

**JOHN S. AND JAMES L.
KNIGHT
FOUNDATION HISTORY**

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FOREWORD

The Knight Foundation history that follows is largely based on correspondence and records. Sources also included current and former trustees, staff, consultants and friends of the Foundation who were generous with their time and candid in their assessments in a series of conversations held over a two-year period, 1996-1998.¹

Other helpful materials in the research were the John S. Knight papers at the University of Akron and the invaluable records on the Foundation kept by Lee Hills. The biography of Jack Knight by *Miami Herald* columnist Charles Whited -- a Knight Foundation project undertaken after Jack Knight's death in 1981 -- provided a context for considering Knight Foundation's role in his life, as did three separate published histories of *The Charlotte Observer*, *Detroit Free Press* and *The Miami Herald*.

The cumulative effect of all this information is a chronicle of events, people, records and issues that influenced the Foundation's first five decades. Its primary audience is those who will determine the Foundation's future -- trustees, staff, advisers and consultants, who may find useful the origins of programs, policies, practices and procedures that guided the Foundation for its first 50 years.

Because of its internal audience, this document is more detailed and broader in scope than a history such as Charles Whited's. I wanted to give readers some background on topics such as investment strategies, evaluation and communication -- subjects that usually get shortchanged in broadly disseminated organizational histories that focus on programming. How the Foundation did things seemed just as important as what it did, especially in the transition period of the 1980s and 1990s. I also wanted to give people the source of the information so they could do their own research and draw their own conclusions -- an objective that resulted in more than 550 footnotes.

¹A list of subjects interviewed for this history is included as Appendix Item #1 with this document.

Future researchers who cover the same ground of this history document may find helpful a couple of observations about the reference materials that were used.

First, the size of the Foundation's assets and giving program in its early years precluded any significant administrative structure. One consequence is that the Foundation's records are incomplete and sometimes misleading. Remember that there were no full-time employees until 1975, the same year the Foundation moved to its own office for the first time. As late as 1985, the Foundation had just five full-time staff members.

The Foundation's work was largely handled by the trustees, who took responsibility for tasks that eventually became staff duties: keeping meeting minutes, investigating proposals and managing finances. What's more, these trustees had significant responsibilities elsewhere. Most of them were engaged in building one of the nation's major newspaper companies.

The consequence of this system is that recordkeeping was inconsistent and fragmented, and the records that were left behind have to be used with care. For example, Board meeting minutes from 1958 showed that a grant to the American Press Institute, which was then based at Columbia University, was approved. Tax records from 1958 and the years preceding and following it, however, did not confirm the grant. It appears it was never paid out. Statements about grants made in the early years need to be double-checked -- through Board meeting minutes, tax records and a history of grant payouts prepared annually by the Foundation.

The meeting minutes, in fact, often omitted important items that had been discussed -- a fact confirmed by follow-up correspondence that referred back to the meeting. Board meeting minutes also were vague at times and did not specifically state what actions trustees had approved. The surest way to know what the Board intended was to look at what happened later.

Second, most of the information about Knight Foundation among the John S. Knight papers at the University of Akron is located in folders related to the nonprofit organizations with which he was involved, such as the Akron Art Institute and the Akron Community Trust. Correspondence files with trustees, such as Blake McDowell and Jerry Austen, also provided insights as to his relationship with these individuals.

Unfortunately, only two small folders on the Knight Foundation and its predecessor, the Knight Memorial Education Fund, were located among the 500,000 items in the collection of John S. Knight papers at the University of Akron. What was curiously missing in the collection was any correspondence with Norman Sugarman, the attorney who advised him about Foundation matters during the 1970s and who helped prepare his final will. The will also could not be located among the papers.

* * * * *

When Lee Hills, then chairman, and Creed Black, then president, first asked me in late 1995 to organize Knight Foundation's history, Black gave me a *New York Times* article on donor intent. It pointed out that many foundations had strayed from the ideals of their founders because the donors did not clearly spell out their intentions. With the passage of time, the interests and values of those whose money made possible the foundation faded into the background, replaced by an agenda that bore little or no resemblance to what the donors had in mind or what they would approve of.

While Jack and Jim Knight deliberately opted for giving future Boards the flexibility to respond to current conditions and changing circumstances, the Foundation's actions under their leadership as well as the thoughts they expressed during their lifetimes left a road map for future trustees and staff to follow. The Knights steered their Foundation according to the two principles that had governed the expansion of their business enterprises: improving the quality of journalism and enhancing the quality of life in the communities where Knight Newspapers did business. The Foundation's records include letters and actions that reflected these two priorities but also demonstrated that the Knights envisioned the Foundation operating in creative and thoughtful ways. A small sampling of what they said and did -- expanded on later in this document -- included the following.

Jack Knight's thinking on how journalism grants should be approached:

“Small as our assets are in relation to all the needs, the Foundation does have flexibility, it can innovate, and can provide seed money for promising new activities,” he wrote in 1971 to members of a journalism advisory committee he had just appointed. “The Foundation does not have to be simply passive, limited to responding to other people’s ideas and sorting out the most promising of them, although the best programs already under way should be considered.”

Jack Knight on the scope of the Foundation in the future.

“Most of the smaller foundations simply respond to requests. I think we should have broader horizons and look to the day when the Knight Foundation may indeed be a very large one,” he wrote in 1979 in responding to the “White Paper” in which C.C. Gibson, then president, posed a series of questions about how the Foundation should operate in the future.

The grants program when Jack Knight was president.

An important statement about what the Knights wanted is the record of grants in the 1972-1981 period, a time during which Foundation distributions increased to more than \$1 million a year and Jack Knight altered his will to leave most of his estate to the Foundation. Of \$11.3 million paid out in grants in the 1972-1981 period, 77 percent went to educational and cultural institutions in the 11 cities served by the original Knight newspapers. A “national” category of grants, primarily journalism-related, amounted to 23 percent of the total distributed.

The Statement of Purpose approved under Jim Knight's leadership.

In 1986, the Board unanimously approved a Statement of Purpose that spelled out the Foundation’s priorities. It read:

“First, the Foundation supports worthy causes and organizations in communities in which the Knight-Ridder company has newspaper and other business enterprises. In making such grants, the Foundation seeks to enhance the quality of life in those communities and encourage educational, cultural, economic, social and civic betterments as promising opportunities present themselves. The Foundation also makes selected national grants in these various fields of interest.

“Second, the Foundation is animated by a keen awareness of its distinctive origins. John S. and James L. Knight, in founding and leading the Knight newspapers and expanding them into the present company, emphasized their dedication to the highest standards of journalistic excellence. They have sought constantly to improve the quality of service to their readers, their communities, their nation. They pursued the same goals for the American press as an institution.

“The Knight Foundation, while wholly separate from and independent of Knight-Ridder Inc. is committed to those same values on behalf of the news profession in America. It supports the First Amendment freedoms of speech and of the press everywhere, believing that upon them rest all other human freedoms.

“The Foundation will continue to support those organizations and projects which, in the judgment of its trustees, offer special promise of advancing the quality and effectiveness of a free press in America and worldwide. In an era when the world that journalists seek to understand and explain grows steadily more complex, the Foundation gives particular emphasis to the cause of journalism education.”

Jim Knight’s final communication with the Board.

When Knight was hospitalized in April 1990, Lee Hills prepared a letter for him at Knight’s request that reflected his belief that the Foundation was on track.

“I like the policies we have adopted on governance, finance and investments, payout, programs and grants and statement of purpose in the recent transition to a vastly larger private foundation,” Jim Knight noted. “We now have a solid framework on which to build a truly great foundation. That hope is my legacy.”

* * * * *

The importance of the road map the Knights left behind has been acknowledged by past Boards, who took steps to assure that future trustees and staff would know their values. The Board commissioned Charles Whited's biography of Jack Knight, supported the processing of his papers at the University of Akron and, just recently, assured that the work there had been completed.

Jim Knight did not leave behind a collection of papers. What is known of him comes from family and friends, the books written about his newspapers and a small amount of correspondence.

In the late 1990s, the Foundation also turned to preserving its records with an archive, an oral history and this document.

Although the primary role of the Foundation is to make grants and preserve the resources the Knights left behind to carry on their work, educating those who run the Foundation about the Knights' values is an important part of that process. As the Foundation looks to its 50th anniversary in 2000, it is my hope that the occasion can be used to reaffirm those values and to reflect on how they can be sustained in the future.

Virginia L. Henke
August 1998

I.

The Founders

If coming generations rely solely on Knight Foundation's history to determine how future boards and staff can best carry forward the legacy of John S. and James L. Knight, they will miss the big picture. The lives and work of the Knight brothers are the story; the Foundation is just a chapter.

Jack Knight, born in 1894, and Jim Knight, born in 1909, were the only two children of Clara and C.L. Knight, a lawyer turned editor who purchased the *Akron Beacon Journal* in 1903. In 1933, C.L. Knight died, leaving the paper to his two sons. It was a base from which they would build one of America's largest and most distinguished newspaper publishing companies.

It has often been said that Knight Newspapers and later Knight-Ridder never failed to improve a newspaper after the company purchased it. Some felt that was also true of a Knight newspaper's relationship with its community, where **efforts to enhance the quality of life in a community** inevitably accompanied Knight ownership of a newspaper.

The brothers' approaches to nearly every aspect of their business and civic life were markedly different, however.

"While John Knight's Pulitzer Prize-winning journalism and fierce independence drove his newspapers toward editorial greatness, it was Jim Knight's less visible nuts-and-bolts mastery of the financial and technological sides of the business that made them thrive," explained *The Miami Herald* in its obituary for Jim Knight.

Jack called Akron home but traveled widely, to his newspapers in Detroit, Chicago and Miami and elsewhere as he assumed leadership positions in many of the newspaper industry's major professional organizations. He was twice president of the American Society of Newspaper Editors and served the Associated Press in many roles -- director, finance committee chairman, executive committee member and vice president. He also agreed to a term (1952-1953) as president of the Inter American Press Association. Because of Miami's position as "the gateway," he was keenly aware of the struggle for freedom by newspapers in South America.

He was a trustee of his alma mater, Cornell University, and the University of Miami. He was recognized with numerous awards for his distinguished service to journalism, his statesmanship and commitment to community, but the one of which he was proudest was the Pulitzer Prize for editorial writing in 1968. He received it for "The Editor's Notebook," a weekly column he wrote from 1936 to 1975 that reflected his far-ranging interests and the depth of his concerns.

Jack Knight's talents were not confined to the newsroom and the board room. He was an avid and skilled golfer who won his country club's championship numerous times and an eager horseman who enjoyed owning Thoroughbreds almost as much as he relished wagering on them.

In his personal life, however, he suffered: the death of three wives and two sons and the 1975 murder of his only grandchild, John S. Knight III, killed during a robbery in his apartment. Known as Johnny, John III was a promising young journalist at the *Philadelphia Daily News* at the time of his death.

Lee Hills, his trusted colleague and longtime friend and confidant, reflected on Jack Knight's life and character after his death at the age of 86 on June 16, 1981. In his eulogy Hills said:

"He was a strong and forceful leader. He exuded confidence and what we call 'presence,' which enhanced his qualities of wisdom and intellect. He was not

a person you overlooked. Wherever he sat was head of the table. By sheer strength of character, he achieved extraordinary stature.

“He was interested in everything. He loved horse racing and football, politics and world affairs, with genuine relish. He was a natural athlete and a champion golfer. He knew how to calculate odds, whether in dice or in newspaper acquisitions. He played the percentages and he always played to win.

“He was equally at ease with presidents and printers, princes and preachers. He was a keen businessman with a hard-boiled, handsome flair that attracted both men and women.

“His personal life was marked by great happiness and, yes, great tragedy, but he met the latter with courage of the highest order. He suffered sadness without surrender.

“He did not talk about it, but those close to him knew the strong thread of religious belief that ran through his life, and of his many generous acts of charity.

“If you read that his heart caused his death, don’t believe it. There was nothing wrong with his heart, and it never failed him or anybody else. Indeed, he had a giant heart. His manner could sometimes be crusty and his wit caustic, but we remember him as a kind, warm-hearted dear friend. The heart governs understanding, and that was his special quality. It also ruled his **unfailing sense of responsibility and public trust**. He knew that ideals and traditions are not automatically carried on, so he worked to perpetuate them through others.

“He did it all: entrepreneur, reporter, sportsman, business executive, a writer of clarity and grace, publisher, philanthropist, columnist -- but first and last -- an editor.

“He believed fiercely that newspapers must be independent editorially and economically, and that is the way he ran his. He practiced his profession of journalism with passion, energy and courage. He was an independent thinker.

“His strong sense of integrity touched the lives of hundreds of journalists and millions of readers. He left a legacy of excellence.”

In contrast to Jack’s worldliness, Jim Knight was reserved and focused on the intricacies of newspaper production. While he recognized that good journalism made a newspaper, he never worked in a newsroom himself.

“Socially, we weren’t very close,” Jim Knight said of his brother. “We didn’t go to the same social functions. Jack was of another generation. If I had any troubles, I would give him a honk. Sometimes, he’d call me and say, ‘What do you think?’ As a combination, I think we were most unusual, and this has been partly responsible for our success.”

Although Jim Knight had a second home in Charlotte where he served as publisher of *The Charlotte Observer*, his life focused on Miami, where he and his wife Mary Ann shared nearly 50 years of marriage and raised four daughters on Indian Creek Island in Biscayne Bay.

Among Jim Knight’s strongest beliefs was that one had a **duty to serve his community.**

“Service to your community is inseparable from your responsibility as a newspaperman,” he explained.

Over the years, he took on leadership roles with the United Way, the Chamber of Commerce, the Red Cross and the Orange Bowl Committee.

But he frequently shunned the spotlight. When Miami’s James L. Knight Center -- made possible by a \$2.5 million donation from Knight -- was dedicated, he didn’t show up. A week earlier he had “snooped” unrecognized through the fancy edifice of glass and concrete.

When not engaged in business or civic activities, Jim Knight loved outdoor sports. He fished at every opportunity, whether in South Florida, at the family’s vacation home in Roaring Gap, N.C., or in the bass-stocked lake in the midst of his pine-forested property in North Florida.

In his later years, he also became a major philanthropist, giving millions of dollars to universities and hospitals. He was intensely interested in the University of Miami’s long-term development and was one of its biggest donors, helping to make possible an \$11 million physics

building. Other major gifts went to Miami Children's Hospital, Mount Sinai Hospital in Miami Beach and Massachusetts General Hospital, where both he and Jack were treated in the later years of their lives.

Upon Jim Knight's death on Feb. 5, 1991, Hills said in his eulogy:

“We remember him as a warm, gregarious, unpretentious man with a ready smile and an easygoing manner. He was this way whether working, or playing golf, or fishing from his boat, the ‘Re-Run.’

“His favorite expression was, ‘Aw, shucks.’

“In his 81 years, James Landon Knight cut his own path, a private and independent man. And yet in building the enterprise that became Knight-Ridder, the personalities of Jim and his elder brother were uniquely interactive.

“John S. Knight was the worldly, Pulitzer Prize-winning journalist who relished public acclaim and hobnobbed with heads of state.

“Jim Knight was modestly low key, avoiding the limelight. He called himself simply a ‘nuts-and-bolts’ man.

“But he keenly sensed the power and responsibility of the written word, saying, and I quote: ‘Everything we print, to which readers respond, is a personal relationship. If we are fair, if we are accurate, the readers will be with us. Some days they will despise us. Some days they will love us. But be fair, and they will read us.’

“Jim practiced the concept that quality and financial success go hand in hand. He left us with a legacy of good management.”

Occupied with business, civic and professional activities, family and sports, the Knights spent little time on Knight Foundation business for most of its first 25 years. A charitable entity

established primarily to handle the financial assistance program for college students that Jack Knight had started in 1940, the Knight Foundation made few grants until the mid-1960s when a bequest from the Knights' mother provided an infusion of cash and stocks, primarily Knight Newspapers stock. But even with the increased assets, the Foundation made relatively modest grants, although the pattern of funding that it developed -- for national journalism projects and organizations in cities where the Knights published newspapers -- was important.

After prompting from Hills in 1974, however, Jack Knight took a new look at the opportunities the Foundation presented. In 1975, he signed his final will, leaving the bulk of his estate to the Foundation -- an amount that ultimately amounted to more than \$428 million. Jim Knight followed with a bequest that eventually total nearly \$200 million.

In an interview for this history, Hills described the Knights' involvement with the Foundation this way:

“Many large foundations came into their own and became what they are after the donors died. Knight Foundation got a start on some of its policies, programs and structure in the final years of Jack Knight's life when he knew what he was planning to do with his estate and because of that became more interested in the Foundation. It also was a happy time for Jack because of his marriage to Betty Augustus. While he was interested in Knight Foundation, he did not say ‘do this’ or ‘do that,’ and he did not come up with a vision of what Knight Foundation might become.

“This was a situation where the younger brother and ultimately the second donor (Jim Knight) lived another 10 years and was a part of or encouraged or approved intensive planning that took place in the early 80s and the actions that took place in the last part of that decade. While he also did not come up with a vision of the future, he was very much a part of decisions in setting up the governance and programs. The ideas of what Knight Foundation stood for and where it was going were formulated during this period. And when Jim told us he decided to leave a big part of his fortune to Knight Foundation, he also let it be known that he wanted it to follow the course he helped establish. I think it is

important that we choose future Board and staff leaders who will commit to this vision of the future.”

Hills also remarked on the personalities that had shaped the Foundation’s culture and took note that the brothers were “quite different.”

“Everybody knew Jack had strong views on everything. But he was surprisingly open-minded, and did change his position on important issues when convinced another course was better. He liked flexibility.

“Jim was less an intellectual. Despite his ‘aw-shucks’ behavior, he could be stubborn and he had a mind of his own. He built the huge new *Miami Herald* building on Biscayne Bay in the face of objections and criticism from brother Jack. He had the guts to do things he knew his brother would disapprove. Anyone who thought people could manipulate Jim Knight didn’t know him. The far-reaching developments of Knight Foundation in the 1980s could not have occurred without Jim’s approval.”

The brothers, too, shared important values that Hills hoped would be recognized by future Knight Foundation leaders.

“Only by respecting the past, only by respecting what Jack and Jim Knight achieved in building fine newspapers with excellent journalism, can Knight Foundation claim a distinctive place among foundations today and chart a meaningful course to its future.

“The roots of the Knight Foundation run deep in the Knight brothers’ involvement in communities where they published newspapers and in journalism/press freedom. That is what they were all about. That is their legacy.

“I hope future Board and staff will articulate that legacy.”

II.

In the Beginning: 1940s-1960s

Knight Foundation's forerunner was the Knight Memorial Education Fund, established in 1940¹ as a memorial to John S. and James L. Knight's father,² the late C.L. Knight, publisher of the *Akron Beacon Journal* from 1907 to 1933.

The elder Knight had a tradition of helping financially strapped students pay for their college education and had established several scholarship funds, including one each at Oberlin College³ and Mount Union College.⁴ After C.L. Knight's death in 1937, the *Beacon Journal's* top financial executive, John H. "Jack" Barry, persuaded Jack Knight to continue the program of assistance to needy young people.⁵ Thus was born the Knight Memorial Education Fund, which limited its assistance to students from Portage, Medina, Summit and Wayne counties in Ohio.⁶ Support for the Fund came from the *Beacon Journal*, which contributed \$25,000 a year.⁷

Barry's motivation in wanting to aid promising and deserving students with financial assistance was rooted in his own struggle in acquiring a formal education and his personal interests in the performing arts.⁸ He was an enthusiastic devotee of classical music who made an annual pilgrimage to Cleveland for a week of opera⁹ and helped establish the Akron Symphony Orchestra.¹⁰

Barry administered the Knight Memorial Education Fund for Jack Knight with the assistance of a three-person committee that selected the scholarship recipients.¹¹ The committee included the president as well as the dean of students from the University of Akron and the

president of a venerable Akron institution, the Tuesday Musical Club. Clara I. Knight, the Knight brothers' mother, was one of the club's most dedicated and enthusiastic members.

While the Fund did not limit recipients to any field of study, Jack Barry's interest in music was well-represented among those who received assistance. Of 51 winners in 1942, 19 listed a branch of music as their major.

The scholarship recipients -- many of whom were the children of *Beacon Journal* employees or worked for the newspaper themselves -- also reflected ethnic and gender diversity. The fund supported at least three African-American students: a young man enrolled in pre-law at Ohio State University, another at Meharry Medical College in Nashville, and a woman studying voice at the Cleveland Institute of Music.¹² When the fund's first awards were made in 1940, there were 22 male and 12 female recipients. By 1944, due to the influence of World War II, there were only three men but 24 women.¹³

Though it was termed a scholarship, the money was considered a loan -- an understanding documented for hopeful recipients on the information sheet which stipulated: "It is expected that if and when the applicant can, he will repay the amount allotted to him in order that others may benefit in the future."¹⁴

The Knight Memorial Education Fund was dissolved in 1950 and its assets of \$9,047 were transferred to a newly formed Knight Foundation -- an idea proposed as a tax strategy by C. Blake McDowell.¹⁵ He was a prominent Akron attorney who handled most of the legal affairs of Knight Newspapers and served on the company's board of directors. He was also Jack Knight's personal lawyer and a close friend. As the federal tax bite on individuals increased, McDowell saw the Foundation as a potential mechanism for holding Knight stock.

Knight Foundation's Articles of Incorporation stated that in addition to serving "charitable, religious, scientific, literary, general education and philanthropic purposes . . . for the benefit of the general public," the Foundation was charged with carrying out the purposes of the Knight Memorial Education Fund. Accordingly, at their first meeting on Dec. 29, 1950, the

three founding trustees -- Jack and Jim Knight and McDowell -- established a Scholarship Committee. Its members were Barry, the president of the University of Akron and the dean of students.

The Knights and McDowell also elected two more trustees to serve in the following year: Barry, who by then had become general manager of Knight Newspapers, and K. L. "Kenny" Milburn, who had succeeded Barry as the *Beacon Journal's* general manager. Barry and Milburn met the only qualification for trusteeship -- an association with Knight Newspapers -- a provision spelled out in the Foundation's Articles of Incorporation. Specifically, the Articles required trustees to be an officer, director, executive or general counsel of the newspaper company or a corporation, such as the individual newspapers, in which the company owned a majority of the voting shares.

Jack Knight was elected the Foundation's president; his brother vice president and treasurer; and Milburn secretary and assistant treasurer. Milburn was assigned to handle the books -- a responsibility he soon shared with Charles Clark, a young man hired in 1952 as a *Beacon Journal* auditor.

For the public, it was a seamless transition from the Knight Memorial Education Fund to the Foundation. Few people in Akron were even aware of Knight Foundation's existence.

A 1952 *Beacon Journal* news story about the scholarship program made no reference to the Knight Foundation. Taking stock of the impact of the \$325,000 distributed to students since the Knight Memorial Education Fund's creation, the *Beacon Journal* article noted: "The 250 students who have been aided financially in their quest for education have entered 29 different fields of study in 39 schools all over the country. The courses have ranged from archaeology to zoology, but most of the Fund students have been entered in law, medicine, teaching, engineering and public administration. A few have entered the ministry, several have become forestry specialists, and a number have taken social service work."¹⁶

Among those whose careers were followed was one of the African-American scholarship recipients, Robert Burton. By 1952, he had become a doctor after interning for a year at a St. Louis hospital.

“The professional ranks throughout the Akron district now have a growing number of members who completed their education with Fund assistance,” the article stated.

* * * * *

One change that came with the establishment of Knight Foundation was a broader base of income. Starting in 1950, *The Miami Herald* became a contributor along with the *Beacon Journal*. The Knights, joined by McDowell, also contributed small amounts of stock and life insurance. In 1960, the *Detroit Free Press* made its first contribution. In 1964, Knight Publishing Company in Charlotte, parent company of *The Charlotte Observer*, made its one and only contribution.

By 1965, the last year that such contributions were made, *The Miami Herald* had given more to the Foundation than all other newspapers and individuals combined. Of \$1,537,876 contributed between 1950 and 1965, a total of \$836,099 had come from *The Herald*.¹⁷ (*A breakdown of contribution sources in the 1950-1965 period is included as Appendix Item #2 in this history.*)

Another change was that Knight Foundation was accumulating assets, unlike the Knight Memorial Education Fund, which gave away most of its income. While the Foundation paid out \$377,000 in student loans and grants in its first 15 years,¹⁸ it was able to grow its assets to nearly \$1.5 million by 1965. (*A history of Knight's Foundation's assets and grant payouts, 1950-1997, is included Appendix Item #3 in this history.*) Two factors played a part in this development: Some students were repaying their loans -- some \$55,000 by 1965,¹⁹ and the Foundation had

virtually no administrative expenses because trustees were doing most of the work on a voluntary basis.

The Foundation also had no investment or finance committee, so when the Foundation bought stock for the Foundation's portfolio, the entire Board directly approved the purchase of such stocks.²⁰ The trustees favored well-known, established companies such as Procter & Gamble, Dow Chemical, Sears Roebuck, AT&T, Union Carbide and Westinghouse. The stocks also reflected the geographic business interests of the Knights: BFGoodrich, First National Bank of Akron, First National Bank of Miami, National and Eastern Airlines in Miami, Florida Power & Light and North Carolina National Bank in Charlotte.

Although the Foundation's financial matters were handled much differently than the Memorial Fund, the giving program remained focused on direct assistance to individuals pursuing a college education. After Barry's death in 1955, however, the Foundation's trustees made some policy changes.

In 1957, student grants were extended to students "irrespective of such persons residing in or in the vicinity of cities or towns where Knight Newspapers, Incorporated, or a company affiliated with it publishes a newspaper."²¹ In practice, however, few loans were made to students outside of Northeast Ohio.

In 1957, students were also asked to promise to repay the funds loaned beginning two years after a course of study was completed. Additionally, the parameters of who could receive loans was broadened to include "persons desiring to learn or improve himself in any trade or profession."

The trustees preferred to support all four years of a student's education, although students had to re-apply each year. A Foundation letter to C. A. "Pete" McKnight, a *Charlotte Observer* editor who was endorsing a one-year scholarship for a young woman who worked part time as a writer for the newspaper, explained: "We have followed a rule of not making any piecemeal approaches to an individual education. We have asked that they apply to the Foundation for a

full-education grant at the outset, so that we may know just where we stand, financially, each year.”

A small number of grants to colleges, universities, cultural organizations and nonprofit agencies are worth noting from the early years.

In Akron, the Foundation supported the Salvation Army, the Perkins Zoo, Stan Hywet Hall (a restored historical estate) and the Greater Akron Musical Association, of which Barry had been honorary president.

The Foundation’s first support of a journalism organization occurred in 1954. A \$2,500 grant helped establish the Inter American Press Association (IAPA) Scholarship Fund. The 1954 grant was the first in a 30-year series of grants in support of the IAPA’s scholarship fund.

In 1956, the Foundation made its first grant to a Miami institution, the Everglades School for Girls. While there is no record of the purpose of the \$10,000 grant, which was large for its time, there was personal knowledge of the school’s work. The two youngest of Jim Knight’s four daughters -- Marjorie and Beverly -- were students.

* * * * *

An important addition was made to the Foundation’s Board in 1955 with the election of Ben Maidenburg as a trustee. Maidenburg was a valued Knight Newspapers executive who had tackled difficult assignments for the Knights in Miami, Detroit and Chicago, but Akron was his adopted hometown. He arrived there in 1929 to work for Jack Knight at the *Beacon Journal* and had been the paper’s executive editor since 1948 as well as a director of Knight Newspapers since 1955.

In the mid-1950s, Maidenburg developed a special interest in charitable work and began to serve on the boards of many nonprofit organizations in Akron. He created the *Beacon Journal*

Charity Fund, which filled in the cracks of emergency community assistance when no other help was available.

With Maidenburg's election as the Foundation's secretary in 1958, Jack Knight appointed him, McDowell and Milburn "to pass upon applications for student awards and also for other donations so that after their recommendations the trustees would consider and make the final decision as to the award or donation." Though not called a distribution committee -- a term that did not enter Knight Foundation's vocabulary for another decade -- Maidenburg, McDowell and Milburn performed essentially the same functions.

One of Maidenburg's first recommendations in 1958 was support for an American Press Institute (API) seminar at Columbia University, which some historical documents have cited as the Foundation's first journalism grant. Although the trustees approved \$1,000 for the project, Knight Foundation's tax records show no evidence of a payment to either Columbia or API until 1971. But another journalism-related grant was paid out in 1958: \$2,500 for the University of Missouri School of Journalism. While no records are available to explain the purpose of this grant, it is known that 1958 marked two events at the University of Missouri School of Journalism that prompted major fund-raising efforts. The school celebrated its 50th anniversary in 1958. It also was the inaugural year for the Missouri-based Freedom of Information Center.

In his role as secretary, Maidenburg attempted to develop a system of reporting to trustees on the student assistance program. In 1959, he did the first detailed report²² for the Board on students who received funds, what colleges they attended, the subjects they studied, the amount of their grants and the number of years they needed assistance to complete their studies. The report helped trustees plan distribution commitments.

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In 1960, the Foundation further expanded its Board with the addition of Jack Knight's second wife, Beryl, and Lee Hills, who later became chairman and CEO of Knight Newspapers, Knight-Ridder Newspapers and then of Knight Foundation.

Beryl Knight appears not to have been active with the Foundation. Although she was a vice president, there is no record of her attending a meeting, serving on a committee or proposing a course of action.

Hills, a two-time Pulitzer Prize winner, was vice president and executive editor of Knight Newspapers when he joined the Foundation's Board. No title, however, could adequately explain Hills' role with the Knights or Knight Newspapers. His demand for good journalism, his extraordinary management and people skills, and his dedication to the Knights led to his involvement with them in matters beyond the newsroom and executive suite.

"Hills' loyalty to John S. Knight was absolute," Jack Knight's biographer, Charles Whited, wrote in his 1988 book entitled *Knight: A Publisher in the Tumultuous Century*,²³ a project initiated and supported by Knight Foundation. When the Knights died, it was Hills who wrote and delivered their eulogies.

Hills brought to Knight Foundation an impressive background and reputation as one of America's most distinguished journalists and news executives. In addition to two Pulitzers, he had served as president of nearly all the newspaper industry's major professional organizations: the American Society of Newspaper Editors, the Associated Press Managing Editors, the Society of Professional Journalists (Sigma Delta Chi) and the Inter American Press Association, of which he was a founding member in 1942. He had also been a recipient of the Maria Moors Cabot Award and had demonstrated a keen interest in international free-press concerns, especially in Latin America.

In later years, he was recognized with numerous awards including several honorary doctorates, the Missouri Honor Medal for Distinguished Service in Journalism and the William Allen White Award. In 1996, the Inter American Press Association accorded him the title “Honorary Life President” for the “great impact of your life on the IAPA.”²⁴

Yet Hills’ first 10 years with the Foundation were quiet, reflecting an intense period of activity for him with the growing group of Knight newspapers, especially in Detroit and Miami.²⁵ In 1967, Hills was made president of Knight Newspapers and then took the company public two years later. In 1974, as chairman and CEO, Hills orchestrated the Knight merger with Ridder Publications.

Hills’ 1960 election as a trustee coincided with the Detroit paper’s becoming a small contributor to the Foundation and the Board’s consideration of an expansion of the student loan program beyond Akron to Detroit and Charlotte. Maidenburg argued that it was hard to administer a grant or loan program from Akron for those cities. Trustees decided to consider grant applicants from those communities but not to promote the program in locations other than Akron.

In lieu of providing direct financial assistance to students outside of Akron, the trustees adopted the practice of supporting state associations of private colleges in areas where Knight Newspapers operated. Such support started in 1960 with a \$2,500 grant to the Michigan Colleges Foundation. Over the next 28 years, similar organizations in states where the 11 original Knight newspapers published received grants. (The merger with Ridder Publications in 1974 did not result in an expansion of such grants to states formerly served by Ridder newspapers or communities where Knight-Ridder purchased newspapers or TV stations. It was not until 1986, when the settlement of Jack Knight’s estate resulted in a dramatic rise in Foundation assets, that state associations in all Knight-Ridder states were considered for support.)

In 1964, the United Negro College Fund joined the Foundation's list of organizations receiving grants for the purpose of providing scholarships and financial assistance. The \$1,000 grant was the first in a series of annual grants to UNCF that still continued as of this writing.

As the Knights' program of student assistance entered its third decade, Maidenburg thought it appropriate to look back on its achievements. He reported to trustees at the Foundation's annual Board meeting in 1960 that since the Knight Memorial Education Fund was started 20 years before that "over \$500,000 has been distributed or committed in loans. Of this sum, just about 10 percent, or \$50,000, has been repaid."

Although there was a comprehensive list of students who had received scholarships and loans, Maidenburg warned that "bare records are in existence . . . anyone trying to write a history of the Foundation might have much difficulty running down what the person studied, or where he or she studied."

While minimal records were maintained on the lives and careers of students who received financial assistance, the Foundation kept occasional letters from the scholarship recipients. There was also a news article about Patrick Walsh, who completed repaying his loan of \$8,000 in 1977.²⁶ Walsh became professor and chairman of the Department of Urology at Johns Hopkins University Medical School and director of the James Buchanan Brady Institute of Urology in Baltimore. At the time he made the final installment on his loan Walsh wrote:

"It is impossible for me to adequately express my gratitude to the Knight Foundation for the help they have given me. By providing this important loan for my tuition to medical school and by permitting me to delay repayment, I was able to pursue the finest post-graduate training that was available without being unduly concerned about the salary. If the Knight Foundation had not provided this support, I would have been forced to select a shorter, less superior post-graduate training program so that I could have earned a higher salary at an earlier time to repay the medical school.

“It was always my feeling that your investment in me should be repaid to mankind through new scientific discoveries, dedication to medical education, and improvement in the delivery of health care. I am sincerely dedicated to these ends and will always be grateful for your help in making this possible.”

Nearly 20 years after Knight Foundation ended its student assistance program, Jim Knight discussed his personal pleasure in knowing the Foundation’s early work had achieved some good. In the 1983 annual report, he wrote:

“I find some satisfaction in realizing there are a substantial number of devoted medical practitioners, teachers, librarians and other professional people who used our grants and interest-free loans to complete their education and who have now repaid those funds so that the same dollars can be used again in new philanthropic endeavors.”

* * * * *

Just as the death of the Knights’ father had been the catalyst for establishing a program of student financial assistance, the death of their mother on Nov. 12, 1965, at the age of 95 was the impetus for a new direction in the Knights’ philanthropy. Mrs. Knight’s will provided for a bequest to Knight Foundation that included 180,000 shares of Knight Newspapers stock valued in 1966 at \$5.2 million.

Her bequest set the stage for a more formal approach to managing the Foundation’s financial affairs and expanding its grant programs.

To help with Foundation matters, Jack Knight in early 1966 recruited to the Board his good friend, Edwin J. Thomas, retired Goodyear chairman.²⁷

Thomas was “closer to Knight than any blood relative,” Whited wrote in the *Knight* biography.²⁸ “They talked almost every day, by telephone if not in person, often long-distance.”

Thomas became Knight Foundation's first "outside" member of the Board -- someone who did not work for the Knights or was related to them. However, he did meet the Foundation's only requirement for trusteeship -- the stipulation in the Articles of Incorporation that trustees had to be an officer, director, executive or general counsel of the newspaper company or a corporation in which the company owned a majority of the voting shares. In 1966, Thomas also became a director of Knight Newspapers -- the first person outside the company or family on that board.²⁹

While admiring Knight, Thomas was not afraid to take his friend to task, especially for the way that Knight managed his personal finances and his company's.

In the biography of Jack Knight, Whited recounted one instance when Thomas criticized Knight for keeping more than a million dollars in a personal checking account earning no interest, to which Knight replied: "I can't be bothered with details."³⁰ And shortly after Thomas joined the company's board, he told Knight: "If Goodyear operated its finances like you do, we'd have been out of business years ago."³¹

In addition to the election of Thomas, one other important personnel change took place in 1966. Charles Clark, who had worked on the Foundation's books since the early 1950s alongside Milburn, was named assistant treasurer. Three years later Clark succeeded Milburn as treasurer and was elected a trustee.

After Clara Knight's stock passed to the Foundation in April 1966, pressures mounted to take Knight Newspapers public, but Jack Knight resisted. Being listed on the stock exchange meant that the company had to answer to stock analysts and investors and commit itself to a policy of constant expansion -- a move of which Jack Knight was wary.³² Knight Newspapers did not go public until 1969.

When the Board met in June 1966, trustees focused on the giving program and the Foundation's administrative procedures. The Board's first action was to discontinue the student loan program. The Foundation did not have the staff or desire to conduct the type of expanded

program that was necessary with its increased assets. In addition, other forms of financial assistance for a college education were available and called into question the value of a Knight Foundation student loan program. The trustees agreed, however, to phase out the financial assistance so that students already in college could complete their studies.

In addition to discontinuing student loans, the Board took the following actions at its June 1966 meeting:³³

- Approved the concept of making educational gifts to universities and colleges.
- Voted to set up a caretaker trust at the First National Bank of Akron to administer Knight Foundation funds with all trust actions to be approved by Knight Foundation trustees.
- Directed McDowell to examine the Foundation's current portfolio with the aim of investing further in stocks, bonds, savings accounts, etc.
- Elected a Distribution Committee consisting of Jack Knight, Thomas and Maidenburg with McDowell as the alternate.
- Voted to meet at least two times each year.
- Agreed that all future fund distributions could be authorized only at Board meetings unless a vote by mail or phone was desirable.

1966 also brought what appears to be the first examination of Knight Foundation's books by an Internal Revenue Service agent, whose recommendations Maidenburg shared with trustees in a memo prepared in advance of the December Board meeting.³⁴ He told trustees that the IRS examination focused on steps the Foundation should take to clarify its independence from the company. "While it need not show in the minutes, action should be taken to suspend contributions to the Knight Foundation by member Knight newspapers," Maidenburg wrote.

1965 was the last year such contributions were made to the Foundation.³⁵

The IRS also recommended that the Foundation pay a portion of treasurer Milburn's salary. In December 1966, the Board approved an annual salary of \$6,000 for Milburn, who thus became the Foundation's first paid staff member.

The IRS agent observed, too, that the Foundation had taken actions with respect to the Knight Memorial Education Fund program that were not allowed by the regulations set forth in the Foundation's Articles of Incorporation.

"One, for example, limits scholarship aid to \$1,500 a year to any one student," Maidenburg wrote. "This we have exceeded many times. Another limits scholarship aid to Medina, Summit, Portage and Wayne counties in Ohio. And this, too, we have ignored."

While the actions were not of major concern to the IRS agent, Maidenburg pointed out that amending the original Articles of Incorporation could remedy the problem -- an action the Board did not take. The Foundation's Articles of Incorporation did not eliminate reference to the Knight Memorial Education Fund until 1988.

The memo also suggested an investment committee or someone with the authority to take financial action. "As you know, some \$200,000 lay dormant in a checking account for some time in 1966 before it was finally ordered invested in certificates of deposit," Maidenburg told trustees.

An investment committee was not formed for 10 more years.

With the program of student financial assistance discontinued, the Foundation expanded its program of giving to civic, cultural and educational organizations. Initially, the grants were made in Akron, Miami, Detroit and Charlotte, but as Knight Newspapers expanded, so did the Foundation.

By the mid-1970s, Boca Raton, Bradenton, Columbus, Lexington, Macon, Philadelphia and Tallahassee had been added to the Foundation's areas of geographic interest. The orchestras, museums, hospitals, colleges and universities serving these communities were the most likely beneficiaries of Knight Foundation grants.

Jack Knight recognized that the Foundation was not alone in facing problems associated with a spurt of rapid growth. He was also aware that Congress was beginning to consider changing the rules that governed foundations and thought the Council on Foundations could be helpful to trustees in addressing these matters. Although Knight occasionally expressed to colleagues and friends his distaste for "philanthropoids"³⁶ -- his term for foundation professionals who made a career of spending other people's money -- he proposed to the Board in 1967 that the Foundation join the Council.³⁷ His fellow trustees concurred.

Of particular value was the Council's monitoring of Congress. Based in Washington, D.C., the Council kept a close eye on proposed legislation that placed severe restrictions on a foundation's business holdings, on who controlled a foundation and how much a foundation was required to distribute in grants. By 1968, the threat of such restrictive measures had already made the Gannett newspaper organization sufficiently apprehensive about the future to move into public stock ownership in lieu of foundation control.

Knight Newspapers followed. On April 22, 1969, Knight Newspapers went public. KNI stock began selling on the New York Stock Exchange for \$36.25 a share.

The same year Congress passed the Tax Reform Act of 1969, the onerous legislation that foundations had feared. Jack Knight was exasperated by the government's meddling and wanted no more part of the Foundation. "To hell with it," he told his associates.³⁸

III.

The Formative Years: The 1970s

By 1971, the Foundation did not have sufficient cash flow to meet the payout requirements of the new legislation.³⁹ The Foundation's assets, primarily KNI stock, were producing less than one percent in income while the act required a four percent payout.⁴⁰ The Tax Reform Act also mandated that foundations' payout requirements increase over time.

A Maidenburg memo of May 1971 spelled out a bleak financial situation to trustees and warned that the Foundation faced a steady erosion of its assets if it remained in existence under current conditions.⁴¹ Maidenburg laid out two options: a secondary offering of Knight Foundation's KNI stock or its distribution to community foundations or trusts in Knight cities. The prospects for pursuing the latter option were not promising.

Maidenburg had written newspaper executives in Miami, Charlotte, Philadelphia, Detroit, Macon and Tallahassee for an assessment of whether their cities had viable community foundations or trusts.⁴² Five of those six cities did not. (Maidenburg did not hear from Charlotte.) Akron seemed to be the only city with a solid community foundation.

