the applicant's need for funds and enough factual information to enable the staff to determine whether or not the application falls within the Foundation's areas of preferred interest or warrants consideration as a Special Project. There is no fixed minimum or maximum with respect to the size of grants; applicants should provide a straightforward statement of their needs and aspirations for support, taking into account other sources of funding.

Because the Foundation prefers to conduct its affairs with a small staff, response time will in some cases be slow. Applicants who have not had a reply after a reasonable period should feel free to make a follow-up inquiry. The Foundation recognizes that significant programs require time to demonstrate their value. It is therefore willing to consider proposals covering several years of support. While the Foundation will entertain specific

projects in its areas of interest and will on occasion provide general support for organizations of special interest, it expects to work primarily through program support of organizations active in its main areas of interest. One general exception is the Regional Grants Program, under which the Foundation expects to make numerous relatively small grants, in many cases for specific projects that meet an immediate community need. Like most foundations, the Hewlett Foundation is unwilling to assume responsibility for the long-term support of any organization or activity.

All inquiries are reviewed first by the relevant program officer. He or she will either (1) in consultation with the President, decline those requests which seem unlikely to result in a project the Foundation can support; (2) request further information if a decision cannot be made on the basis of the initial inquiry; or (3) present the request to the rest of the staff for discussion.

Applicants who receive a favorable response to their initial inquiry will be invited to submit a formal proposal. Special supporting materials may be

requested in some cases, but normally the proposal should include:

1. A concise statement of the purpose of the request, its significance or uniqueness in relation to other work being done in the field, and the results sought.
2. A budget for the program; an indication of other prospective funding sources and the amount requested of each; and a statement of the sponsoring organization's total budget and financial position. Applicants should indicate how they would continue a successful program once support from the Hewlett Foundation ceased.
3. The identity and qualifications of the key personnel to be involved.
4. A list of members of the governing body.
5. Evidence of tax-exempt status.
6. A statement to the effect that the proposal has been reviewed by the applicant's governing body and specifically approved for submission to the Hewlett Foundation.

Normally the Foundation will not consider grants for basic research, endowment funds, or general fund-raising drives. It will not make grants intended directly or indirectly to support candidates for political office or to influence legislation.

Grants must be approved by the Board of Directors, which meets quarterly. Meeting dates are available upon request, but applicants should realize that even proposals which are to be recommended for Board approval cannot in every case be reviewed at the first meeting following their receipt. All inquiries and proposals are reported to the Board, including both those that lie clearly outside the Foundation's declared interests and those declined at the staff level.

The Downtown Center of the Fine Arts Museums of San Francisco makes exhibitions accessible to many members of the working public who would otherwise not see them.



Financial Statements



555 CALIFORNIA STREET
SAN FRANCISCO, CALIFORNIA 94104
415-393-8500

March 14, 1980

*To the Board of Directors of
The William and Flora Hewlett Foundation*

In our opinion, the accompanying balance sheet and the related statements of income, expenses, grants and fund balance present fairly the financial position of The William and Flora Hewlett Foundation as of December 31, 1979 and 1978, and the results of its operations for the years then ended, in conformity with generally accepted accounting principles consistently applied during the period subsequent to the change, with which we concur, in the method of accounting for investments made as of January 1, 1978, as described in Note 2 to the financial statements. Our examinations of these statements were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Price Waterhouse & Co.

BALANCE SHEET

A S S E T S	December 31	
	1979	1978
Investments (Notes 2 and 3):		
Hewlett-Packard Company stock	\$48,264,329	\$36,682,931
Other securities	14,617	11,507
Cash:		
Commercial accounts	311,519	251,195
Time account and certificates of deposit	1,407,251	4,693,789
Interest receivable	8,862	77,115
Office equipment, automobile and leasehold improvements, net of accumulated depreciation and amortization of \$35,582 and \$19,416 (Note 1)	63,964	69,590
Program-related loans (Note 4)	150,000	190,000
Other assets	18,641	2,180
	<u>\$50,239,183</u>	<u>\$41,978,307</u>

LIABILITIES AND FUND BALANCE

Grants payable (Note 5)	\$ 6,075,904	\$ 5,191,441
Accounts payable and accrued liabilities	33,324	\$10,282
Federal excise tax payable (Note 6)	12,764	6,454
Deferred federal excise tax payable (Note 6)	965,259	733,569
	<u>7,087,251</u>	<u>5,941,746</u>
Fund balance	43,151,932	36,036,561
	<u>\$50,239,183</u>	<u>\$41,978,307</u>

See accompanying notes to financial statements.