Foundation trustees met on May 17 in Philadelphia to discuss the future of Knight Foundation. While no official minutes of this meeting exist, Charles Clark prepared a recap of the subjects discussed and circulated it to trustees.⁴³ Various options were discussed, including how the assets could be distributed if the Foundation went out of business, and a possible sale of the Foundation's shares of its Knight Newspapers common stock through a secondary offering. No conclusion was reached, but Jack Knight appointed a three-man committee to study the

feasibility of a secondary offering. Hills was named chairman and Thomas and Clark members,⁴⁴ and the following were appointed consultants: Alvah Chapman, vice president of Knight Newspapers; John Weinberg, the top executive at Goldman Sachs and a member of the board of Knight Newspapers; and Frank Harvey of Brouse and McDowell, legal counsel to Knight Foundation and Knight Newspapers. A meeting was scheduled for the committee and its consultants after the regularly scheduled June meeting of the Board of Trustees.

The most significant event recorded at the Foundation's June 1971 Board meeting was Chapman's election as a trustee. He had joined Knight Newspapers in 1960 as Jim Knight's assistant at *The Miami Herald* and "proved to be an achiever in a league with Lee Hills," Nixon Smiley wrote in *Knights of the Fourth Estate*, a history of *The Herald*.⁴⁵ By the time of his election to Knight Foundation's Board, Chapman was not only a vice president of Knight Newspapers but president of *The Herald* and emerging as one of Dade County's most influential business and civic leaders.

In a 1996 interview, Chapman said that he did not recall any discussion of dissolving the Foundation when he was elected a trustee.⁴⁶ Rather, a course had already been set to sell the Knight Newspapers stock that had been left to the Foundation by Clara Knight five years before.

A Hills memo in July 1971 to Maidenburg indicated that Hills planned to tackle the "KNI stock problem" soon and, with that resolved, "we can proceed in an orderly way to make the more complicated decisions about the Foundation itself."⁴⁷

* * * * *

Jack Knight was also back on track in thinking about the Foundation's future, especially the opportunities in journalism. In August 1971 he asked Don Carter, executive editor of *The Macon Daily (Ga.) Telegraph* and an activist in many of the major professional organizations of the newspaper industry, to chair a committee of news executives, including Hills, to consider

what journalism projects the Foundation should support. The Knight memo put some questions and gave directions to his newly formed committee.⁴⁸

“Since one major thrust of the Knight Foundation is to help improve journalism and newspapers generally, I request your committee to study the various possibilities in this field and make recommendations. What should we concentrate on? What special opportunities do we have?”

“Small as our assets are in relation to all the needs, the Foundation does have flexibility, it can innovate, and can provide seed money for promising new activities.

“The Foundation does not have to be simply passive, limited to responding to other people’s ideas and sorting out the most promising of them, although the best programs already under way should be considered.”

The Foundation’s trustees soon began approving major journalism grants, especially those that focused on enhancing the education of journalists in the midst of their careers. Particularly notable was a \$60,000 grant in 1972 to the American Press Institute (API) -- a significant sum for the period during which the grant was made. API was a highly respected and effective organization that provided short courses for newspaper executives at all levels.

Knight Foundation also made two grants totaling \$55,000 -- the first in 1971 and the second in 1972 -- to Stanford University for a fellowship program that gave midcareer journalists an opportunity for a year of general studies at Stanford. The program had been in existence since 1965 and was funded in part by grants from the National Endowment for Humanities. Knight Foundation’s support signaled a developing relationship between the Foundation and Lyle Nelson, the program’s director. Nelson had at one time been a professor and administrator at the University of Michigan and had dealings with Hills at the *Detroit Free Press*.⁴⁹

On Dec. 28, 1971, the trustees took one other important procedural step, amending the Articles of Incorporation to assure compliance with all requirements of the new tax law, including distribution of income, self-dealing, excess business holdings, investments and taxable expenditures.

The Foundation resolved its cash flow problem with the sale of Clara Knight's stock in April 1972 for \$21,343,500 as part of a secondary offering by Knight Newspapers. By year's end the Foundation's assets stood at \$24,187,849 -- more than triple what Knight Foundation's assets had been the year before.

Knight Foundation was not the only private foundation to participate in such secondary offerings. A June 1972 *Forbes Magazine* article entitled a "New Ball Game for the Foundations" took note of secondary offerings of 2.5 million shares of S.S. Kresge, 1.5 million shares of Johnson & Johnson and 3 million of Eli Lilly -- stock that had previously been owned by private foundations created by the founders of these companies.

The article's author also wrote: "Thanks to the Tax Reform Act of 1969, there's more money coming out of the foundations these days. But they're going to have to change their ways of management -- especially money management."

At the June 1972 Board meeting, trustees assigned equal amounts of the sale's proceeds to the trust departments of three banks: Goodyear Bank of Akron, the First National Bank of Akron (of which McDowell had been a founder) and the First National Bank of Miami.

The Board also streamlined its proposal review process. Trustees stipulated that the Distribution Committee, which included Jack Knight, Thomas and Maidenburg, would meet at least a month before each quarterly meeting to consider requests to the Foundation and to eliminate those which should not be brought before trustees.

By late summer Hills urged the Board to consider a framework for the Foundation's future. On Aug. 22, Hills distributed to trustees a "Working Paper on the Future of Knight Foundation"⁵⁰ for their consideration. He recommended a series of resolutions that addressed

managing the Foundation's assets. Trustees approved the resolutions at their September 1972 meeting. Most significant was one that restricted spending to income within the provisions of the tax law.

However, the minutes of that September meeting do not include a discussion of the programming priorities that Hills proposed. His memo had also recommended that the "top priority should go to programs that will advance and improve journalism and newspapers generally" and suggested that "the next major priority should be grants to help educational, cultural and other activities that are vital to the communities where we have newspapers."

But even without a formal resolution identifying those priorities, the Foundation had started down the path of grant making that Hills had suggested. The Board's grant decisions reflected the two principles that had governed the Knights in an expansion of their business enterprises: improving the quality of journalism and enhancing the quality of life in the communities where Knight Newspapers did business.

In his personal life, the early 1970s were a difficult time for Jack Knight. He was coping with the deteriorating health of wife Beryl, whose emphysema and repeated falls were gradually robbing her of strength. His own health problems had also multiplied.⁵¹

Knight had hernia surgery, an arthritic condition of the back, a circulatory problem in his right leg and an attack of gout. In autumn 1973, Knight complained of abdominal problems. Doctors diagnosed an appendix flare-up. Before they could operate, Knight had a mild heart attack.

For six months -- between November 1973 and May 1974 -- he was forced to discontinue his Pulitzer Prize-winning "Editor's Notebook" column that he had written since 1936.

With Hills now chairman and CEO of Knight Newspapers, Knight was also no longer in charge. When his company's impending merger with Ridder Publications was announced in July 1974, he was heard to grumble: "If I were a younger man, I'd lead a rebellion."

Then on Aug. 8, 1974, Beryl Knight died.

The combination of dealing with the death of his wife and Knight's own health problems produced concern among his friends and colleagues, but Hills had a particular worry. If Jack Knight died with his present will and left \$100 million to his heirs, they would owe about \$70 million in estate taxes.

Whited described the dilemma in his book *Knight*:

“To pay such taxes, a huge block of KRI stock would have to be dumped on the market for public sale. In the best of times, such an offering could erode heavily the price of Knight stock and cripple the Ridder merger, which had not yet been completed. But these were not the best of times. An explosive increase in world oil prices and the resultant deepening recession had sent the stock market tumbling. A stock sale of \$70 million could liquidate half the Knight company.”⁵²

Lee Hills quietly persisted in urging Jack Knight to consider the Knight Foundation in his will. “I have no interest in the Foundation,” Knight told Hills. “I’m not going to leave it anything.”

Hills reminded Knight that one lawsuit could tie up the estate for years and the executors -- most likely bankers -- would end up voting the Knight shares. That got Knight's attention.

Meanwhile, Knight was hospitalized again, this time at Massachusetts General Hospital, where his appendix was finally removed.⁵³

Soon after, Knight's will underwent radical change. He asked Lee Hills to go to Cleveland and look over the new version. The new will provided for his heirs by means of trust funds and left virtually everything else to the Knight Foundation. The will was dated April 9, 1975.

While the changes in Jack Knight's will were the most significant development of the Foundation's history during the 1970s, some important precedents and policies were established with respect to grant programs, administrative procedures and financial management.

In August 1973, Hills made an effort to better define the focus⁵⁴ of the Foundation and pressed the Board to give special attention to local cultural and education purposes. At their September 1973 Board meeting, the trustees agreed “to take special note of needs of music, arts and related needs of the communities -- particularly those served by Knight Newspapers.”⁵⁵

A year later -- even before he rewrote his will -- Jack Knight expressed concern about the Foundation’s direction. In May 1974 he sent a letter to trustees indicating he planned to attend a seminar at the Goodyear Bank to hear a presentation by Norman Sugarman, an attorney well-versed in foundation law. Sugarman, whom Knight was using to advise him on foundation matters,⁵⁶ had helped Congress write the Tax Reform Act of 1969. In his memo to trustees about the Sugarman seminar, Knight added: “It seems to me that we are drifting somewhat without fully considering our responsibilities, and I believe we are lacking in input on foundation developments generally.”

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The correspondence from this period shows that one concern of the Board was the nature of the relationship between Knight Foundation and Knight Newspapers, which merged with Ridder Publications late in 1974 and became known as Knight-Ridder. Defining the parameters of this working relationship was important because of the stringent self-dealing provisions of the IRS tax code that governed private foundations. As a private foundation separate from and independent of Knight Newspapers, Knight Foundation was strictly prohibited from benefiting the company or its newspapers.

An IRS agent in a 1973 examination of the Foundation had warned Charles Clark that the most frequent violations he had encountered were in the self-dealing area. While the agent did not cite Knight Foundation for any violations of the law, he cautioned Clark that “the penalties

for those violations are quite severe and they apply to indirect as well as direct self-dealing,” advice that Clark passed on to the Board.⁵⁷

Although separate and independent of each other, the Foundation and company were linked by the Foundation’s own Articles of Incorporation as well as their mutual interest in improving the quality of life in the communities where the Knights published newspapers. Until 1978, the Foundation’s Articles of Incorporation required trustees to be an officer, director, executive or general counsel of Knight Newspapers or a corporation in which Knight Newspapers owned a majority of the voting shares, which included the newspapers themselves. The Foundation also used executives of Knight Newspapers to advise its giving program and to study and recommend organizations for grants.

The difficulty of defining and describing the Foundation-company relationship under these circumstances was reflected in a series of memos, letters and statements from the 1970s. The documents demonstrated how the Knights, the early trustees and legal counsel grappled with the issue.

One instance occurred in the summer of 1974 when Hills made a suggestion to change the name of the Foundation to the Knight Newspaper Foundation.⁵⁸ It was not the first time the subject had been raised. In 1971, Maidenburg had discovered that there were four “Knight Foundations” and had suggested that trustees may want to consider a name change.⁵⁹

Both Jack and Jim Knight disliked the idea.⁶⁰ An August 1974 letter from Jim Knight to his fellow trustees said he agreed with his brother’s opposition to Hills’ suggested name change, and he added:

“I believe it would be a mistake to identify the Knight Foundation by a name that connotes a direct connection with Knight Newspapers. Since the proposed Ridder merger has been announced, Knight Newspaper Foundation conceivably could become the Knight-Ridder Foundation if the Newspaper identification was adopted.

“The Knight Foundation started out being an instrument which was directly connected with the family and I think it would be a grave mistake to now identify it otherwise.”

Just three months later a Maidenburg memo to trustees noted that at the previous Board meeting the Gannett Foundation formula of using the Gannett Company’s newspapers to directly distribute funds had been discussed⁶¹ -- an approach with which Knight Foundation was clearly uncomfortable.

Although the meeting minutes for Oct. 23, 1974, do not cover this discussion, the conversation prompted Maidenburg to seek the advice of Sugarman, as well as Knight’s longtime legal firm, Brouse and McDowell, and David Freeman, who was then president of the Council on Foundations. The question was to what extent editors and managers of the Knight newspapers could be used to investigate or initiate requests and otherwise participate in the Foundation’s distribution program.

There is no record of Brouse and McDowell’s reply, but Freeman and Sugarman responded that they saw no problem with using newspaper editors and managers as advisers.⁶²

Sugarman warned, however, that “it should be made absolutely clear to editors and managers that they cannot commit the Foundation to the making of any grant and that the Board of Trustees of the Foundation retains full authority to determine what grants will be made, when and for what purpose.”⁶³

Sugarman’s reply also reiterated what the prohibition against self-dealing meant.

“In short, grants should not be made by the Foundation in such a way as to provide a material or a measurable benefit to the company or its stockholders; but grants are not improper merely because there is an incidental or tenuous benefit to the company or its shareholders,” Sugarman advised.

Based on Sugarman's advice, Maidenburg wrote trustees on Nov. 5, 1974, that "we can use the 'arm's length' cooperation of our editors and managers in Knight cities, but must be careful that in no manner do they intrude on the final decision of the trustees of Knight Foundation."⁶⁴

Almost a year later, in August 1975, Hills felt there was misunderstanding about Knight Foundation among the company's newspaper executives. He drafted a memo⁶⁵ for them that reviewed the legal regulations that governed the Foundation and "to clarify local procedures so far as they involve local managers and editors." Hills also noted the following near the end of his memo: "Since this Foundation was funded through the Knight family and original Knight newspapers, there is no intention to expand it into cities served by the original Ridder newspapers. Bernie Ridder and his associates understand that."

It appears the Hills memo was never distributed. Sugarman rewrote much of the draft, but there is no indication that his reworked version was distributed either.⁶⁶

Nonetheless, formalized practices were developing that governed the relationship between Knight Foundation and newspaper executives in the field. A June 1976 memo⁶⁷ from Maidenburg to four top executives at *The Miami Herald*, including Chapman, outlined a formal process for notifying grantees in the local communities. Maidenburg's memo gave local executives the option of delivering grant checks to the recipients and advised them that it was "the desire of the trustees that you publicize the grants in your newspapers to the degree, of course, that good news judgment warrants."

Maidenburg also warned them about accurately describing the Foundation: "In the stories, please take proper precaution to avoid the possibility that the reader gets any impression that Knight Foundation has any connection with Knight-Ridder Newspapers Inc. There is NO connection between the two organizations," he wrote.

Jack Knight responded favorably to Maidenburg's memo, telling him:⁶⁸ "I think this will help to keep our procedures in line and make them fairly consistent."

An effort to put Foundation principles and practices in writing was once again launched in December 1977. C.C. Gibson, who had been recruited as acting manager to fill in for an ailing Maidenburg, prepared a “Foundation Information Statement for Newspaper Executives Concerned” to which Hills responded with a few revisions.⁶⁹ Hills also sent Gibson’s draft to Knight-Ridder senior news executive C. Montgomery “Monty” Curtis to edit into a short version that answered reporters’ and editors’ questions about Knight Foundation. Jack Knight approved Curtis’ four-paragraph description on Jan. 9, 1978.⁷⁰ The first two paragraphs read:⁷¹

“The Knight Foundation is authorized by the U.S. Internal Revenue Code to make grants for charitable, civic, cultural and educational purposes. This includes national and international tax-exempt journalism organizations.

“The Foundation’s assets come from the Knight family and income from investments. There is no legal or technical connection between Knight Foundation, Knight-Ridder Inc., or any KRN newspaper.”

Gibson’s document was sent to Chapman in February 1978.⁷² A week later Chapman distributed it to local managers of the original Knight newspapers with a cover memo from him.⁷³ The seven-page confidential statement expanded on the legal structure and responsibilities of the Foundation, the Knight Foundation/Knight-Ridder relationship and the trustees’ desire to focus the grants on journalism and projects that benefit the communities.

* * * * *

The statement also explained the Foundation’s grant review and notification procedures, defined the news executives’ role in the process and addressed “some general preferences and guidelines” that routinely governed the trustees in their decisions about

grants. The unpublished preferences and guidelines with Chapman's 1978 memo formed the basis of much of the advice the Foundation eventually gave grant-seekers in its annual reports and a publication started in the late 1980s entitled, "How to Apply for a Grant." Even 20 years later, the Foundation still adhered to most of the 18 "preferences and guidelines" listed in the 1978 statement.

Most significant among the principles in the statement were two that became fundamental operating philosophies, especially as the Cities Program expanded nearly a decade later:

(1) The grant policies were "preferences" -- not "specific rules and guidelines" -- because the latter were "too limiting upon the desirable flexibility of a Foundation this size."

(2) The Foundation did not make grants that were "in lieu of support which should be given by local newspapers, such as a United Way, for example, nor will it make grants which replace traditional support given to local organizations by newspapers."

Jack Knight confirmed the latter point in an October 1979 interview with the *Beacon Journal's* James S. Jackson, a columnist doing a series on Akron foundations. Knight told Jackson that editors and managers of Knight Foundation papers often made suggestions for grants which are seriously considered, but "the first question asked is whether the local paper itself is also making a contribution, and if not, why not? We don't want them to think that a grant from the Foundation can be a substitute for the support that the newspaper itself ought to give."

The 1978 statement on the Foundation came during the midst of a period when local newspaper executives were increasingly being called upon to serve in an advisory capacity.⁷⁴ During the 1970s distribution of Foundation dollars to the 11 cities served by the original Knight newspapers rose dramatically. Of \$11,293,806 paid out in grants in the 1972-1981 period, a total of \$8,718,211 went to Akron, Charlotte, Detroit, Miami, Philadelphia, Lexington, Tallahassee, Macon, Columbus, Bradenton and Boca Raton.⁷⁵ That was more than seven times the amount of money the Foundation had distributed in its previous 21 years. (*Cumulative grant payouts are listed in Appendix Item #3 in this history.*)

Akron received the most money during the 1972-1981 period -- 28 percent of the total distributed -- with Miami close behind at 22 percent. All other cities' distributions were in single digits. A "national" category of grants, primarily journalism-related, amounted to \$2,757,615 or 23 percent of the total distributed.

Despite the Foundation's stated preference for not providing annual support to organizations, some groups routinely received grants. A November 1976 memo from Charles Clark to trustees listed 34 such organizations.⁷⁶ The list included state associations of private colleges in seven states, the United Negro College Fund, the National Urban League and NAACP, as well as orchestras, opera companies and colleges located in the 11 cities served by the original Knight newspapers. More than 20 percent of the 34 organizations on Clark's list received grants for journalism-related programs.

The Foundation also faced some administrative challenges as well as financial frustration in the 1970s.

Trustees had difficulty keeping distributions up to date, often rushing at the end of a year to distribute money to worthwhile projects and organizations to fulfill payout requirements. At the Dec. 20, 1976, Board meeting Hills proposed a resolution, which unanimously passed, that included a timetable for bringing payout requirements up to date and "thereafter to become more current each succeeding year until all income is distributed in the year it is received."

In 1974, Jack Knight began urging the Foundation to publish a formal annual report.⁷⁷ Although a form entitled “Annual Report” had been filed with the Foundation’s tax returns since 1971, few people outside the Foundation or the IRS saw it.

In September 1975, the Board approved the Foundation’s first published annual report in which Jack Knight as the Foundation’s president succinctly explained the Foundation’s purpose in a brief introductory letter: “We emphasize our giving in the geographic areas of the original Knight Newspapers. This policy does not exclude meritorious projects of national character.” The 1976 annual report changed the wording to include “improving newspapers generally” as one of the Foundation’s objectives.

A list of grants for 1974-1975 in the first annual report was broken down by categories in descending order of the number of grants approved. Grants for education, which included journalism, were the largest group, followed by musical and cultural arts, aid to communities, medical progress and aid to children.

The new annual report provided little information to guide grant-seekers, however. The “How to Apply for a Grant” was a simple two-paragraph statement emphasizing that the trustees required written requests for grants and that eligibility was open only to IRS-approved 501(c)(3) organizations.

When the Foundation’s trustees agreed in July 1975 to a five-year lease for office space in the new Akron Center Building, the Foundation acquired its first headquarters outside the *Beacon Journal* building. Ben Maidenburg, who had held the title of Foundation secretary-manager since 1972, retired from the *Beacon Journal* and went to work full time for the Foundation in its new headquarters.

In December 1975, the trustees amended the Foundation’s bylaws to provide for both a chairman and a president, who would serve as “the chief executive officer of the corporation responsible for the administration of its affairs.” Under this new governance structure, Jack Knight became chairman and Maidenburg president. The trustees also approved the hiring of the

Foundation's second full-time employee, Shirley Follo, who had been Maidenburg's long-time secretary at the *Beacon Journal*.

In early 1976, the Foundation formed its first Investment Committee with Thomas as chairman and Chapman and Clark as members. The committee's assignment was to monitor investments.⁷⁸ Beyond providing its asset managers direction on the desired ratio of stocks and bonds in the Foundation's portfolio, the Board had few formal procedures governing its relationship with money managers.

The 1970s were a particularly difficult period for the Foundation financially. A sluggish stock market combined with the Tax Reform Act's draconian payout requirements, which reached 6.75 percent of assets at one point,⁷⁹ resulted in an overall decline in the Foundation's portfolio from \$24,409,798 in 1973 to \$21,102,216 by the end of 1981. Knight Foundation was not alone in the challenges it faced in this respect.

A *U.S. News & World Report* article in November 1974 reported: "A prolonged bear market has shrunk the average foundation's assets, most of them in stocks and bonds, by about 25 percent in market value in the past year. For those foundations holding high-growth stocks, the capital losses range to 30 percent or more."

Robert F. Goheen, chairman and chief executive officer of the Council on Foundations, told *U.S. News & World Report*: "Foundations are undoubtedly going through the most desperate time they've ever had."

Just as Maidenburg began to gear up for a career as a full-time Foundation executive, his plans were felled by a stroke in November 1976. Jack Knight turned to C.C. "Gibby" Gibson, his occasional golfing partner and a good friend of Thomas.

A graduate of Harvard, Gibson was a retired Goodyear executive who had worked for Thomas since 1937, rising through the ranks to become one of the company's valued sales executives and a vice president. Upon retirement from Goodyear in the early 1970s, he was recruited by Knight and Thomas to oversee the merger of the Akron Chamber of Commerce and

the Area Progress Board into one organization, the Akron Regional Development Board. Gibson was named its first executive director. The Akron Regional Development Board's office was on the same floor as Knight Foundation's in the Akron Center Building, and when Maidenburg became ill, Knight prevailed upon his friend Gibby "to go help Shirley Follo with the mail" at Knight Foundation.⁸⁰

When it was clear that Maidenburg could not return, Gibson was elected the president and a trustee on June 1, 1978. His election to the Board required an immediate change in the Foundation's Code of Regulations to allow someone who was not associated with the company or a Knight newspaper to serve as a trustee. Previously, the Code had required a trustee to be "a member of the corporation" -- meaning the legally incorporated entity known as the Knight Foundation -- and "an officer or director of Knight Newspapers, Incorporated, or an officer or director of a corporation in which Knight Newspapers, Incorporated, owns a majority of the voting shares, or general counsel for, or an executive of Knight Newspapers, Incorporated, or in a corporation publishing a newspaper in which a majority of the shares of stock are owned by Knight Newspapers, Incorporated."

The amended qualifications of trustees in June 1978 simply stated : "A person to qualify as a trustee shall be a member of the corporation." The effect of the change was to allow anyone to serve as a trustee as long as he or she was elected by the other trustees.

Gibson's election also prompted the Board to deal with indemnifying trustees for the first time. Added to the Code of Regulations was the following article:

"The corporation shall indemnify all persons, whom it may indemnify, against all liabilities and reasonable expenses to the full extent permitted by law.

"As used herein, the words 'liabilities' and 'expenses' shall include, but shall not be limited to, counsel fees, and disbursements and amounts of judgments, fines or penalties and amounts paid in settlement."⁸¹

Knight encouraged Gibson to visit other foundations and to educate himself about the philanthropic community by attending events such as the annual meeting of the Council on Foundations. Unlike Maidenburg, who seemed somewhat reluctant to reach out to the foundation world,⁸² Gibson welcomed the opportunity. He attended the annual meetings of the Council and those of a similar group for foundations in Ohio. He also visited with Jack Scott, retired president of the Gannett Foundation.

* * * * *

Gibson was president less than a year when trustees asked him to give some thought to the Foundation's future needs, policies and procedures. The result was the White Paper, distributed in April 1979, in which Gibson posed five questions to Board members:⁸³

1. "Should we have written guidelines? Guidelines, as differentiated from operating procedures, could have the effect of expressing a narrower or more specific statement of purpose than the broad statements in the Articles of Incorporation.
2. "What are your views on the ultimate dissolution or winding up of the affairs of this corporation? Is this a question you wish to refer to a future board?
3. "Do you have any thoughts on the future composition of the Board of Trustees, staff, geographic location of the Foundation's headquarters?
4. "Should Knight Foundation limit its function to response to appeals, or should it have a policy of initiating some projects?

5. “What are your views on the Board’s current operating procedures versus possible alternatives?”

Over a period of the next eight months, all seven of the Foundation trustees -- Jack and Jim Knight, Alvah Chapman, Charles Clark, Lee Hills, Ben Maidenburg and Eddie Thomas -- reacted to Gibson’s questions. So, too, did attorney Norm Sugarman, at Jack Knight’s request.

Jack Knight’s response is noteworthy because it is the most extensive and explicit document among Knight Foundation’s records on how he envisioned the Foundation in the future. (*The letter is included as Appendix Item #4 in this history.*) He made it clear that the Foundation would not be dissolved and would, in fact, grow substantially in assets. He also expressed his belief that the much larger Foundation should be governed by trustees of various backgrounds; should take more time to consider grant requests thoughtfully; should remain flexible in its programs, policies and procedures; should initiate as well as respond to grant requests; should consider national grants as well as proposals from the 11 original cities of Knight Newspapers; should take risks in its grant making; should monitor how funds were used; and should retain its headquarters in Akron.

Jack Knight felt so strongly about the seven-page statement which he had prepared that he did not want it edited. “I would be interested in any additional views which you may hold, but please do not rewrite my comment as I have spent too much time on it as it is,” he told Sugarman, when he shared it with the attorney in December 1979.⁸⁴

Highlights from Jack Knight’s response to the White Paper include the following:

On the Foundation’s scope in the future.

“Most of the smaller foundations simply respond to requests. I think we should have broader horizons and look to the day when the Knight Foundation may indeed be a very large one.”

On who should be a trustee.

“So far as the future composition of the Board of Trustees is concerned, and while I think it should have some representation from officers who served with the original Knight Newspapers, there is a need for the infusion of outside viewpoints.”

On initiatives versus responsive grants.

“I do not think the Knight Foundation should limit its function to responding to appeals. I believe we should have a policy of initiating some projects and certainly of making contributions to useful institutions which may not have sought our assistance.

On the desirability of written grant guidelines and the need for flexibility.

“My view is that we should not, on the grounds that a truly effective Foundation should have freedom to exercise its best judgments as required by the times and conditions under which they live.”

On geographically restricting grants.

Gibson had suggested in the White Paper that it was Foundation policy to distribute grants on a preferred basis to the 11 cities of the original Knight Newspapers. Jack Knight was uncomfortable with such a grant guideline and told Gibson: “In fact, that is what we now do, but your language is too severe, and it tends to suggest that we do very little in other areas of the country which have no association with the original ‘Knight cities’.”

On restricting grants to certain fields.

Jack Knight told Gibson that he opposed “narrower aims” for Foundation grants, even if it meant Foundation dollars would “cut a deeper and more useful channel.”

He voted “no” to restricting programming to education or to a more concentrated area such as “medicine, aid to children, civic benefit, music and the arts, or aid to the elderly.” While Knight noted that “these are all fields in which we should have a high level of interest,” he believed “it would be a mistake to be too restrictive.”

On taking risks.

“I think also that we should not limit our grants to ‘safe institutions.’ It seems to me that we should either originate, or assist in projects, which might seem to have a low hope of success, but that if successful, might assist in improving some aspects of our society.”

Nearly all of Jack Knight’s comments were directed to governance and programming issues. The few paragraphs devoted to the financial side can be summed up in the following remark: “I am not entirely in agreement with the manner in which our funds are managed, but I have no firm and substantive suggestions to offer.”

Jim Knight’s response to the White Paper was only two pages but is significant for its focus on flexibility and his preference for responsive grant making. He also expressed a desire to expand and broaden the Board, especially with younger members. (*The letter is included as Appendix Item #5 in this history.*) He summarized his views in the following concluding remarks:

“Keep the Board small, but anticipate the needs of replacing members by anticipating the inevitable. We would probably bring on one and not more than two members relatively soon.

“I would not change the modus operandi to any appreciable extent except to schedule meetings within a better time frame. I would not recommend expanding the staff except the ultimate need of replacing Gibby.

“I would continue the disbursement of funds very much to the pattern that we presently adopt and in general respond to requests rather than initiate.

“I would plan to keep the Foundation in Akron, and I would anticipate that its existence will be continuous and with the prospects that it will continue to grow in some material proportions.”

Although Jack Knight asked Gibson to organize and circulate a summary of the trustees' responses⁸⁵ according to topics, most Board members had the opportunity to review the full text of their colleagues' responses before the special meeting on Feb. 14, 1980, called to discuss the White Paper. With the exception of Ben Maidenburg, all trustees were present.

The minutes of the special meeting show that Jack Knight told trustees "that there are no plans for the dissolution of the Foundation, that it will continue indefinitely and will continue to grow."

In response to the questions raised in the White Paper, the Board also took the following action:

- Concluded that neither they nor any future Board should adopt written guidelines which would restrict in any way the flexibility of the Board. The question of whether the Foundation should have written guidelines was deferred until further discussion, and Gibson was asked to obtain from Sugarman samples of guidelines he had written for other foundations.
- Agreed that Knight Foundation should remain in Akron.
- Considered future Board composition in a discussion led by Jack Knight and Eddie Thomas, after which Jim Knight recommended his daughter Barbara Toomey and Thomas suggested several candidates with financial backgrounds. Jack Knight requested a profile on Toomey, while Thomas was directed to sound out the top candidate on his list.
- Continued the Foundation's current procedure on responding to appeals but agreed not to limit grants in this respect.

- Rescheduled the trustees' meetings in December and March for the day after the Knight-Ridder Board meetings to give trustees more time to discuss the Foundation's business.
- Agreed to make grants along the general lines and geographical areas that had been followed in the past and to continue to emphasize grants for journalism, but with close examination and discernment.
- Adopted, continued, revised and clarified 13 operating procedures with respect to the types of grants the trustees favored and the process under which such grants would be made. The specific wording on the trustees' preferences and procedures can be reviewed in the minutes of the Feb. 14, 1980, special meeting of trustees. The last two operating procedures adopted by the Board stated:
 - > "The continued use of present guidelines pertaining to geographic preference and support of journalism were approved."
 - > "While the Board has made grants from time to time for building and renovation ('brick and mortar'), it favors other types of projects, especially in research and ideas which contribute to the betterment of mankind."
- Affirmed this statement: "The wise investment of funds is a matter under the immediate control and responsibility of the Finance Committee. The Board, however, does and must accept ultimate responsibility for the prudent

management of the Foundation's assets and has a financial report and approval of a financial report as a part of every stated meeting. The minutes of at least one meeting per year should state that the report of the treasurer and the Finance Committee were received and approved by the Board."

- Concurred on a series of financial policies, which included:
 - > The Foundation should not actively solicit funds from other sources but that it would be proper to accept other funds if they were offered from appropriate sources.
 - > The Board should annually select an outside auditor.
 - > Responsibilities of the Board should not be delegated to an executive committee.
 - > Present grant request procedures should be continued.
 - > Officers' expense accounts should be approved by another officer.
 - > Follow-up reports should be requested on certain grants where they are considered necessary.
 - > The Foundation should meet on a biannual or triennial basis for review of its objectives.
 - > Mail ballots should be confined to emergencies and then should be in the form of a "Unanimous Written Action of the Trustees Without a Meeting."

During the financial management discussion, Hills expressed the view that the Foundation should be more current with required payouts. However, Clark pointed out that delaying the payout increased interest income and thus generated more distributable income.

The meeting minutes of Feb. 14, 1980, show that Jack Knight concluded the financial discussion by telling the Board that he planned to leave a substantial amount of his estate to Knight Foundation, which would increase its size.

In June 1980, the trustees followed through with their plans for Board expansion by electing Gordon Heffern, president of Society Bank in Cleveland, and Barbara Toomey, the oldest of Jim Knight's four daughters, as trustees.

Heffern, then 56, and Toomey, then 43, became the youngest members of the Board, reflecting the trustees' desire to add two younger people so they could learn about the values and history of the Foundation by working alongside established Board members. Heffern, recruited by Thomas, also carried through on the Board's desire to have a trustee with a strong financial background.

Heffern had previously run the Goodyear Bank of Akron for 11 years -- a period during which that institution was selected to manage a portion of the cash proceeds that had resulted from the sale of Clara Knight's stock in 1972.⁸⁶ Knight and Gibson were also acquainted with Heffern through an Akron leadership network known as the Mayflower Club, a select group founded by Jack Knight.⁸⁷

After Jack Knight reviewed Toomey's resume, introduced her to most of the trustees at the March 1980 Board meeting, heard about her interest in the Foundation and sought the opinions of his fellow Board members, he concurred with his brother's recommendation that she would be an appropriate candidate for the Board.⁸⁸

Toomey lived on Florida's Sanibel Island with her husband Reed, an attorney, and their three sons. She was active in wildlife preservation and several local arts and community service

groups. Her education included a degree in cartography from Briarcliff College and studies in geography and biological sciences at Boston University and the University of Miami.

Beyond prompting an expansion of the Board, the White Paper also resulted in a published list of “operating procedures” in Knight Foundation’s 1980 Annual Report. Although the procedures were reworded slightly from what had been approved at the White Paper meeting, the published list was the first attempt to share trustees’ preferences and the process of how to apply for a grant with people outside of the Foundation and its network of advisers. As the 1980s progressed, the list of procedures and trustees’ preferences was revised and expanded.

On the financial side, the Foundation also stepped up its scrutiny of investment managers with the result that two of its four managers -- Southeast Bank and BEA -- were terminated later in 1980. North Carolina National Bank became the third investment manager, along with the Goodyear Bank and the First National Bank of Akron. Trustee Charles Clark, secretary and treasurer, was authorized to spend the money necessary to modernize the Foundation’s accounting system. And Ernst and Whinney was hired as the Foundation’s outside auditor.

IV.

Planning and Growth: 1981-1985

Although Jack Knight shared with fellow trustees his plans for the Foundation and his hopes for how they would operate it in the future, much of his time during the period before and after the White Paper discussion was spent on a more personal focus. In January 1976, he married for the third time -- to Betty Augustus, widow of Cleveland industrialist Ellsworth Augustus. Friends and colleagues spoke of their relationship as one filled with travel and shared interests, especially Thoroughbred horse racing. In his biography of Knight, Whited wrote of the "brief, remarkable transformation of John S. Knight" during their five years together.⁸⁹ "Betty brought sunlight back into his life," *Beacon Journal* columnist Polly Paffilas told Whited. She died on New Year's Day in 1981.

After the funeral of his third wife, Knight flew to Florida and was admitted to Mount Sinai Hospital where he underwent the removal of a malfunctioning gall bladder. But in the spring, Knight returned to Akron and maintained a daily ritual of going to the office. Knight also saw his Akron doctor, Henry Kraus, every day. His angina attacks were accelerating.

On June 16, 1981, Jack Knight died at the age of 86, leaving the bulk of his estate -- 6,356,504 shares of Knight-Ridder Newspapers stock -- to the Foundation. The market value of the stock three days after Knight's death was \$241.5 million.⁹⁰ After payment of estate taxes and a small distribution of stock to several charitable remainder trusts that Jack Knight had

remembered in his will, the Foundation was expected to receive approximately five million shares valued around \$193 million.

Knight's will called for the stock to be placed in a trust controlled by Jim Knight, who spent considerable time over the next five years settling the estate.

Just six days after Jack Knight died, Knight Foundation's trustees held their quarterly Board meeting. Jim Knight was elected chairman.

Sugarman attended the Board meeting, reporting on the provisions of the Knight will and its impact on the Foundation. He also presented to trustees a general policy statement on Foundation affairs that Jack Knight had asked Sugarman to prepare shortly before his death.⁹¹

The one-page statement, included with the Board meeting minutes of June 24, 1981, addressed the public good for which the Foundation existed, namely "to improve the society in which we live, and to advance the cultural, educational and like causes and institutions, all to the end of providing benefits to the community or the public." The statement also noted:

"The trustees may, consistent with such concepts, make grants and support projects for the betterment of communities served by the communication media which gave rise to the fortune that found its way, in part, into the Knight Foundation, since such use of the Foundation's funds is a way of returning to the community funds earned herein. Likewise, the Foundation may support projects for the benefit of charitable institutions, for the advancement of education and to honor or recognize public service, with the view in the latter instance of providing an incentive to others to achieve educational or civic goals for the benefit of the public."

At the meeting Sugarman also reviewed possible memorials for Jack Knight and the value of a planning committee to help prepare the Foundation for its transition to a major foundation. No immediate action was taken on either matter.

Over the summer, however, one of Jack Knight's final wishes -- for a major gift to Massachusetts General hospital -- became widely known. He had told several people, including Dr. Kraus, that he was considering a gift to the hospital as a memorial to his late wife Betty, who was also treated there.⁹² In September 1981, trustees approved a \$1 million grant to Massachusetts General Hospital, which was in the midst of a five-year, \$114 million campaign. The Board eventually raised the amount of the Foundation's grant to \$1.5 million, a sum that Jim Knight personally matched.

When the Board met in September a key item on the agenda was Hills' recommendation that the trustees start an orderly process of planning. Jim Knight responded that he would appoint a Planning Committee in a few weeks, but in the meantime placed Hills in charge of identifying other projects that could be a fitting memorial to Jack Knight.

On Oct. 21, 1981, Jim Knight announced the appointment of Hills as chairman of the Foundation's first Planning Committee and told him to appoint its other members. Knight suggested to Hills, however, that in the early stages "he may want to call on any and all trustees for help as needed rather than designate two or three as regular committee members."⁹³ Hills never did appoint specific trustees to the Planning Committee. It remained an ad hoc committee with participation open to all trustees until December 1986, when the Board approved a reorganization of the Foundation's governance structure and assigned the planning function to a newly established Planning and Program Committee, which became a standing committee of the Board.

One of Hills' first actions as chairman of the Planning Committee in 1981 was to enlist the help of Eugene Struckhoff, former president of the Council on Foundations. By late 1981, Struckhoff had retired as president but remained active as a consultant to the Council in a special role of advising new or emerging foundations that had experienced a recent infusion of assets.

Struckhoff's approach to counseling Knight Foundation was to introduce trustees to the literature on trustee stewardship⁹⁴ and to identify specific questions that Knight Foundation

needed to address.⁹⁵ His list of issues was topped by the Foundation's excess business holdings situation. By law, Knight Foundation and its disqualified persons, which included most of the members of the Foundation's Board, could not own more than 20 percent of the stock of Knight-Ridder Newspapers. Because of legislative changes in 1976 that phased in the excessive business holdings rule over a 25-year period, the Foundation did not have to address the issue before Jack Knight's death. But if the Foundation received its share of his estate in stock, rather than cash, it would own well in excess of the 20 percent allowed, and trigger a rule that required it to divest itself of excess business holdings in five years from the date of receipt.

Beyond counseling the Foundation on the excess business holdings dilemma, Struckhoff advised the Board to develop strategies for both investment decisions and grant making and told trustees they needed procedures and staff to implement finance and programming policies once they were established. Struckhoff also asked Knight Foundation's trustees to review their governance and Board structure to determine if they required additional trustees or committees to oversee specific functions such as the budget, audit, programming, personnel, grants and investments.

Based on Struckhoff's advice and after additional consultation with Sugarman and Knight,⁹⁶ Hills prepared a detailed, multifaceted strategic plan that was presented to the Board in December 1981.⁹⁷ Emphasizing that the planning process took place through a Planning Committee of the Whole in which all trustees were invited to participate, Hills outlined the four areas on which the committee needed to focus.

- (1) Excess business holdings.
- (2) Investment decisions and strategy.
- (3) Grant making.
- (4) Staffing and administration.

Following a discussion of the issues, the Board took the following actions:

- Approved a change in the name of the Investment Committee to the Investment and Finance Committee.
- Restructured the Distribution Committee to provide for “broader representation” and established a principle of rotating committee members. However, the Board did not rotate committee members until 1992.
- Elected a new trustee, Henry King Stanford.

Stanford was the recently retired president of the University of Miami, where he had headed the school for nearly 20 years. He had known Jack Knight because of his membership on the university’s board of trustees,⁹⁸ but he was best acquainted with Jim Knight because of the social and civic associations that they shared in Miami. Stanford also had an old-school tie to Gibson. They had graduated in the same class from a boys’ college preparatory school in Atlanta nearly 50 years before. After retiring from the University of Miami, Stanford moved home to his native Georgia and was soon tapped to serve a year as the interim president of the University of Georgia (1985-1986).

* * * * *

1982 was highlighted by a major fact-finding mission that featured visits to 18 other foundations,⁹⁹ a decision to step up grant payments in the next two to three years,¹⁰⁰ and extensive consultation with attorneys on planning the Foundation’s approach to resolving its excess business holdings dilemma.¹⁰¹

With his resignation from the Knight-Ridder board early in the year, Hills was able to devote nearly full time to helping the Foundation plan for its future.

“I had retired from the company so when Jim Knight asked me to head up the planning of how we would take a small foundation and make it one of the 20 largest in America, I had the time needed,” recalled Hills.¹⁰² “I developed a passionate desire to see the Knight Foundation become not only one of the big ones, but one of the best. I wanted it done right . . . I saw Knight Foundation as a way to perpetuate the legacy of the Knight brothers as the builders of the premier newspaper group in America, a name that stood for excellence in journalism and for freedom of expression everywhere.

“Jim Knight said it became almost a full-time job and for me it did. But I had the time and certainly the interest, and it became a whole new career for me. Gibby also had the time as paid executive and we worked closely together. We had fun, and we enjoyed it. I think the other Board members also felt we were all putting together a Foundation Jack Knight could be proud of,” Hills said.

The first task in 1982 was a visit in January to the Council on Foundations. Along with Knight and Toomey, Hills met with Struckhoff and other Council officers, including Dr. Elizabeth Boris, chief of research. That meeting set the stage for extensive interviews with the officers of other foundations to discuss how they handled the issues of excess business holdings, portfolio diversification, investment decisions and strategy, programming, board governance, staffing and administration.

Hills and Gibson were joined on several of these fact-finding missions by Toomey and Heffern. According to Hills, the information gathered “formed the basis for policy decisions made in the next several years.”¹⁰³

A key programming decision was made in June 1982 to expand the local grants program beyond the 11 original Knight Newspapers cities to other communities served by Knight-Ridder. The decision followed more than six months of deliberation on the subject, which initially

included some concern that expansion went against Jack Knight's wish to confine local grants to the 11 cities served by Knight Newspapers. Heffern and Maidenburg both referred to Jack Knight's preferences in correspondence in which they addressed the expansion issue.

Heffern wrote Jim Knight in December 1981 that he favored sticking with the original 11 cities "in view of Jack's interests" but also because the increased amount of money available for grants "would certainly make quite an impact in the lesser number of areas and the larger amounts would provide more meaningful programs for those who are recipients."¹⁰⁴

Jack Knight's opposition to expansion was also on Maidenburg's mind when he wrote Hills in December 1981 to comment on the Foundation's anticipated planning activities.¹⁰⁵ Maidenburg's letter stated:

"Jack repeatedly said he did not want the interests of the original Knight papers mixed up with the Ridder addition. Time after time when Eddie (Thomas) or Gibby or I suggested something different, he resisted.

"Eddie or Gibby, also I, suggested a widening of the sphere, and Jack also said 'they didn't contribute'."

By June 1982, however, the Planning Committee was ready to recommend to the Board an expansion of the local grants program. In a June 24, 1982, memo to trustees, Hills spelled out the committee's reasoning: "The rationale is that a very large increase in the value of the stock which will pass to the Foundation has come since the Knight-Ridder merger in 1974."

When the issue was put to a Board vote on June 24, 1982, trustees unanimously passed the following resolution:¹⁰⁶

"RESOLVED, that those former non-Knight cities (in which KRN now operates) be included in future consideration for Foundation grants, but only on a limited basis until the Foundation acquires the Knight-Ridder stock from the estate of John S. Knight."

Only a handful of grants in the non-Knight cities were approved between 1982 and 1986. The expansion was not realized until the Foundation formally launched its Cities Program in 1986 after the settlement of Jack Knight's estate.

Also during this period, Chapman and Clark developed a financial model that analyzed the Foundation's projected cash position over the next several years and concluded with a recommendation for "a gradual build-up of grants between 1982 and 1987,"¹⁰⁷ a move the Planning Committee approved.¹⁰⁸

Hills, too, noted the Planning Committee's ability to expedite such decisions in a June report to trustees.¹⁰⁹ "By operating as a Planning Committee of the Whole," Hills wrote, "the Board has been able to make policy decisions as we proceed."

Other decisions emerged during this period, largely as a result of the Planning Committee's work and subsequent recommendations. In addition to expanding its geographic area of grant making, the Board did the following in June 1982:

- Adopted a policy of having a small, lean staff and using consultants on a contract basis.
- Approved a policy to continue the one-year grants in most instances but to make multiyear grants of larger amounts in cases where it helps the planning of the grantee and also simplifies the Foundation's payout procedures. In such cases, a satisfactory progress report was required at the end of each period.

At the same Board meeting the trustees established the Foundation's first Compensation Committee. Gordon Heffern was named chairman and Alvah Chapman and E. J. Thomas its members.

By June 1982, the Foundation had signed a contract with Struckhoff to serve as an independent consultant. His principal assignment was to assess the Foundation's work in local communities and advise the Board about how it could make the wisest and best use of limited resources for enhancing the quality of life in those areas.¹¹⁰

His observations about Knight Foundation's network of community advisers -- the Knight-Ridder publishers -- and his recommendations are included in a report entitled "Programming by the Knight Foundation: Questions, Issues and Options" dated Sept. 3, 1982.

Struckhoff's recommendations focused on strategic grant making -- support that encouraged self-sufficiency, economy and efficiency among nonprofit agencies. While noting that the Knight-Ridder publishers were valuable sources of advice and knowledge about their communities, he emphasized that the Foundation needed to establish its own program priorities and encouraged it to seek involvement with projects that could have a major impact. One area that Struckhoff thought had particular promise for Knight Foundation was community foundations in the cities where it expected to make grants. Supporting community foundations, Struckhoff believed, not only contributed to the long-term capital needs of a community but paved the way for a relationship with an organization whose contacts broadened the Foundation's knowledge of the geographic areas where it distributed money.¹¹¹

The Foundation considered and implemented some of Struckhoff's recommendations in the years to come, including a portion of his suggestions about support for community foundations. In 1982, however, implementing Struckhoff's recommendations had to be delayed. The Knight estate was not yet settled, and the resources for an expanded giving program in the cities still were unavailable.

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At the June 1981 Board meeting, a brief discussion had occurred about suitable memorials for Jack Knight. While the gift to Massachusetts General Hospital emerged as one opportunity, Hills, who had been assigned the task of exploring possibilities, had received several additional suggestions and considered some on his own. By December 1981, he reported that several promising ideas were being developed, including a major biography and taking over the midcareer journalism fellowship program at Stanford University and naming them after Jack Knight.

Just a few hours before Jack Knight died on June 16, the Stanford program's director, Lyle Nelson, had lunch with Hills in Detroit and asked if Knight Foundation might be interested in a major gift to the program.¹¹² The Foundation had already contributed more than \$100,000 to the fellowships.

Nelson's request for a major gift was prompted by a decision of the National Endowment for the Humanities (NEH) to end funding for all of its "humanities for the professions" programs, including the Stanford fellowships, which received \$275,000 a year.

In the summer and fall of 1981, Nelson and Hills engaged in a series of correspondence and phone calls that refined Stanford's original proposal.¹¹³ In November, Larry Jinks and Jim Batten, top Knight-Ridder news executives who later became Knight Foundation trustees, made what Jinks called a "due diligence" visit to Stanford to further review Stanford's situation.¹¹⁴ By March 1982, most details were worked out, and the trustees approved in principle a \$4 million grant to endow the John S. Knight Fellowships at Stanford.

The Stanford fellowships had particular appeal to Knight Foundation's trustees because Stanford already had a \$4.5 million endowment for the fellowships in hand -- a sum that combined with the Foundation's \$4 million made a formidable base with which to enhance the quality of the program.

Another plus for the Foundation was that Hills and Nelson had been able to structure an agreement that assured that the endowment could not be used for any purpose other than the fellowship program.

Stanford University President Donald Kennedy committed the prestige of his office to the program by writing into the endowment agreement that the university's president was responsible for appointing a Board of Visitors composed of news executives to oversee the program. The Board reported directly to the president. Tom Johnson, then publisher of the *Los Angeles Times*, was named chairman of the Board of Visitors.

Hills also had a significant voice in helping identify candidates to replace the retiring Nelson. James Risser, the *Des Moines Register's* two-time Pulitzer Prize winner who had a law degree, was chosen as the new director in 1984. The law degree was significant because it made Risser acceptable to Stanford's faculty as a candidate for a tenured faculty position -- a stature that gave the fellowship program's director an important voice and status on campus.¹¹⁵

Just as the John S. Knight Fellowships were getting under way, the Foundation invited Cornell University to submit a proposal to honor Jack Knight's memory and to recognize his special relationship with the school.¹¹⁶

He had attended the university until his junior year when he left to enlist in the Army for service in World War I. The lack of a degree did not diminish his fervor for the school, however. He served as a Cornell trustee, trustee emeritus and Presidential Councilor and had made contributions to the university over a period of time -- approximately \$125,000 annually for most of the last 11 years of his life.¹¹⁷ Of special interest to him was Cornell's Across the Curriculum Writing Program, to which he had donated \$500,000 in the two years immediately prior to his death.

After his death, Cornell University President Frank H. T. Rhodes soon approached Gibson for a major grant to honor Jack Knight. Gibson advised him that the approach was "premature" as the Foundation did not expect to receive the full bequest from Jack Knight's

estate for four more years. Nonetheless, a year later, the Board decided to advance discussions with Cornell, and Rhodes suggested several ideas to Gibson.¹¹⁸ A full proposal emerged in the spring of 1986 when Cornell requested a \$5 million endowment for the writing program that he had supported¹¹⁹ -- a proposal approved by the Board in June 1986.

By the end of 1982 the Foundation, in keeping with the Board's decision to accelerate grant making, had distributed \$2,488,750 in grants during the year. But it had also made future grant commitments of nearly twice that amount -- \$4,780,000.

The Foundation's increasing level of activity and the growing movement in the nonprofit world for foundations to be publicly accountable for the use of their assets led Hills to suggest an expansion of the Foundation's annual report. After attending the Council on Foundations' annual meeting in April 1982, Hills reported to trustees:¹²⁰

“We can expect that intensified public attention will be focused on the Knight Foundation because of its increased size. We should start providing more public information with a thorough annual report to the end of the 1982 calendar year. By using the resources and information gathered by the Foundation Center and the Council on Foundations (we support both) we should be able to avoid the pitfalls.”

With several major funding commitments made or in the formative stages, planning for the Foundation's overall direction continued and was noted in the 1983 Annual Report. In his Chairman's Letter, Jim Knight wrote:

“The aim is to reshape the organization and its programs so that it can move smoothly from one level of grant making to a higher level.

“We strive to develop the ability to respond with compassion, the courage to initiate creativity. We remember my brother's expressed belief that we should

not attempt to grow into an imitation of any other older foundation, however admirable, nor should we hesitate to develop in accordance with the dictates of the collective conscience of our own Board.

“I feel we are making some progress in preparing for the greater activity that will result from the large bequest from the estate of John S. Knight, the founder and longtime head of the Foundation. I share with other members of the Board the goal of making the maximum best use of our expanding, but still limited, resources.”

The 1983 annual report also noted that the Foundation was providing all of the statistical information requested by the Foundation Center and endorsed the “Recommended Principles and Practices for Effective Grant Making” promulgated by the Council on Foundations.

Among the activities of this period was the addition of a financial officer, David Catrow, who was named the Foundation’s assistant secretary and treasurer; approval of a personnel policy; an upgrade of the Foundation’s retirement plan; a discussion of the Foundation’s financial future with John Weinberg, head of Goldman Sachs; and the beginnings of automating the Foundation’s grant and financial functions. The Foundation also purchased its first computer -- an IBM.

* * * * *

Hills was authorized by the Board in September 1984 to move ahead with the John S. Knight biography that had been discussed three years before as a memorial.¹²¹ He told the Board¹²² that the book project was “consistent with the charitable, educational and literary purposes of the Foundation.” He stressed that “it was clearly not his intent, and the project cannot be so conducted, to aggrandize the Knight family, the trustees or officers of the

Foundation or Knight-Ridder Newspapers Inc. or to promote any other private purpose: nor is the book to be merely a family or company history.”

Miami Herald columnist Charles Whited was selected to write the book, which drew from interviews with his family, friends and colleagues as well as his personal papers, which he had donated to the University of Akron. In order to process the collection -- some 500,000 items, the university asked for and received Knight Foundation support.

When the book was completed, the Foundation distributed copies to educational institutions and libraries. Hills told the Board in March 1989 that the project had accomplished three things:¹²³

1. “It reinforces the national perception that the name Knight in the newspaper world stands for excellence and integrity.
2. “It keeps the memory alive with a permanent record of achievements in libraries throughout the country that are available to future generations of newspaper people.
3. “It reflects credit on the family name, on the Knight Foundation and the quality organization that Jack and Jim Knight built.”

Following the book’s publication, Charles Whited delivered the inaugural John S. Knight lecture at the University of Akron in 1989 -- an event that coincided with the dedication of the John S. Knight papers at the school. Over the next few years the John S. Knight Lecture Series developed as still another memorial to Jack Knight and his influence on journalism, attracting some of the nation’s most recognized names in the field: Ed Bradley, David Broder, David Halberstam, Charlayne Hunter-Gault, Charles Kuralt, Pierre Salinger and George Will.

* * * * *

In 1984, the Planning Committee seriously turned its attention to the programming areas on which the Foundation should focus when the bequest from John S. Knight's estate was realized. Although no records of Planning Committee meetings or activities exist from 1983 or 1984, the Board meeting minutes of March 28, 1984, show that Toomey and Stanford were reviewing educational programs.

"Mrs. Toomey is considering a plan relating to the independent colleges located within the present and future areas of interest of the Foundation," the Board meeting minutes stated.

Additionally, Stanford discussed with trustees the possibility of a program at the primary/secondary level but told them that it was too broad an area.

Several major journalism grants were made during 1984, including \$750,000 to endow a midcareer journalism fellowship program at the University of Michigan. Like the Stanford program, the Michigan Journalism Fellows had received annual support from the National Endowment for the Humanities for most of its operating expenses. Unlike Stanford, however, the Michigan program had not built an endowment, and Knight Foundation's support rescued a fellowship near extinction.

A \$900,000 grant to the School of Journalism at the University of North Carolina at Chapel Hill established the James L. Knight Professorship in Advertising. Robert F. Lauterborn was named to the position and emerged as a nationally recognized educator in the field. Over the next several years the endowment created by this grant increased so substantially that, by 1993, funds were available to support two James L. Knight Professors in the journalism school.

Another grant helped endow the Newspaper in Education Project, a program of the American Newspaper Publishers Association Foundation that Knight Foundation had helped establish and then supported for a number of years.

Chairman Jim Knight's letter in the 1984 Annual Report wrapped up the year by noting that the Foundation had "continued its program of escalating grants and commitments beyond

what is required, in order that it can move smoothly from one level of grant making to a higher level as its assets increase in the foreseeable future. The trustees also concentrated efforts during the year on financial planning with the same objective in mind.”

In December 1984, the Board approved hiring Cambridge Associates of Boston to work with the Finance Committee in the investment planning process. Cambridge and Associates was a financial consulting firm whose managing director, Jim Bailey, had extensive experience in helping other major foundations, including the Rockefeller and Hewlett Foundations, establish their investment objectives.

Meanwhile, Knight worked closely with Sugarman’s law firm, Baker & Hostetler, to resolve the excess business holdings question. After a favorable IRS ruling in April 1985, Knight-Ridder purchased 9,500,000 shares of its common stock from the Jack Knight estate and the trust established by him. The company paid a total of \$332,158,000. The date was May 16, 1985. While Knight Foundation did not receive this cash until the next year, the Foundation’s Board was already well along the path in preparing for its transfer.

By June 1985, the Board had approved a statement of investment objectives and policies recommended by Cambridge. The key investment objective was to preserve the real (inflation-adjusted) purchasing power of the endowment after annual withdrawals for grants and operating expenses. The Board also agreed to a spending policy that satisfied the Tax Code requirements but limited grants and non-investment expenses to 5.5 percent of the endowment’s average market value over a five-year period. Assets were to be allocated accordingly: 25 percent in a permanent bond fund; 50 percent in stocks, which included Knight-Ridder; and the remaining 25 percent in either stocks or bonds with the performance of this portion measured against stock management standards. The funds were to be managed by several managers to be chosen and reviewed periodically by the Investment Committee.

With its financial strategy in place and in anticipation of increased assets for grants, the Foundation once again turned to Hills to head a key committee to review how the Foundation

was spending its money and to recommend how it should approach grant making in the future. At the September 1985 Board meeting, Knight named Hills chairman of a newly formed Program Review Committee. Stanford and Toomey were appointed members, and Gibson named an ex officio member.

The Program Review Committee met for the first time under Hills' leadership on Dec. 2, 1985. The first issue addressed was Knight Foundation's relationship with Knight-Ridder -- a topic foremost on the committee's agenda because of the Board's unanimous decision in June 1982 to expand the Foundation's grant making to all communities served by Knight-Ridder media outlets.

Chapman, who at the time was chairman and CEO of Knight-Ridder, made a presentation¹²⁴ to the committee on the history of the relationship between the Foundation and the company established by the Knights. He also highlighted Knight-Ridder's critical role in the growth of the Foundation. Chapman reported:

“Traditionally, as we acquired companies prior to 1974, the Knight Foundation embraced those communities with grants to cultural, civic, educational, charitable, etc. projects. With the 1974 transaction (merger of Knight Newspapers with Ridder publications) bringing 11 new cities into the company (and with no new income for the Knight Foundation), the inclusion of these cities, as well as Fort Wayne and our five broadcast markets, had to await Knight Foundation attaining larger resources. That time is now and it is appropriate that expanded Foundation resources now be of service in all of the cities that have contributed to the company's -- and to the Foundation's -- success.

“By selecting programs in cities where the company is operating its communications companies, the Foundation and the company are developing a mutually rewarding alliance. The company's executives, who have a better knowledge of the local communities than any professional Foundation staff executive based elsewhere, can help the Foundation insure that its community

grants are both meaningful and realistic. And this can be done with Foundation staff costs held to low levels.

“And the cities in which the Foundation has an interest can benefit from the Knight Foundations’ resources being channeled into projects so important to community programs.”

After Chapman’s report, Knight said: “This comes very close to expressing my concerns and getting into the total problem which we need to do because it is going to get bigger.”¹²⁵

A report on the “General Areas of Agreement” from that first meeting of the Program Review Committee concluded that “we should relate properly to KRN and work out a clear and correct relationship that everyone understands and agrees to and is entirely and unmistakably legal.”¹²⁶ The committee also agreed that approximately half of the Foundation’s grants should go to eligible organizations located in cities served by Knight-Ridder Newspapers.

In preparation for the expanded giving program, Gibson had prepared a list of cities and had suggested grant totals for those communities. Knight asked Hills to work with Chapman on revising the grant totals on the list.

With a Program Review Committee in place, an asset management and investment strategy approved by the Board and the estate’s sale of a major portion of Knight-Ridder stock to the company, the stage was set for Knight Foundation to take its place among major national institutions in American philanthropy.

V.

A New Era: 1986-1990

“The year 1986 marked the beginning of a new era for the Knight Foundation,” said the chairman’s letter in the annual report.

The grant program was expanded to all Knight-Ridder communities; advisory committees were created for the Journalism and Cities Programs; and the trustees unanimously approved a reorganization of the Foundation’s governance structure, leading to an expansion of the Board and the hiring of a new chief executive.

Key to the increased level of activity was the settlement of John S. Knight’s estate. When the final distribution from the estate took place on May 6, the total bequest amounted to \$428,144,588, making the Foundation the 21st largest U.S. foundation based on asset size.¹²⁷

With a heightened sense of the Foundation’s significant responsibilities in the grant-making field, the Board’s Program Review Committee¹²⁸ agreed to meet four times a year to review and consider programming. The committee also sought a broad context in which to explore grant making and invited Dr. Elizabeth Boris from the Council on Foundations to spend a half day with members in January 1986 to discuss national and international philanthropic trends and opportunities.¹²⁹

At the same meeting, the committee agreed to recommend the following three policy actions to the Board -- all of which the Foundation adopted or implemented over the next few months.

1) On March 28, 1986, the Board unanimously approved a Statement of Purpose, which focused on John S. and James L. Knights' interests in enhancing the quality of life in the communities where Knight-Ridder had business enterprises and advancing the quality and effectiveness of a free press in America and worldwide, especially through journalism education. The Statement of Purpose, published for the first time in the 1985 annual report, read accordingly:

“The Knight Foundation is an outgrowth of one of America’s great newspaper publishing enterprises, and of the large philanthropic impulses of John S. and James L. Knight.

“In both their philanthropic and publishing undertakings, the Knights have been men of broad, statesmanlike vision and uncommon devotion to the common welfare. The Foundation they created is faithful to those ideals.

“Founded in 1950, the Knight Foundation is a private, independent foundation operating under the laws of Ohio and the United States.

“A basic objective is to preserve, and if possible, enhance the buying power of the Foundation’s assets. Another is to assess and respond to the changing needs in its fields of interest and in the communities where it operates.

“In responding to proposals and also in initiating projects of its own, the Board of Trustees seeks to further the goals of the Foundation’s founders in two distinct ways.

“First, the Foundation supports worthy causes and organizations in communities in which the Knight-Ridder company has newspaper and other business enterprises. In making such grants, the Foundation seeks to enhance the quality of life in those communities and encourage educational, cultural, economic, social and civic betterments as promising opportunities present themselves. The Foundation also makes selected national grants in these various fields of interest.

“Second, the Foundation is animated by a keen awareness of its distinctive origins. John S. and James L. Knight, in founding and leading the Knight newspapers and expanding them into the present company, emphasized their dedication to the highest standards of journalistic excellence. They have sought constantly to improve the quality of service to their readers, their communities, their nation. They pursued the same goals for the American press as an institution.

“The Knight Foundation, while wholly separate from and independent of Knight-Ridder, Inc., is committed to those same values on behalf of the news profession in America. It supports the First Amendment freedoms of speech and of the press everywhere, believing that upon them rest all other human freedoms.

“The Foundation will continue to support those organizations and projects which, in the judgment of its trustees, offer special promise of advancing the quality and effectiveness of a free press in America and worldwide. In an era when the world that journalists seek to understand and explain grows steadily more complex, the Foundation gives particular emphasis to the cause of journalism education.”

2) The Foundation moved ahead on the committee’s recommended \$10 million annual budget for an expanded program of local grants. The \$10 million represented half of the Foundation’s anticipated annual distribution and included a reserve fund of \$2,080,000. The

remaining \$7,920,000 was divided among 32 cities with guideline amounts ranging from \$1.75 million for Miami to \$10,000 for Milledgeville, Ga.¹³⁰ The 32 cities included the following.

- The 12 pre-merger Knight Newspapers cities of Akron, Ohio; Boca Raton, Fla.; Bradenton, Fla.; Charlotte, N.C.; Columbus, Ga.; Detroit, Mich.; Lexington, Ky.; Macon, Ga.; Miami, Fla.; Milledgeville, Ga.; Philadelphia, Pa.; and Tallahassee, Fla.
- The 10 pre-merger Ridder Publications cities of Aberdeen, S.D.; Boulder, Colo.; Duluth, Minn.; Gary, Ind.; Grand Forks, N.D.; Long Beach, Calif.; Pasadena, Calif.; St. Paul, Minn.; San Jose, Calif.; and Wichita, Kan.
- State College, Pa., and Fort Wayne, Ind., where Knight-Ridder had purchased newspapers in 1979 and 1980, respectively.
- The eight cities where Knight-Ridder had purchased TV stations between 1978 and 1986 -- specifically, Providence, R.I.; Albany, N.Y.; Flint, Mich.; Norfolk, Va.; Nashville, Tenn.; Oklahoma City, Okla.; Mobile, Ala.; and Tucson, Ariz.

The Program Review Committee's original recommended list of 32 cities from Jan. 14, 1986, was subsequently revised upward to 35 cities to include communities served by three newspapers purchased by Knight-Ridder later that year in Biloxi, Miss., and Columbia and Myrtle Beach, S.C. There was no Program Review Committee or Board discussion about adding these cities.

The Cities Program guidelines were initially to be phased in over a three-year period: 30 percent in 1986; 60 percent in 1987 and 100 percent in 1988. However, the Board in December 1986 amended the phase-in schedule to go to full funding by the end of 1987.

In a memo on Jan. 17, 1986, Lee Hills explained to the full Board how the guidelines -- the budgeted amounts for each city -- had been established:

“Except in the special case of Akron, and to a lesser extent in the special case of Miami, the limits were set after a thorough study with trustee Chapman of size, revenues, contribution to growth of the Foundation’s assets, earnings, the role of the original Knight cities, and other factors. The list is not a formula, but it is a fair beginning. You will note that a reserve of \$2,080,000, or more than 20 percent, is provided for flexibility.”

The cities served by Knight-Ridder’s eight TV station cities were a special case, however. Despite their varying size, all cities were budgeted for the same amount -- \$40,000 as recommended by the Program Review Committee in January 1986.

3) On March 28, 1986, the Board approved the Program Review Committee’s recommendations for internal policies to guide staff on the trustees’ preferences with respect to grants to community foundations and United Ways and listed certain fields in which the Foundation did not make grants.

At the same March 1986 Board meeting, trustees directed Hills to work with the chairman and president of Knight-Ridder (Alvah Chapman and James K. Batten, respectively) to set up a Cities Program Advisory Committee and Journalism Advisory Committee. Both committees were to be comprised of Knight-Ridder executives whose responsibilities were to assist and make recommendations to the Foundation and to monitor the results of the expanded grant-making program.¹³¹

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Larry Jinks, Knight-Ridder’s senior vice president of news and operations, was named chairman of the Journalism Advisory Committee.¹³² Other members were Creed Black, publisher

of the *Lexington Herald-Leader*; Don Carter, a retired Knight-Ridder news executive who had been chairman of the committee Jack Knight had appointed 15 years before to consider Foundation support of journalism projects; Deborah Howell, executive editor of the *St. Paul Pioneer Press Dispatch*; Philip Meyer, a journalism professor at the University of North Carolina at Chapel Hill and a former Knight-Ridder news executive; and Eugene Roberts, executive editor of *The Philadelphia Inquirer*.

In a memo to committee members,¹³³ Hills said he wanted them to investigate and evaluate grant requests but also asked them to take the initiative.

“The proactive phase is the one I see as even more important. Either directly or indirectly the Foundation can identify projects in this field. The John S. Knight Fellowships at Stanford are an example. While this was originally proposed by Lyle Nelson, director of the program, it took its final shape during a year of negotiations with the Foundation.

“We want to develop a meaningful, visible program of grants that will have a positive impact on journalism. We’d like to avoid such activities as routine support of journalism schools, or research projects providing information no one really needs.”

Also in preparation for the committee’s first meeting on June 10, Knight Foundation’s staff prepared a history of grant making in journalism.¹³⁴ Although grants before 1975 were not included in the survey, the report showed that in the previous 11 years more than \$8.3 million had been awarded. However, nearly half of that sum was represented by the John S. Knight Fellowships at Stanford.

While much of the June 10 meeting of the committee was dedicated to establishing procedures, three subcommittees were appointed to explore possible funding opportunities: midcareer education with Roberts as chairman; First Amendment issues with Black as chairman; and minorities and women with Jinks as chairman.

In addition, Meyer was asked to prepare a report on the funding picture for journalism in the United States.¹³⁵ His review stated:

“The first finding of this analysis is that the Knight Foundation was already the dominant player in this arena by 1984. Of the 463 major foundations monitored by the Foundation Center, 188 contributed to journalism programs as I have narrowly defined them. The total given by these 118 foundations for the reporting period was \$11.8 million or little more than the Knight Foundation intends to give alone in future years. Even in 1984, the Knight Foundation grants were 28 percent of the total in journalism: \$3.4 million compared to \$8.5 million by the other major participants combined.”

During the summer of 1986, Hills sent a letter to top news executives and journalism educators asking their opinions about what Knight Foundation should do in the field of journalism.¹³⁶ He received nearly 70 responses, which were summarized for discussion¹³⁷ at the Journalism Advisory Committee meeting on Nov. 10. Among the ideas suggested, many either developed into programs the Foundation initiated or substantially supported over the next decade including the following.

- Endowed chairs at selected journalism schools (Knight Chairs in Journalism).
- An American Press Institute seminar and summer work at newspapers for journalism professors (American Society of Newspaper Editors’ Institute for Journalism Excellence).
- Shorter midcareer skills-training programs in specialized areas such as business, economics, science and foreign affairs (Knight Center for Specialized Journalism at the University of Maryland).

- Assistance for beginning newspapers in Third World countries (Knight International Press Fellowships).

The responses to Hills' letter also suggested that Knight Foundation support existing midcareer fellowships -- a focus that became the Journalism Advisory Committee's priority. Based on a report by the midcareer education subcommittee chaired by Roberts,¹³⁸ the Journalism Advisory Committee urged the Foundation to preserve, protect or initiate seven university-based programs that expanded the training of practicing journalists.¹³⁹ The Board responded in March 1987 with \$8.25 million in grants to the following institutions.

- Massachusetts Institute of Technology for its prestigious Vannevar Bush science journalism fellowships, renamed the Knight Science Journalism Fellowships.
- Columbia University for the Walter Bagehot Fellowships for business writers, renamed the Knight-Bagehot Fellowship in Economics and Business Journalism.
- Yale Law School Fellowship, renamed the Knight Foundation Fellowship in Law for Journalists Program.
- University of Maryland for a series of short courses in specialty reporting, a project subsequently named the Knight Center for Specialized Journalism.

- Stanford University to support a Latin American fellow and to establish a Knight Distinguished Lecture Series that became part of the John S. Knight Fellowship Program.
- Harvard University for a supplement to its Nieman Fellows' endowment and to sponsor a Knight Latin American Fellow in the program for five years.
- University of Michigan for specialty fellowships in business and medicine.

The subcommittee on minorities and women recommended that the Foundation respond favorably to two requests for grants to establish what Jinks called “pacesetting programs for the recruitment of minority journalists.”¹⁴⁰ In response, the Board in March 1987 approved grants totaling more than \$1 million for five-year pilot programs at the University of Florida and the University of Missouri to recruit, educate and place minority journalism students.

Knight Foundation history's in funding education programs that encouraged and supported minorities in pursuing a journalism career began in the early 1970s and focused on African-Americans. Grants supported minority scholarship programs at major journalism schools, such as Columbia's and Northwestern's, as well as a small number of historically black colleges and universities, including Florida A&M and Grambling. Minority programs conducted by the American Society of Newspaper Editors and the American Press Institute also received grants.

Another important development occurred in 1979 with the establishment of the Institute for Journalism Education, which the Foundation began funding in 1982. IJE, according to Jinks, had become the “single most consistently productive source of minorities for careers in daily newspapers.”¹⁴¹ Providing midcareer educational opportunities, management training and an employment service for minority journalists, IJE also ran an outreach program through which its

officers and alumni helped newspapers, media companies and individual editors address diversity in their newsrooms.

The \$9.3 million in journalism grants approved by the Board in March 1987 was \$1 million more than the Foundation had awarded in journalism funding in the previous 11 years. The grants represented the type of grant making that became the hallmark of the Foundation's modern Journalism Program: focused grants to well-established institutions for projects and activities designed to have a long-term impact on the quality of journalism.

During this period, the Journalism Advisory Committee also explored the possibility of a newspaper management education program, an idea raised with Hills by Janet Chusmir, publisher of the *Daily Camera* in Boulder, Colo.¹⁴²

Hills asked Chusmir to elaborate on the idea, and her research led to John Lavine, the Cowles Professor of Media Management and Economics at the University of Minnesota. Lavine, who had been thinking in a similar direction,¹⁴³ then conducted a comprehensive two-year study that resulted in the Newspaper Management Center at Northwestern University. Established by Knight Foundation with a \$2 million grant in 1988, the Newspaper Management Center was a distinctive collaboration between Northwestern's J. L. Kellogg Graduate School of Management and Medill School of Journalism. It focused on workshops and seminars for executive development and training for entry-level, middle-management and senior newspaper executives. In particular, the NMC's Advanced Executive Program became the industry's training and development model for senior-level newspaper managers, replacing programs at Stanford and Harvard that did not offer industry-specific expertise.

* * * * *

The expanded Cities Program is the other major programming effort to which the Foundation turned its attention in 1986. The Board's first challenge was communicating the

program's purpose, goals and procedures to local Knight-Ridder executives, who served as Foundation advisers. (During this time period, the local advisers were called associates.)

In this connection, Gibson addressed Knight-Ridder's broadcast executives at a conference on Feb. 21, and then he and Hills made a presentation to the annual Knight-Ridder Newspapers management conference in April.¹⁴⁴ Hills told the local newspaper executives that when the Cities Program was fully implemented in 1988, the Foundation planned to give to their communities more than twice the amount that Knight-Ridder subsidiaries and the company annually provided in charitable contributions in those geographic areas. But Hills also made it clear that "the Foundation is not going to try to do a little bit of everything. It will focus on certain specific areas in fields which the Board selects." Hills also commented:

"We see the Foundation's expansion as an opportunity to cause some very special and even memorable things to happen. We would like our programs to say quality, excellence, class, concern, compassion and caring. The Knight Foundation is about to become one of the 20 biggest of nearly 24,000 American foundations. We want you to help us make it one of the best."

Hills announced that Rolfe Neill, publisher of *The Charlotte Observer*, had been appointed chairman of a Cities Program Advisory Committee. The other members were Chusmir, J. Carrol Dadisman, publisher of the *Tallahassee Democrat*; and John Dotson of *The Philadelphia Inquirer*.

The committee, Hills said, had no power to make decisions for other cities. Local Knight-Ridder executives had to deal directly with the Foundation's headquarters on their recommendations for grant requests. The committee's role was to "help set the standards and the general agenda for the programs. Their mission will be to help generate and exchange ideas that can assist all of us."¹⁴⁵

Following the conference, Gibson notified the associates of the guidelines for their cities and provided them a confidential statement about the trustees' funding preferences and Board-approved policies.¹⁴⁶

The Cities Program Advisory Committee held its first meeting as a joint gathering with the Board's Program Review Committee on June 23. (It was the only meeting this committee held until the committee was reactivated in 1992.) An early task assigned to committee members was to assist the local Knight-Ridder executives in understanding the Board's preferences for grant making in the cities. Following the meeting a list of questions was formulated by committee members based on discussions with their fellow publishers,¹⁴⁷ and Gibson, with advice from Hills and Neill, prepared a response to local executives' concerns about the Cities Program.¹⁴⁸ Dadisman noted, however, that it was "a little early for any questions or problems to develop."

One programming issue that repeatedly surfaced was literacy. At the January Program Review Committee meeting, Dr. Boris had mentioned it as a field of possible interest to Knight Foundation. Additionally, many of the responses to Hills' query letter about what the Foundation should do in journalism had mentioned literacy as a possible focus. Local advisers, too, had expressed interest in the subject.

As a result, Gibson wrote the local advisers -- then called associates -- in December 1986 and told them:

"The Foundation will wish to consider all sorts of approaches to the literacy problem, from national to local. Specifically, the trustees would be inclined to look favorably on specific proposals from appropriate organizations in Knight-Ridder cities for programs attacking the literacy problem. You may want to work with a group in your area to develop a creative and effective proposal. Through its Cities Program, the Foundation will place a high priority on increasing literacy."¹⁴⁹

Over the next five years, Gibson's request for literacy proposals resulted in some 45 grants totaling nearly \$1.2 million.¹⁵⁰ Associates eventually pointed to some of these literacy grants when asked by the program staff in 1991 to identify the most effective Knight Foundation grants in their cities.

The effort to focus on literacy as a priority also led to one of the first national grants that benefited Knight cities. In September 1989, the Board provided \$150,000 to Reading Is Fundamental to enable the Washington, D.C.-based organization to expand its highly recommended literacy projects for children in Knight cities where projects already existed and to develop new ones in Foundation communities where such sites did not exist.

* * * * *

One other event in 1986 proved a critical development in the Foundation's history: The Board unanimously approved a reorganization of the Foundation's governance structure. The outcome was an expansion of the Board of Trustees to 13 members, a national search for and hiring of a new chief executive for the Foundation and a comprehensive revision of the Foundation's Articles of Incorporation and Code of Regulations.

The groundwork for restructuring had been laid five years before when the Board in December 1981 approved governance as one of the five major issues to be studied and acted upon as part of the Foundation's transition to a major philanthropic institution.¹⁵¹ While the trustees had approved a recommendation by Thomas to rotate membership on the Distribution Committee to allow for broader representation, they had also chosen to follow Hills' suggestion that "we go slow in enlarging the Board until our plans are further along."

The appropriate time to consider board governance came in mid-1986. Not only had the settlement of Jack Knight's estate in May resulted in a 20-fold increase in assets over a five-year span,¹⁵² profound changes were occurring on the Board. Ben Maidenburg, who had remained a

trustee after his retirement as president in 1978, died in July.¹⁵³ Then Eddie Thomas informed Knight of his intention to retire from the Board, and Gibson once again raised with Knight the subject of his own retirement.¹⁵⁴

Knight turned to Chapman and Hills to give some thought to the situation.¹⁵⁵ The result was a Sept. 18 Board meeting at which Knight put into perspective for trustees how far the Foundation had come. Knight said:¹⁵⁶

“Winding up Jack’s estate turned out to be an almost full-time job. It has been accomplished, but it took five years to do it. With that job done, the next order of business was to turn over the proceeds of his estate to the Foundation and provide proper financial management for the funds.

“The result has been to move Foundation affairs from a fairly modest level into the big leagues of American foundations. Running it in the future will be like running a major national institution. The job will require outstanding talent and leadership.

“We have a good start. Our financial affairs are in order. The money is being managed.

“We have studied and spelled out Foundation plans for a broader concept of purpose. We have expanded our areas of geographic preference for making grants. We have given attention to the question about the proper relationship between the Knight Foundation and Knight-Ridder. We have made considerable progress on a complete review of our programs and in charting the course we will follow in making future grants.”

Knight then announced to trustees that he was going to appoint a Reorganization Study Committee and named Hills chairman. Heffern, Chapman and Toomey served as members.¹⁵⁷ Knight said he would work closely with the committee. The questions Knight asked the committee to address were:¹⁵⁸

- (1) “What should be the future composition of the Board? What diversity of talent, experience, background, age, sex, etc. should we look for? Lawyers, educators, more family members, newspaper executives, retired public officials, etc.? I don’t have a fixed idea but Jack would probably spin in his grave, and it would bother me, if this Foundation came to be dominated by people who had no understanding of our lives and work.
- (2) “What about the size of the Board? I don’t think we need a fixed number, but maybe we should think about a range.
- (3) “How important is geography? Our trustees now live in Ohio, Florida and Georgia. I am assuming that headquarters will stay in Akron for the foreseeable future.
- (4) “Foundation Executive. Gibby has again raised with me the question of his own retirement, after staying through the major part of the transition. What should be the qualifications of the next executive who will lead the Foundation perhaps into the next century, which is not all that far away? We can’t think in short terms. I suspect the next executive officer will want to pick his own staff.”

Just as previous planning efforts had been open to participation by all trustees, restructuring the Foundation’s governance for the future involved all Board members. Hills wrote all trustees on Oct. 6 inviting them to comment on governance issues as well as to offer “suggestions and comments on related matters.”¹⁵⁹ All nine trustees -- Chapman, Toomey, Thomas, Heffern, Clark, Gibson, Stanford, Hills and Knight -- responded in detail.¹⁶⁰

Jim Knight’s response told Hills, “I regard the matter of acquiring new trustees and giving them new assignments as the first order of business.” He also spelled out his thinking about how the Board should be balanced, specifically: “Family 2-3, Finance 1-3, Geography -- presently at least two from Akron -- addition of geographical spread as useful -- retention of 3

KRI representatives on Board. Obviously, there could be an intermix in this group. In seeking new trustees, it would be useful to reduce the age average.”

His response also showed that he had changed his mind since the White Paper discussions of 1979 and 1980, when he preferred responding to proposals rather than initiating programs. By December 1986, he believed the Foundation’s increased resources gave it the opportunity “to broaden its service by seeking out areas where its help could be beneficial.” (*Jim Knight’s response to Lee Hills about reorganizing the governance structure of the Foundation is included as Appendix Item #6 in this history.*)

When the Board met again on Dec. 19, the following was recorded for the meeting minutes of that date.¹⁶¹

“Lee Hills, chairman, reported the following unanimous recommendations agreed upon Dec. 18 at a meeting of the Reorganization Study Committee:

(1) “That the Foundation’s Articles of Incorporation, Bylaws and Code of Regulations be updated to conform to current practice and to decisions of the Board today concerning its operations which are pertinent to these documents.

(2) “Board Size. Minimum of nine. Maximum of thirteen.

(3) “Board committees.

“Standing committees.

a. “Distribution. Barbara Toomey, acting chairman; E.J. Thomas, Alvah Chapman.

b. “Finance. Gordon Heffern, chairman; E.J. Thomas, Alvah Chapman, Charles Clark, David Catrow. Functions to include investments,

compensation and benefits, budgets, and audits, as per present practice.

- c. “Planning & Programs. Lee Hills, chairman; Henry King Stanford, Barbara Toomey. This committee incorporates the functions of the Program Review Committee to study and recommend policies on grants and programs.
- d. “Nominating. Chairman James L. Knight named a standing Nominating Committee consisting of Alvah Chapman, chairman, James L. Knight and Lee Hills.

4) “Geography, age, ethnic, sex, race, etc. as factors in choosing new trustees: The Board considers these important but not compelling considerations and decided that candidates will not be approved or rejected because of any one of these. The goal is diversity, experience, interest and ability with some attention to lowering the average age so that new members will have an opportunity to absorb and carry on the traditions and philosophy of the founders.

(5) “Terms of Board members. No change. Nominating Committee will present slate of nominees annually.

(6) “Headquarters. In Akron for the foreseeable future.

(7) “Family members. There should be a continuing good representation from the Knight family. Add a family member soon in bringing Board up to strength.

(8) “Knight-Ridder representation. There should be a continued good representation of active Knight-Ridder officers. Add the current president of KRI soon. Also, a senior publisher from a major property who knew and worked with JSK and JLK and who can bring to the Board an important perspective on the Cities Program. This position will rotate at least every five years.

(9) “Frequency of meetings. Four a year, as now.

(10) “Staff. New executive will select and organize.

(11) “Board compensation. Reasonable and in line with other comparable foundations.

(12) “Meeting dates. Before the end of each year set dates of the Board meetings for the following year, and do the same with Distribution Committee meetings and other committee meetings to the extent that is possible.

(13) “Foundation executive to succeed C. C. Gibson upon his retirement, expected in 1987.

“A Search Committee of the Board will conduct a thorough search for the best qualified person available and recommend to the Board. This process will include the following:

“Job description.

“Qualifications required and criteria to be used.

“Procedure. How the Committee will go about recruiting the best person. Should a professional search firm be used?

“Should the new executive be a member of the Board of Trustees, and should the executive have the title of president?

“At the suggestion of President Gibson and with no opposition, Mr. Knight announced that the Nominating Committee will also serve as the Search Committee.

“On motion duly made and seconded, the Board of Trustees unanimously approved the above recommendations.

“Mr. Hills thanked the committee members and all of the trustees for their interest and cooperation and announced that the Reorganization Study Committee’s assignment is completed and the committee is dissolved.