STATEMENT OF INCOME, EXPENSES, GRANTS AND FUND BALANCES

	<i>Year ended December 31</i>	
	1979	1978
Income:		
Interest	\$ 311,025	\$ 141,267
Dividends	286,013	204,373
	<hr/> 597,038	<hr/> 345,640
Expenses:		
General and administrative expenses	583,278	487,303
Federal excise tax	12,735	6,400
	<hr/> 596,013	<hr/> 493,703
Income (loss) available for grants	1,025	(148,063)
Grants authorized	6,238,472	6,032,907
Excess of expenses and grants over income	(6,237,447)	(6,180,970)
Increase in market value of investments, net of deferred federal excise tax of \$231,690 and \$135,764	11,352,818	6,652,447
Contributions received	2,000,000	7,070,000
Increase in fund balance before cumulative effect of a change in accounting principles	<hr/> 7,115,371	<hr/> 7,541,477
Cumulative effect on prior years of a change in accounting principles to recording investments at market value, net of deferred federal excise tax of \$597,805 (<i>Note 2</i>)		5,042,447
Fund balance at beginning of year	36,036,561	23,452,637
Fund balance at end of year	<hr/> <hr/> \$43,151,932	<hr/> <hr/> \$36,036,561

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: ACCOUNTING POLICIES—The accounts are maintained on the accrual basis. Depreciation and amortization are computed on the straight-line method over the estimated useful lives of the assets.

The Foundation provides a non-contributory defined contribution plan for all its employees. The plan is funded and maintained by a trustee. Pension expense for 1979 and 1978 was \$40,600 and \$35,700.

NOTE 2: CHANGE IN ACCOUNTING PRINCIPLES—In 1978, the Foundation changed its accounting policy for recording investments to market value. Prior to 1978, investments were shown at market value on the date of their receipt by the Foundation or at cost if purchased. The cumulative effect of the change in 1978 on prior years (net of deferred federal excise tax of \$597,805) was to increase fund balance by \$5,042,447.

NOTE 3: INVESTMENTS—The market value of investments held at year end were as follows:

	<u>December 31</u>	
	<u>1979</u>	<u>1978</u>
Hewlett-Packard Company stock (816,310 shares)	\$48,264,329	\$36,682,931
Hexcel Corp. stock (622 shares)	14,617	11,507
	<u>\$48,278,946</u>	<u>\$36,694,438</u>

NOTE 4: PROGRAM-RELATED LOANS—During 1977, the Foundation made an interest-free loan commitment of \$550,000 to Filoli Center, Inc., which qualifies as a public charity under Internal Revenue Code Section 501(c)(3). At December 31, 1979, the Foun-

ation had advanced \$150,000 on this commitment. Terms of the loan agreement require repayment from funds committed to Filoli Center, Inc., from the estate of a benefactor.

NOTE 5: GRANTS PAYABLE—Grants authorized by the Board of Directors but unpaid as of December 31 are accrued. The Foundation ordinarily makes its grants to organizations that qualify as public charities under the Internal Revenue Code. When distributions are made to non-qualifying organizations, the Foundation assumes the responsibility for ultimate public charity use.

Grants authorized but unpaid at December 31, 1979, are payable as follows:

<u>Year payable</u>	<u>Amount</u>
1980	\$3,945,904
1981	1,880,000
1982	250,000
	<u>\$6,075,904</u>

NOTE 6: FEDERAL EXCISE TAX—In accordance with the provisions of the Internal Revenue Code, the Foundation is liable for an excise tax of 2% on net investment income. Gains on dispositions of investments for excise tax purposes are calculated using the donor's basis of the investment. Deferred excise tax arises from unrealized gains on investments and is provided at the rate in effect at the time the unrealized gains or losses are recognized. The accompanying financial statements reflect provisions for current and deferred excise tax as follows:

	<u>1979</u>	<u>1978</u>
Current	\$ 12,735	\$ 6,400
Deferred	231,690	135,764
	<u>\$244,425</u>	<u>\$142,164</u>

The Internal Revenue Code also requires that the greater of net income or 5% of the average monthly investment balance at market value less the excise tax of 2% be distributed within one year to avoid additional tax. At December 31, 1979 and 1978, no additional distributions were required.

The Foundation's tax returns for the years ended December 31, 1977, and prior have

been examined by the Internal Revenue Service. No significant assessments resulted from those examinations.

NOTE 7: CONTINGENCY— The William and Flora Hewlett Foundation is the residuary beneficiary of the Will of Flora L. Hewlett, and will receive a significant bequest when final distribution of the assets of the Estate of Flora L. Hewlett takes place.

The School of American Ballet in New York each year places 25-30 of its advanced students in leading dance companies throughout the United States and Europe.



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