“Lee Hills was then unanimously elected vice chairman of the Foundation.”

* * * * *

Adding trustees to the Board became an even higher priority with the death of Eddie Thomas on Dec. 30, 1986. At the March 1987 Board meeting, four new trustees were elected: James K. Batten, who was then president of Knight-Ridder; Beverly Knight Olson, a third family member; Neill, a senior publisher well-acquainted with both Knights; and Dr. W. Gerald “Jerry” Austen, the Massachusetts General Hospital heart surgeon who had become the Knights’ doctor and friend.

Batten was a highly respected news executive who had risen through the editorial ranks to become Chapman’s designated successor as chairman and CEO of Knight-Ridder. A graduate of Davidson College and the Woodrow Wilson School at Princeton, he began his career as a reporter with *The Charlotte Observer*, where he covered stories about politics, hunger, poverty and racial unrest. He went on to the *Observer*’s Washington bureau, to the *Detroit Free Press* and then returned to the *Observer* as its executive editor.¹⁶² In 1975, he joined Knight-Ridder’s corporate team in Miami and within six years was president.

Olson, Jim Knight's youngest daughter, lived in Macon, Ga., with her husband, Ed, the publisher of the local Knight-Ridder newspaper. By 1987, she had become an enthusiastic and active volunteer in many civic and community organizations in Macon.

Neill was elected to the Board to serve in the publisher-designated slot as a representative for the local grants program. His journalism roots were deep in the South: the *Columbus* (Ga.) *Enquirer*, the *Daily Tar Heel* at the University of North Carolina at Chapel Hill, a brief stint on the tiny *Franklin Press* in Macon County, N.C., and, beginning in 1957, at *The Charlotte Observer*. He later became editor of a Coral Gables weekly paper owned by Knight Newspapers and then another on Miami Beach. In the mid-1960s, Neill briefly left Knight Newspapers to join the *New York Daily News* but returned to the Knight fold in 1969 as editor of *The Philadelphia Daily News*. In 1975, he was named publisher in Charlotte.¹⁶³

Neill's understanding of how Knight Foundation's role in supporting community-based organizations was different from that of the local newspaper's combined with his experience as a veteran publisher led to his being named chairman of the newly formed Cities Program Advisory Committee in 1986.

Knight personally extended an invitation to join the Board to Dr. Jerry Austen, whose relationship with the Knight brothers went beyond attending their health.¹⁶⁴ Dr. Austen had treated Jack and Betty Knight at Massachusetts General Hospital during the last years of their lives, and he and his wife, Patty, came to consider Jack Knight a good friend -- a feeling shared by Jack Knight as evidenced by his correspondence with Austen between 1974 and 1981, which is among John S. Knight's papers at the University of Akron.¹⁶⁵

Jim Knight also turned to him for his medical care and came to share his brother's trust and respect for Austen, whose breadth of experience in medicine, education and government added depth to the Foundation's Board.

An internationally recognized heart surgeon, Austen was the Edward D. Churchill Professor of Surgery at Harvard Medical School as well as surgeon-in-chief of Massachusetts General Hospital.

In addition to his positions with Mass General and Harvard, Austen was a trustee of the Massachusetts Institute of Technology. He had served on several government committees for the National Institutes of Health and had been president of most of the major surgical societies in his field as well as the American Heart Association.

Austen's strong Akron connection was also a plus. Although he had lived in Boston since his late teens, he frequently returned to his native Akron where he had many friends and family. His parents had even once lived next door to the Knights' parents before Austen was born.¹⁶⁶

With the Board numbering 12 members, the largest it had ever been, the Search Committee of Knight, Hills and Chapman turned their attention to recruiting a new foundation executive. The committee had already established the criteria at a meeting in February 1987.¹⁶⁷ Notable on the list were:

- “Personal knowledge of JSK and JLK and the operating philosophy of the company they founded;
- “Experience in or great familiarity with the daily newspaper publishing business;
- “Philosophy and personality: Someone who can work comfortably with the Board, helping to develop policy and then carry out the policy set by the Board, and not try to lead the Foundation off in directions foreign to the philosophy of the founders.”

Assisting the committee with a national recruitment effort was Peter McLean of the Spencer Stuart executive search firm.

By September 1987, the committee had narrowed the field of candidates, but the Foundation's location in Akron had emerged as an issue during the search process -- a subject that Toomey had briefly raised less than a year before as a member of the Reorganization Study Committee.¹⁶⁸ In offering her thoughts on a variety of governance and administration issues in December 1986, Toomey wrote to Hills that Akron is "OK unless problems with staff recruitment" arise. Her words were prophetic. By September 1987, Jim Knight expressed dismay with the presidential search because Akron had become an issue with many of the candidates for the position.

In a Sept. 1, 1987, letter to Henry King Stanford,¹⁶⁹ Knight wrote: "Affairs of the KF are proceeding much more slowly than I had hoped. The head hunter has not produced the people I had hoped he would find. The group does not seem to have hungry ones excited about a job. Many have expressed unwillingness to accept Akron as home base. I'm going to be a bit fussy about the Foundation remaining there for the moment. Akron has had its share of knock downs - - I don't want to be a party to another one right now."

By late fall, the Search Committee had entered its final phase of deliberations, and the three finalists all expressed concern about Akron. One wanted to move the Foundation to Washington, D.C. A second visited Akron, concluded he did not want to live there and withdrew from contention.¹⁷⁰

Creed Black, the *Lexington Herald-Leader* publisher who had been tapped for membership on the Journalism Advisory Committee, was the third candidate. But Black also had reservations about Akron as a location from which to build a major foundation and was willing to assume the presidency only if Knight, Chapman and Hills allowed him to reevaluate Akron as the location of the Foundation's headquarters after two years. Knight, Chapman and Hills gave Black their commitment in writing on Dec. 7, 1987, in an agreement that stated:

“Discussions with you and other candidates have made us aware that Akron may not be the proper headquarters for the Foundation long pull.

“Our belief is that under your leadership as president, the Foundation should continue in Akron at this time and that upon (or shortly thereafter) accepting this position, you should move your residence to Akron.

“We agree, however, that if after two years as president you assess the Foundation’s future to be better served by a move of the headquarters to another city -- and so recommend to the Knight Foundation Board -- that we will support that move and will:

- (A) “Recommend this move to the other trustees; and
- (B) “Vote for the move ourselves.”

At the regularly scheduled Board meeting on Dec. 15, the trustees who were not also employees of the Foundation met in executive session and approved hiring Black as president. (As paid staff members, Gibson and Clark were excused from the Board’s executive session.) The record of the executive session¹⁷¹ shows Chapman outlined in detail the Search Committee’s procedures and its results, including a written offer to Black and the terms of his employment.¹⁷² He also distributed to trustees the agreement that he had signed along with Knight and Hills to support moving the Foundation if Black felt it was appropriate after two years.

Heffern cast the sole vote against Black. In a 1996 interview, Heffern explained that his objection to Black was not personal.¹⁷³ His concern was Black’s ties with Knight-Ridder -- an involvement with which Heffern felt uncomfortable because of the Foundation’s status as an organization separate and independent from the company. Black also said that Heffern objected to the selection process, believing that it had been too secretive.

Black, however, fulfilled the key criteria that the Search Committee had established for the position of president back in February:¹⁷⁴ He knew both Knight brothers, was familiar with

the operating philosophy of their company, had spent the better part of his 40-year career in daily newspapers and was committed to leading the Foundation on the course established by its Board of Trustees and founders.

Black was also a known quantity to all the members of the Search Committee -- Knight, Hills and Chapman.

“Earlier on, I had a closer relationship to Jack than I did with Jim, but during my years as publisher in Lexington, and particularly when we were building that new plant, I stayed in pretty close touch with Jim,” Black said in a 1997 interview.¹⁷⁵ “I had invited him to come up and visit the plant while it was still under construction. He came up and climbed around on the ladders, looked at the plans, went through it, gave me some reaction and thoughts on it. He followed that very closely, and I developed a pretty good relationship with him.”

Black was also known to the Search Committee through his leadership of several major newspaper industry organizations, including the American Society of Newspaper Editors, the American Newspaper Publishers Association, the National Conference of Editorial Writers and the Southern Newspaper Publishers Association. And his personal history with Hills and Chapman spanned three decades.

Black had been one of a dozen U.S. editors chosen in 1962 to accompany Hills, who was then president of the American Society of Newspaper Editors (ASNE), on a three-week tour of Russia. Then in 1970 Hills hired Black as editor of *The Philadelphia Inquirer* to oversee the editorial pages and “to install Knight quality,” as Eugene Patterson of the *St. Petersburg Times* wrote in a 1983 ASNE tribute to Black.¹⁷⁶

Chapman had hired him in 1959 to be the vice president and executive editor of the *Savannah Morning News and Evening Press*, where Chapman was the new president and publisher. In the ASNE tribute to Black, Patterson wrote about the battle Chapman and Black had fought to bring modern journalism to the newspaper and Savannah.

“Creed brought a lot of energy and inventiveness to that job,” Chapman told Patterson. “He’s a strong-willed editor, yet he and I could cooperate.”

With the hiring of Black as president, the Board’s only business left unfinished from the reorganization efforts of a year before was incorporating the decisions of Dec. 19, 1986, into the Foundation’s Articles of Incorporation and Code of Regulations. On March 25, 1988, the Foundation Board unanimously approved bylaw revisions incorporating the governance principles that trustees had adopted 15 months before.¹⁷⁷ The bylaws were further amended on June 30, 1988, when the trustees added a statement about the duties of the Planning and Program Committee. The statement had been inadvertently omitted from the March version.

The amended Code of Regulations expanded on the principles approved earlier by trustees. For instance, the composition and responsibilities of the Board committees were spelled out in greater detail than had been stated in the approved recommendations of December 1986.¹⁷⁸ In addition, the Code for the first time included limits on the number of company and family representatives who were allowed to sit on the Board. Those limits were set at three trustees for the Knight family and four trustees for Knight-Ridder officers and directors.¹⁷⁹

* * * * *

Even as the Board moved to solidify the Foundation’s governance structure during the 1986-1988 period, the Foundation remained focused on planning for a greatly expanded giving program. With the Board’s reorganization in December 1986, the new Planning and Program Committee assumed responsibility for the task. Hills was named chairman; Stanford and Toomey were appointed members. Batten was added to the committee when he joined the Board in March 1987.

The Cities Program, to which half of the Foundation’s grant dollars were allocated, was a primary concern of the committee. One of the challenges was to communicate to Knight-Ridder

publishers and local managers what Knight Foundation hoped to achieve with the Cities Program. In January 1987, Sarah Wright, Knight Foundation's program officer in Akron, wrote the Foundation's associates to inform them that the schedule to move to full funding had been advanced a year and to encourage them to initiate requests. She also explained:¹⁸⁰

“Foundation dollars are a very precious commodity. Knight Foundation prefers to fund programs that will get at the root causes of problems and/or have an ongoing effect, rather than programs that ameliorate symptoms, no matter how unfortunate those symptoms are.”

The message was delivered again in the spring 1987 issue of *Knight-Ridder News*, an in-house magazine published for company employees. Hills wrote an article for the publication in which he outlined the Foundation's goals and reiterated what Jack Knight emphasized with company executives during his lifetime: Knight Foundation money was not intended to replace the charitable contributions that individual newspapers made as good corporate citizens. Hills also wrote:

“In the broadest sense, the Foundation wants to support projects that can visibly enhance the social, economic and cultural life of your city. These projects can take dozens of forms depending on the needs of the different cities.

“The trustees will tend to give priority to grant requests that hold the greatest promise of attacking a community's basic needs, that develop innovative approaches to targets of opportunity, and that make a community more viable economically and more livable physically.”

Fine-tuning the Cities Program remained an ongoing focus of the Foundation over the next few years -- a process Gibson described as “feeling our way and continuing to make adjustments.”¹⁸¹

At the end of 1987, the first full year of the Cities Program, Neill wrote the Foundation's associates asking them for their view of the program¹⁸² -- a query that produced "amazing unanimity" in the responses.¹⁸³ The most significant need, the associates told Neill, was for Foundation guidance on "intelligent grant making."

The Planning and Program Committee addressed the subject of new guidelines for the Cities Program at its March 1988 meeting and formalized a series of recommendations for the Board. Unanimously approved by trustees in June 1988, the new guidelines were communicated to associates with an introductory letter by Knight,¹⁸⁴ who expressed concern about the "quality of some of our grants." He wrote:

"I have the impression that just because we now have more money available we are making some grants which in earlier years would have been quickly rejected as inappropriate for the Foundation. I have the further impression that some of the associates are turning to the Foundation for support of projects that more properly should be handled locally."

The new guidelines, he stated, were developed to help Foundation associates carry out their role and had his strong "personal endorsement." The highlights of the three-page memorandum on guidelines, prepared by Black, included the following.¹⁸⁵

- Foundation grants were not a substitute for local support of such ongoing community commitments as United Way, local welfare, etc.
- Foundation dollars should not be "frittered away in small grants just to scratch as many backs as possible."
- No new proposals for less than \$5,000, an increase from a previous minimum of \$1,000, were to be considered.

- Foundation grants were not a substitute for government spending. “Foundation money is the venture capital of philanthropy and should be used for things which are not public responsibilities.”
- Foundation associates were “strongly” encouraged to establish a formal review process instead of reacting individually to grant proposals on an ad hoc basis. The Foundation staff and trustees observed that the most meritorious proposals came from cities where contribution committees were formed.
- Contributions committees were encouraged to operate with a plan in respect to Foundation grants just as corporate gifts were planned. The committees were encouraged to seek information on long-term capital needs and campaigns from agencies such as United Way, and associates reminded that trustees considered multiyear grants for major projects.
- Foundation associates were asked to be specific in making recommendations to the staff.
- Foundation associates were asked to monitor multiyear grants.

The Board was particularly curious about how associates evaluated grant proposals, and Black asked them to describe their procedures. Their replies were summarized in a Sept. 14, 1988, staff report to Black.¹⁸⁶

“Some folks stated directly that they had a committee; others said they discussed proposals at staff meetings or consulted with division heads,” the report said. “It is clear that your memo has stimulated the development of more formal processes in many cities.”

The report concluded by noting a problem that could complicate the Foundation’s ability to monitor grants in the future.

“After the grant is made,” the report said, “it appears that grantees sometimes write their acknowledgment or send a follow-up report to the associates. We need to find a way to be sure that this information is part of the permanent files here in the Foundation, if we have not been copied in. I don’t think it wise to rely on unofficial records that an individual in the field may be keeping. As we beef up the capacity of the Foundation associates, we must be careful to maintain the strength of our central role of coordination and record keeping.”

Beyond its concern with the Cities Program, the Planning and Program Committee with Hills as chairman was engaged in helping the Board identify special initiatives, establish policies and explore other broad areas of grant making, such as help for the aging, health care, education and the arts.

One initiative involved community foundations, a grant-making focus originally suggested by Struckhoff in 1982. It was raised again in late 1986 when Gibson proposed establishing donor-advised funds at community foundations in Knight Foundation cities.¹⁸⁷

The Foundation and Jack Knight certainly had a history with community foundations. He had been a founding member of the community foundation in Akron in 1950 and in 1971 had considered dissolving Knight Foundation by distributing its assets to community foundations in areas with Knight newspapers.

Hills was also drawn to the community foundations concept and responded positively to Gibson’s suggestion about donor-advised funds. “This might permit us, to a large extent, to get out of the business of making small routine grants in some of our larger communities and

accomplish the same goal of helping a lot of small, miscellaneous worthy causes,” Hills wrote Gibson.¹⁸⁸

Hills told the Distribution Committee that he favored a program of grants to community foundations.¹⁸⁹ The Board agreed, unanimously approving in June 1987 “the concept of establishing donor-advised funds in certain communities.”¹⁹⁰ Four grants of \$250,000 each in 1988 set up experimental donor-advised funds in Akron, Charlotte, Detroit and Miami.¹⁹¹ The Foundation appointed the local Knight-Ridder publisher as the fund’s adviser. Trustees planned to review the results in one or two years to determine whether to create additional donor-advised funds.

Prompted by Hills, the Board dealt with another important grant policy issue -- endowments -- in September 1987. A list prepared by Gibson for Hills¹⁹² showed that the Board had approved almost \$17 million in endowment grants over the last 15 years, a sum which added up to more than 20 percent of the grants the Foundation had distributed in the 1972-1987 period, according to the Foundation’s 1987 annual report.

In a memo distributed before the Board meeting, Hills told his fellow trustees that a number of factors had converged to increase the number of endowment requests the Foundation received.¹⁹³ The factors included cutbacks in government funds that prompted many agencies to rush to the private sector for support; a new nonprofit trend to seek endowment funds while continuing annual campaigns and capital fund drives; the reality that endowments of even large institutions, such as universities, often paid only 15 to 20 percent of the cost of operations; and requests for help from small, worthy causes that never before had dreamed about endowments.

Hills recommended and the Board unanimously agreed on Sept. 25, 1987, not to adopt a flat policy for or against endowments, but instead to handle such requests on a case-by-case basis according to the following criteria.

(1) “That we continue to consider endowment grants for major programs with a track record and the promise of long-term continuity.

(2) “That we prefer not to make endowment grants to new untried enterprises.

(3) “That in most cases we prefer short-term responses, with future grants based upon performance.

(4) “That we prefer not to make endowment grants to United Way and similar organizations.

(5) “That we cherish the right to withhold (as well as to grant) funds if conditions change or the management of a fine charity turns sour.

(6) “That most programs we support should be allowed to rise or fall on their merits and their ability to attract funds from other sources. Unless it is clearly something we want to put our stamp on, we should be wary about becoming the sole or major source of support.”

* * * * *

Although the Foundation had planned well for its dramatic increase in assets and distributions and had an ongoing process of program and financial review in place, adjusting to a greatly expanded giving program prompted concern on the part of Knight and other trustees. The Foundation was scheduled to pay out almost \$16 million in grants in 1987, nearly twice the amount of the previous year and about 10 times what it had distributed at the beginning of the

decade. An additional and timely factor was a volatile economic environment, conditions that subsequently resulted in a precipitous stock market decline in October 1987. Early in 1987, Knight questioned how the Foundation would meet its grant commitments if such a decline occurred.

At the March 27, 1987, meeting Knight asked Chapman, Clark and Catrow to consider various factors influencing future grant levels and to develop a plan to enable the Foundation to go forward with a reasonable level of comfort that the giving program was fiscally sound.

Chapman's report to the Board¹⁹⁴ resulted in the adoption of a grant control program in June 1987 that enabled the Foundation to maintain a steadily increasing volume of grants while it avoided the peaks and valleys of the stock market. The program was made possible by an \$18 million carryover credit that resulted from previous years when the Foundation had exceeded its legal minimum grant levels as part of its transition plan from a small to a large foundation. The carryover credit could be phased in over a five-year period. Chapman noted that the model he recommended enabled the Foundation "to move forward conservatively with its Cities Program, Education Program, Journalism Program and a national grants program while continuing to keep a weather-eye alert for changes in the economic barometer."

* * * * *

A primary planning responsibility during this period was identifying additional areas of interest for Foundation grant making. Among those studied and considered: help for the elderly, health care, education and the arts.

While never specifically declined, a program focused on the elderly was not pursued after an initial Program Review Committee discussion of the subject in June 1986.¹⁹⁵ At the time, the committee proposed that the Foundation continue to fund such projects and programs through the Cities Program for the time being -- a decision with which the Board concurred.

The Board's decision on health care came on Sept. 21, 1988, when it declined to establish a special program for this category of grants on the recommendation of the Planning and Program Committee. Although health care had received 10.5 percent of the Foundation's grant dollars between 1972 and 1987, according to the 1987 annual report, the Planning and Program Committee felt that the "unmet health agenda in America is so enormous that we could give it all of our money and not make a dent."¹⁹⁶ However, the committee had proposed, and the Board concurred, that "grants in this field be continued under the Cities Program."¹⁹⁷

Most Foundation grants in health care were made to hospitals in the cities, and the staff and Distribution Committee had developed a general policy -- never officially approved by the full Board -- to handle the requests.

"This policy was that we did not wish to participate in annual fund-raising activity of hospitals, nor did we wish to participate in the regular month-to-month and year-to-year updating of hospital equipment and acquisition of always available, newly developed machines and equipment to deal with the hospital's patient population," Gibson explained to Hills in a 1988 letter describing how hospital proposals were screened.¹⁹⁸

"We would limit our consideration of a response to hospital requests to those which resulted from a well-conceived, fully developed, communitywide appeal which could be qualified as eligible by means of its having a specifically announced goal, a beginning date and ending date and a community response which indicated that the hospital's own constituency considered that the appeal was necessary and valuable," Gibson wrote.

The criteria Gibson described were still used to assess local hospital requests as of the writing of this history. Beginning in 1992, the policy was published as part of an expanded list of trustee funding preferences that were publicly disseminated.

* * * * *

While the Planning and Program Committee was not inclined to recommend special programs for addressing the needs of the elderly or health care, it had a strong interest in education and encouraged Stanford, the trustee with the background in this field, to explore the opportunities.

After nearly two years of study and discussion, Stanford formalized his ideas for an educational grants policy in late 1987 and the Board, in preparation for a new program, voted in December to budget 20 percent of the Foundation's grant dollars to education. Concurrently, the Board decided to end its practice of making grants to state associations of independent colleges and directed Gibson to inform the associations that grants were to be discontinued after 1988.

In a letter to Hills in early 1988, Stanford established the context for the program he was recommending -- a program designed to support innovative projects that academically strengthened strong private liberal arts colleges.¹⁹⁹ Stanford wrote:

“Professional and graduate education as well as research activities are funded more substantially by the Federal Government, corporations and private foundations than is undergraduate education. Yet effective programs at post-graduate levels surely depend upon solid foundations at the undergraduate level.

“The fiber of undergraduate education has undoubtedly weakened in recent years mainly because of less demanding curricula and growing intrusion of more professional and vocational courses into the first years of collegiate study. Over the last five years the nation has witnessed a variable cascade of books and articles condemning the vacuity of undergraduate education.”

Stanford told Hills that the 35 communities served by Knight Foundation had a significant number of high-quality institutions that could benefit from a program to strengthen undergraduate education. A Knight Foundation staff survey showed that of 397 higher education

institutions in those 35 cities, 208 were private or independent universities and colleges.²⁰⁰ The private category included distinguished schools, such as Oberlin, Swarthmore, Haverford, Carleton and Occidental, and Stanford envisioned Knight Foundation's program stimulating such colleges to "use grants to strengthen the academic operation of the institutions."

Stanford also advised Hills that the use of Knight Foundation's grants should be restricted to "such academic activities or programs as improving the quality of students recruited; strengthening libraries; providing research opportunities or 'retreading' activities for classroom professors who may be suffering from 'burnout;' supporting curricular innovations; etc."²⁰¹

An initiative focused on liberal arts education and private colleges and universities resonated with many of Knight Foundation trustees. It reflected Jack Knight's belief that a strong liberal arts education -- the kind to which he had been exposed at Cornell and which he had supported with personal gifts throughout his life -- was the route by which individuals and society improved. That belief was also a Knight family and Knight Foundation legacy, extending back to the Knights' father, C. L. Landon, who had established college scholarship funds at Oberlin and Mount Union six decades before.

An initiative targeted at strengthening undergraduate education among private liberal arts colleges also reflected thinking in the foundation community that the area offered distinctive funding opportunities and a chance for substantial educational improvement. A collaboration between the Hewlett and Mellon Foundations called the Joint Education Project was already under way and focused on strengthening private liberal arts education. Knight Foundation's staff and some of its trustees were aware of the project because the Foundation had been invited to participate.²⁰²

On March 25, 1988, the Board authorized Stanford and Batten, as an Education Subcommittee of two, to proceed with the development of a program of grants to private liberal arts colleges. Black, who had officially become president on Feb. 1, also became active in the program's development, helping to recruit the members of the Education Advisory Committee

and to negotiate the contract with the Consortium for the Advancement of Private Higher Education (CAPHE) to administer it.

By September, the Foundation had appointed an advisory committee with trustee Henry King Stanford as chairman. The members included William Friday, former president of the University of North Carolina at Chapel Hill; Jill Conway, former president of Smith College; John Chandler, president of the Association of American Colleges and president emeritus of Williams College; and Richard Gilman, president emeritus of Occidental College. By the end of the year, 15 institutions had submitted proposals, which the Education Advisory Committee reviewed in February 1989. The Foundation's Board acted on the proposals in March. The initiative was named Excellence in Undergraduate Education.

* * * * *

With the groundwork laid for a national education program, the Planning and Program Committee in 1988 turned its attention to the arts as a possible focus for a third national program. Like education, the arts seemed to be a natural area of interest for the Foundation because of the solid and significant history of grants in the field.

Before Knight Foundation was created, its predecessor organization, the Knight Memorial Education Fund, had taken a special interest in the financial needs of students pursuing a musical career. After Knight Foundation's establishment in 1950, the trustees had included the Akron Opera Guild and the Greater Akron Musical Association among the first recipients of grants.

Then in the late 1960s and early 1970s, when the Board began to seriously expand its grant program to all cities with Knight newspapers, major arts organizations were among the first to receive support. Symphony orchestras and museums were often beneficiaries, reflecting the

Foundation's philosophy that such institutions contributed to the overall quality of life in a community.

The pattern of support for the arts at the local level continued over the next 15 years. From 1972-1987, grants in the arts and culture category accounted for 19.15 percent of the grant dollars distributed, just 3.4 percent behind the 22.9 percent spent on journalism and 9.3 percent less than the 28.4 percent for education.²⁰³

Neither of the Knight brothers, however, embraced the arts as one of their major interests. While Clara Knight had exposed her sons to classical music, art and literature and tried to nurture their interest, neither of them seriously followed these pursuits as adults, although Jack Knight did own several important artworks, including a Monet painting.

Jim Knight, on the other hand, made no secret of his dislike for art forms such as symphony music, not so fondly referring to musicians as "horn blowers and whistle tooters."²⁰⁴

Despite the lack of personal enthusiasm, both Knights recognized that symphonies, museums, opera, dance and theater made cities better places to live and supported Knight Foundation grants to enhance the quality of local art institutions. For instance, Jack Knight's papers at the University of Akron include a folder of correspondence detailing a 30-year relationship of support for the Akron Art Museum as an organization of importance to the community. Knight personally made contributions to the museum and provided additional support for it through the *Beacon Journal* newspaper as well as the Foundation. But there's virtually no mention in his correspondence of the museum's mission as a collector, exhibitor and educator of art -- only of its significance as an institution that strengthened Akron.

The arts did have an enthusiastic and knowledgeable advocate in Hills. He had been chairman of the Founders Society, Detroit Institute of Arts, for 14 years and had become nationally recognized for his leadership of that institution. His role there led to membership on the board of directors of the American Federation of Arts. He and his wife, Tina, were also

active in Miami with the Museum of Fine Arts and were serious collectors of contemporary artworks.

The arts also had a supporter in Toomey, who encouraged the Planning and Program Committee in September 1988 to consider a national program in the arts. She told her fellow committee members that defining the arts as one of the Foundation's preferences seemed to be a "natural" because of the Foundation's historical patterns of funding.²⁰⁵

After further study, the committee in December 1988 recommended that the Board "in principle" adopt Arts and Culture as the Foundation's third broad field of interest outside the Cities Program. While not ready to submit a detailed plan to the Board, the committee had reached the following tentative conclusions:²⁰⁶

- Any ongoing grants for annual support of arts and culture programs were to be made through the Cities Program.
- Major one-time grants in the Foundation's geographic areas were to be considered for at least partial funding.
- The Foundation was interested in making national grants, as it had in the past, for the National Gallery of Arts and other major arts institutions.
- The major areas of interest, chosen after reviewing the Foundation Center list of categories, were defined accordingly:
 1. Art museums and galleries.
 2. Other museums.
 3. Historical preservation.

4. Orchestras and opera companies.
 5. Theater/dance/ballet.
- The Foundation encouraged innovative, experimental projects. The hope was that the Foundation was not simply going to react to grant requests but take the initiative, as it had in the Education Program.
 - No advisory committee was needed. Instead, all Board members were encouraged to submit ideas.
 - Grants in such a program were expected to be in the annual range of \$2-4 million -- an amount similar to that budgeted for Education and one expected to keep all grants within the total payment program. (The committee recognized that annual grants in the various programs varied from year to year, so these figures represented averages over a period of years.)

Based on the Planning and Program Committee's recommendations, the Board unanimously approved an Arts and Culture Program in December 1988 and launched it with a series of grants in March 1989. Rather than establishing criteria for such grants, the Distribution Committee told the Board that identifying projects for support would be its strategy for defining the Arts and Culture Program.²⁰⁷ The first seven grants approved ranged from \$500,000 to endow a National Foundation for the Advancement of the Arts program encouraging young American artists, to \$25,000 for the American Music Theater Festival's "Sitting on the Edge of the Future," a theatrical production and symposium exploring the future.

The Board also concurred with the committee's recommendation that Arts and Culture Program funds were so limited that they would not go for annual support, no matter how worthy,

or for things that should be done under the Cities Program or by the newspapers represented by the Foundation associates.²⁰⁸ Hills told the Board, too, that the Planning and Program Committee “wants to encourage innovative programs that can be models or that will leverage the Foundation money.”²⁰⁹

A September 1989 grant to the American Federation of Arts exemplified the innovation that Hills called for. The AFA grant of \$450,000 supported the development of three touring exhibitions from museums in Knight Foundation cities -- an opportunity for the Foundation to encourage collaboration between a nationally respected arts organization and museums in its communities of interest and to expose a broader audience to the collections and talent of museums in Knight Foundation cities.

Over the next year the AFA staff visited 20 cities and discussed as many as 100 proposals, assisting local and regional museums in refining their ideas for exhibits drawn from their own collections or based on concepts developed by their curatorial resources. Through a competitive process in which 26 proposals were submitted, the AFA chose five finalists to receive seed money for developing their proposals. Three of the five museums were chosen to organize the touring exhibitions for which Knight Foundation’s grant was supposed to provide partial support. Some Foundation money was also to be used to discount the exhibit rental fees that museums in other Knight Foundation cities paid to display the chosen exhibits.

The full promise of the grant was not realized. The project ran out of money before it could produce the desired results -- an outcome Black said in a 1997 interview²¹⁰ was partially the result of not having a staff specialist in the arts to recognize that the original budget was unrealistic and to monitor the program’s early progress.

The Foundation made a second grant in 1992 to support the further development of the project’s most viable idea, an exhibition entitled “Shields of the American Indian” organized by the North Dakota Museum of Art in Grand Forks, N.D. However, implementation of the shields exhibition proved difficult and did not materialize.

While the AFA grant did not result in the anticipated outcome, it did acquaint the Foundation with the vitality and diversity of museums and museum talent in Knight Foundation communities. It also taught valuable lessons about staffing requirements and monitoring. Ironically, the Foundation's Planning and Program Committee was considering the staffing question even as the AFA grant was being approved by the Board in September 1989.

Hills had become concerned that proposals for the Arts and Culture Program needed special expertise to be evaluated adequately. In September 1989, he discussed with the Planning and Program Committee several options, including an advisory committee similar to those for education and journalism, the use of selected consultants and advisers for specialized disciplines in the arts or the addition of a staff member focused on the Arts and Culture Program. After a review of alternatives, which included discussions that Black had with other foundations with major arts programs, the Planning and Program Committee proposed and the Board concurred in December to add an Arts and Culture Program officer. It was almost a year before such a staff specialist joined the Foundation.

By the end of 1990, the Foundation was prepared to articulate four broad interests that the new program officer was expected to further develop. Defined in the 1990 annual report, those interests were "to support national organizations and institutions, to help with selected major local projects beyond the normal scope of the Cities Program, to foster innovation and creativity in the arts, and to encourage projects that broaden audiences and participation across artistic and cultural disciplines."

* * * * *

Although the Planning and Program Committee had the lead role in shaping the Foundation's grant programs during the late 1980s, the Distribution Committee, which was

chaired by Toomey, began to take an active part in advising both the Planning and Program Committee and the Board on program-related issues, especially in the Cities Program.

This role was acknowledged at the June 1988 meeting of the Planning and Program Committee when Toomey told committee members that it was “the desire of the Distribution Committee to be involved in program policy development.”²¹¹ She reported that the Distribution Committee had set aside a portion of its meetings to discuss such fields as child abuse or church restoration to determine whether they were appropriate for Foundation grants.

“The results of these discussions will be communicated to the Planning and Program Committee and the Board,” Toomey indicated. The Planning and Program Committee and Board did not object.

One topic the Distribution Committee addressed was self-dealing. Toomey invited Frank Harvey of Brouse and McDowell, the Foundation’s legal counsel, to a Distribution Committee meeting to clarify the subject for committee members.²¹² She told him the committee had questions about whether its members and trustees should refrain from discussions about proposals from organizations of which they were directors. In the letter preparing Harvey for the types of questions her committee faced, she also used the following example:

“A Knight-Ridder paper is supporting, both editorially and financially, some city endeavor, perhaps a revitalization plan, an orchestra, a welfare program. Funds are also requested from the Foundation. At what point, if the funds are granted, does it become a conflict between a legitimate grant to the organization versus a self-dealing accusation of the Foundation helping the paper?”

While Harvey did not directly respond to Toomey’s example, his presentation in June 1988 to the Distribution Committee noted:

(1) “The fact that a disqualified person receives an incidental or tenuous benefit from the use by a foundation of its assets will not, by itself, make such use an act of self-dealing.

(2) “The public recognition a person may receive, arising from the charitable activities of a private foundation to which such person is a substantial contributor, does not in itself result in an act of self-dealing since generally the benefit is incidental or tenuous.”

After the presentation, Black reported back to Knight that the Distribution Committee’s discussion was “a useful meeting, and I think everyone came away reassured that Knight Foundation is doing its best to observe not only the letter but the spirit of the law and IRS regulations.”

Black added that the “presidency of the Foundation is a much better job because our trustees are concerned about making sure we operate within the law instead of trying to put pressure on the staff to circumvent it.”²¹³

Beyond the committee process, individual trustees proposed programs and policies and advocated for specific grants.

Chapman, for instance, was the catalyst for Knight Foundation’s first program-related investment (PRI), a type of loan foundations are allowed to make as part of the grant process.

At the June 1987 Board meeting, Chapman “reviewed a concept of purchasing bonds in an organization that would use the funds to make loans to low-income families in the Miami area for purchasing housing.”²¹⁴ The staff was directed to explore whether the program met the IRS legal criteria for a PRI. In 1988, Chapman’s idea culminated in a \$1 million purchase of interest-free bonds that helped Greater Miami Neighborhoods and its affiliates launch an imaginative, low-cost home ownership program.

Chapman had a history of bringing to the attention of the Board of Trustees significant Miami projects in which the Foundation might want to take part. Most of the ideas were

communitywide efforts and often directed toward downtown redevelopment, community revitalization and economic opportunity. He was particularly active after Miami's 1980 civil disturbances in seeking Foundation assistance for programs that sought to address the underlying causes behind conditions that led to the riots.

Recognizing that Chapman and other trustees who lived in Miami had a distinctive role to play in the Foundation's relationship with the community, Hills suggested in mid 1987 that he, Knight, Batten and Chapman meet with the local adviser to discuss projects.

In a letter scheduling the meeting, Chapman explained: "In Miami, it is appropriate that there be regular input, especially on the larger projects, from the Foundation trustees who are resident in the Miami area."²¹⁵

Such input had often taken place informally. An example was the Foundation's \$5 million grant to the University of Miami for a major endowment campaign. After the Board approved the grant in June 1986, the university's president proposed that the gift be specifically used to endow four major Knight chairs at \$1 million each to attract people of national and international caliber and to provide fellowships and other support to junior faculty members with the remaining \$1 million. It was Knight, along with Hills and Chapman, who considered and approved the president's proposal.²¹⁶

Such consultations among Miami trustees and -- after Hills' 1987 memo -- the local adviser led to major commitments in support of Miami's leading arts and educational institutions as well as broad-based efforts addressing community development, homelessness and rebuilding after Hurricane Andrew in August 1992.

But Knight occasionally grew frustrated with the Miami focus and complained. "May I say that I get a little unhappy from the many requests from Miami," he wrote Black in early 1989, adding: "I think too much is made of the arts and sciences and various beneficial organizations down here."²¹⁷

Yet Knight did not generally impose his opinions about grants on the Board.²¹⁸ While he regularly responded to write-ups on grant proposals,²¹⁹ occasionally recommending a sum far less than what had been requested and what other trustees felt was appropriate, he customarily deferred to the Distribution Committee's and the Board's recommendations.

* * * * *

The 1989-90 period was one of transition, marked most notably by a flurry of activity and new grant programs at the national level. While continuing to refine and expand previous programs in the cities and in journalism, the Foundation:

- Implemented its new national initiative, Excellence in Undergraduate Education.
- Began to consider the potential of a national Arts and Culture Program.
- Established the Knight Commission on Intercollegiate Athletics, an independent blue-ribbon panel created to recommend a course of action to curtail the rampant abuses in college sports.
- Made a \$5 million commitment to what would become a historic philanthropic collaboration, the National Community Development Initiative (NCDI).
- Made substantial grants to the national programs of two organizations whose work it had supported previously only at the local level, The Enterprise Foundation and Habitat for Humanity.

As a result of these developments, the Foundation experienced an increased level of activity. The number of proposals nearly doubled during these years: from 593 in 1988, to 826 in 1989, to 1,135 in 1990.²²⁰

The dramatic rise in the number of proposals combined with the Board's desire to initiate programs and focus the Foundation's grants meant the time had arrived to begin the process of building a professional staff. However, Black felt the bulk of the staffing decisions had to wait until the Board was ready to tackle the most sensitive of subjects -- whether to relocate the Foundation's headquarters. But relocation could not be addressed until Black had completed his two-year trial of Akron. In the two-year interval leading up to that discussion, the Foundation experienced a period of rapid growth and intense focus on programming.

The Education Program concentrated on its new Excellence in Undergraduate Education initiative, which provided nearly \$10 million in grants in 1989, 1990 and 1991 to 39 private liberal arts colleges and universities²²¹ in 13 of the 16 states in which Knight Foundation's special cities of interest were located. Selected through a competitive grant process, the schools received challenge grants ranging from \$100,000 to \$250,000, to be matched on a dollar-for-dollar basis. The grants supported a variety of projects, including student and faculty recruitment and retention, faculty and curriculum development and other academic programs.

While the intent was to strengthen liberal arts education, the Foundation also hoped to encourage innovation and creativity among the program's participants -- an objective some trustees felt was not met.

Toomey told the Planning and Program Committee in March 1989 that the Distribution Committee had been "somewhat disappointed" in the first round of proposals. Stanford attributed part of the problem to the schools' lack of time to respond to the Foundation's request for a proposal -- just two months. He also told the Planning and Program Committee that language in the request for proposals to the colleges was being revised to put more emphasis on the Foundation's interest in innovation.

Looking back on the Excellence in Undergraduate Education Program in a 1997 interview, Black said the matching-dollar requirement might have worked against creativity. The universities and colleges, he noted, probably became cautious about attempting an experimental venture that could not find support beyond Knight Foundation.

During the process of considering which universities and colleges were candidates for Excellence grants, the advisory committee also found a lot of creative and distinctive schools that were not going to be able to compete for grants with elite institutions such as Swarthmore and Bryn Mawr. Stanford told the Planning and Program Committee that such schools, which included many of the historically black colleges and universities, would also have difficulty raising the matching funds for one of the typical \$250,000 grants made in the current program.²²²

In an effort to help the Foundation broaden the scope of the Foundation's grant program for private liberal arts education, Stanford -- in consultation with the Education Advisory Committee, CAPHE and Knight Foundation's staff -- proposed a second major educational initiative entitled the Presidential Discretionary Grants.²²³

"The underlying purpose of discretionary grants would be to strengthen institutions which have demonstrated strong potential and have strong presidential leadership," Stanford explained. "Such grants would be made directly to the college president to be used at his/her discretion."

Unlike the Excellence grants, there were no matching requirements or application process for Presidential Discretionary Grants. With the assistance of CAPHE, the Education Advisory Committee identified potential colleges and universities as recipients and forwarded the recommendations to the Board of Trustees. Stanford said the candidates were private colleges and universities in states in which Knight Foundation cities were located and "which serve populations or regions and which are considered to be on the upswing rather than in decline or merely maintaining the status quo. There would be a special effort to include historically black

colleges but not to the exclusion of all others. Perceived strength of the presidential leadership would be a critical factor in selecting the institutions.”

On March 20, 1990, the Board approved the Presidential Leadership Grants. Over the next two years, 10 such grants of \$100,000 each were made. The recipients included four historically black colleges and universities in the South, a tribal college in South Dakota, a women’s college in St. Paul, a school focused on rural Appalachian students, an urban college serving the educational needs of women and adult learners, and two institutions that evolved from a Christian religious tradition.

Although the Education Program in the 1980s was concentrated on private liberal arts colleges and universities, the Foundation received a large number of proposals for projects addressing needs and problems at the elementary and secondary school level. The Distribution Committee asked the staff to assess what type of programs the Foundation was being asked to support, how the Foundation had responded in the past and how it should react in the future.

The response,²²⁴ prepared by program officer Sarah Wright, reported that grant requests for this area generally fell into six categories: basic operating dollars, capital needs, scholarships, drop-out prevention, administrative and teacher development and academic enrichment. With rare exceptions, Knight Foundation declined to make grants for basic operating dollars and capital needs, Wright noted.

However, the four remaining areas had all been the focus of grants considered on a case-by-case basis using flexible criteria. For instance, support for scholarships at private schools was considered when the grant “would be to diversify the student body or to enable disadvantaged students to receive an improved education.” In the case of drop-out prevention and administrative and teacher development programs, the Foundation drew the line at the stage at which a pilot project had evolved into a program that had proven itself and could seek other funding sources. Wright told the Distribution Committee that the final area -- academic

enrichment -- was “a murky area” and asked for more direction in evaluating proposals in this area as well as administrative and teacher development.

“One solution is to give higher priority to a request from a school which has less of a chance to fund elsewhere, which usually means the student population is less affluent and probably a higher percentage of minority students,” Wright wrote.

The result of the Distribution Committee’s study of elementary and secondary school proposals was a decision to continue to support local requests for elementary and secondary level programs through the Cities Program, generally using the criteria Wright had described: no grants for basic operating dollars or capital needs and grants for projects in the other areas on a case-by-case basis. When Toomey reported the study and the Distribution Committee’s conclusions to the Planning and Program Committee,²²⁵ there was no disagreement. The criteria Wright had described were continually refined and rethought as the Foundation’s Education Program took shape in the early 1990s and its higher education initiative refocused on collaborations between colleges and universities and public school systems in Knight Foundation communities.

* * * * *

In the Cities Program, the Foundation’s Planning and Program Committee in March 1989²²⁶ directed Black to discontinue grants in cities where Knight-Ridder was selling its TV stations and one of its newspapers. The end result was a cutback from 35 to 26 cities of interest for the Foundation -- a number that remained in effect for eight years. When Hills reported the committee’s decision to discontinue grants in these communities to the full Board on March 21, 1989, there was no disagreement. There was not even a vote.

Overall, the Cities Program continued to be a source of some concern to Knight and the Distribution Committee.

“I can’t help but feel that some of our associates still feel that the Knight Foundation is a sinecure for all their needs,” he wrote Black in May.²²⁷

In September, Toomey told the Planning and Program Committee that the quality of Cities Program grants fluctuated. The committee responded with the following:²²⁸

“It was agreed that we should not have unrealistic expectations of the amount of time and creativity that publishers can put into their volunteer foundation activity, nor should we expect all grants to be innovative. Some dollars will always be used for maintenance activities and needs.

“It was agreed that the staff should continue to help the Cities Program by educating new publishers (a packet of background information is sent to anyone new), by talking with or visiting cities where there are obvious confusions and need for assistance (staff and board members have done some of that with good results), and by providing materials to assist the work of the publishers . . .”

The Cities Program was summarized at year’s end in a staff report to Batten, who as head of Knight-Ridder had a special interest in whether the cities were making effective use of Foundation funds.²²⁹ The report showed that utilization of available guideline funds had increased substantially over a three-year period: from 75 percent in 1987 to 91 percent in 1988 to 99 percent in 1989. But the report also noted shortcomings in the program.

“A few cities have used most or all of their funds, but in doing so have made only a few large grants or have lacked diversity in some other way,” the report said.

One city, for instance, reversed its pattern of not using up its guideline funds by making one \$250,000 grant, which “took us quite a bit of time and several rewritings of the proposal to do.” Another city had made grants almost exclusively to economic development and educational organizations where the publisher served on the board. A third had made grants in arts and education, ignoring needs in the broad category called welfare.

A chart accompanying the report showed that in the first three years of the Cities Program (1986, 1987 and 1988), grant payouts in arts and culture far outdistanced other categories: 45 percent for the arts followed by 15.2 percent for welfare, 14 percent for education and the remainder divided primarily among health and science. Two cities -- Boulder and Philadelphia -- had spent more than 80 percent of their guideline funds in the arts.

Batten responded by asking the company's corporate vice presidents responsible for newspaper operations to guide the publishers to a higher level of performance as Foundation associates. He also asked that the report not be shown to the publishers.

"We don't want our people, who do lots of good work for KF, to feel they're being criticized -- and in truth, they're not," Batten wrote, adding that the information he had shared with them "used with discretion, can help you nudge things in the right direction."²³⁰

Black reinforced the message two months later during a presentation to Foundation associates after the annual Knight-Ridder management conference.²³¹ Black reiterated the suggestions that the Board, Planning and Program Committee, the Distribution Committee and the staff had been emphasizing about the Cities Program over the last few years: Have a plan for making grants, use a contributions committee, make site visits and seek out creative and innovative ideas and projects.

A new concern also emerged in Black's presentation: Knight Foundation's public image. He requested that associates send news clippings about Knight Foundation and its grants to Foundation headquarters and noted that "we continue to be misidentified in your newspapers and other publications."

A frequent misunderstanding was Knight Foundation's relationship with Knight-Ridder. The Foundation, he complained, was being referred to as "an organ" or an "arm of Knight-Ridder," to which Black responded: "We are neither an organ nor an appendage of Knight-Ridder. We are not a corporate foundation or a family foundation. We are a private foundation wholly separate from and independent of Knight-Ridder."

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During this period the Journalism Program sought to build on its commitment to midcareer education with grants to further strengthen the programs it had supported in 1987. Most significant among these was a \$5 million grant to endow the Knight Science Journalism Fellowships at the Massachusetts Institute of Technology. As part of the Foundation's endowment agreement, MIT committed to raise an additional \$2.5 million for endowment by the end of 1994 -- a challenge it met. Additional grants were also provided to continue the Yale University Law School program that supported a year of legal studies for professional journalists and the Knight Center for Specialized Journalism at the University of Maryland. The center, established with a Knight Foundation grant just three years before, had become a nationally respected program that brought journalists to the institution's College Park campus for one- and two-week intensive courses on topics ranging from nuclear power to the financial markets.

The Foundation's impact on midcareer education was chronicled in a report by Roberts in November 1989 that showed that the midcareer programs at MIT, Yale, Stanford, Columbia, the University of Maryland and the University of Michigan were flourishing.²³² Roberts' report also reported that a study of midcareer fellowships and training programs for journalists commissioned by the Gannett Center for Media Studies heralded the Knight Foundation contributions as "historic." Alfred Balk, the former editor of *World Press Review* and *Columbia Journalism Review* who had conducted the study, applauded the Knight Foundation contributions as "a new wave breakthrough" for such programs.

Roberts concluded his report by observing: "The image of John S. Knight as a journalistic visionary continues to be advanced through the Foundation's sponsorship of these midcareer education programs."

To further understand the impact of grants in this field, the Foundation commissioned the Journalism Resources Institute of Rutgers University to undertake a survey of 884 former participants in the seven Foundation-supported fellowship programs. (The Newspaper Management Center at Northwestern University was not included.) The survey's primary objective was to "get beyond anecdote to a systematic evaluation of their experience."²³³

Professor Jerome Aumente, the institute's director, oversaw the survey, which had an unusually high response rate -- nearly 50 percent. In March 1990, Aumente reported these findings:

- Without exception, the respondents rated the programs highly and strongly urged the Knight Foundation to continue supporting them.
- The respondents cited many instances where the programs had played a key role in strengthening their fundamental intellectual skills. The degree of personal and intellectual growth they experienced, aside from the subject content they mastered, was one of the highest rated values.
- The opportunity for a sabbatical, to recharge, to step back and review their commitment to journalism was another of the pluses frequently cited.

In the area of recruiting and educating minority journalists, the Foundation continued to identify and support programs that offered promise in addressing the challenge. Minority journalism education programs at Wayne State University in Detroit, Michigan State University and San Francisco State University received grants for new projects that experimented with ideas such as professional mentoring relationships for minority students and use of high school journalism teachers to draw minority students to the field.

The Journalism Advisory Committee also focused on monitoring progress in the two experimental minority journalism programs that had been established at the University of Florida and the University of Missouri. While the journalism school deans at both universities provided detailed reports on their programs,²³⁴ Black and the committee had questions about turnover in the Florida program's directorship and Missouri's timetable for implementation.²³⁵ There were also concerns that the university's reports were not clearly related to the program objectives in the original proposals.

The committee asked McGehee, Virginia Fielder, Knight-Ridder's vice president for news and circulation research, and Al Fitzpatrick, a veteran Knight-Ridder newspaper executive involved in minority recruitment and training programs, to review the best approach to evaluating the two Florida and Missouri programs. As a result, the Foundation commissioned Dr. Isadore Newman of the University of Akron to work with the journalism schools to develop clearly measurable goals for the minority programs and ways of gathering information that could be verified, compared and shared so that meaningful conclusions could be drawn.

The Foundation also conducted program site visits, which were reviewed for the Journalism Advisory Committee by Scott McGehee, who concluded: "You can recruit minority students if you work at it. I believe we will end up concluding that the differences in recruiting methods are less important than having the commitment and resources to make the effort."²³⁶

* * * * *

1989-1990 was also a period during which the Foundation's trustees reacted to events outside the United States that created an awareness of opportunities and needs in the international free-press area.

In Bogota, Colombia, *El Espectador*, a daily newspaper outspokenly opposed to the powerful Medellin drug cartel, was bombed in 1989 in an effort to silence its editorial voice. In

response, the Foundation made a \$250,000 grant to the American Newspapers Publishers Association as part of a broader effort to establish a \$2.5 million press freedom emergency fund.

Then in Eastern Europe, as the Berlin Wall fell and the Iron Curtain was torn asunder, the Foundation responded with two major challenge grants to encourage and help shape an emerging free press in new democracies.

The largest of the grants, for \$525,000, went to the World Press Freedom Committee in 1990 to expand its news media educational services and assistance to free press organizations within the Eastern Bloc. The committee, which Knight Foundation had supported since 1977, had been started in 1972 when the Inter American Press Association and the International Press Institute saw the advantage of working together when major press abuses occurred. By 1976, 23 journalism-related organizations had become affiliated with the committee and used it as an arm to monitor and respond to violations of press freedoms and to provide technical assistance.

The Center for Foreign Journalists was awarded a \$300,000 challenge grant in 1990 to support its work in responding to the training needs of Eastern Europe's newly emerging free press. Based in Reston, Va., the center reached out to journalists in more than 150 countries through exchange programs, reporting workshops and seminars, publications and a clearinghouse for print media assistance.

* * * * *

The Knight Commission on Intercollegiate Athletics was an initiative that raised the Foundation's profile to a national scope and reaffirmed its interest and commitment to quality in higher education. It started with a conversation between Friday and Black during a break at an Education Advisory Committee meeting in early 1989. Friday told Black that he believed abuses in college athletics had reached epidemic proportions and that an interested foundation could perform a service by setting up a commission to study the problem and make recommendations.

The idea caught Black's attention because of his experience with the Lexington paper, which had won a Pulitzer Prize during his term as publisher for exposing extensive rules violations in the University of Kentucky basketball program.

Black invited William Friday and Robert Atwell, the president of the American Council on Education, to address the topic at the June 1989 Board meeting. Afterward, the trustees authorized Black to further explore the possibility of the Foundation establishing such a commission -- an action Black recommended after a summer of traveling around the country and speaking to college and university administrators and other stakeholders in college athletics.

In September 1989, Black recommended and the Board unanimously approved a resolution establishing the Knight Commission with a two-year timetable and a \$2 million budget.

One trustee asked: "What's the down side of this?"²³⁷

Black countered: "Worst case is that we could spend two years and \$2 million and wind up with nothing to show for it."

Black recalled in a 1997 interview²³⁸ that Knight was particularly interested in the Commission and wanted to stress in the news release announcing it that the Foundation had no antipathy toward college sports.

"We have a lot of sports fans on our Board, and we recognize that intercollegiate athletics have a legitimate and proper role to play in college and university life," Knight was quoted as saying in the news release. "Our interest is not to abolish that role but to preserve it by putting it back in perspective. We hope this Commission can strengthen the hands of those who want to curb the abuses which are shaking public confidence in the integrity of not just big-time collegiate athletics but the whole institution of higher education."

Friday and Father Theodore Hesburgh, former president of Notre Dame, agreed to co-chair the Commission of 22 distinguished public officials, corporate executives and major academic leaders, including several presidents and former presidents of universities and colleges.

The Commission's subsequent activities are chronicled in Chapter XII of this history.

* * * * *

Although new programs, expanding initiatives and the start-up of the Knight Commission placed ever greater demands on a limited staff in Akron, Black moved slowly in adding staff in his first two years as president. The only major personnel move he made was the addition of James D. Spaniolo as vice president and secretary in mid 1989.²³⁹

Spaniolo, a former Knight-Ridder newspaper executive, lawyer and journalism graduate, had a broad administrative background that included newsroom experience, college administration and the practice of law.²⁴⁰ He had been vice president of human resources for the *Detroit Free Press* and, previously, the first in-house counsel at *The Miami Herald*. He had also served as an assistant to Clifford R. Wharton, president of Michigan State University.

Spaniolo's Knight-Ridder background troubled Olson and Toomey, who felt hiring someone else from the company signaled too close of a connection between the Foundation and Knight-Ridder. Nevertheless, the Board elected Spaniolo vice president and secretary on March 21, 1989.²⁴¹

Even with the addition of Spaniolo, Black was still operating one of the nation's largest foundations with a bare-bones staff. Just eight people were employed to handle an increasing array of responsibilities, including monitoring, evaluation, communications and national initiatives and programs in Journalism, Education and Arts and Culture.

The Foundation coped by relying on consultants such as CAPHE and an Akron public relations firm that assisted with the 1989 annual report and news releases. It also turned to its Journalism and Education Advisory Committees and local advisers to provide special expertise in reviewing grant proposals.

In the case of the Journalism Advisory Committee, the Foundation was particularly reliant on the volunteer work of its members. Until Spaniolo was hired and assumed staff

responsibility for the Journalism Program, committee members kept the minutes, evaluated proposals and monitored the progress of projects supported with Knight Foundation grants -- in effect, performing the work of a Journalism Program officer.

As the number of grant requests nearly doubled between 1988 and 1990,²⁴² and the complexity of proposals and initiatives grew, Black knew the Foundation could not delay addressing the staffing question any longer. But expanding the staffing was not an action he was willing to take until the Board resolved another matter -- the Foundation's location. By late 1989, Black was in the final phase of his two-year test of Akron, and he was ready to propose a move to Miami.

Miami's historical connection to the Foundation was strong.

During the Foundation's first 15 years, *The Miami Herald*, which the Knights purchased in 1937, contributed more money to the Knight Foundation than all other contribution sources combined.²⁴³

Jack Knight had a second home in Miami and spent most winters there. Jim Knight had lived in Miami since 1937 with his wife Mary Ann, raised their four daughters there and served in leadership roles with the local United Way, Chamber of Commerce, Red Cross and the Orange Bowl Committee.²⁴⁴

Knight Foundation's trustees frequently met in Miami at company headquarters after the Knight Newspapers and Knight-Ridder board meetings. At one point, a Miami address even appeared on the Foundation's stationery²⁴⁵ because Charles Clark performed his duties as Foundation treasurer from his office at company headquarters.

Immediately after Jack Knight's death, Miami's role in the Foundation's operations expanded even more because four of the nine trustees lived there -- Knight, Hills, Chapman and Clark. As a result, 75 percent of the board meetings were held in Miami between the time of Jack Knight's death and the end of 1989.

To an outsider, a move to Miami seemed a logical step for the Foundation.

Eugene Struckhoff, the consultant who helped the Foundation with its planning efforts in 1981 and 1982, recalled during a 1996 interview²⁴⁶ that he felt the Foundation “was inevitably going to end up” in Miami because of Jim Knight. Yet he could not remember a discussion about a move, and no individual expressed that opinion to him.²⁴⁷

Moving from Akron was a sore subject among some trustees, however, because Jack Knight had expressed a concern²⁴⁸ that such an attempt was eventually going to be made.

In a note on Nov. 5, 1979, Knight had written Norman Sugarman: “I have the uneasy feeling that upon my death, an effort will be made to move the Foundation to Miami. Will you give some thought to my concerns and advise me as to what measures we can take, if any, to ensure its permanence in this area.”

Sugarman replied to Knight that the best way to maintain Akron as the Foundation’s headquarters was to amend the Foundation’s Code of Regulations so that:

- (1) a majority of the trustees were from Akron; and
- (2) the residency requirement could not be eliminated or changed except by agreement of a significant percentage of the trustees (e.g. 80 percent).²⁴⁹

Just a month later Knight, in preparation for an upcoming meeting on Foundation policies and procedures, reiterated to Gibson that he wanted Akron to remain as the Foundation’s headquarters.²⁵⁰

“I feel very strongly that the Knight Foundation should continue to be domiciled in Akron,” Knight wrote Gibson. “Akron is one of the troubled cities of what we used to call the American Ruhr, but is now feeling the impact of lowered activity in such industries as automobiles, tires, steel, and related suppliers. It seems to me that the Knight Foundation has

played a substantial role, not only as a benefactor to the community, but as a stabilizing influence with the various power structures including business, labor and government.”

Other trustees expressed agreement with Knight at the time -- a consensus recorded in the minutes of the Feb. 14, 1980, special meeting of the Board to discuss the issues Gibson had raised in the White Paper.²⁵¹

Despite Knight’s concerns, however, there is no indication that he pressed for the stringent requirements that Sugarman had discussed. In fact, he specifically opposed the Sugarman strategy of placing limitations on Board composition. Evidence of Knight’s thoughts on this subject can be found in his reaction to a proposed version of the Feb. 14, 1980, meeting minutes in which Gibson included guidelines for Akron and company representation on the Board.²⁵²

Gibson’s first version of the minutes of this meeting stated: “There was general concurrence that for the future the Board should be limited to two KRN people and two people from Akron.” The sentence was deleted after Hills wrote Gibson suggesting that it be edited out.²⁵³ Hills’ reason was a pragmatic one: Almost everyone currently on the Board could be classified as “KRN people.” Hills sent a copy of his editing remarks to Jack Knight, who in turn wrote Gibby that “Mr. Hills’ correction is exactly in conformity with my own thinking.”²⁵⁴

After Jack Knight’s death in 1981, the Board of Trustees started meeting regularly in Miami -- a trend that occasionally prompted concern on Thomas’ and Gibson’s part.²⁵⁵ But Jim Knight consistently responded with assurances to Gibson and Thomas that the Foundation was going to remain in Akron for “the foreseeable future.”²⁵⁶

But in 1987 the Foundation’s inability to attract presidential candidates to Akron opened the door to Black’s agreement with Knight, Hills and Chapman that they would support a move if he tried Akron for two years and concluded that Foundation headquarters needed to be relocated. As the end of the two-year trial period approached, Black believed he could not build

a major foundation from Akron. So on Dec. 15, 1989, Black wrote Knight, Hills and Chapman a memo with his reasons for proposing a move to Miami.

Black's position²⁵⁷ emphasized that Jack Knight had taken no steps to ensure Akron as the Foundation's headquarters and stressed that "Jack not only rejected recommendations that would have bound future boards on the location question but affirmatively expressed his general conviction that such Boards should be free to take changing times and conditions into account in making their decisions."

Black focused, too, on Akron's logistical problems. It was difficult to fly in and out of the city, and attracting staff talent to Akron was difficult. And he felt that despite their 40-year history with the city, Akronites were largely unaware that the Foundation existed.

"As to where we should move, my assumption from the start has been that Miami was such a logical choice that it would inevitably be the new home of the Foundation," Black wrote to Knight, Hills and Chapman. Why? Black argued that most Board meetings were already held there; many prospective staff members would find the city attractive; it would give him more frequent access to Jim Knight and Lee Hills; the location would facilitate better communication among staff, board and community advisers; it would reduce staff travel time and expense; and the Foundation made more grants in Miami than in any other city.

Knight responded quickly and positively to Black's proposal.²⁵⁸

"Brother Jack never had the chance to see the development of the Foundation and its broadened kind of endeavor," Jim Knight replied to Black in a letter dated Dec. 19. "On the other hand, I have had an opportunity to watch it grow from a very modest size to a large organization and have seen the differences in the needs of how it is operated. Once it was simple for a couple of us to travel to Akron to attend meetings. Today, it is difficult for the vast number of trustees to find their way into the old rubber town. Certainly the hotel accommodations are somewhat less than adequate, but a visit there does not excite you very much.

“Lee, Alvah and I have discussed procedures and I think the two of them have a campaign that will bear fruit,” Knight told Black.

In a memo to Hills and Chapman the same day, Jim Knight said that he believed Black had been an effective leader for the Foundation and “I think the time has come to honor our part of the agreement” with him.²⁵⁹

But Knight also reminded Hills and Chapman that the Foundation should keep its Akron origins in mind when distributing money. “Akron can and should continue to get a disproportionately large share of the Foundation’s annual grants,” he wrote.

Knight asked Hills and Chapman to meet individually with the Foundation’s trustees to make the case for the Foundation’s move. The three hoped to expedite the decision by putting the issue to a vote in March.

Jim Knight was not, after all, a well man. He had undergone a heart bypass in 1984, hip replacement surgery in 1987 and knee surgery in 1989. The asthma and emphysema that had plagued him for years were sapping his strength. Trustees and staff who observed him in this final phase of his life described him as frail and ailing. He also was not spending much time in Miami, having remarried after the death of Mary Ann in 1985. When he wasn’t at the home of his new wife, Barbara, in Santa Monica, Calif., he was at his beloved “Chicken Farm” getaway in North Florida or his North Carolina mountain retreat in Roaring Gap.

Hills and Chapman scheduled interviews with individual trustees in February 1990 at Knight-Ridder headquarters on the sixth floor of *The Miami Herald* building. Their strategy was to meet first with the trustees who were most likely to support the move and follow up with the likely opponents.²⁶⁰ Hills and Chapman hoped to demonstrate to the latter that a majority of the trustees supported the move.

Toomey and Olson met with Hills and Chapman in late February and both expressed strong opposition to the move in letters they subsequently sent to fellow trustees. A sentimental attachment to Akron was not Toomey’s and Olson’s primary reason for opposing a move. The

daughters were concerned that relocating to Miami, site of Knight-Ridder's corporate headquarters, created the wrong impression about the relationship between the Foundation and the company.

"We the trustees of Knight Foundation . . . are well aware of the distinction between the Foundation and the company and the importance of keeping separate identities," Toomey wrote.²⁶¹ "It is virtually impossible to assume that the public will make this distinction, especially with both housed in the same city, if the proposal passes to move the Foundation to Miami."

Toomey concluded with the recommendation that if the Board voted to move the headquarters from Akron that a number of sites -- not just Miami -- should be considered for its new location.

In making a decision about the move, Jim Knight's wishes were uppermost in the view of some trustees, such as Stanford and Austen.²⁶²

In a 1993 letter to Hills, Stanford recalled: "I was convinced by a letter Jim Knight wrote me sometime before the trustees employed Creed Black saying that it looked to Jim at that time as if we would have to relocate the Foundation in order to attract the kind of person he wanted. So I was convinced long before the official move that in voting to change the site of the headquarters I was doing what Jim really wanted."²⁶³

Austen learned what Jim Knight wanted on the morning of the Board meeting at which the vote on the move was to be taken.²⁶⁴

Knight and Austen had developed a "little ritual" before Knight Foundation Board meetings -- a physical exam in an office close to where the trustees were scheduled to gather.

"If it was in Miami, I would meet him in his office, and I examined him," Austen recalled in a 1996 interview. "I always brought my stethoscope to the Board meeting in my briefcase. I always took his blood pressure because that's what he wanted me to do. I listened to whatever concerns he had about his health; we resolved them, and then we went to the Board meeting. He

just seemed to feel better, going to the Board meeting and having done that. We did it wherever the Board meeting was.”

During the exam on the morning of March 20, Knight raised the subject of the move.

“I asked him a simple question and that was, What do you want?,” Austen remembered. “He said, ‘I want to move the Foundation to Miami.’ I said, ‘Why?’ He said, ‘Because it will make my life much easier. I’m here, I’m not well. It’ll just be so much easier for me to play my role if the headquarters of the Foundation are in the same city.’ So I said, ‘How do you feel?’ We had a discussion about the whole thing, and there’s no question in my mind that he made it very clear that that’s what he would like to see happen and that’s the way I voted.”

It was not an easy vote for Austen, who still considered Akron his hometown, though he had not lived there since high school.

“But my view about it was that this was a Foundation set up by him and his brother and he was the chairman of it, and it was very important to me how he felt about it,” Austen said.

The discussion about the move took place in executive session. The meeting minutes of the session show that only 12 trustees voted on the move, although the minutes of the regular meeting that day indicate that all 13 trustees were present. During the executive session, a first motion by Olson to keep the Foundation’s headquarters in Akron failed on an 8 to 4 vote. Heffern, Gibson, Olson and Toomey voted yes. On a second motion by Chapman, trustees voted 9 to 3 to relocate the Foundation’s headquarters from Akron to Miami. Although the meeting minutes do not state who changed his or her vote on the second motion, it was Gibson who voted with the majority this time in an effort to reduce the tension that discussions about the move had created. Black voted “yes” by proxy.

Knight established a Relocation Committee, appointing Heffern as its chairman and Clark and Neill its members.

* * * * *

The March 1990 Board meeting was the last Jim Knight attended. He was soon in the intensive care unit at Mount Sinai Hospital in Miami, where he reviewed and approved a draft of a letter prepared by Hills in which he expressed his final “wishes and hopes for the future” of the Foundation. In his last communication with the Board of Trustees on April 6, 1990, an ailing Jim Knight wrote that he planned to leave “a good part of my holdings” to the Foundation and thus felt entitled to speak, but he also noted his comments were not intended to bind future boards. Having participated in key governance and programming decisions that guided Knight Foundation’s future as one of the nation’s major foundations, he commented accordingly.

“I like the policies we have adopted on governance, finance and investments, payout, programs and grants and statement of purpose in the recent transition to a vastly larger private foundation.

“Knight Foundation is not a corporate-funded company foundation and should never act like one. An important part of its mission is to benefit the communities where the company has operations but it should never assume the charitable obligations of KRI companies. Knight Foundation was funded by individuals.

“It is also not a ‘family foundation’ in the sense of family control, but I hope family members will always actively participate in its direction.

“I want to see a healthy, ongoing inter-relationship between KF and KRI, but I do not want the Knight Foundation to become a KRI organization, or to be perceived as such. A clear separation is important. I urge you to act in ways that people inside and outside the company will not misread the intentions of the donors.”

Most of all, Jim Knight was satisfied with the course the Foundation had set.

“Let’s plan for the future in the context of much that has already been accomplished. We now have a solid framework on which to build a truly great foundation. That hope is my legacy,” he concluded. (*Knight’s letter of April 6, 1990, is included as Appendix Item #7 in this history.*)

With the assistance of the Foundation’s Relocation Committee, Black and Spaniolo engineered the Foundation’s move to Miami during the spring and summer of 1990. After comparing several locations throughout Dade County, the Relocation Committee settled on establishing Foundation headquarters on the top floor of One Biscayne Tower, a high-rise office building in the heart of downtown Miami. When the leased space was redesigned and furnished, it provided the Foundation with several advantages that it had never enjoyed: a conference room for Board meetings and other gatherings; a fully automated office with a networked computer system; and a significant amount of extra space, which Black and the Relocation Committee felt was sufficient for the growth they felt was adequate for the 10 years of their lease. However, the amount of space would eventually double by 1997 because of the Foundation’s rapid growth.

Although the Akron office remained open until the spring of 1991, mostly to accommodate the transition of the Foundation’s accounting system and to assist with preparing the 1990 tax returns, the relocation to Miami was completed by October 1990.

* * * * *

The first Board meeting held in the Foundation’s new Miami headquarters in December was a reflection of the significant changes taking place. With new national programs in Education and Arts and Culture under way and the high-profile work of the Knight Commission on Intercollegiate Athletics having an impact on the NCAA and college presidents, trustees took another step signaling an increasingly strong national mission by approving \$6.6 million for

three organizations working in community development on a national level: the Enterprise Foundation, developer James Rouse's program that assisted neighborhood revitalization groups with technical help and funding; Habitat for Humanity, a volunteer-based provider of housing to low-income people, who purchased their homes at minimal cost with long-term, no-interest mortgages; and the National Community Development Initiative, a new consortium of private and corporate funders who sought to revitalize neighborhoods in 20 American cities by strengthening community development corporations (CDCs), local groups of citizens and residents who banded together to tackle needs at a grassroots level.

The invitation to participate in NCDI came from Peter Goldmark, the president of the Rockefeller Foundation, a Knight-Ridder director and NCDI's organizer.

CDCs were not a new idea. They had been around for about three decades with the most successful of them establishing a history of accomplishment in organizing a community to address a pressing problem -- most often, the lack of low-cost decent housing.

Two national organizations -- LISC (Local Initiatives Support Corporation) and the Enterprise Foundation -- had extensive experience in providing technical assistance and loans to such groups and believed the better CDCs were poised to "move to scale." Such CDCs had solid infrastructures and were prepared to do more of what they had been doing well: to build more homes, to stimulate economic development, to create jobs and to bring additional day care and health care facilities to their communities.

Goldmark, LISC and Enterprise were convinced that the successful CDCs were similar to growing businesses that were ready to undertake a major expansion. What CDCs required most was capital to grow -- a need NCDI addressed by providing grants and loans designed to leverage additional investment from the private sector.

When Goldmark approached Knight Foundation in 1990 about become a founding partner in NCDI, he had a particularly knowledgeable advocate for the idea in Batten, who served as chairman of Greater Miami LISC. The local affiliate provided technical assistance and

loans to Miami CDCs, including one of the most successful in the nation, the Tacolcy Economic Development Corporation, which had been created in the aftermath of Miami's 1980 riots.

LISC and the Enterprise Foundation were NCDI's intermediaries, administering the initiative for the foundations and corporate funders.

Knight Foundation's trustees were also receptive to the idea because of their favorable experience with the \$1 million program-related investment in the DBA Program, which helped hundreds of low-income Miami residents to purchase affordable housing. The program was successfully administered by Greater Miami Neighborhoods, one of the Enterprise Foundation's local affiliates.

Knight Foundation's \$5 million commitment to NCDI -- evenly divided between grants and loans -- helped establish a \$62.5 million collaboration, which also included the Rockefeller Foundation, the Pew Charitable Trusts and the Lilly Endowment. The \$62.5 million leveraged more than \$400 million in local investment and contributed toward the construction of 5,000 affordable housing units and other community-based facilities, such as child-care and Head Start centers, between 1991 and 1994. Although NCDI had not yet selected its 20 participating cities when Knight Foundation committed \$5 million to the partnership, three Knight communities -- Miami, Philadelphia and St. Paul -- were eventually chosen for participation in the first phase.

The December 1990 Board meeting also featured two other major commitments that laid the groundwork for long-term relationships with a pair of organizations that worked in the community development area. A \$1 million grant supported the Enterprise Foundation in a \$50 million effort to expand and develop its program in 230 communities and to create three urban demonstration projects. (Miami was ultimately selected as one of the demonstration sites.) In addition, Habitat for Humanity received grants totaling \$651,000 with most of the money directed toward Habitat affiliates in Knight cities.

The practice of granting relatively small sums to Habitat groups in the communities of special interest had started in 1986 with the expanded Cities Program, but only Akron, Charlotte

and Tallahassee had benefited. The 1990 grants demonstrated a new level of support for Habitat's approach to low-cost housing production, most significantly through a \$210,000 challenge grant recognizing the national organization's 15th anniversary celebration. The grant challenged Habitat affiliates in 21 Knight cities to raise \$20,000 each to qualify for a \$10,000 match from the Foundation. All 21 communities met the matching requirement.

The \$6.6 million invested in affordable housing programs in December 1990 signaled an evolving focus on community development²⁶⁵ and the Board's growing responsiveness to national organizations whose expertise and experience addressed challenges in Knight cities.

NCDI became a decade-long project for the Foundation, which ultimately committed a total of \$14 million to the initiative's three phases. As NCDI evolved, the consortium expanded its group of partners to include other major private foundations, corporate funders and the Department of Housing and Urban Development. The list of communities benefiting from NCDI also grew, as Detroit was added to the list of participating sites in 1994.

When NCDI's third and final phase was announced in 1997, the Knight Foundation Newsletter reported: "The partnership's total investment of \$258 million has been leveraged many times over to build thousands of units of affordable housing, create jobs and business opportunities, development empowerment zones and improve the quality of live in our inner cities."²⁶⁶

VI.

Sharpening the Focus: 1991-1992

When Knight's death came on Feb. 5, 1991, the Foundation was a profoundly different organization than just 10 years before.

Its assets stood at more than \$581 million. In 1990, it had given away \$23 million -- more than what its assets had been just a decade before. There were four distinctive grant programs -- Cities, Journalism, Education and Arts and Culture. The Foundation had launched major initiatives in journalism and education, established the Knight Commission on Intercollegiate Athletics, and become a funding partner in the National Community Development Initiative. The Foundation's headquarters had been relocated to Miami and the staff expanded.

Even more growth was to come because Jim Knight, like his brother, left the bulk of his estate to the Foundation.²⁶⁷ The bequest eventually totaled almost \$200 million. With the Foundation poised for more growth, the summer of 1991 seemed a propitious time for a strategic planning retreat involving both Board members and the new staff.

Nancy Raybin, president of Arthur D. Raybin Associates, was selected as the strategic planning consultant. Her role was to interview trustees, staff, advisers, consultants and selected grant recipients to develop a list of critical issues to be discussed at a two-day retreat scheduled for June 21 and 22, 1991, on Key Biscayne. "Sharpen the Focus -- Heighten the Impact" was the theme selected to guide the strategic planning exercise.

"Any issue any trustee wants to discuss can be placed on the table," Hills wrote in a February 1991 memo to Board members.²⁶⁸ "It is my hope, however, that we will spend our time

on unresolved or emerging questions rather than those that have been thoroughly reviewed, debated and resolved by unanimous Board decisions in recent years.”

Although Hills and Black wanted the retreat to concentrate on programming, a series of events prompted the Board to add a half-day session to review board governance issues that emerged with the death of Jim Knight.

While Lee Hills was unanimously elected to succeed Knight as chairman at the March 1991 board meeting, a decision about who should follow Hills as vice chairman was deferred pending a review of the Foundation’s procedures for recruiting and nominating officers and trustees. That process, which trustees had unanimously approved in 1986 and reaffirmed in the revised Code of Regulations in 1988, required that officers and trustees be nominated by the Nominating Committee, which was appointed by the Foundation’s chairman.

In March 1991, the nomination process had particular relevance. Not only were trustees being asked to elect a vice chairman, they also faced two vacancies on the Board -- one created by Knight’s death and a second by the retirement of long-time trustee Charles Clark.

Responding to concerns about the method of recruiting new trustees and the nomination process, Hills told trustees in an April 18 memo²⁶⁹ that they had an opportunity to be involved in the search and to change the nomination process if they so desired, although the Nominating Committee process had advantages.

“There is some feeling on the Board that the historic practice of nominating trustees, officers and executives without always giving advance notice to all trustees should be revised. I agree,” Hills wrote the Board.

“That practice prevailed under Jack and Jim Knight. They were the founders and donors. But the Knight brothers are now gone, and things have changed. The practice is outdated. As a matter of fact, the many policy decisions that permitted the Knight Foundation to expand dramatically in recent years were made with the full participation of the Board. Yet, all the basic

detail work of researching issues, resolving differences and making recommendations was done by committee, reaffirming the importance of the committee system.

“I recommend, and the Nominating Committee concurs, a Board policy under which the Nominating Committee welcomes all suggestions and will give reasonable advance notice to trustees of its slate of nominees.

“The Nominating Committee, sitting as the Search Committee on April 12, adopted a policy that in any search for trustees or new executives, the trustees will receive periodic progress reports and will receive detailed information and evaluations on the finalists in time for comment and discussion before a decision is made. I also will recommend that this be adopted as Board policy at the June meeting,” Hills wrote.

The Hills memo informed trustees that he was proposing an amendment to the Code of Regulations at the upcoming June Board meeting that allowed nominations from the floor and that “we will allow ample time at that meeting for a full discussion of the issue of Board composition.”

But between March and June 1991, the questions about the nominating process and recruitment of new trustees broadened as a result of Barbara Toomey’s desire to discuss a wider range of issues. In a meeting with Lee Hills²⁷⁰ and a follow-up memo to her fellow trustees,²⁷¹ Toomey indicated she wanted the Board’s June 20, 1991, meeting to address family and Knight-Ridder representation on the Board, the Board chairman’s role on committees, the trustee status of the Foundation’s chief executive officer, trustee qualifications and terms of office, and the rationale behind Knight Foundation seeking a higher profile. She also proposed changing the Foundation’s name to the John S. and James L. Knight Foundation to clarify that the Foundation was created by the personal wealth of the Knight brothers and to reduce misunderstandings about its relationship with Knight-Ridder.

Meanwhile, the Nominating Committee began implementing its new procedures on keeping the trustees fully informed of candidates for the Board. Chapman sent trustees lists of prospects on May 15 and June 4, asking for their comments and suggestions.²⁷²

The Board met June 20, 1991, on Key Biscayne and unanimously approved amending the Code of Regulations to allow nominations for officers and trustees from the floor as well as from the Nominating Committee.²⁷³

The other decisions that trustees reached that day about board governance issues included the following.²⁷⁴

- There was a consensus that the current structure was adequate to assure appropriate family representation, with Austen emphasizing the importance of keeping the current language with respect to Knight-Ridder and Knight family members.
- A motion to amend the Code of Regulations to include past as well as present KRI officers and directors in the limitation of “not more than four” persons on the Board was rejected 6-5.
- There was a consensus not to make any changes with respect to office and age limits at the present time.
- Trustees concurred that a formal vote was unnecessary on the question of whether the president of Knight Foundation should be a voting trustee and agreed to address the issue the next time a new president was elected.

- It was unanimously agreed that the Board's committee structure remain the same. Hills also explained the tradition of the Nominating Committee serving as the Search Committee.
- Action was deferred on a proposal to change the name of the Foundation to the John S. and James L. Knight Foundation.

The discussion concluded with the unanimous approval of a motion that the trustees reaffirm the current Board composition and structure of governance as set forth in the Articles of Incorporation and Code of Regulations.

After the governance discussion, Jerry Austen was unanimously elected vice chairman.

With the governance structure reaffirmed, trustees and staff turned their attention to the Foundation's future programming. Originally scheduled as a two-day retreat for June 1991, the strategic planning effort became an extended series of sessions that stretched over a period of a year and resulted in the following actions and decisions by the Board.²⁷⁵

- A new Statement of Purpose reaffirmed the Foundation's historic grant-making interests in journalism and the communities where the Knights had published newspapers and added the programming emphases in education and the arts.
- The Cities Program was renamed the Community Initiatives Program to reflect the Foundation's intention to initiate grants consistent with its areas of interest rather than just respond to funding requests on the basis of geography.

- Trustees identified seven areas of interest in which the Foundation encouraged grant proposals in the Community Initiatives Program: 1) arts and culture; 2) children/social welfare; 3) citizenship; 4) community development; 5) education; 6) homelessness; and 7) literacy. Two areas of interest -- education and arts and culture, which had accounted for nearly 60 percent of local grants between 1986 and 1992 -- represented a continuation of historical funding patterns. The remaining special interests emerged from a review of community needs and awareness of distinct opportunities in those fields.²⁷⁶
- Although the strategic plan identified seven special areas of interest in which grants were to be encouraged, it also stated that the Foundation “will continue to consider grant proposals from a broad range of community organizations and institutions. Flexibility to consider the diversity of local needs in the Foundation’s 26 communities will remain a distinguishing characteristic of the Community Initiatives Program.”²⁷⁷
- The title “associates,” used to refer to the Knight-Ridder publishers, was changed to “advisers.” Trustees saw the new designation as a more accurate and collegial description of their role and underlined the Foundation’s status as a private foundation independent of Knight-Ridder.²⁷⁸
- Rolfe Neill, whose term on the Board of Trustees ended in March 1992, was named chairman of a reactivated advisory committee for the

Community Initiatives Program. Its first meeting was held in January 1992.

- The Board endorsed a set of recommendations on the “Role and Responsibilities of Advisers” prepared by Neill. The recommendations were based on presentations by Hills, Black, Jim Spaniolo and program officers during the Foundation’s meeting with associates on Oct. 4, 1991. (This subject is covered in more detail in Chapter VIII.)
- The Foundation approved in principle a five-year, \$10 million initiative to expand and start donor-advised funds at community foundations in Knight cities. The initiative built on the Foundation’s experience with donor-advised funds in Akron, Charlotte, Detroit and Miami, which were reviewed at a meeting on Aug. 20, 1991, between Knight Foundation officers, community foundation executives and local advisers.²⁷⁹
- The trustees reaffirmed the importance of the Journalism Program to the Foundation, approved the direction in which it was moving and envisioned its continued concentration on (a) the education of current and future journalists and newspaper executives and (b) defense of First Amendment rights and support of a free press at home and abroad.²⁸⁰
- The Foundation refocused its Excellence in Undergraduate Education program to encourage both public and private colleges and universities to become resources for improving K-12 education. As the new Excellence in Education initiative developed, the program became an opportunity to

strengthen education at all levels by encouraging colleges and schools to rethink their interrelationships and to view education reform as a broader challenge, not just K-12 but K-16 and beyond.

- The Presidential Leadership Grants were suspended after two rounds of 10 grants that were made in 1990 and 1991 for the purpose of evaluation.
- Through the national Arts and Culture Program, the Board determined it would (1) support major national arts and cultural institutions, particularly for innovative projects in six designated areas of concentration; (2) support major national and regional arts organizations in initiatives that involved Knight Foundation cities; and (3) supplement local guidelines for important local arts projects beyond the scope of the Community Initiatives Program.
- The trustees reached a consensus that the Foundation should continue to identify and support local cultural initiatives that enhanced the quality of life in Knight communities and that grants to support them should be made through the Community Initiatives Program.
- The trustees adopted procedures to expedite the approval of emergency grants. The new procedures, which permitted such grants to be approved by the Distribution Committee rather than the full Board, allowed the Foundation to place emergency funds in the hands of relief organizations within a few days of disasters such as hurricanes, earthquakes, tornadoes and floods.²⁸¹

- The Foundation expanded its published list of trustee preferences. The revised list featured four additional policies that had guided the trustees' decisions about grants for some time yet had not been broadly publicized. The preferences were not to fund: 1) conferences; 2) international programs, except in support of a free press around the world; 3) agencies that were supported by United Way, except for pilot programs or capital expenditures; and 4) activities that were normally the responsibility of government, or projects or services for which tax support had been cut. The Foundation, however, continued in selective cases to join with units of government in supporting special projects of interest to the Foundation.
- The Board approved minimum grant sizes, depending on the size of the city: \$5,000 for the smallest communities, \$10,000 for medium size and \$20,000 for the four larger cities -- Detroit, Miami, Philadelphia and San Jose. The aim was to reduce the number of grants and increase their size, thus encouraging advisers and staff to identify impact projects for which Knight Foundation money could make a significant difference.
- The trustees reviewed future personnel needs with an eye toward hiring staff in areas where programmatic priorities required additional people. New positions proposed included a Journalism Program officer, a Journalism Program assistant, a grants administrator, a second full-time Community Initiatives Program officer, a full-time Community Initiatives Program assistant, an assistant to the director of communications and a program evaluator. Over the next three years, most of these positions

were filled or restructured to reflect a different level of responsibility. (Staffing is covered more fully in Chapter VII.)

- The Foundation's methods for evaluating individual grants were reaffirmed: monitoring the use of funds, requiring reports and formal evaluation plans from grant recipients, site visits and the selective use of outside consultants. The plan noted, however, that program officers were not routinely focused on evaluation of grants, and no strategy existed to evaluate initiatives or programs. (Evaluation is discussed in Chapter XIII.)
- The Foundation adjusted its proposal review schedule to provide trustees, staff and advisers three additional months to evaluate grant requests. Before the 1991 strategic planning sessions, proposals had typically been addressed within three months. The new system, allowing almost six months for review, was designed to give advisers and staff more time to analyze proposals, make site visits and request additional information when necessary. Consistent with the trustees' preferences, the Foundation retained the flexibility to expedite an individual proposal when it seemed in the best interest of either the grant-seeker or Foundation.
- The trustees changed the format and length of the Board meetings to encourage trustees and staff to make site visits, review specific projects and identify new priorities. The changes included holding one Board meeting each year -- usually in June -- in a city other than Miami to give

trustees the opportunity to review major projects that the Foundation had supported and to meet personally the top executives of the nonprofits that had received grants.

- A Communications Plan was adopted that included policy statements for external and internal communications activities. The plan reaffirmed the use of publicity and Foundation publications, such as the annual report and newsletter, as strategies to reach targeted audiences. The plan also called for preparation of a “Knight Foundation Adviser’s Manual,” a resource guide for Knight-Ridder publishers that addressed their role and provided basic information about the Foundation’s governance structure, programs, policies, procedures and grant history in their communities. (Communications activities are reviewed in Chapter XV.)

VII.

An Overview of Grant Making and Operations in the 1990s

The adoption of a strategic plan coupled with the existence, for the first time, of an infrastructure of staff and advisers meant the Board had the tools to create the “truly great foundation” that Jim Knight had envisioned in his final communications with trustees.

The scope of the grant making that evolved from the 1992 strategic plan was certainly considerable and is covered in the following chapters. But also noteworthy was how the Foundation’s institutional culture changed from that of an organization reacting to proposals to one deliberately utilizing a variety of strategies, policies, procedures and practices to inform and improve the grant-making process. The following is a broad overview of some of the factors that influenced the Foundation’s transformation in the 1990s and a look at the trends, events and activities that characterized grant making and operations in the years following development of the strategic plan.

- The Foundation gave away a lot more money in the 1990s, more than doubling the grant dollars that were distributed in its first 40 years. From 1950 through 1990, the Foundation paid out \$112,585,274.²⁸² In just the next seven years (1991-1997), the Foundation disbursed another \$236,538,704. The total amount of money the Foundation had distributed in grants from the beginning reached nearly \$350 million by the end of 1997.²⁸³

- The annual grant payout rose from \$26,026,263 in 1991 to \$41,560,613 in 1997.

However, concurrent with this increase was a reduction in the number of proposals and grants.

Although proposals climbed from 1,154 in 1991 to at all-time high of 1,364 in 1994, they decreased slightly in subsequent years and by 1997 the Foundation received just 1,077 proposals.²⁸⁴

The Foundation also made fewer but larger grants. By 1997, the number of grants approved annually had declined 22 percent over a six-year period -- from 370 in 1991 to 286 in 1997. During the same period, the average size of grants rose from \$60,105 to \$136,363.

- Before the 1990s, it was Foundation policy to avoid multiyear grants.²⁸⁵ By the 1990s, multiyear grants were seen as a way to free organizations, especially those administering initiatives or pilot projects, from the time-consuming activities associated with fund raising so they could concentrate on programming. It was also believed that multiyear grants encouraged nonprofits to engage in long-range planning. The result of this thinking was a substantial increase in multiyear commitments²⁸⁶ -- from 42 grants in 1991 to 73 in 1997.

Furthermore, multiyear grants represented a greater proportion of the grants approved because the number of grants had declined during this six-year period. In 1997, multiyear grants represented 25 percent of the total, versus 11 percent in 1991.

- Following adoption of the strategic plan in early 1992, the Foundation launched multimillion dollar initiatives in every program, as detailed in the following chapters.

- The Foundation continued to expand its national programming in nearly all the special areas of interest that the Board had designated for priority funding. The Foundation established significant relationships with education reform organizations such as Teach for America and the National Board for Professional Teaching Standards; made grants to

institutions such as the Smithsonian's National Museum of the American Indian and the John F. Kennedy Performing Arts Center, for its commissioning projects that encouraged new works in ballet and theater; and provided one of the nation's foremost literacy groups, the National Center for Family Literacy, the resources for adapting its successful model to welfare-to-work programs. (These and other national grants are detailed in the following chapters.)

Most of the Foundation initiatives were also national in scope and drew attention to the Foundation as a serious grant-maker willing to work with national leaders in its fields of interest to address challenges, not just with single grants for individual projects but through broad-based programs that tackled deeper, systemic problems.

And there was the Knight Commission on Intercollegiate Athletics, whose meetings, reports and opinions continued to be widely reported in national media for more than five years.

The result of all of these activities was a much higher profile and recognition that Knight Foundation had entered the ranks of major national foundations.

- The Foundation's trustees demonstrated a willingness to take grant-making risks - an approach best exemplified by the Knight Commission, which acclimated the Board to ventures where outcomes were far from certain. The Board did not stop with the Knight Commission.

Throughout the 1990s, the Foundation identified opportunities to support what was termed promising "pilot," "trial" and "demonstration" programs. A sampling included an experimental elementary school in Miami Beach operated by a for-profit company in partnership with the school system and teachers' union; and the high-profile Project on Public Life and the Press, which documented and explored the impact of newspaper editorial projects focused on connecting journalists with the concerns of their communities -- a concept that made some in the press feel uncomfortable. With the Magic of Music Symphony Orchestra Initiative, the Foundation's 1996 Annual Report made clear the trustees had also opted for bold approaches.

“The Foundation views each of these entrepreneurial orchestras as laboratories, testing fresh, sometimes controversial ideas,” the report said.²⁸⁷

- The Board increasingly supported national organizations with expertise in fields of special interest to the Foundation in projects directly benefiting Knight communities. The diversity of Knight Foundation’s local communities offered a distinctive set of regional laboratories for experimentation -- a feature no other national Foundation could bring to the table in a collaboration or partnership.

- The Foundation’s standing advisory committees -- Community Initiatives, Journalism and Education -- were strengthened with the addition of members whose expertise and experience added breadth and depth to the quality of advice the committees provided to their respective program areas. In addition, for the first time, the Foundation established special advisory committees in the arts. The first -- created in 1994 -- helped design, implement and oversee the Magic of Music Symphony Orchestra Initiative. The second -- appointed in 1995 -- advised a museum collection-sharing initiative entitled the Museum Loan Network. (Details about the advisory committees are included in the following chapters that address their respective programs.)

- As the Foundation’s programming matured, the Board and staff increasingly sought the highest level of professional leadership and expertise to inform its initiatives and special areas of grant-making interest. Creating staff positions to oversee the Cities, Journalism, Education and Arts and Culture Programs did not eliminate or reduce the need for such outside consultants. Neither did the advisory committees. In fact, the staff and committees urged the Foundation to broaden the range and depth of its outside advice. As a result, both informal and formal consultations with knowledgeable business, government, media, education, arts and

nonprofit leaders and consultants became a standard component of almost every major grant-making activity during the 1990s.

This contrasted sharply with practices of just a decade before. In late 1986, when the Board decided to encourage literacy proposals, no consultants were involved, no proposal criteria were established and no background information was provided on effective literacy programs and approaches. The Foundation relied solely on the local advisers to identify promising literacy organizations and then left it up to the organizations to seek funds.

- In addition to relying on its advisory committees and seeking the guidance of outside consultants and experts, the Foundation recognized its own grant recipients as a valuable source of information and encouraged them to engage in regular dialogue with the Foundation and each other -- an exchange made possible by the increasing numbers of grants and grantees focused on similar projects and objectives.

The technique was first utilized in January 1991 when the Foundation hosted a meeting of representatives from six university journalism education programs that had received Foundation support to recruit, train, place and track minority students. The minority journalism educators' meeting was followed by similar gatherings for the program directors of the midcareer journalism education programs²⁸⁸ and the Knight Chairs in Journalism.²⁸⁹

Subsequently, all programs facilitated such an exchange of information by sponsoring conferences and meetings of grantees participating in specific initiatives. The meetings also evolved, in some instances, into opportunities for the Foundation to provide technical assistance to grantees and to encourage them to share what they had learned with others in the field.

The Magic of Music Symphony Orchestra Initiative took the concept to another level by facilitating a sharing of perspectives and information among stakeholders within a grant organization. The Foundation required each of the orchestras to send a board member, executive

director, musical director and musician to Foundation-sponsored meetings of the initiative's participating orchestras.

- An important by-product of using consultants and engaging grantees in dialogue about their projects was the Foundation's own education about such issues. Some trustees, foundation executives and members of the various advisory committees attended meetings of grantees, gaining valuable insights about the projects being funded and the issues and challenges that arose during implementation. That knowledge was helpful in refining programmatic strategies and directions, many of which were eventually included in the Board-approved recommendations that evolved from a 1995 review of the strategic plan.

- Fellow grant-makers became a source of ideas, strategies and experiences as the Foundation refined its programming. The advice of knowledgeable trustees and executives from other private foundations, from corporate funders and from community foundations was regularly sought. Such contacts and discussions led to invitations to collaborate -- invitations extended both by and to Knight Foundation.

The National Community Development Initiative (NCDI), discussed earlier in Chapter VI, was the Foundation's most significant collaboration of the 1990s and paved the way for exploring other relationships. Knight Foundation's status as a founding partner and Creed Black's active role in the initiative's leadership sent several signals to the philanthropic community.

- Knight Foundation was a foundation with national as well as local interests.

- Knight Foundation was willing to stay the course in a collaboration requiring a long-term commitment.
- Knight Foundation was capable of a leadership role in such collaborations.
- Knight Foundation's Board was particularly receptive to funding partnerships that served its geographic interests.

- The extent of how dramatically the Foundation had changed was evident during a strategic planning review in the fall of 1995.

The Board actions of 1991 and 1992 had cemented a governance structure and programming priorities so that there was none of the tension that had marked the first strategic planning retreat in June 1991. As a result, trustees and staff in 1995 could focus on the substance of the programs -- a fact of which Creed Black took note in a memo to Lee Hills.²⁹⁰

“As far as we are concerned, no governance issues have emerged since the strategic plan was finalized in 1992 which affect the relationship between the staff and the trustees,” Black wrote. “We think the respective roles are well understood and functioning smoothly. The committee structure is working well. We see the Foundation as neither staff-driven nor board-driven but as an effective partnership which is working.

“From our standpoint, furthermore, program priorities established in 1991-92 are still appropriate and timely. We see no need to add another major area of interest or to drop any of the four we now have.

“When it was adopted, however, the strategic plan was intended to guide us through the decade of the 90s. We're now at the halfway point in that decade, so we welcome the opportunity to review the operation of the programs, consider any midcourse corrections that

may be needed based on our experience thus far and agree on the directions we want and expect our major programs to take for the remainder of the decade,” Black concluded.

In conjunction with the review, the staff prepared a comprehensive briefing book chronicling the programming highlights since 1992.²⁹¹

“The briefing book shows how far the Foundation has come since then,” Hills told trustees and staff.²⁹² “I believe Jack and Jim would be stunned but pleased by the size and scope of the grants.

“My feeling is that we have stayed on course and made remarkable progress. In the last five years of this decade, Knight Foundation’s payout will approach the total spent in the Foundation’s first 45 years. I believe the quality of our programs will continue to improve,” Hills commented.

- Among the highlights reported to trustees²⁹³ during the 1995 strategic planning review was the fact that more than 85 percent of grant funds approved from Arts and Culture, Education and Community Initiatives in the January 1992-June 1995 period benefited Knight communities. Specifically, of the approximately \$88 million in grants in those three programs, \$75 million was directed in one way or another to the 26 communities. (Historical note: To put the pattern of grants for the January 1992-June 1995 period in context, compare it with giving during the 1972-1981 time frame. From 1992 to mid 1995, new grants totaling \$110 million were approved,²⁹⁴ and \$75 million, or 68 percent of that sum, benefited Knight cities. Between 1972 and 1981, the Foundation’s giving totaled \$11,293,806 and \$8,718,211, or 77 percent, benefited the cities.)

- The 1995 strategic planning review also demonstrated the benefits of the ongoing communication that had taken place between the Board and the staff since the last planning exercise. During the interval, trustees and staff had exchanged ideas and information through the

numerous meetings of the Distribution Committee, the Planning and Program Committee, the advisory committees and the Board. As a result, the staff's understanding of the trustees' expectations had grown, and the Board felt much more comfortable with the staff and confident in their expertise.

On Dec. 12, 1995, the Board endorsed a comprehensive statement²⁹⁵ reaffirming the direction the Foundation's programs had taken over the past three and a half years. Only in the Education Program did the trustees make an adjustment, agreeing to a new Presidential Leadership Grants program and a fresh look at higher education in a way that reflected the Foundation's K-16 perspective on education reform and its implications for colleges and universities.

The primary difference between the 1992 and 1995 documents was the level of specifics. In the three and a half years that had passed between the two strategic planning exercises, the Foundation had not only developed a clearer picture of what it wanted to do but how to achieve its goals and objectives. The 1995 document included specific funding strategies, such as improved communication with grantees, supplementing local guidelines with money from a national fund, making larger and more focused grants, exploring opportunities for collaboration, leveraging Foundation money through challenge grants and program-related investments and an increased focus on evaluation.

- The result of changes in the way the Foundation made grants in the 1990s was a dramatically increased workload for staff -- a circumstance to which the Board responded by more than tripling the number of authorized positions, from eight at the beginning of 1990 to 30 by the end of 1997.

The staff build-up occurred in two phases -- the first in 1990 when the staff increased from eight to 14 with the move to Miami and the second from 1991 through 1997, when another 16 positions were gradually added to bring the total to 30.

The key hires in 1990 included:

- Timothy J. Crowe as vice president and chief financial officer and treasurer. A senior-level finance and operations executive, Crowe had handled a broad range of corporate experience at companies such as Ford -- a background that proved valuable in overseeing the Foundation's investment management, accounting, human resources and technology functions.
- A. Richardson "Rick" Love Jr. as Education Program officer. Love was the CAPHE vice president who had administered the Foundation's Excellence in Undergraduate Education initiative, but he had also assisted other funders in developing and implementing grant programs in higher education and had a special interest in the historic role of foundations in private universities and colleges -- a subject he was pursuing in his doctoral dissertation when hired.
- Penelope McPhee as Arts and Culture Program officer. An Emmy-award winning television producer, McPhee was a recognized author and the former executive producer of cultural programming for the Miami public television affiliate.
- Sharon Anderson-Nearn as Cities Program officer. A community activist with organizations such as the Family Christian Association and Urban League, Anderson-Nearn was a former senior public relations and Equal Employment Opportunity manager with Ryder System in Miami.

- Virginia L. Henke as communications director. A former journalist and feature writer who had spent most of her career in corporate communications, Henke's experience was concentrated in publications management and media relations -- specialties relevant to her responsibilities for publicly communicating the Foundation's grant policies, procedures and programs and producing the Foundation's annual report and newsletters.

In choosing the new staff in 1990, Black and Spaniolo generally avoided foundation professionals -- a preference that reflected the historical reluctance of the Knights and trustees to imitate other grant-makers and wariness about people who had made a career of foundation work. Black and Spaniolo looked for candidates with broad-based knowledge and experience in a subject, solid education credentials, strong organization and communications skills and the ability to keep pace with what was occurring in the Foundation's areas of programming interests.

One other factor also played a role in who was recruited and hired in 1990. Sensitive to some trustees' concern that both his and Spaniolo's Knight-Ridder background sent the wrong message about the Foundation's independence from the company, Black and Spaniolo made an effort to employ people who had not worked for Knight-Ridder. While never a hard-and-fast rule, Black's and Spaniolo's preference in this matter was observed for Knight Foundation's first five years in Miami.

The 1991-1992 strategic plan anticipated the addition of seven more staff members over the next five years,²⁹⁶ but a heightened level of grant activity resulted in double that number being hired. Black's strategy for gaining Board approval had been to request just one or two positions each year, but a study by the consulting firm of Hamilton, Rabinovitz and Alschuler in late 1995 determined that support functions, such as human resources, evaluation, technology and administration, had evolved to such an extent that they should no longer be handled as secondary responsibilities by Foundation officers and directors whose primary duties lay

elsewhere. Based on the firm's recommendation, there was a flurry of hiring activity that occurred in Black's final two years as president, 1996 and 1997.

The key hires in the 1991-1997 period included:

- Del Brinkman, one of the nation's most respected journalism educators, as the Foundation's first Journalism Program officer. Brinkman had been vice chancellor of academic affairs at the University of Kansas since 1986, but before taking the job, he had served 11 years as dean of the university's journalism school -- generally considered to be among the top 20 in the nation.
- Linda Raybin, executive director of the Division of Exceptional Student Education in Dade County Public Schools, as Community Initiatives Program officer. She replaced Anderson-Nearn, who left the Foundation in early 1992 for health reasons. Raybin's specialty was children. She was a licensed clinical social worker and Florida Department of Education certified school social worker.
- John Bare as director of evaluation. A media researcher and veteran journalist, Bare had been a precision journalism consultant with nationally known magazines, newspapers and media corporations and was a free-lance columnist for seven years for *The Chapel Hill (N.C.) Herald Sun*.
- Larry Meyer, executive assistant to *The Miami Herald's* publisher, David Lawrence, as communications director. Bud Meyer succeeded Henke, who left the Foundation to spend more time with her family. Meyer, a veteran journalist who had been an assistant news editor and copy editor at *The Herald*, was the first Knight-Ridder newspaper employee to be hired since Spaniolo in 1989.

- Belinda Turner Lawrence as director of administration. With more than 20 years of corporate experience in human resources, project management and administration, Lawrence was assigned the Foundation human resources and administrative functions, including records management and the archive.
- Gary Burger as director of Arts and Culture Programs. He succeeded McPhee, who advanced to the position of vice president and chief program officer in October 1996 when Jim Spaniolo was named dean of the College of Communications Arts and Sciences at Michigan State University. A nationally respected museum professional and arts consultant, Burger had served for eight years as director of the Williamstown (Mass.) Art Conservation Center and, working through a consulting firm, had helped establish the framework for one of the Foundation's most important initiatives, the Museum Loan Network.
- As the 1990s progressed, Black, Spaniolo and their programming staff matured as grant-making professionals.

Black, in particular, was widely praised for his leadership of the Knight Commission, the Foundation's Journalism Program and the National Community Development Initiative (NCDI).

"He held us together through his great humor and intelligent leadership," Knight Commission co-chairman William Friday wrote in a 1996 letter to Lee Hills.²⁹⁷ "The world of college sports is much better today and its future brighter because of his strong hand."

Black's work on behalf of college athletic reform was also widely recognized outside the ranks of the Commission. In 1992, the American Council on Education presented Black an award for what *The Chronicle of Higher Education* termed being "the driving force behind the Foundation's sports-reform panel."²⁹⁸ He was invited to speak before groups such as the

Southern Association of College and University Business Officers and at St. Johns College in Annapolis, Md., where he delivered the keynote address on ethics and athletics in 1992 during the school's Great Issues Series.²⁹⁹ He also was the recipient of the 1993 National Student-Athlete Day Giant Steps Award in the category of Leadership in Athletic Reform. The award was sponsored by Northeastern University's Center for the Study of Sport in Society, the NCAA and the National Consortium for Academics and Sports.

Black's contributions to journalism education were responsible for his 1996 Distinguished Service Award from the Association of Journalism and Mass Communication and an invitation to deliver the spring 1997 address as part of the Reed Sarratt Distinguished Lecture Series at the University of North Carolina at Chapel Hill. His lifetime contributions to the profession were remembered with his 1997 induction as a charter member of the Medill School of Journalism's Hall of Achievement.

Black's foundation peers recognized his leadership with his election as chairman of the National Community Development Initiative in 1994. In choosing Black to oversee this historic collaboration, the partners also acknowledged Knight Foundation's coming of age as a collaborator.

The Foundation's perspective on its other fields of grant-making interest and the general topic of philanthropy had also become respected and valued, and its officers and directors were regularly invited to speak to these subjects.

Spaniolo addressed such groups as the National Society of Fund Raising Executives and associations of grant-makers and nonprofit organizations in presentations that dealt with subjects such as "Fund Raising for the 21st Century."³⁰⁰ Love, Raybin and Brinkman also spoke occasionally, with their public remarks providing significant clues to the Foundation's attitudes and grant-making practices during the 1990s, especially in their program areas.³⁰¹

McPhee, in particular, enjoyed a growing reputation as a creative and thoughtful grant-maker, which brought her speaking invitations from groups such as the American Symphony

Orchestra League,³⁰² which were particularly interested in Knight Foundation's perspective on their field. Recognition of McPhee's leadership resulted in her 1994 election as president of Grantmakers in the Arts (GIA), a national organization of those responsible for administering giving programs focused on the arts and arts-related activities. As GIA president, McPhee was called upon to serve as a national spokesperson on arts funding, a role that made her a sought-after speaker by groups such as the American Federation of Arts, the National Conference of State Legislatures and the Vail Valley Institute's 1996 symposium on "Who Should Pay for the Arts?"

McPhee's reputation as a national arts leader was further enhanced by an invitation to the White House for the January 1997 presentation of the Presidential Medal for the Arts. After the awards ceremony she attended a special meeting with First Lady Hillary Rodham Clinton to discuss future funding of the arts. A year later McPhee was appointed to the Overview Panel of the National Endowment for the Arts (NEA). The panel's purpose was to imagine the agency's role in the 21st century.

Black, Spaniolo, McPhee, Love, Raybin and Brinkman all became significant influences on the Foundation's programming in the 1990s -- influences that grew exponentially as these individuals became more knowledgeable about programmatic issues, more aware of strategies that private foundations employed to strengthen nonprofit institutions and more sensitive to Knight Foundation's mission, its founders' philosophies, trustee preferences and distinctive history. Nationally respected for their leadership, creativity and expertise in grant making, they were also recognized by the Foundation's trustees and advisers as knowledgeable, creative and sometimes courageous grant-makers. By the fall of 1995, when the Board was ready to review progress on the strategic plan adopted in 1992, the six of them comprised a formidable contingent whose ideas and work had shaped the Foundation's grant making and whose programming vision played an important role in guiding the Foundation's future.

- Although hiring more people was one solution to the increased workload, the Foundation also improved and streamlined administrative procedures.

The six-month proposal review cycle approved by the Board in December 1991 enabled staff, advisers and advisory committees to do a more thorough job of checking out the organizations and projects that requested Knight Foundation support, but it also resulted in a dramatically increased flow of information among all the parties involved. To reduce the increasing amount of paperwork flowing the Board's way, the staff adopted a short write-up form for what was termed "double negatives" -- proposals for which both the staff and adviser did not recommend funding. In December 1993, the Board extended its approval for the short write-up form to proposals for which both the staff and adviser recommended \$50,000 or less in funding.³⁰³

But the short write-up forms did not begin to address the mounting paperwork the Foundation generated as a result of multilevel review procedures. With advisory committees and local advisers receiving copies of proposals and the Distribution Committee as well as the Board receiving grant write-up books measured by the pound rather than the page, the Foundation's operational efficiency was challenged by both the quantity of the paperwork and the staff's ability to copy and distribute it on a schedule controlled by inflexible deadlines.

Also, like most other organizations in the 1990s, the Foundation struggled with the rapid pace of technological change which transformed in fundamental ways how people did their jobs and communicated with each other. Initially, the Foundation introduced technological advancements on a case-by-case, at-need basis. But responsibility for identifying, developing and implementing technological changes was fragmented. The finance area handled most of the computers. The program area made decisions about grants management software and equipment related to records. And communications had its own desktop publishing system.

Sensing that the Foundation's administrative practices and operational systems required a fresh look, Black pushed for an examination of the Foundation by the Hamilton consulting firm.

One of the consultant's strongest conclusions was that "far too large a proportion of the Foundation's human and physical resources is now devoted to rote, repetitive paper shuffling bunched into predictable crisis intervals." The Hamilton report, delivered in February 1996, also described the Foundation's technology status as "an inadequate trunk software system in a context of general underutilization of electronic systems and equipment."³⁰⁴

The firm made a series of recommendations to alleviate the problems, and the trustees were in general agreement. In March 1996, the Board approved an orderly transition to electronic communications and records management; elimination of single, published, quarterly deadlines for proposals; and the use of descriptive summary lists for rejected proposals where staff, advisers and/or advisory committees all concur that the Foundation should not make a grant. The summary lists replaced the abbreviated short forms.³⁰⁵

Further recognition of the importance of technology in the Foundation's future was the development in late 1996 of a technology plan which called for more than \$300,000 in spending over the next three years. The plan's recommended expenditures were included in the 1997 administrative budget approved by the Board on December 1996.³⁰⁶

Based on a final 1997 report by the Hamilton firm,³⁰⁷ the Foundation initiated a "peer review" process designed to encourage more use of the collective judgment of the staff in the Foundation's grant making. Black told the Planning and Program Committee in March 1997 that "the program staff plans to implement a number of Mr. Hamilton's recommendations informally to determine if there is 'value added' in bringing key staff together on a regular basis to discuss significant grant proposals and initiatives before they are proposed to the trustees."³⁰⁸

VIII.

Community Initiatives in the 1990s

The 1992 strategic plan went further than ever before in specifically defining the Foundation's programmatic interests in local grant making, yet trustees had expressed throughout the entire planning process the need for a balance between focus and flexibility -- a concept about which they felt so strongly that it was written into the revised Statement of Purpose approved in 1992.

The principle was put to the test within months as Hurricane Andrew ripped across South Florida on Aug. 24, 1992. The costliest natural disaster in American history to that point, Andrew left in its wake upwards of \$30 billion in property damage, 35,000 homes destroyed, another 50,000 badly damaged and 300,000 people homeless.

Within three days, Knight Foundation made an emergency grant of \$1 million to the Greater Miami Chapter of the American Red Cross. Three weeks later, after a helicopter tour of South Dade, the Board made a \$10 million commitment for hurricane-related assistance.

"Knight Foundation's response was shaped not just by what the revised Statement of Purpose said about flexibility but by its pledge to remain faithful to the ideals and philanthropic interests of John S. and James L. Knight," Hills wrote in the chairman's letter of the 1992 annual report. "What, we asked ourselves, would they have done at a time when the needs of a community which occupied a special place in their hearts had never been greater? Our trustees

answered with the largest single commitment Knight Foundation had ever made: \$10 million for hurricane relief and recovery.”

The Foundation’s dollar commitment was accompanied by an expedited hurricane grant review process and an offer to make no-interest loans to nonprofits affected by the hurricane. No organizations applied for loans, however.

The Board also demonstrated a willingness to look beyond its established programmatic priorities when Foundation support for a project could make a difference in preserving the quality of life in South Florida.

Beyond the dollars, the Foundation participated in the rebuilding and recovery process through the time and energies of its staff. While many rebuilt their own lives and homes, staff and board members worked on clean-up and food distribution crews; served on committees addressing fund raising, housing, innovation, quality of life issues, grant making and communications; and helped to organize planning opportunities to guide the rebuilding of specific neighborhoods and schools.

By the end of 1993, the Foundation had completed its hurricane-related work with a total of 43 grants.

The largest grant -- for \$2.5 million -- went to We Will Rebuild, a local, private organization formed to organize and lead rebuilding efforts and headed by trustee Alvah Chapman. The Foundation designated the grant for housing for low-income residents. A substantial portion of the money was used for a Habitat for Humanity site in one of the hardest hit areas of South Dade County.

Two grants totaling more than \$1 million to Dade County Public Schools enabled the school system and South Miami Heights, a community devastated by the hurricane, to engage in a broad-based planning effort to rebuild two elementary schools as prototype full-service facilities where children’s needs were addressed in the broader context of family and community.

Other grants helped to construct a village for hurricane volunteers; to rebuild homes of the uninsured and underinsured; to develop another 95-home Habitat for Humanity community, this one in South Miami Heights; to provide counseling, health care and social services for many of the storm's victims; and to encourage a collaboration among youth agencies to improve services in areas where the storm had its greatest impact.

Quality-of-life issues were considered with grants to preserve significant historical properties; to stabilize arts organizations that were threatened with becoming a second tier of hurricane victims; and to rebuild and upgrade facilities at Miami Metrozoo, Fairchild Tropical Garden and Vizcaya, the restored Italian Renaissance villa that became a Miami landmark.

The Foundation saw an opportunity to share Miami's hurricane experience and to encourage collaboration between two of South Florida's most important institutions with grants to the University of Miami and Florida International University for a jointly sponsored, two-part conference to help experts prepare for future disasters based on the lessons learned from Andrew.

Most of the activity to rebuild Miami reflected an infusion of billions of dollars from federal, state and local government and private insurers. Thousands of private donors from across the United States also played a part in the recovery with millions of dollars in contributions.

Knight Foundation's \$10 million paled in comparison to the \$20 billion plus that federal and state governments and insurance companies invested in the rebuilding process. Yet the Board of Trustees and staff learned there were opportunities where Knight grants -- some relatively small -- could move stalled projects forward, provide funds for which there were no other resources and bridge gaps between other forms of assistance. The lesson learned from Andrew -- that Knight Foundation as a strategic grant-maker could play a distinctive role in responding to an immediate community need -- was one on which the Foundation built

throughout the decade, not only with its disaster recovery grants but more importantly in its overall approach to local funding.

* * * * *

Beyond Hurricane Andrew, 1992 was a significant year for Knight Foundation because it inaugurated a period of intense programmatic activity. In the Community Initiatives Program, the focus turned to encouraging grants in the seven areas that trustees had identified as funding priorities: arts and culture, children/social welfare, citizenship, community development, education, homelessness and literacy. Coinciding with this objective was the Board's directive to proactively identify and develop initiatives rather than rely solely on proposals that originated at the local level.

Beginning in 1993, Knight Foundation's annual report told how the Community Initiatives Program focused on the seven priorities and Foundation-based initiatives. The 1993 report showed that all but 5 percent of the \$21,548,273 approved in new Community Initiatives grants addressed the seven priorities and the Community Foundations Initiative that was then under way.³⁰⁹ Although the 5 percent sum rose to 13 percent in 1994,³¹⁰ the figure dropped to 4 percent in 1995,³¹¹ 2 percent in 1996,³¹² and 3 percent in 1997.³¹³

The programmatic strategies, initiatives and major grants of the Education and Arts and Culture Program are covered in Chapters X and XI, respectively. What follows in this chapter is an overview of the Foundation's efforts to address the other five funding interests: children/social welfare, citizenship, community development, homelessness and literacy.

* * * * *

Beginning in March 1993, the Community Initiatives Advisory Committee focused special attention on children/social welfare issues as members met in Washington, D.C., with

Marian Wright Edelman, president of the Children's Defense Fund and a leading advocate for child- and family-friendly public policies and legislation.

Edelman presented an overview of the status of children in America³¹⁴ and identified several areas as top priorities, including universal immunization, family preservation and early childhood services to promote school readiness. Within the next 18 months, the Foundation had developed an initiative addressing one of the priorities -- immunization -- and made major grants for the initiatives of national groups working to preserve families and prepare children for school.

The Foundation's immunization initiative was developed in response to a problem that affected nearly every Knight city -- the low immunization rates of infants and toddlers. In 1993, national statistics indicated that only 40 to 60 percent of 2-year-olds had received their required vaccinations -- immunization rates close to what Knight's local advisers were telling the Foundation existed in their communities.

The Foundation learned that the problem was not the cost or availability of vaccines. The biggest challenges were making immunization services more accessible to parents and getting parents and guardians to take advantage of immunization programs, whether they were offered through a hospital, clinic, doctor, health department, nonprofit service organization, a mobile unit or a "Free Shot Day" at a shopping mall. The real barriers to immunizing infants and toddlers appeared to be a lack of knowledge about the dangers of underimmunization, the number and type of vaccines required and fears that they could be harmful to children.

After an extensive review of options³¹⁵ by the Planning and Program Committee and additional feedback from the advisers,³¹⁶ the Foundation decided it could be most effective by helping nonprofit organizations convene collaborative projects that would use public awareness strategies and parent education to promote immunization of infants and toddlers.

To develop a program that built on the lessons learned by a wide range of other immunization projects under way in communities coast-to-coast, Knight Foundation secured

consultation services from the Benton Foundation, an organization experienced in developing communications strategies for nonprofits.

The initiative was launched in February 1994 with invitations asking prospective participants in each Knight city to propose strategic collaborative approaches to support new coalitions or existing groups in well-defined efforts to educate parents and raise public awareness. Before invitations were issued, local advisers identified the government agency, nonprofit organization or health facility in their own city most able and willing to participate. By the end of 1994, the Foundation had made a total of \$1.7 million in grants for two-year projects in all 26 Knight communities.

Beyond the grants, however, initiative participants were provided technical assistance at a level previously unknown at the Foundation.

In November 1994, the Foundation convened a meeting of representatives from the coalitions chosen to participate in the initiative. For two days the managers of the Foundation-supported projects heard presentations on many of the activities they would pursue over the next two years: developing coalitions, linguistic and cultural issues, accessing media, building partnerships with businesses and evaluating programs. The presenters included:³¹⁷ Walter Orenstein, director of the National Immunization Program at the Centers for Disease Control and Prevention; Matthew Zucker, director of corporate initiatives for Capital Cities/ABC, which had undertaken a highly public advocacy campaign, entitled Children First, to put children's issues first on America's agenda; and Deborah Clark, national field director of the National Immunization Campaign.

"We have reinvented the wheel again and again and again," lamented Clark. "Let's accelerate the learning curve by learning from each other."³¹⁸

The meeting also featured a display of sample materials from immunization campaigns and distribution of a 76-page inventory of these products with information on how to order or

adapt the materials. A 12-minute videotape was prepared for the grantees to help their coalitions develop effective public service announcements for broadcast media.

The November 1994 meeting was followed by an ongoing program of information-sharing activities that included periodic fax alerts about immunization developments to local projects and a second meeting of coalition representatives in November 1995 that focused on what the Foundation's grantees could learn from each other.

"It was electrifying," the director of the Fort Wayne immunization project said about the meeting. "When we gathered a year earlier, we came as students. We came back, a year more knowledgeable, and our dreams had become solid visions. We came back as teachers as well as students."³¹⁹

While the second meeting of immunization grantees focused on sharing project successes and challenges, technical experts were available to local project directors for one-on-one consultations on media, multicultural and evaluation efforts. Such technical assistance signaled the Board's willingness to explore the Foundation's role as an educator and facilitator of its grantees -- a role acknowledged as appropriate in the Foundation's 1995 strategic plan review.³²⁰

Following the second meeting of all of the initiative's grantees, in June 1996 the Foundation facilitated a two-day meeting in Grand Forks of four rural community projects -- Aberdeen, Grand Forks, Duluth and State College -- to discuss common opportunities and challenges.

The primary phase of the Knight Foundation Immunization Initiative concluded with the completion of the two-year projects in 1996, but the Board approved transition grants to coalitions in Aberdeen, Boulder, Grand Forks, Long Beach, St. Paul and Tallahassee to build on or maximize their experiences. Their project directors met in the fall of 1997.

A comprehensive evaluation of the initiative showed that the immunization initiative grantees had educated more than 6,000 health-care professionals, reached more than 119,000

parents with education programs and distributed about 2.5 million promotional items, including brochures, pamphlets and clinic schedules.

The lack of consistent immunization data made it difficult to determine whether there was an overall increase in immunization rates in Knight communities. However, in 16 communities, grantees were able to gather useful pre- and post-initiative information on the immunization rates of specific segments of the populations. In each instance, the immunization rates increased. For instance, in Columbus, the county health department saw the immunization rate rise from 81 percent in 1994 to 94 percent in 1996 for 2-year-olds. In Bradenton, the immunization rate for 2-year-olds rose from 85 percent in 1994 to 95 percent in 1996.

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Just as the immunization campaign entered its final phase in 1996, the Foundation prepared to launch the Initiative to Promote Youth Development and Prevent Youth Violence. Under study for nearly four years before the first grant was made, the subject proved a particular challenge because there were so many approaches yet little information about effective strategies.

The Board's Planning and Program Committee first broached youth violence as a programmatic interest in December 1993. Rejecting a suggestion by Tad Foote, president of the University of Miami, that the Foundation establish a commission to study crime, the committee "concluded that it would be more productive to look for thoughtful and creative solutions to crime -- particularly youth crime and violence -- in the Foundation's communities of interest."³²¹

After seeking local advisers' input on the seriousness of the problem in their communities and their suggestions for how the Foundation could make a difference, the Planning and Program Committee learned that a wide variety of homegrown programs were attempting to address youth

violence, but there was no consensus about what worked.³²² Eventually the committee concluded “that despite the difficulty of addressing the issue of youth crime and violence that the Foundation should continue to explore how it can make a difference in helping the communities deal with what has become one of the most urgent problems in the country.”³²³

To gain a better understanding of the issue, the Community Initiatives Advisory Committee met twice with Delbert S. Elliott, director of the Center for the Study and Prevention of Violence at the University of Colorado at Boulder.³²⁴ Subsequently, the committee voted to recommend an initiative to support youth violence prevention and intervention projects and youth development programs -- a recommendation approved in December 1995 by the Board.³²⁵ The Board also approved a \$5 million incentive fund to supplement Knight funds for each community that would support a local approach.

By spring 1996 local advisers had received a comprehensive manual to assist them with introducing the Foundation’s initiative to their cities.³²⁶ The manual included guidelines for the advisers, the initiative’s request for proposals, a program guide to building effective strategies to address youth violence, key facts about the subject and information about community collaboration, promising programs, implementation and evaluation.

The Foundation asked each of its local advisers to identify a lead organization to submit a proposal. Unsolicited proposals were not accepted.

The Foundation contracted with Nancy Guerra, a nationally recognized expert on youth violence and a faculty member of the psychology department at the University of Illinois in Chicago, to provide technical assistance. Her first assignment was to prepare a detailed program guide to help Knight communities understand the problem locally, to learn more about promising programs nationwide and how to adapt these programs to local needs.

In March 1997, the Foundation made the first planning grant of \$50,000 to a grassroots group created by the mayor of Lexington to help the community plan a comprehensive local

approach to the youth violence problem. Grant amounts were expected to vary in size depending on the size of the community and scope of the project.³²⁷

By the end of 1997, lead organizations in six more Knight cities -- Biloxi, Boulder, Columbia, Grand Forks, Milledgeville and St. Paul -- had been awarded planning grants to develop strategies for preventing youth violence. Four of the youth violence project directors met for the first time in Washington, D.C., in the winter of 1997 to confer with Foundation staff and Dr. Guerra and learn from another initiative, the National Funding Collaborative on Violence Prevention.

Raybin stressed to attendees that “there is no pre-existing blueprint for success in addressing youth violence. This makes it imperative for communities seeking solutions to this vexing problem to share and learn from each other.” This meeting, she said later, proved to be a dynamic learning experience for the Knight projects.³²⁸

Such activities were expected to lead to implementation grants of up to three years to put into action selected recommendations that emerged from the local organizations’ planning exercises. The initiative was expected to continue into the 21st century and provide up to \$10 million for youth development and violence prevention efforts.

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The third major initiative of the Community Initiatives Program during the 1990s supported donor-advised funds at community foundations that served Knight cities. The initiative built on the Foundation’s experience with the four experimental donor-advised funds that had been established in 1988 with \$250,000 grants each to the community foundations in Akron, Charlotte, Detroit and Miami.

In early 1990, Black had conducted a review of the funds and reported: “The responses reflected not only some extreme differences but considerable confusion about the purpose of these funds and the way they were to be administered.”³²⁹

In a 1997 interview, Black recalled:³³⁰ “I was not happy with the original donor-advised fund agreement because there was a lot of language in it that could be misinterpreted. I had two concerns. One, it was a very elaborate process for approving grants out of the donor-advised funds. Two, one way the agreement could be read was that community foundations were required to give away all of their income every year, which was a prescription for disaster.”

As a result of Black’s concerns, the Board approved guidelines for the administration of the donor-advised funds that emphasized the money should be used for small, one-time grants -- not accumulated to support large requests; that funds should be invested and administered to preserve the value of the initial investment; that procedures for making grants should be developed between the community foundation’s leadership and donor adviser; that Knight Foundation be kept informed of the process; and finally, that the community foundation should submit an annual report on the fund’s grants, income, expenses and current market value.³³¹

“I wrote the community foundation directors and told them I wanted to make some changes in the agreement,” Black said. “They at once said I couldn’t do it. Once an endowment has been signed, you can’t change it. So, I wrote a memo to them saying, here’s the spirit of what we’d like you to do.

“One of the things was to encourage an informal relationship between the advisers and the community foundation executives so that they’d have a two-way conversation. If a grant request came to the community foundation which the director thought would fit the Knight fund, then that person would pick up the phone and call the publisher and say, here’s a good idea for you, and vice versa. After time, we found that in one case they were squirreling away all the money for some major initiative. We had to discourage that,” Black said.

The second review of the pilot donor-advised funds in August 1991³³² and a study of community foundations in Knight cities by Eugene Struckhoff, probably the country's foremost expert on the subject, led to Board approval in December 1991 of a \$10 million, five-year Community Foundations Initiative designed to supplement or create donor-advised funds in Knight cities.

"These grants will enable Knight Foundation to tap into the strong, effective leadership and innovative programs of community foundations, while strengthening their capacity to respond to community needs," Black said when the initiative was announced.³³³

The Board also felt the funds would relieve the Foundation of the administrative burden of processing small grant requests and provide a faster mechanism for responding to pressing local needs than what the Foundation's grant review schedule allowed.

Delayed by the commitment to recovery and rebuilding efforts after Hurricane Andrew, the Community Foundations Initiative was launched in December 1993. Over the next five years, the Foundation placed \$10 million in donor-advised funds at community foundations serving the following 17 cities: Akron, Boca Raton, Boulder, Bradenton, Charlotte, Columbia, Detroit, Duluth, Fort Wayne, Grand Forks, Long Beach, Miami, Philadelphia, San Jose, St. Paul, State College and Wichita. In addition, grants were made to help start and build community foundations in Lexington and Macon, where the Community Foundation of Central Georgia was also expected to cover the Knight city of Milledgeville.

The initiative, however, continued to be plagued by problems similar to those that had occurred earlier with the pilot donor-advised funds. In a March 1997 memo to the Distribution Committee and Planning and Program Committee, McPhee -- who by then was vice president and chief program officer -- reported that a Struckhoff review of the funds' administrative fees, distributions and investment performance showed that eight of the participating community foundations were not distributing enough money in grants from the Knight funds.³³⁴ Representatives of the community foundations attributed the shortfall to a lack of communication

between the community foundations and local advisers, who sometimes failed to provide recommendations on grants.

As a result, the Board directed staff to monitor communications between community foundations and local advisers to assure that donor-advised funds were being used as the Board had planned.³³⁵

The Board also approved a recommendation made by Tim Crowe, chief financial officer, to modify the community foundations' investment performance benchmarks by providing that they would be considered met if the donor-advised funds were placed with the Investment Fund for Foundation (TIFF) Multi-Asset Fund.³³⁶

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In addition to proactively developing initiatives, the Foundation broadly used another strategy to facilitate grant making in the seven areas of interest: identifying effective and respected organizations, usually with national experience, to introduce promising programs to Knight Foundation communities. The strategy's advantage was explained in a 1995 Knight Foundation Newsletter article authored by McPhee:³³⁷ "Our communities are an invaluable resource, a laboratory for research and development" -- a philosophy she had frequently practiced as director of Arts and Culture Programs.

One such program replicated in Knight cities was Kids Voting, a citizenship initiative that engaged students and their parents in curriculum-based civic education activities that culminated on Election Day with children casting mock ballots at the polls alongside their parents. In Costa Rica, where the concept originated, and Arizona, where it had been adapted, voter turnout improved when children voted with their parents. That impressed the Board, and the Foundation made its first grant to Kids Voting in 1991 based, Black said, on "a proven track record that merits exploring whether it will work throughout this nation."³³⁸

By the end of 1997, with Knight Foundation as its principal funder, Kids Voting had expanded to 40 states and encouraged five million children to accompany their parents to the polling places in less than a decade. How the Foundation structured its \$2.4 million in grants was as important as the money.

A combination of general support for national expansion coupled with seed money and challenge grants for Kids Voting organizations in Knight cities created a network of national and local supporters who provided financial help and the community participation necessary to make the program work. Knight Foundation's local grants were the catalyst for educators and elections supervisors to cooperate; for businesses of all sizes to donate supplies and services; for TV, radio and newspapers to publicize the effort; and for sponsors and parents to volunteer to staff the voting booths and count the ballots.

Monitoring Kids Voting's progress was important, so Spaniolo served on the organization's advisory board -- an unusual move because the Foundation preferred staff to avoid such board and committee attachments. But, as principal funder, the Foundation felt it important to assess whether Kids Voting was proceeding in the right direction as it grew rapidly.

The experience also demonstrated another plus of the strategy of engaging national organizations in projects to benefit Knight cities: Encouraging and supporting groups such as Kids Voting enabled them to use Foundation communities as a laboratory.

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Literacy proved an especially fertile field for using national organizations to stimulate local activity -- an approach recommended in a background paper on the subject presented to trustees and community advisers as part of the 1991-1992 strategic planning exercise.³³⁹ The proposal resulted in more than \$4 million in grants from 1991 through 1997 to Reading Is

Fundamental, Laubach Literacy International, United Way of America and the National Center for Family Literacy to develop and administer literacy initiatives in Knight Foundation cities.

A special relationship developed with the National Center for Family Literacy (NCFL), which had an enthusiastic advocate in William Friday, Knight Commission's co-chairman. Friday was also president of the William R. Kenan Charitable Trust, which helped the NCFL get started in 1989 largely due to the work of its founder, Sharon Darling. An able and energetic leader who had drawn the attention of Fortune 500 CEOs, Darling believed the key to breaking the cycle of intergenerational illiteracy relied on transforming the lives of undereducated adults who risked passing their poverty and limited expectations onto their children.³⁴⁰ Her program model stressed intensive, concentrated work with those adults and their children, aimed at early childhood education, adult literacy and parenting training.

Knight Foundation's first grant to NCFL in 1993 resulted in family literacy centers in Akron and Fort Wayne. Grants in 1995 and 1996 also enabled the Wichita Public Schools to establish and continue a community-based family literacy program based on the NCFL model.

In 1996, with research showing that public assistance was the primary source of income for 75 percent of the families in family literacy programs and that 25 percent of those families moved off welfare rolls within four years, NCFL looked toward welfare reform as an area where its work could make a difference. With Knight Foundation support, the center developed a plan for incorporating family literacy instruction into local, state and federal welfare reform strategies. When the initiative was ready to move to the implementation phase in 1997, the Foundation provided NCFL a \$2.25 million grant to establish family literacy/welfare-to-work programs at 15 to 20 pilot sites throughout the nation, including some in Knight cities.

"Through this grant we want to alert the folks working on welfare reform that NCFL deserves a seat at the table," Black said at the time of the grant.³⁴¹

In less than a decade, the number of family literacy programs had increased from a handful in two states to some 2,500 programs involving every state in the union. It was

estimated that 60,000 families a year were enrolled in family literacy programs that provided education and services for parents and their preschool children.

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A \$450,000 grant in 1996 for Family Service America (FSA), the largest network of family counseling agencies in the U.S., also illustrated the type of strategic grants the Foundation increasingly sought as the 1990s progressed. Rather than supporting site-specific projects or programs, the Foundation money helped launch a comprehensive initiative to transform the infrastructure through which family service agencies delivered services to their clients. As Peter Goldberg, FSA's president and CEO, explained: "This initiative will help family service agencies get out of their offices and apply their expertise in community-based settings."³⁴²

The grant also utilized a strategy for involving Knight cities which assessed agency interest, prior knowledge and readiness. A formal request-for-proposals strategy had been pioneered with the American Federation of Arts grant in 1989 and subsequently employed by other grantees, such as the United Way, NCFL and the National Trust for Historic Preservation. Rather than designating local agencies for participation, the national nonprofit organization invited proposals from Knight cities, ultimately selecting the best for funding. With Knight Foundation funds, the FSA provided the selected local agencies on-site consultations, technical assistance for boards, attendance at training programs, site visits to community-centered programs and funds to develop innovative projects.

The first training program and site visits occurred in May 1997 when representatives from family service agencies in a number of Knight communities attended an FSA seminar to learn about community-oriented approaches to strengthening families. Held on-site in Newark, N.J., where a 30-year-old organization offered a working model of fully integrated community development, the seminar provided a firsthand look at an agency with a continuum of care -- education, training, jobs, housing, day care, senior care and economic development.

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Community development was an area in which the technical expertise, advisory network and financial resources of national organizations proved particularly effective in benefiting Knight cities. Beyond the \$14 million commitment to the National Community Development Initiative, Knight Foundation's major grants in this area went to NCDI's intermediaries -- the Local Initiatives Support Corporation (LISC) and the Enterprise Foundation -- as well as Habitat for Humanity. The relationship with all three groups had been forged through the \$6.6 million in grants and loans for low-cost housing in December 1990.

The LISC grants included \$1 million in 1993 for a "Campaign for Communities," a national effort to expand nonprofit community development corporation (CDC) programs. A portion of the \$1 million -- \$300,000 -- was designated for a grant pool of seed capital for LISC programs in five Knight cities: Philadelphia, Miami, Detroit, St. Paul and Gary. In 1995, the Board approved a \$1.5 million program-related investment (PRI) to LISC for an initiative that granted and reloaned funds to more than 50 CDCs in rural communities. Seven of the CDCs selected for participation operated near the Foundation communities of Aberdeen, Columbia, Grand Forks, Lexington, Myrtle Beach and Tallahassee.

The LISC Rural Initiative's PRI -- a low-interest loan -- was structured to be repaid to the Foundation on a 3 percent annual basis. The principal was scheduled for repayment in two equal installments of \$750,000 each in years 7 and 10.

NCDI's other intermediary, the Enterprise Foundation, received a \$600,000 grant in 1995 to support "Communities for Change: New Hope, New Homes," a campaign to nurture local organizations and community leaders focused on increasing the supply of low-cost housing. The money was designated for the program in Boulder, Charlotte, Miami and Wichita. More than half of the \$600,000 went to Charlotte.

Habitat for Humanity also became one of the Foundation's most frequent grant recipients in the community development area. Involvement with Habitat jumped to a new level in 1996 with a \$1.72 million challenge grant as part of the international organization's "Rebuilding Our Communities" campaign. Habitat affiliates in 23 Knight communities were challenged to use grants ranging from \$7,000 to \$360,000 to leverage matching donations with the intent of increasing the amount of funding to \$3.5 million. Most often, however, support for Habitat focused on local affiliates and sometimes proved quite substantial. Such was the case in Miami where the Foundation funded Habitat in extensive efforts to provide new and affordable housing to the victims of Hurricane Andrew and, in 1997, granted Habitat for Humanity of Greater Miami an additional \$250,000 to build 30 homes as part of a larger project.

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Although initiatives and the use of national organizations for projects in Knight cities were important strategies used to implement the goals of the 1992 strategic plan, the Community Initiatives Program remained responsive to the many innovative and promising projects that originated locally. The \$10 million annual budget for city guidelines -- increased to \$11 million in 1997 and \$12 million in 1998 -- was a significant resource for such efforts.

Most of the \$10 million was directed toward one of the seven areas of special interest identified in the strategic plan, and the grant recipients were often the kinds of institutions the Foundation had historically supported: universities and colleges, museums, symphonies, operas, ballets, zoos, and traditional social service groups, such as the Salvation Army, Goodwill and YMCA. As the 1990s progressed, however, new groups joined the list of grant recipients and included: community development corporations; communitywide coalitions for improving public education; united arts fund-raising councils; libraries and volunteer organizations engaged in literacy efforts; agencies providing new immigrants health, social and educational services;

transitional housing programs for homeless families, women, children and youth; readiness programs for preschool children; and a broad variety of projects dedicated to the problems of at-risk children and youth.

While funding focused on the seven priorities, flexibility always remained a factor. The report prepared for the strategic plan review in the fall of 1995 noted that in the period between January 1992 and June 1995, 16 percent of grants and 13 percent of the local guideline funds supported projects that did not address any of the special interest areas.³⁴³ Food banks, hospices, communitywide hospital capital campaigns and services for the elderly were among the programs that received such funding.

Each year small emergency grants also provided relief to Knight cities where natural disasters, mainly tornadoes and floods, had caused significant damage. When a community was in desperate need -- as Miami had been after Hurricane Andrew -- trustees did not hesitate to commit major dollars.

One such circumstance occurred in the spring of 1997 when Grand Forks was virtually destroyed by a 500-year flood of the Red River. The Board responded with a \$1 million pledge to help the city recover and rebuild. Informed by its experience following Hurricane Andrew in 1992, the Foundation “asked where the needs were most immediate, and where help would be most appreciated,” according to the 1997 annual report.³⁴⁴ “Right away, half of the Foundation’s \$1 million commitment to Grand Forks for disaster relief and recovery efforts went to the local chapters of the American Red Cross, the Salvation Army and United Way to sustain and ensure the delivery of basic services in the aftermath of the flood.

“But perhaps more important to Grand Forks,” the annual report continued, “was giving the community the resources it needed to think through its long-range rebuilding process. Knight Foundation was an early source of funding for the public/private collaboration guiding the rebuilding of the community. And when the community determined that the completion of

the historic Empire Arts Center was a priority for a rebuilt and revitalized downtown, the North Valley Arts Council received \$250,000 to help make it happen.”

As the Community Initiatives Program evolved, increasing emphasis was placed on strategic grant making -- a philosophy adopted as policy by the Board in December 1995 as part of its programming review. “Whenever possible, our grants should be distinctive and strategic rather than just another contribution to a worthy cause or project,” explained a statement on the Community Initiatives Program’s goals and objectives.³⁴⁵

A grant exemplifying such an approach had been made two years earlier -- in 1993 -- to the Community Partnership for Homeless in Dade County. A communitywide coalition that had developed a comprehensive plan to deal with the increasing numbers of people living on the streets, the partnership offered a promising model for the public and private sectors working together to create comprehensive service systems for the homeless -- a potential the Foundation felt warranted a \$2 million commitment. Within two years, the grant had helped make possible downtown Miami’s Homeless Assistance Center, a 350-bed facility in a campus-like setting that provided health services, education and training as well as food and shelter.

The cost of the \$2 million grant was evenly split between Knight Foundation’s local guideline fund for Miami and the Community Initiatives National Fund, which was usually reserved for initiatives such as NCDI and immunization. Although such split-funded grants were relatively common in the Arts and Culture and Education Programs, where separate national funds existed, in part, to supplement major local projects, the Community Partnership for Homeless was one of the few instances when split funding supported a community-based organization in a social welfare initiative.

While the Board and staff preferred grants that leveraged funds and had a broad impact, there was also recognition that far more information was needed to implement such a policy on a large scale. As a result, the Board’s December 1995 update of the strategic plan called for needs

assessments in each community to provide “a framework for reviewing local proposals and developing recommendations for future initiatives and grant-making concentrations.”³⁴⁶

On March 13, 1996, Foundation staff reviewed with community advisers a set of guidelines for needs assessments during a meeting in Miami.³⁴⁷ Endorsed just weeks before by the Community Initiatives Advisory Committee, the guidelines 1) stressed that assessments should focus on the Foundation’s seven funding priorities; 2) identified questions that assessments should address; and 3) told advisers they could collect and review the assessments of agencies and groups, such as community foundations and United Ways, conduct their own assessments or supplement existing assessments with their own research.

The importance of the assessments was underscored by Jim Spaniolo, who told advisers they were the “cornerstone for our local grant making.”³⁴⁸ Advisers were asked to submit plans for preparing needs assessments.

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The Foundation’s perspective on the job of the local adviser was presented at an Oct. 4, 1991, meeting between Foundation officers and staff and Knight-Ridder publishers. It was the first gathering organized specifically to address the Foundation’s priorities and role in the communities and the first opportunity for advisers to provide feedback as a group to the Foundation.³⁴⁹

Neill, who would soon assume the chairmanship of the reactivated advisory committee for the Community Initiatives Program, urged his fellow advisers to broaden their base of information by using the local United Way, community foundation, arts council and key leaders in a position to know community needs and priorities and to draw on the experiences and expertise of the committees of newspaper employees on whom some publishers already relied for advice about corporate contributions.³⁵⁰

Approved by the Board as a formal statement on the “Role and Responsibilities of Advisers” as part of the 1992 strategic plan, Neill’s remarks underscored how the Foundation was changing. Just as trustees and staff increasingly turned to consultants and advisory committees to strengthen the Foundation’s programming, they asked the local advisers to do the same -- to broaden the range of information used to make grant recommendations.

The importance of this process cannot be overstated. Throughout the 1990s, the Community Initiatives Program remained reliant on the Knight-Ridder publishers to provide the best local perspective on the needs, organizations, projects and people in their cities.

The local adviser’s chief responsibility was to recommend for or against projects funded with community guidelines -- a sum that totaled \$10 million each year until 1997 when trustees raised the amount to \$11 million. The Board accepted the overwhelming majority of their recommendations. As the 1995 review of the strategic plan noted: “Local advisers’ recommendations on use of community guideline funds are given major consideration in the grant-making process.”³⁵¹

But beyond seeking their recommendations on the use of community guidelines, the Foundation increasingly called on advisers to assist with initiatives by identifying prospective participants, by assessing proposals according to Foundation-established criteria and by assuming an active leadership role in facilitating community support.

In addition, local advisers were charged with providing grant recommendations to the donor-advised funds that had been established as part of the Community Foundations Initiative. Often that relationship went further. A March 1997 report on the Community Foundations Initiative noted that of the 17 communities served by Knight donor-advised funds, “13 advisers are currently serving, nominated to serve or have served on the board of the community foundations, and in four instances a representative of the community foundation is serving on the adviser’s contributions committee.”³⁵²

Although the work of local advisers expanded throughout the 90s, there were subtle shifts in the Foundation's relationship with them. With a professional staff in place and an increased reliance on specialized advisory committees and consultants, the responsibility for evaluating proposals affecting Knight cities evolved from a process almost solely dependent on advisers' recommendations to one emphasizing collaborative review of grant requests. In interviews for this history project, Spaniolo and McPhee took note of how the relationship had changed.

"We talk with them. We visit their cities. We begin to talk about strategic opportunities for grant making, not just responsive grant making in those communities," Spaniolo explained in a 1996 interview.³⁵³ "It's a lot different than it was seven years ago when I joined the Foundation, where basically you got the adviser's recommendation and you really didn't have the time or the staff to evaluate the recommendation or to talk about it or to try to figure out a better approach."

McPhee credited a larger and more professional staff with the change.

"I think there are still areas in which we, the staff, would agree that the adviser has more knowledge than we do, and that's the wonderful value of having these advisers working with us. But we have a professional staff who see the big picture; who see where a particular organization fits in, both in its community and on the national spectrum; who have more expertise in terms of just looking at a proposal, looking at a budget, recognizing organizational capacity, all of those things," McPhee said.³⁵⁴

As Spaniolo prepared to leave the Foundation in September 1996, he saw potential for even more changes in the evolving relationship between local advisers and the Foundation.

"Down the road when we have donor-advised funds in almost all the communities, which I hope we will, it would be my hope that in time we would not call the publisher of the newspaper our adviser," Spaniolo said. "Rather, we would have an advisory committee or an advisory council of which the newspaper publisher is a member and perhaps the chair in some

cases. But he or she would be only one of half a dozen people who would be making recommendations to us on grants in the communities.

“I think that's a logical evolution of what we're doing and it wouldn't depart from our history, but it would help us establish a greater reality to our independence,” he concluded.

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While the 1992 strategic plan called for reactivating the advisory committee, no specific guidelines were developed for its operations or responsibilities -- a circumstance that differed from the Journalism and Education Advisory Committees, which had well-defined yet flexible roles.

Nonetheless, the committee met for the first time in January 1992 under the leadership of Neill and was immediately handed an assignment to help the Foundation define its funding priorities in the Community Initiatives Program -- a challenge the Board had been tackling for the past six months. Based on other advisers' input and the Foundation's history of local grant making, the committee recommended five special areas of interest: arts and culture, children/social welfare, community development, education and literacy. While trustees eventually expanded the list to include citizenship and homelessness, this beginning for the committee demonstrated that the Board and staff were relying on it to provide recommendations about the most important policies and practices that governed the Community Initiatives Program.

Initially selected for this task was a diverse group of Knight-Ridder publishers and newspaper executives who represented large, medium and small communities with broadly diverse needs, populations, philanthropic approaches and nonprofits. Joining Neill on the committee were Charles Fancher, vice president of communications and public affairs for

Philadelphia Newspapers Inc.; Lewis Owens, who had succeeded Black as publisher of the *Lexington Herald-Leader*; and Dorothy Ridings, publisher of the *Bradenton Herald*.

Another one of their first acts was to recommend that an outside voice be added to the committee. So in 1993, Mariam Noland, president of the Community Foundation of Southeastern Michigan, became the first committee member who was not associated with Knight-Ridder or one of its newspapers.

The Community Initiatives Advisory Committee generally met once a year, although Linda Raybin, director of Community Initiatives Programs, consulted with its members by phone and mail as needed. In 1997, the committee decided to meet twice a year. When the committee met, its agenda was primarily focused on considering initiatives and other issues related to grant making in Knight communities. Meetings were also an opportunity to provide feedback to Foundation staff on initiatives currently under way, grants that had an impact on Knight cities, efforts that had multicity implications, issues related to the proposal review process and the communication needs of local advisers and grantees. The committee rarely reviewed grant proposals.

In 1995, Neill resigned when he was re-elected to the Board. Lewis Owens succeeded him as chairman, and Michael Maidenberg, publisher of the *Grand Forks Herald*, was appointed to the committee. Also in 1995, Dorothy Ridings resigned as publisher of the *Bradenton Herald* to accept the position of president and CEO of the Council on Foundations. She remained on the committee.

In 1996, Scott McGehee, formerly of the Journalism Advisory Committee, succeeded Owens as Community Initiatives Advisory Committee chairman.

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Since the Foundation's move to Miami in 1990 and the strategic planning exercise of 1991-1992, the Community Initiatives Program had served the same 26 cities. As a result, trustees and staff became relatively well-acquainted with local advisers, leaders and key institutions in those communities of special interest to the Foundation.

In 1995, Knight-Ridder purchased five newspapers in Northern California, and the Board faced the question of whether to add Contra Costa County as the 27th Knight Foundation community. Unlike the 1980s, when little to no discussion of such actions took place, the Planning and Program Committee and, ultimately, the Board reviewed the implications of the decision with respect to how it reflected on the Foundation's relationship with Knight-Ridder. The question at issue was whether the Foundation's geographic areas of interest should mimic the location of Knight-Ridder newspapers -- a question the Foundation had not faced since Jim Knight's death.

The outcome of the discussion in December 1995 was to add Contra Costa, but the Board made it clear it judged the merits of such actions on a case-by-case basis. Three trustees voted against the decision to add Contra Costa: Marjorie Crane, Gordon Heffern and Beverly Olson. The Board began accepting proposals from Contra Costa in the summer of 1996 and made its first grants there in March 1997.

The debate over adding Contra Costa was a preview of what was to come two years later. In 1997, Knight-Ridder purchased four newspapers, sold four others and traded the paper in Boulder for two California newspapers in Monterey County and San Luis Obispo. The Knight-Ridder action set in motion a broad-ranging discussion of Foundation history and policy on the question of what cities the Community Initiatives Program should serve.

"We now suddenly find ourselves confronted with 11 such cases," Black wrote trustees in August 1997, adding that "it has quickly become apparent in our staff discussions that the issue

presents a number of complex and sensitive questions for Knight Foundation which do not lend themselves to easy answers.³⁵⁵

Accompanying Black's correspondence was a memo outlining seven long-range options that ranged from following Knight-Ridder, to returning to the 12 cities where Knight Newspapers originally operated, to continuing to decide cities on a case-by-case basis.³⁵⁶

Believing the matter needed thorough consideration, the Board agreed in September 1997 to a comprehensive study focusing on the selection of cities where the Foundation should concentrate the Community Initiatives Program.³⁵⁷ Black informed local advisers and top executives of the newspapers recently acquired by Knight-Ridder that the Board planned further discussions on the issue at the December 1997 and March 1998 Board meetings. No deadline was set for making decisions, he added.³⁵⁸

At stake was an estimated \$25 million a year in funding, a sum based on how much the 26 cities had benefited during the first part of the decade from both local guidelines and the national funds which had supported initiatives.

Also on the line was the quality of the grant program and the logistics of how to administer such a program. Throughout the Foundation's history, the program of local grant making had heavily relied on Knight-Ridder newspaper executives. With such executives out of the picture in cities where Knight-Ridder had sold its newspapers, who would provide grant recommendations, needs assessments and the specialized knowledge about local institutions that initiatives, such as immunization, required?

Yet if the Foundation chose to follow Knight-Ridder, the Community Initiatives Program potentially faced the dilemma of a constantly changing list of cities and a grant-making program wedded to Knight-Ridder's corporate strategies -- an alternative that presented its own set of problems.

Realizing the broad policy-making and administrative implications of the decisions before the Board, the Planning and Program Committee urged an orderly review of the matter. By March 1998, the Board was prepared to make a decision.³⁵⁹

“The trustees studied a number of scenarios, and at the end of the day the one that made the most sense was to settle on the 26 cities and towns where we were operating when Jim Knight died,” said the Foundation’s new president and CEO, Hodding Carter III.

Those 26 communities were: Aberdeen, S.D.; Akron, Ohio; Biloxi, Miss.; Boca Raton, Fla.; Boulder, Colo.; Bradenton, Fla.; Charlotte, N.C.; Columbia, S.C.; Columbus, Ga.; Detroit, Mich.; Duluth, Minn.; Fort Wayne, Ind.; Gary, Ind.; Grand Forks, N.D.; Lexington, Ky.; Long Beach, Calif.; Macon, Ga.; Miami, Fla.; Milledgeville, Ga.; Myrtle Beach, S.C.; Philadelphia, Pa.; San Jose, Calif.; St. Paul, Minn.; State College, Pa.; Tallahassee, Fla.; and Wichita, Kan.

“These metropolitan centers, midsized cities and small rural communities are a representative cross section of the American landscape, and they have served us well for innovation and entrepreneurial grant making,” Carter said. “We look forward to deepening our relationship with these Knight Foundation communities.”

The trustees’ conclusion meant the Foundation’s choice of cities was not tied to Knight-Ridder ownership decisions.

In establishing the fixed group of 26 communities, the trustees also agreed to continue making grants in the Contra Costa region of California through the end of 2000.

With perhaps the Community Initiatives Program’s most important decision to date behind it, the Foundation was prepared to go forward to advance the grant-making objectives stated in the 1997 annual report.³⁶⁰

“We hope to make grants with substantial community impact, and we stand ready to offer the right projects the funds needed to leverage or match other dollars. We encourage projects that demonstrate effective collaborations and partnership. We try to support creative solutions to persistent problems by using our funds as venture capital. And we find ways to help

good organizations develop the capacity to become better. The best projects satisfy several of those parameters.”

IX.

Journalism Program in the 1990s

Although the 1992 strategic plan reaffirmed the Journalism Program's direction, the Board of Trustees and Journalism Advisory Committee recognized as the decade progressed that dramatic technological and societal changes were having a profound impact on the profession.

The 1996 annual report noted that "the intensity of change within the press -- whether print, electronic or online -- provided both challenge and opportunity for Knight Foundation's Journalism Program." Further reflecting on the turbulent environment, the report asserted that "the change agents are many: powerful new entrants in the field of information delivery; ever-increasing options for receiving news, including reader acceptance and use of online newspapers and magazines; constant threats to the values and ethics that underpin the freedom and fairness of newsgathering; an information glut feeding a global audience accustomed to instant satisfaction; and a shifting distinction of just who qualifies to be called 'journalist'."³⁶¹

Laying the groundwork for a Journalism Program that remained relevant in such a continually shifting landscape began almost immediately after the strategic plan was adopted. The first step was to begin a search for a Journalism Program officer. Aware that this was a critical position for a Foundation whose most distinctive program was deeply rooted in the history and values of its founders, Hills, Black and Spaniolo -- in consultation with the Journalism Advisory Committee -- took nearly a year to find an individual with the right

combination of experience, vision, respect and authority to direct grant-making efforts in this field. Their choice, former journalism school dean and senior university administrator, Del Brinkman, was well-known to Hills and key committee members. Gene Roberts, who had left *The Philadelphia Inquirer* to become a University of Maryland professor, particularly encouraged Brinkman, then a visiting professor at the school, to seek the job.³⁶² Brinkman joined the Foundation in August 1993.

The selection of Brinkman was consistent with the Journalism Program's primary emphasis, the education of current and future journalists -- a focus clearly demonstrated by figures reported to the Board during the 1995 strategic plan review. Of the \$21.6 million in journalism grants made from 1992 to June 1995, 73.8 percent had supported the education of journalists.³⁶³

In addition to hiring a Journalism Program officer, the Foundation moved during this period to expand and further diversify its Journalism Advisory Committee, which had a considerable history of hands-on activity with the Journalism Program. The committee was also the subject of special interest by Hills and Black, both of whom attended meetings and routinely offered their guidance and perspective, not only as representatives of the Foundation's management but as distinguished journalists whose combined years of service to the profession totaled more than 100 years. As a result, the committee remained a formidable influence on the Journalism Program even after Brinkman's arrival, and the quality of its membership was of great significance to the Foundation.

Members who joined the committee in the late 1980s included Harold Andersen, former chairman of the *Omaha World-Herald*; Jay Harris, a Knight-Ridder vice president of operations and assistant to the company's president, Jim Batten; Scott McGehee, vice president and general manager of the *Lexington Herald-Leader*; and Rich Oppel, vice president and editor of *The Charlotte Observer*.

In mid-1991, the committee expanded to eight members, adding Knight-Ridder executive Virginia Dodge Fielder and Robert Haiman, president of The Poynter Institute, a research, training and educational organization designed to raise the level of excellence in newspapers and the media. Fielder's specialty was research, and she was familiar with the Foundation's programs through the advice and assistance she had provided on program and grant evaluation in the late 1980s. Haiman had enjoyed a distinguished career with the *St. Petersburg Times*, where he was its senior news executive during a period when the paper won two Pulitzer Prizes and was selected for *Time* magazine's list of 10 best newspapers in the U.S.

In 1992, the committee experienced a change in leadership. In line with the Foundation's policy that trustees could not serve on advisory committees, Larry Jinks stepped down as chairman when he was elected to the Board in 1992. Jay Harris was named chairman. At the same time, the committee added two new members, making a special effort to reach outside Knight-Ridder -- an idea that Jim Knight had strongly endorsed in 1989.³⁶⁴ Burl Osborne, publisher and editor of *The Dallas Morning News*, and Richard C. Wald, senior vice president of ABC News, were appointed. Wald was the first committee member from the broadcast side of the business.

The committee additions in 1991 and 1992 resulted in a membership of nine retired or current news executives -- four employed by Knight-Ridder or one of its newspapers, four associated with other news organizations, and a former Knight-Ridder editor, Roberts, who had become a University of Maryland professor. Roberts, however, soon re-entered the ranks of active news professionals when he agreed to serve a three-year stint as managing editor of *The New York Times*.

In 1994, Jay Harris was elected to the Foundation's Board when Jinks retired. Harris vacated his position as Journalism Advisory Committee chairman, and Jinks was reappointed chairman.

Changes in 1995 and 1996 included the departure of Scott McGehee, who had become president and CEO of the Fort Wayne Newspapers and publisher of *The News-Sentinel*, and Rich Oppel, who left *The Charlotte Observer* for the *Austin American-Statesman*.

Upon departing, McGehee strongly urged the Foundation to diversify the committee's membership,³⁶⁵ a special concern since newsroom diversity was a key funding issue in the Journalism Program and the committee's only minority member -- Jay Harris, an African-American -- had departed in 1994.

Even before McGehee raised the subject, however, Black, Spaniolo and Jinks had agreed that the committee needed broader representation. The result was the appointment of Bob McGruder, executive editor of the *Detroit Free Press*.

In other changes, Jim Spaniolo joined the committee in late 1996, after leaving the Foundation for Michigan State University. The next major committee change came in early 1998 with the departure of Osborne, Wald and Roberts, who had served 12 years. Hills told them that he had valued their work and that of all 16 committee members who had served since 1986.

"I like the fact that you judge each proposal in terms of what the Knight Foundation is trying to do, not just your own feelings," Hills said. "I like your independence. You vote our own convictions even if everybody else goes another way. And you are open-minded enough that sometimes the lone dissenter will convince the others. That is really professional.

"You back up your position with logical reasoning. You spot the weaknesses and strengths in a proposal. That is helpful to the staff and the Board. If you like an idea, but the amount requested is out of line, you say so."

The departures of Osborne, Wald and Roberts was followed by the appointment of three new members: John S. Carroll, editor and senior vice president of *The Baltimore Sun*; Sandra Mims Rowe, editor of *The Oregonian* in Portland; and Barbara Cochran, president of the Radio-Television News Directors Association.

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Brinkman's top assignment as soon as he came on board at the Foundation was to develop a Journalism Program action plan concentrated on educating journalists for the 21st century.

For much of his first two years, Brinkman worked closely with the Journalism Advisory Committee to identify key issues for consideration in educating journalists. He scheduled focus group discussions on the topic with selected journalism educators and journalism professionals and sought the opinions of professors and program directors whose work the Foundation had supported.

A journalism deans' roundtable discussion in February 1995, on what makes a great journalism school, further contributed to Brinkman's and the Foundation's perspective. Convened by the journalism school deans at the University of Maryland, the University of North Carolina and Indiana University in response to the tidal wave of change sweeping the profession, the roundtable -- partially funded by the Foundation -- drew representatives from what were generally recognized as the best schools of journalism and mass communication along with leaders of professional associations and foundations.

Brinkman submitted his preliminary report on an action plan in July 1995 and noted that after all the research he had "kept returning to a concise theme coming from a number of sources," most notably Hills.³⁶⁶ In a recent speech, Hills had capsulized the philosophy that Brinkman believed should drive the Journalism Program: "The emphasis on good journalism should be on serving citizens, not on serving newspapers or TV. People have to know what's going on if they want to govern themselves. The mission of journalism doesn't change, whether it's on paper, on line or in the air."³⁶⁷

Brinkman also singled out a comment in a recent report prepared for the American Society of Newspaper Editors (ASNE) on "Timeless Values: Staying True to Journalistic

Principles in the Age of New Media.” The comment came from a San Jose woman who, when asked about what journalists should be thinking about as they pursue new media, said: “Remember where you came from!”

Brinkman observed that “these messages may seem clear and to the point, even oversimplified. But, I can tell you they are being lost on many of the persons who are advising, predicting and speculating on the journalism of the future. The messages of staying close to ‘where you came from’ and remaining true to the basic values of journalism help to establish an appropriate framework for Knight Foundation’s journalism action plan, especially as it applies to the support of education for the 21st century.”

The final version of the Journalism Program action plan was ready a month later. Endorsed by the Journalism Advisory Committee in August and the Board of Trustees in September,³⁶⁸ the plan demonstrated confidence in what the Journalism Program had done in the past and a clear vision of what it needed to do in the future.

“The goals of good journalism -- to be accurate, to be fair, to be thorough, to anticipate what citizens need to know and to defend the right of the press to inform them -- are at the heart of Knight Foundation’s mission and provide a solid base for future grant making,” Brinkman wrote.

Taking another cue from the ASNE report, Brinkman cited one of its conclusions: “Citizens, leading thinkers and potential partners sound a clear and consistent message when articulating the role they believe journalists should play today: It is to help Americans make sense of the world around them -- to be their guides, the truth-tellers, those who piece together the fragments of modern-day life and illuminate their meaning.”

Brinkman believed the Foundation had already done just that.

“This past year of review and reflection should give us added confidence that we have been on the right track with our philosophy and priorities for our Journalism Program. It also should be a signal that the basic values, priorities and standards established by the Foundation in

its relatively short history should serve us well as a guiding framework for the future,” Brinkman wrote.

“Our goal should be to seize the opportunities that abound in the world of journalism and apply our ideals, values and priorities to them to achieve a positive impact on improving the quality of journalism.

“That is not to say that we should not make changes in what we are doing in our Journalism Program. Rather, it means that we should retain our basic thrust and apply it to the changing journalism and media world around us. The Knight Foundation is probably in a better position to have an impact on journalism than any other foundation making grants in journalism,” Brinkman wrote.

Nowhere was that impact more evident than in the Foundation’s recent history of support for working journalists to continue their education.

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According to a report prepared for the Board’s review in the fall of 1995, nearly half of the journalism grants during the past three and a-half years had supported midcareer journalism fellowships and professional development programs.³⁶⁹ It added up to \$10.1 million of the \$21.6 million in journalism grants awarded from 1992 through June 1995. The pattern continued as the 1990s drew to a close.

The key strategy was to concentrate funding on a few strong programs based at the nation’s leading higher educational institutions, namely Columbia University, Harvard University, the Massachusetts Institute of Technology, Northwestern University, Stanford University, the University of Maryland, the University of Michigan and Yale University.

Funding of journalism fellowships and programs at all these schools built on what the Foundation had set in motion with grants in the previous decade.

Columbia University was awarded grants in 1994 and 1996 totaling \$3 million for the Knight-Bagehot Fellowship in Economics and Business Journalism, a once financially threatened program that the Foundation had rescued in 1987 with a \$3 million endowment grant.³⁷⁰

The quality of the Knight-Bagehot fellowship program, based in Columbia University's prestigious Graduate School of Journalism, was widely recognized for producing a cadre of skilled economic and business journalists for major news organizations. But by the mid-1990s, its annual stipends for fellows fell far short of what the midcareer programs at Stanford, Harvard, MIT, Yale and the University of Michigan provided their participants. The Foundation's support was intended to keep the Knight-Bagehot program competitive with the other major fellowships for journalists and to strengthen its programmatic services.

Another midcareer program that received additional support was the Michigan Journalism Fellows, which provided 12 journalists nine months of study at the University of Michigan. A 1992 grant of \$875,000 completed the Foundation's endowments for the three fellowships -- in business, law and medicine. The highly qualified Knight fellows in those disciplines had so impressed faculty that the university's business, medical and law schools agreed to match the Foundation's endowment.

A year later, a \$165,000 grant supported a three-year trial of an education fellowship at Michigan. In 1996, satisfied with the quality of education fellows in that three-year period, and aware that other opportunities to strengthen the Michigan Journalism Fellows program existed, the Foundation made a \$3.25 million challenge grant to secure and expand what Knight Foundation believed had become a distinctive fellowship model.³⁷¹ The grant endowed three general fellowships, provided an incentive for the university to raise matching amounts to endow

the specialty fellowship in education as well as new fellowships in the arts and new media, and partially endowed the program director's position.

At Stanford University, the Foundation bolstered the John S. Knight Fellowships with a 1997 grant of \$1.25 million to partially endow its Latin American Fellowship, for which the Foundation had made operating grants for more than a decade. The grant also provided five years of support for the Lyle and Corrine Nelson Fellowship, named after the program's first director and his wife. Nelson died shortly after the grant was approved.

By the 1990s, the Stanford University fellowships had become a source of Foundation pride. The systemic strengths that Hills and Nelson had built into the endowment agreement more than a decade before had resulted in a top-flight program on a par with Harvard's Nieman Fellows. Alumni of the John S. Knight Fellowships had won numerous honors, including 20 Pulitzer Prizes. The continuing high caliber of the candidates remained impressive as the program's history, academic resources, reputation and networking opportunities combined to attract a solid group of outstanding applicants. Each year competition was intense for the 12 openings for U.S. journalists and six slots for journalists from overseas. As the end of the decade approached, the John S. Knight Fellowships received more applications than the Nieman program.

Complementing the Foundation's endowments for fellowships at Columbia, the University of Michigan and Stanford were grants totaling \$675,000 for operating support of specialized fellowships at Harvard and Yale. Northwestern University's Newspaper Management Center and the Knight Center for Specialized Journalism at the University of Maryland also received grants to support their operations through 2000.

The Foundation had originally intended for the Newspaper Management Center (NMC) to build a solid revenue base from tuition costs paid by the newspapers and media companies that sent executives and managers to the center's short courses and training sessions. But an economic downturn in the newspaper industry after the start-up of the center in 1988 resulted in

less participation and less revenue than originally anticipated. Recognizing that the center needed time to develop, the Foundation provided substantial ongoing support with grants of \$657,188 in 1991, \$750,000 in 1993 and \$625,000 in 1996. The Chicago-based Robert R. McCormick-Tribune Foundation matched the 1993 and 1996 grants.

As the economy turned around, an increasing number of media companies sent their middle- and senior-level executives from all newspaper disciplines to NMC seminars to learn the latest business leadership skills, to develop applied expertise to tackle industry problems and to gain some outside perspective. The center also offered company-specific seminars and workshops focused on the challenges of a given newspaper or newspaper group, and recognition within the industry grew for the NMC's Advanced Executive Program, which graduated its first class in 1993.

"The center is doing a good job of generating its own revenues through such innovation as its advanced executive programs," Brinkman said when the Foundation announced its 1996 grant.

Black concurred in that judgment, but in a disagreement with the center's management argued that its financial reports underestimated the extent to which such revenue fell short of meeting the actual costs of the center's programs.

Brinkman also said the center had responded to a growing need of newspapers to bring their executives together so that they all can receive the same message and then grow as a team.³⁷² The Knight and McCormick-Tribune grants in 1996 also enabled the center to add a new dimension to its services: a reference publication series of NMC faculty research to facilitate the industry's access to the center's knowledge and expertise.

Ongoing support continued for the Knight Center for Specialized Journalism, a University of Maryland-based program of short courses on economics and finance, law, social issues, science, religion, health care, education and business. In the 10 years after the Knight Center was created in 1987, more than 1,000 print, broadcast and freelance journalists received

fellowships to attend the one- and two-week sessions. The center covered all expenses -- tuition, lodging, meals and reference materials -- with the exception of travel.

A Foundation grant of \$850,000 in 1987 had established the center, and the Foundation remained virtually its only supporter as additional grants totaling nearly \$3.3 million provided ongoing operating funds throughout the 90s and enabled the center in 1997 to introduce three new fellowships that provided print and broadcast journalists three weeks of study at the National Institutes of Health in Bethesda, Md.

During the strategic planning review of 1995, the Board considered the center's many contributions to journalism and approved exploring the establishment of a similar facility based at a leading journalism school in the West.³⁷³

The last of the eight original midcareer programs to be funded -- the Knight Science Journalism Fellowships at the Massachusetts Institute of Technology -- received no new Foundation funding during the 1990s, but by 1995 MIT had raised \$2.5 million to match Knight Foundation's endowment grant of \$5 million in 1989. As a result, the endowment supporting the fellowships had grown to nearly \$8.5 million, a sum sufficient at that time to preserve the high quality of the programming and candidates for which the fellowships had become known.

While the Foundation focused on the eight midcareer fellowships and programs noted above, it was selectively responsive to proposals that addressed special continuing education needs identified by the Journalism Advisory Committee. Such projects included a three-year trial of a graphics management fellowship program at Ohio University and a pilot project at the University of North Carolina at Chapel Hill that provided veteran newspaper copy editors a semester-long fellowship, giving them needed time away from the pressures of daily deadlines to refresh their perspectives through studies at the university.

Beyond the university-based midcareer programs and fellowships, several industry-based organizations and institutions that had long-standing relationships with the Foundation continued to receive support for their professional development work. At the top of the list was the

American Press Institute, which drew 1,200 journalists and newspaper executives each year to its educational programs covering the gamut of professional skills required to run a newspaper -- from business management to marketing to graphic design to reporting. Knight Foundation had made grants to API since 1972 for operating support as well as special projects.

In recognition of the role API played in improving the quality of journalism, the Board approved a challenge grant of \$1.62 million in 1994 to an endowment campaign, an unprecedented effort to build a \$10 million base for a steady source of operating funds for the organization.

“API is one of the best things that ever happened to the newspaper industry in this country,” Black said when grant was announced. “We must keep it at the forefront of education and service.”

While the Journalism Program’s list of grant recipients in midcareer education reaffirmed the Foundation’s focus on strengthening existing programs of proven quality and effectiveness, several new approaches emerged in the 1990s that attracted special attention and significant funding.

The Project on Public Life and the Press was an effort to encourage news organizations, principally newspapers, to use journalism as a means to re-energize civic participation. Created by the Kettering Foundation in Dayton, Ohio, with its mission of improving democracy, the Project on Public Life and the Press was led by New York University professor Jay Rosen, a prominent scholar and prolific author on the subject. When Kettering and Rosen approached Knight Foundation as a possible funder in the project, Black and the Journalism Advisory Committee strongly recommended that they should work with the American Press Institute to develop programming and contacts with journalists. Kettering and Rosen agreed, and the Foundation provided more than \$1 million to help support the project for four years, 1993-1997.

Black said the API connection was important because it provided the project needed credibility with journalists. Civic journalism was -- and still remains as of the writing of this

history -- a controversial approach to reporting on a community. API's involvement in the Project on Public Life and the Press, Black believed, sent a message to newsrooms that the project would be conducted in the context of professional journalistic standards.

At the project's start-up in 1993, Rosen expressed confidence that the timing was right because of a rising interest in the role and responsibility of the press in countering public apathy.

"In recent years a growing number of journalists have begun to realize that the troubles in America's civic culture and political system implicate them," he said. "They have begun to ask whether they can afford to be mere observers when communities drift or unravel, civic spirit dims, public discourse falters and politics earns the contempt of average citizens. The perception has slowly been building that journalists might have a role to play in the repair and revival of civic life and public discourse."³⁷⁴

Over the four-year life of the project, Rosen held workshops and seminars for journalists, conducted research and spread the word about dozens of newspaper-led efforts to encourage greater interaction on community issues with newspaper readers, TV viewers and the general public. The results of the collaborators' work was reported in the summer 1997 edition of the Knight Foundation Newsletter.

"They found that the partnerships created between newspapers, other media and other partners heightened public awareness and provided more opportunities for engagement and participation," the newsletter noted, adding that the Project on Public Life and the Press had also spawned a range of complementary work to promote the practice of civic journalism. "Among the things that are being done are regional workshops on public journalism supported by Kettering; the continuing growth of the Civic Practices Network, which uses the Internet to post the latest studies and practices in the field; and an informal electronic network of information and ideas organized by a reporter involved in civic journalism efforts at her newspaper."³⁷⁵

Terming the effort a “successful project,” Brinkman said the Foundation had been pleased to stimulate the discussion about improving the quality of journalism by focusing on reconnecting newspapers with their communities.

* * * * *

Another new midcareer education initiative -- this one benefiting those who teach journalism at the university level -- emerged from a proposal submitted by the American Society of Newspaper Editors. A 1994 grant of \$750,000 to ASNE established the Institute for Journalism Excellence, a program designed to bridge the growing gap between university journalism education and the newsroom. The institute selected approximately 25 journalism educators each year for a summer program that gave the instructors six weeks of hands-on experience in newsrooms throughout the U.S. A seventh week was spent at an API seminar on the latest trends in the newspaper industry.

The participants found their experiences both profound and practical -- a benefit that the 1996 annual report noted was reflected in their “amazement at the field’s technology-driven changes, ranging from the use of databases for reporting to the disappearance of photo darkrooms in favor of computerized scanning systems.”

Laura Kelly, an institute alumna who spent a summer as a reporter and editor at the *Long Beach Press-Telegram*, expressed her enthusiasm for the project and its application to her work in the fall 1997 issue of the Knight Foundation Newsletter. A former newspaper and magazine writer who had become a journalism teacher at Florida International University, Kelly wrote: “I believe journalism is a craft with an artful toolbox of skills best transmitted by the apprentice-master method. The strongest journalism schools provide those outlets for students, and the most

powerful teachers are those who can provide the double whammy: They have experience as journalists, and they have skills as teachers.”

Responses from participants such as Kelly and the reaction of the newspapers involved prompted the Foundation to make another \$850,000 grant in 1997 to extend the Institute for Journalism Excellence for three years.

At the same time, the Foundation funded a counterpart, a journalist-in-residence program that took reporters and editors to campus to share their professional experiences and knowledge. A \$300,000 grant supported the Association of Schools of Journalism and Mass Communications (ASJMC) in the two-year trial project linking each of five newspapers with a different journalism school or program. By the fall of 1997, the partnerships were in place, and four editors and reporters from each of the newspapers had completed one-week assignments, teaching, mingling with and learning from journalism students at their host university.

Brinkman viewed the ASNE and ASJMC projects as “strategically linked because nearly 85 percent of new journalists hired by newspapers hold journalism degrees, and newspapers remain the largest employer of journalism graduates. We see the projects as natural counterparts. We like the synergy.”³⁷⁶

* * * * *

The ASNE and ASJMC projects were new and promising components in Knight Foundation’s grant-making strategy to strengthen undergraduate journalism education in America -- a special programming niche for which the Foundation had become widely known by the mid- 1990s as a result of its Knight Chair in Journalism initiative.

Originating with a proposal from the Journalism Advisory Committee and aimed at strengthening journalism education at the nation’s major journalism schools, the Knight Chair in

Journalism program was approved by the Board in June 1990. In making the case for the initiative, Jinks told trustees that it “would accomplish several objectives that advance the purposes of the Knight Foundation: improving the standards and effectiveness of the nation’s newspapers, assuring that a large proportion of the journalists in the next century experience training by a Knight professor and extending the influence of the Knight name in journalism.”³⁷⁷

The committee urged the Foundation to commit to a Knight Chair in Journalism each year for at least the next 10 years. It also counseled the Foundation to target the chairs to “the best journalism programs in the nation” or those “where its establishment would help move that journalism school into the upper ranks.” And the committee added: “There might also be occasions in which the Foundation would decide to endow a chair outside a journalism school, but with a clear journalistic purpose.”

The committee suggested an open application process, at least in the beginning, as well as flexible selection criteria. “Thus the Knight Foundation can strengthen areas of newspapering that the Board believes need more emphasis, whether they be newspaper management, law, ethics, or content, or can choose to further the cause of basic newspaper training.

“Knight Professorships would thereby become synonymous both with innovation and with core curriculum values,” the proposal stated.

To inaugurate the program, the Board awarded three Knight Chairs in Journalism in December 1990 to the University of Kansas, Florida A&M and Duke University. Each school received a \$1 million grant to endow the chair -- an amount that the Board increased in 1994 when new schools awarded the chair began to receive \$1.5 million. By the end of 1997, eight more universities had been selected: the University of North Carolina, Michigan State University, the University of Texas at Austin, the University of Maryland, Arizona State University, Washington and Lee University, the University of Missouri and the University of Florida.

The impact of a Knight Chair in Journalism on an institution went beyond the financial resources that accompanied the award. With the Chair came recognition that a journalism school or special program had the leadership, vision and strength to make an impact on journalism education and the profession. Most importantly, the Knight Chair in Journalism was held in such esteem that it attracted to the position a cadre of respected working journalists, recent practitioners and educators to address the profession's most important educational needs in a way that ultimately served and benefited the public's right to know.

The Knight Chair's institutional impact was explained by Reese Cleghorn, dean of the College of Journalism at the University of Maryland, in a letter to Brinkman in June 1995.³⁷⁸ Cleghorn felt that Maryland's Knight Chair had attracted another endowed chair in journalism; positioned journalism as a major academic field capable of raising substantial money; drawn a distinguished collection of journalists as candidates; reinforced the concept among university faculty and administrators that outstanding professionals selected for such positions should be accorded full professorships with tenure; encouraged the university to provide unprecedented financial support to enhance the chair; and enabled the College of Journalism to set the bar higher for other faculty salaries.

"I just want to be sure that you folks know how powerfully the gift of a major endowed chair, filled by a tenured full professor, can affect a professional school, even before the professor has gone to work," Cleghorn observed. "We believe the next stage will show even more of the value of this kind of institution-building philanthropy."

Brinkman concurred with Cleghorn's assessment and noted other ramifications.

"The cumulative effect of the Knight Chairs makes a strong statement about journalism education and identifies Knight Foundation with the best academic programs," Brinkman reported. "The program has established Knight Foundation as the major supporter of journalism education and provides a springboard for a variety of other programs to strengthen the education of journalists."³⁷⁹

Approximately 40 colleges and universities -- nearly all with accredited journalism programs -- submitted proposals for a Knight Chair each year. The quality of the proposals presented some early challenges to the Journalism Advisory Committee, which initially reviewed all the proposals and narrowed the field to two or three schools for consideration by the Board. Top-rated journalism schools, which the Foundation had sought to strengthen through the initiative, sometimes submitted mediocre proposals. On the other hand, second- and third-tier journalism programs and departments occasionally proposed innovative and promising ideas. There was also a category of journalism programs that had established a solid record in teaching special subjects, such as photojournalism or editing.

After several years of wrestling with the dilemma of whether to award the Knight Chair to a top-rated journalism education program with a mediocre proposal, give it to an average program with a good idea or recognize a specialty program, the Foundation returned to the original Knight Chair objective -- to strengthen education at the nation's best journalism schools. Brinkman began to help such institutions improve their proposals and encouraged them to build on the inherent advantages of their universities as well as their journalism departments.

However, the Journalism Advisory Committee felt -- and the Board concurred -- that the Foundation should also fund solid institutions and journalism programs with meritorious proposals for addressing special professional needs, although their ideas did not qualify for a Knight Chair. The first grant of this type -- for \$375,000 -- was made in 1996 to Western Kentucky University to create a New Media Visual Editing Project to train news photographers in the proper use of advanced technologies. In 1997, Ohio University School of Journalism planned to use a grant of \$388,296 to develop a program aimed at training a new generation of editors in the traditional tools of good grammar, writing and design, whether they work in print, online or in the broadcast media.

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Indiana University's School of Journalism was consistently ranked among the nation's best journalism programs but had never submitted a proposal for a Knight Chair in Journalism. An opportunity to strengthen Indiana's journalism program and participate in the development of a new model for educating journalists arose in 1995 with a \$1.5 million, five-year grant in support of a comprehensive project to reshape journalism education.

The questions that Indiana faced in developing the model were outlined in the 1995 annual report.

“What skills . . . must the journalists of the 21st century develop to gather and disseminate essential and timely information, whether it's in print, on air or online? If home pages jostle for importance with front pages and HTML language vies with headline counts for attention, is there still room for solid reporting, good writing and editing, and fundamental journalism values? And in the fast-changing environment in which an upgraded software package could supplant a finely honed skill, how do journalism educators upgrade themselves to keep pace with the craft's practitioners?”³⁸⁰

Indiana believed part of the answer was to revamp the curriculum and retrain faculty in an effort to produce highly versatile students who linked images to the words they produced, wrote for many different audiences and drew information and research from a vastly broader range of sources. But the School of Journalism also made clear it remained committed to the principle of providing student journalists a solid education for a career -- not just an entry level job -- and a firm grounding in the standards, practices and ethics of the journalism profession.

Most significantly, the Indiana model for change relied on recruiting nine doctoral students with recent professional practice and a multimedia approach to bolster the faculty and keep it close to current practice. Additionally, the school planned to form an advisory board of

journalists and educators to play a key role in guiding the nine doctoral students to assure that they stayed in touch with technology and developments in the profession.

* * * * *

The technological revolution that prompted all U.S. journalists and journalism institutions to rethink their missions and methodology during the 1990s was accompanied by the equally significant challenge of America's changing demographics. The U.S. was an increasingly diverse society, ethnically and culturally, and newsrooms were pressed to keep pace. The need to recruit, hire, retain and promote journalists from minority communities accelerated as communications companies looked ahead to a 21st century in which diversity was not only the right thing to do but a critical necessity if they expected to be credible, competitive and competent in their news coverage.

The Journalism Advisory Committee had been well aware of the need from the beginning and had created a diversity subcommittee at its first meeting in 1986. The result of that subcommittee's early work was more than \$1 million in funding in 1987 for the two experimental diversity projects at the University of Missouri and University of Florida. In December 1991, the Foundation supported two-year extensions of both projects. The University of Florida also received \$600,000 to increase its endowment fund for minority scholarships, which had become the backbone for efforts to attract minority students to a journalism career. A \$300,000 match from the state of Florida increased the fund's endowment to \$2 million.

The Foundation's continuing focus on diversity was also emphasized by awarding one of the first Knight Chairs in Journalism to Florida A&M, the first historically black university with a nationally accredited journalism program. Florida A&M, which already had an impressive record of preparing students for the newsroom, planned to use its Knight Chair to further nurture students' interest in a newspaper career.

Just as important to Knight Foundation was Florida A&M's reputation as an institution that rewarded academic achievement and scholarship. President Frederick Humphries personally called and recruited high school seniors whose test scores and grades placed them among the most sought-after students. As a result, Florida A&M consistently ranked among the top five schools (along with Harvard, Yale and Stanford) selected by National Achievement Scholars.

By the mid-1990s the Foundation was discussing the idea of identifying and funding another historically black college with the capacity for recruiting and educating student-journalists in a program that built on the successes and experiences of other diversity projects. But there were divergent opinions about such an approach.

Black strongly opposed the idea, believing that the Foundation should focus on Florida A&M. He felt the Foundation had made a deliberate decision to direct its journalism grants to the best institutions, and Florida A&M had an outstanding journalism program at one of the nation's best historically black colleges.³⁸¹ There were also two practical issues: No other historically black college had developed a journalism program or submitted a proposal for a project where the Foundation could have a meaningful impact and the cost of developing such a program at another historically black college could run into millions.

One outcome of the debate was a consensus that the Foundation should continue to bolster Florida A&M's journalism program.

In 1994, the Foundation granted the Southern Scholarship Foundation \$175,000 to establish the John S. and James L. Knight scholarship house for journalism students on Florida A&M's campus. The next opportunity came three years later.

Despite its national prominence and the success of its graduates, Florida A&M's journalism school was hampered by inadequate facilities and outdated equipment -- conditions that stifled growth. In response, the Foundation agreed in 1997 to help Florida A&M launch a fund-raising campaign to build the journalism school a new \$25 million home. A \$3 million commitment from the Foundation -- the largest private grant in Florida A&M history -- provided

\$1.5 million for planning the building. The second \$1.5 million was a matching grant to help equip and furnish classrooms, editing labs and studios in the new facility. The state of Florida was expected to match the Foundation's grant with another \$3 million.

"The school's success in attracting top scholars and developing a new generation of journalists has consistently impressed our Board of Trustees. We believe in helping out quality institutions," Black said in announcing the grant,³⁸² further reaffirming the Foundation's grant-making strategy of strengthening institutions with the greatest potential for having an impact on journalism.

Another strategy -- sharing the successes and failures of diversity-in-journalism education programs with educators and industry professionals -- was implemented in 1997 with the publication of *Minority Students in Journalism/Recruiting, Retaining, Graduating: Lessons from Six Experimental Programs*. The report examined the activities, experiences and results of the major programs the Foundation had funded at Florida A&M, the University of Florida and the University of Missouri as well as smaller projects it had supported at San Francisco State University, Wayne State University in Detroit and the University of North Dakota.

Ralph Lowenstein, who had recently retired from his position as dean of Florida's journalism school, prepared the report. Lowenstein had been responsible for helping create the University of Florida's experimental minority journalism project and then remained active in its development, most notably by encouraging news organizations to contribute to its scholarship endowment fund. The availability of scholarships proved one of the most significant factors in the program's success. Lowenstein offered the following optimistic but cautious observation about the efforts to recruit minorities to journalism and prepare them for long careers in the profession:

"If the John S. and James L. Knight Foundation's decade-long experience with university minority programs has shown one thing, it is that an abundance of bright, interested minority students in the nation's high schools are available to fill the positions ultimately waiting for them

in the news media. Several observers have remarked that if universities recruited this talent with the same vigor they put into recruiting high school athletes, America's journalism schools would have a full complement of minority students. Good recruiting alone, however, is not enough. Knight Foundation has found that journalism programs must have two other identifying features for the successful retention and graduation of these recruits."

Lowenstein identified quality and professionalism as the required characteristics. Quality educational standards meant rigorous teaching of the basics of reporting, editing and graphics to standards that produced students who could perform effectively in their internships and first jobs in the mass media. Professionalism involved a diligent and responsible approach to recruiting, retaining and counseling students, tracking their progress before and after graduation, and diligently monitoring activities and maintaining statistics with the goal of making the program accountable to its funders and useful to others in the field.

The report finally concluded: "Increasing minority enrollment significantly can be an achievable goal when university administration, school or department administrations and news media work together. The experience of the six experimental programs has shown that effort and commitment by educators and press executives can tap a large pool of interested and qualified students to make the newspaper of the future more representative of the new America."

* * * * *

While the Journalism Program clearly emphasized educational opportunities that enhanced the quality and diversity of journalists and promoted excellence in the profession, the defense of press freedoms and the First Amendment remained a significant concern for the Foundation throughout the 1990s. More than one-fourth of the journalism grant dollars awarded in the three and a-half years after the Board adopted the 1992 strategic plan -- some \$5.4 million -- supported international and domestic free-press programs.

The Foundation saw a special need in former Soviet bloc countries, where political and economic instability impeded, and in some cases threatened, the development of a free press. Knight Foundation's perspective was described in its 1992 annual report.

“When 1992 began the Foundation viewed with cautious optimism the changing political environment in many parts of the world. New and emerging democracies, especially in Eastern Europe, appeared to offer fertile ground for the development of a free and independent press.

“As the year advanced, a sense of urgency replaced the optimism as it became clear that a free press needed talent, training and, most of all, time to develop.

“Recognizing that some regions and countries may be running out of time to establish a free press, Knight Foundation made a special effort in 1992 to support organizations that pragmatically address the needs of journalists struggling with this dilemma.”³⁸³

At the top of the list of such organizations was the Center for Foreign Journalists, which reached thousands of journalists in 150 nations through workshops, seminars, publications and a clearinghouse for print media assistance. In 1992, the center received a \$500,000 challenge grant in support of its training programs.

But responding to proposals generated by journalism organizations did not begin to exploit the opportunities that currently existed. Seeking a more active role, the Foundation held two meetings in early 1993 to explore initiatives.

At the first meeting, representatives from four organizations the Foundation had supported in free-press programs in Central and Eastern Europe met with Foundation trustees and officers to describe their experiences and views on short- and long-term needs.³⁸⁴ In addition to the Center for Foreign Journalists, the meeting included the Independent Journalists Initiative, the University of Colorado's International Center for Public Administration and Policy and the

World Press Freedom Committee, to which the Foundation had made grants since 1977. The World Press Freedom Committee was headed by Harold Andersen, the former *Omaha World-Herald* chairman and publisher and a longtime member of the Foundation's Journalism Advisory Committee.

The second meeting focused on threats to press freedom in the Americas from the perspective of directors and officers of the Inter American Press Association, the organization which Hills had helped to found in 1942. Both he and Jack Knight had served terms as its president.

The outcome of the first meeting was a \$3 million grant in June 1993 to establish the Knight International Press Fellowships, an initiative whose main purpose was to share American professional skills with journalists, news media executives and technical managers abroad to help strengthen the independent press in emerging democracies. Administered by the Center for Foreign Journalists (renamed the International Center for Journalists in 1996), the fellowships had been awarded to 81 experienced U.S. journalists, news executives and journalism educators by early 1998.

Working through universities, independent media centers, professional associations and individual media outlets in other nations, the fellowship program originally concentrated on the former Soviet republics but quickly expanded around the globe. Fellows were assigned to countries in Africa, Asia, the Middle East, the Caribbean and in Latin America, where Hills encouraged a particular focus.

A distinguishing characteristic of the Knight International Press Fellowships was the hands-on approach that fellows employed with their overseas counterparts. Florida journalist Chuck Strouse, sent to the Albanian village of Pogradec, where newspapers didn't exist a generation before, took on a variety of jobs as he assisted a young and persistent newspaper staff dedicated to making a go of the publication. Strouse delivered and helped hook up a computer,

assisted with selling ads to shop owners, persuaded them to hang the paper in their windows and joined in the delivery of the newspaper elsewhere.

“Here was a group that had stuck with it against all odds,” said Strouse of his experience. “It was an epiphany for me. It definitely had mutual benefit.”³⁸⁵

Although the fellowships began as an effort to help emerging democracies, the program’s administrators and advisory committee, which included Brinkman, acknowledged that benefits flowed both ways. After the first few years, the program’s official description was revised to state that “this fellowship opportunity is expected to serve as a valuable means of enhancing American understanding of other cultures, nations and press systems.”

The experiences of the fellows in carrying out their assignments was especially well-documented. In 1995, the Center for Foreign Journalists published a report on the work of the first 12 fellows.³⁸⁶ In addition, Frank Quine of the University of Maryland and Jane Barber Thery of the Organization of American States did a program evaluation at Knight Foundation’s request and concluded:³⁸⁷ “In an arena of overseas media assistance efforts that appear to be proliferating, the early Knight International Press Fellows have become a special corps of dedicated, long-term media coaches and consultants.”

Satisfied with the program’s progress, Knight Foundation extended the fellowships for three more years -- through 1999 -- with a grant of \$3,786,671 in 1996.

While the fellowships were the hallmark of the Foundation’s international efforts to support and defend a free press in the 1990s, other organizations with a significant track record and meritorious projects received grants during this period, most notably the Inter American Press Association and the Committee to Protect Journalists.

A 1994 grant of \$484,280 funded a landmark IAPA project intended to stop the unrelenting violence perpetrated against crusading and dissenting journalists in Latin America -- unpunished crimes of which IAPA’s 50th General Assembly took note in 1995.

“The terrible message to enemies of democracy and freedom of expression is clear: one doesn’t have to go through the messy process of restrictive legislation and legal suits to intimidate or silence the press,” read an IAPA statement released after the assembly. “A bullet is faster, cleaner and virtually immune from legal punishment.”

IAPA’s project focused on Colombia, Guatemala and Mexico where 17 of the 18 journalists slain in the Western Hemisphere in 1994 had been killed. IAPA investigators probed the circumstances surrounding the deaths of six of these murdered journalists and presented their findings in *Unpublished Crimes Against Journalists*,³⁸⁸ a devastating report representing the 171 journalists killed and the more than a thousand others who had been injured and threatened in the Americas in recent decades. Although the final report was not released until a well-publicized hemispheric conference in Guatemala in July 1997, a preliminary version of the document began to raise awareness of the key issue -- the lack of punishment of those who commit the acts of violence -- a year before.

“In these and many other examples in our countries, the greatest dilemma, the inescapable tragedy lies in impunity: the appearance and the reality of nonpunishment for the crimes, the abuses, the horrors,” Mexican author Jorge C. Castaneda observed during a speech at the 52nd IAPA General Assembly in Los Angeles in October 1996. “The cases that preoccupy us tear at our hearts, not only because brave and honest colleagues lost their lives but also because their deaths remain unpunished, because their enemies remain untouched. If the cost and risk of punishment are the sole defense; if they represent the strongest dissuasive factor, then impunity represents the most pressing danger, the most overpowering threat to freedom of the press.”³⁸⁹

Knight Foundation was encouraged by the reaction to the IAPA project and Castaneda’s comments, noting in its 1996 annual report that “new attention from the hemisphere’s highest elected officials has been drawn to the threat to the region’s journalists.”³⁹⁰ The potential of further raising the consciousness of Latin American governments and an awareness that “the best

way to prevent renewed martyrdom is through struggle, not through silence” -- a belief expressed in Castaneda’s 1996 speech -- led to an additional grant of \$503,875 in 1997 to continue the Unpunished Crimes Against Journalists project.

The project’s impact was further reaffirmed in November 1997 at the General Conference of the United Nations Educational, Scientific and Cultural Organizations (UNESCO) in Paris. Conference delegates approved a resolution setting out mechanisms for bringing those guilty of crimes against journalists around the world to justice. The resolution was the strongest step forward yet in the Unpunished Crimes Against Journalism campaign.

One other organization working internationally to defend press freedoms received significant Knight Foundation funding. The Committee to Protect Journalists, the only U.S.-based organization dedicated to documenting and responding to attacks against journalists everywhere in the world, received \$300,000 in 1996 to establish a new emergency response fund. A high-profile effort that drew prominent names in print and broadcast media to its annual fund-raising event, the committee had been a Foundation grant recipient since 1988.

While the mission of nurturing and defending a free press focused on international opportunities during most of the 1990s, several grants in 1995, 1996 and 1997 reasserted the Foundation’s interest in First Amendment issues.

With a \$1.5 million grant in 1995, the Foundation established the Knight Chair in Constitutional Law and the First Amendment at Yale University Law School. The endowed chair -- the Foundation’s first chair at a law school -- was intended to give distinguished scholars an opportunity to examine freedom of speech and press in relation to the rapidly changing political and technological developments that were shaping the information society. Yale Law School was selected because of its strong tradition of scholarship and advocacy in the field. Faculty members historically included leading First Amendment scholars such as Thomas Emerson, Alexander Bickel and Owen Fiss, who played prominent public roles in the development of constitutional law in the area.

Yale Law School Professor Jack M. Balkin was named inaugural holder of the chair at Yale in 1998. An expert in constitutional and First Amendment law, telecommunications and cyberspace, Balkin had A.B. and J.D. degrees from Harvard and a doctorate in philosophy from Cambridge.

In 1996, the Foundation added another dimension to its First Amendment programming with a \$300,000 grant to the National Freedom of Information Coalition, an alliance of state organizations dedicated to protecting the public's right to know. The coalition planned to use the funds to strengthen state and local efforts to foster open government and to develop educational programs that built long-term support for First Amendment rights and access to information among media professionals, attorneys, academics, students and the general public.

A relatively new group that had held its first meeting in 1989, the coalition provided the Foundation a fresh opportunity to defend the First Amendment and support open government. Although the Foundation had been approached for funding in the past by some of the individual state organizations which made up the coalition, it had turned down such proposals because it wanted to concentrate its support on national organizations instead of separate efforts in 50 states.

A 1997 grant for \$190,132 to the Reporter's Committee for Freedom of the Press for two freedom-of-information projects also demonstrated a new level of commitment to this pioneering journalists' association which emerged during the 1990s as a major national -- and international -- resource on free-speech issues. Supported by Knight Foundation since 1978, the Reporter's Committee had a long and distinguished history of serving working journalists by providing free legal advice and research and filing amicus briefs in free-press cases. By the mid 1990s, it had played a role in virtually every significant press freedom case that had come before the Supreme Court during the past two decades as well as in hundreds of cases in federal and state courts. Aware of its significant contributions in defending press freedoms, the Foundation had made grants to the Reporter's Committee almost yearly for two decades.

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Finally, this period in the history of Knight Foundation's Journalism Program will be remembered for the construction of Lee Hills Hall at the University of Missouri School of Journalism -- a project the Foundation launched with a \$2 million challenge grant in 1989. Although the Foundation generally avoided journalism grants for capital purposes, the desire to recognize Hills' contributions to journalism and journalism education, combined with the University of Missouri's need for a new facility, resulted in the April 1995 dedication of a new building named for the Foundation's chairman.

The idea to name the building for Hills and to seek support from Knight Foundation originated with John Ginn, the *Anderson (S.C.) Mail* publisher who later was selected to occupy the Knight Chair in Journalism at the University of Kansas. Ginn, a Missouri alumnus, served as board chairman of the *Columbia Missourian*, the daily newspaper published by the School of Journalism. Ginn also was a long-time admirer of Hills, whom he had known and respected for more than 30 years before. He had first met Hills in 1958 when he had been assigned as a student-guide to Hills, who had returned to campus to celebrate the School of Journalism's 50th anniversary.

Ginn also was acquainted with Jim Batten, the Knight-Ridder president and CEO who had just joined the Foundation's Board in 1987. Ginn and Batten had been young reporters together at *The Charlotte Observer*.

Ginn approached Batten with a grant proposal for funds to construct a badly needed new home for the *Missourian*, which had helped launch the careers of so many newspaper journalists. Ginn suggested that it be named after Hills. Black explained the next step in the process during an April 1989 presentation announcing the Foundation's grant. "Inasmuch as Lee Hills is Knight Foundation's vice chairman, this proposal called for a back channel approach. Jim Batten first

took it up with Chairman James L. Knight and, then with his blessing, Alvah Chapman, also a member of the Board, and me.”³⁹¹

The Board unanimously approved the \$2 million challenge, and the University of Missouri School of Journalism raised another \$3 million from 300 donors as a match. The donors included Hills and his wife Tina, who gave more than \$1 million.

The Hillses used the dedication of Lee Hills Hall to announce a \$1.1 million personal gift to the journalism school to endow the Lee Hills Chair in Free-Press Studies -- a gift matched by the state of Missouri. Stuart Loory, a veteran journalist whose career included stints as a reporter and editor at *The New York Times*, the *Los Angeles Times* and *Chicago Sun-Times* and as a news executive with CNN and Turner International Broadcasting, was named the first Lee Hills Chair in Free-Press Studies in 1997.

Hills’ remarks during the dedication of Lee Hills Hall reflected his personal vision of journalism education and journalism, as well as his gratitude for having his name on the building. His comments also demonstrated how deeply the Foundation’s core mission had been shaped by the ideals that Hills had shared with the Knights, but Jack Knight in particular.

“Journalism education is more important than ever today when freedom of the press is under unprecedented attack throughout the world,” Hills said that day in April 1995. “More than 100 journalists were murdered in 1994, the bloodiest year ever; yet you hear more criticism of journalistic ethics than about violent suppression of a free press.

“Rigorous education in journalism is even more important to the health of democratic societies today than when Missouri introduced the radical idea of a journalism school more than 80 years ago,” he added.

“The major goal of this chair will be to help citizens understand that the ultimate and most important beneficiaries of a free press in democratic societies are the citizens themselves. People need to know more about their rights and how to use them.”

It was a message reiterated in the 1997 annual report, which reminded readers that the “linking of journalism and the public is too often an afterthought in that robust debate on journalism’s role in our society. We live in a time when the transgressions of a minuscule few in the media can overshadow the routine professionalism demonstrated by the craft’s majority. It’s critically important to remember, then, that so many journalists work in obscurity -- sometimes in peril -- in a profession that attracted them in the first place because they believe in the sanctity of the public’s right to know.”³⁹²

X.

Education Program in the 1990s

Even before the 1992 strategic plan mandated a shift away from higher education and toward grants focused on public school reform, the Board had demonstrated a receptivity to projects that encouraged innovation in precollegiate education. Most notable was a collection of 1991 education grants supporting new approaches to some of the most serious questions raised by school reformers, including the recruitment and education of the next generation of teachers. The grant recipients included:

- Teach for America, a fledgling effort that encouraged outstanding university graduates from a variety of college majors to devote two years after college to teaching in rural and urban public schools with teacher shortages.
- A new Peace Corps program that prepared returned volunteers for teaching careers.
- IMPACT II, a national network of teachers who promoted classroom teaching excellence through interaction with each other.
- An experimental public school -- South Pointe Elementary in Miami-Dade County, Fla. -- which tested: (1) whether a school system, teachers' union and for-profit company could successfully run a school together; (2) whether a curriculum based on individual learning styles, parental involvement and extended day and summer programs could improve student achievement; and (3) whether adult/student ratios could be lowered and teacher education

strengthened by assigning future teachers to regular classroom roles as teacher associates in conjunction with a university degree program..

But while trustees had clearly demonstrated their enthusiasm for projects that advanced innovation and reform in precollegiate education, they were also reluctant to abandon what Creed Black termed the Foundation's "franchise" in higher education.

Black reminded the Board during the strategic planning exercise of 1991-1992 that the Foundation's higher education experience had been hard-earned with an \$11 million investment in the Excellence in Undergraduate Education initiative and Presidential Leadership Grants as well as two years of work by the Knight Commission on Intercollegiate Athletics to preserve academic integrity on college campuses. As a result, the Board adopted an Education Program statement in March 1992 that called for capitalizing on this grant-making history. An excerpt from the statement read:

"While it is apparent that any meaningful response will require a redirection of our Education Program, a new emphasis on support for school reform will be accomplished by building on the experience, strength and momentum of the Excellence program. Thus, the Foundation will seek to encourage and enable colleges and universities to become resources for improving K-12 education. With this approach, the Foundation will emphasize the strong potential for mutual benefit to all levels of education through collaboration."³⁹³

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The most immediate result of the new direction was the Excellence in Education initiative, a highly competitive grant program that resulted in \$7 million in grants for 26 projects in which colleges and universities collaborated to improve education. Awarded in 1992, 1993 and 1994, the grants supported efforts that directly addressed the nation's goals for improving school achievement rates and student achievement, for improving teacher education and

professional development of teachers, for pursuing world-class standards in mathematics and science education, particularly in middle schools, and for increasing literacy.

The projects also fulfilled the Board's direction that Knight cities benefit. Of the \$7 million awarded through the Excellence initiative, 81 percent went to projects in Knight communities.³⁹⁴

Excellence in Education differed from the Foundation's earlier higher education programs in two other important ways. First, the Foundation did not require colleges and universities to match the Foundation grants, which were in the \$225,000 to \$250,000 range. Second, both public and private and two- and four-year institutions were invited to submit project proposals.

While Excellence in Education began as an effort to involve colleges and universities in projects to improve precollegiate education, the perspective broadened as the initiative evolved. The 1996 annual report noted that Excellence in Education had been built on the belief that "colleges and universities have the capacity and responsibility to be effective collaborators in efforts to strengthen public schools *and the opportunity to improve themselves in the process.*"³⁹⁵

Consideration of education reform as a K-16 challenge required changes in the way the Foundation administered Excellence.

"We have viewed the Excellence program as a work in progress and made refinements each year in an effort to foster higher quality, more equitable collaborations," Love reported in his strategic plan update to the Board in the fall of 1995.³⁹⁶ "For example, after the first year, we consulted in advance with local school districts to inform our selection of higher education institutions to be invited for the competition." That decision produced surprising results, including a school-college collaboration between Johns Hopkins University in Baltimore and Miami-Dade County (Fla.) Public Schools.³⁹⁷

Love's 1995 report to the Board noted, too, that the Foundation had "recognized that financial support alone will not assure effective projects and had increased emphasis on the

participation by project representatives in the annual National Conference on School/College Collaboration sponsored by the American Association for Higher Education and the Education Trust, an effective network and source of technical assistance.”

Supplemental funds were provided to Excellence project collaborators to attend the annual National Conference, at which the Foundation hosted special sessions for its grantees to exchange information with each other as well as Foundation executives and Education Advisory Committee members who attended.³⁹⁸ By encouraging the key leaders in the Excellence initiative to become involved with a national network of school-college collaborators, the Foundation broadened the scope of information available to its grantees and contributed to the national perspective and experience on this strategy for improving education.

The Foundation stopped making new Excellence grants in 1995 for a year of evaluation. Policy Studies Associates of Washington, D.C., completed the evaluation by the end of that year and subsequently helped the Foundation prepare a report entitled *Learning to Collaborate: Lessons from School-College Partnerships in the Excellence in Education Program*. Published in November 1996, the report noted that “developing a new relationship between two very different organizational cultures takes time, patience, energy and perseverance.”³⁹⁹

Learning to Collaborate was distributed to other grant-makers in education as well as educators and education organizations involved in reform efforts at the national, regional, state and local levels.

Even before the evaluation and report were complete, the Foundation recognized that the lasting value of the Excellence projects was not determined by grant dollars but by the “quality and durability of the collaborative relationships they helped to build.”⁴⁰⁰ Cautious about encouraging ongoing efforts that depended on outside grants, the Foundation decided in 1995 not to fund new Excellence projects and to limit funding for the existing collaborations to modest amounts of support that helped selected partnerships move into the next, post-grant phase of

activity. As a result of this decision, 18 of the 26 Excellence projects were awarded transition grants totaling nearly \$2.1 million.

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The Excellence in Education initiative also served the purpose of introducing the Foundation to the key issues, important leaders and effective organizations involved in school reform in the 1990s, which allowed the Education Program to quickly switch grant-making gears -- an adjustment noted by Love during the 1995 strategic planning review.⁴⁰¹

“Prior to 1992, higher education institutions received over 97 percent of the support from the Education Program fund. Since that time, the proportion of support benefiting precollegiate education has grown dramatically, from less than 3 percent to 66.7 percent,” he reported.

While the \$7 million in Excellence grants represented a substantial portion of the \$15.9 million total awarded in education from the beginning of 1992 through June 1995, another \$5.5 million went to national organizations skilled in addressing education reform issues, especially when their efforts included projects in Knight Foundation cities.⁴⁰²

As the Foundation zeroed in on how it wanted to link such national organizations with local reform-minded educators, the classroom teacher emerged as a focal point because the challenges were many: how to draw talented and committed people to teaching; how best to prepare them for the classroom experience; how to continuously nurture their interest and enthusiasm for a career in education; and how to keep them current, relevant and capable as educators at a time when children often outpaced adults in their technological ability to access information. Tackling one or more of these issues were a group of national organizations whose leadership, vision and work offered potential for learning more about how to recruit, educate and nurture classroom teachers to be effective educators. In the 1991-1997 period, the Foundation awarded nearly \$6 million to five of these national organizations, including Teach for America,

IMPACT II and the Peace Corps Fellows program, early grantees whose relationship with the Foundation deepened as the 1990s progressed.

- By mid-1998, the Foundation had made \$2.3 million in grants to Teach for America. Founded in 1989 by Wendy Kopp, then a recent Princeton graduate, Teach for America originally operated on the premise that it would create a teacher corps by bypassing the schools of education, recruiting recent baccalaureates of all majors from the top research universities, putting them in a classroom and letting them “work it out,” as one observer explained.⁴⁰³ Teach for America, however, did provide a crash course on classroom techniques in the summer before the recruits started teaching. As Teach for America matured, its mission broadened and the organization formed partnerships with school districts to explore a range of alternatives for the recruitment, selection, preparation and certification of teachers. It also recognized the need to bolster the professional development of its teaching corps and planned to build relationships with local educational resources and organize support networks of TFA alumni and other corps members. It also encouraged its teachers to take more personal responsibility for their own professional development. A significant part of the Foundation’s enthusiasm for Teach for America was the leadership of Kopp, named one of America’s most promising young leaders in 1994 by *Time* magazine.⁴⁰⁴
- Teachers experimenting with new techniques and exchanging information and ideas with their colleagues were the strengths of IMPACT II, a teachers’ network with an effective and proven track record for stimulating classroom innovation and teacher-led reforms. By the end of 1997, IMPACT II had received more than

\$600,000 for a variety of initiatives, including a collaboration with Teach for America that introduced its recruits to lessons that IMPACT II's experienced educators had learned and were willing to share.⁴⁰⁵ Support for IMPACT II was an outgrowth of the Foundation's program of local grant making, which had provided modest grants in several Knight cities for mini-grant programs based on the IMPACT II model.

- The purpose of the Peace Corps Fellows program was to capitalize on the global perspectives of returned volunteers as they explored service career options in their communities, primarily in teaching -- a mission the Foundation supported with \$1.1 million in grants by 1997. The Foundation's early grants helped establish program sites at universities in seven Knight communities, where Peace Corps alumni prepared for teaching careers through a combination of hands-on, classroom experience and traditional course work in education. In 1996, the Foundation's emphasis shifted to enhancing the impact of returned volunteers who had become teachers through the establishment of a network focused on promoting global awareness in American classrooms using the IMPACT II model of teacher interaction. A 1997 grant helped institutionalize the Peace Corps Fellows program and provided funds for developing an evaluation process.
- With nearly \$700,000 in Foundation grants, The National Faculty created and replicated a model program that engaged college and university liberal arts teaching faculty in professional development activities with public school teachers. The Foundation first funded a test of the *model* in St. Paul in 1994. Subsequent grants helped to adapt and expand the model in Long Beach. The program as revised in Long Beach relied on short-term, intensive topical

workshops in the summer, follow-up support during the school year to increase the prospect of lasting impact on classroom teaching and learning, and cultivation of a network of local and regional university faculty to provide a more sustainable long-term resource.

- Two grants totaling \$1.66 million enabled the National Board for Professional Teaching Standards to test and implement a far-reaching program that sought to define teaching excellence. Governed primarily by teachers, the board developed a national, voluntary system to assess and certify teachers who met high, and rigorous standards. The first grant -- in 1993 -- supported field-testing of this program for three years.⁴⁰⁶ By 1997, the Foundation publicly stated that it was confident that the National Board had “made great strides in an emerging effort to define what accomplished teachers should know and be able to do.”⁴⁰⁷ The result was a second grant to support the Charlotte Collaborative, a community-based pilot project using the organization’s tough national standards as the basis for the professional development and education of teachers throughout Charlotte-Mecklenburg County in North Carolina. The collaboration included the local school district, the University of North Carolina at Charlotte and Johnson C. Smith University.

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In keeping with Jim Knight’s frequently quoted statement that “Foundation dollars are the venture capital of philanthropy,”⁴⁰⁸ many of the national Education Program’s funds were spent on testing, developing and evaluating new programs. But there were also opportunities to replicate and expand the work of organizations already doing good work. Such was the case

with Communities in Schools (originally Cities in Schools), a highly regarded drop-out prevention program that tapped community resources to aid individual at-risk students. With community guideline funds, the Foundation had supported Communities in Schools projects in cities such as Charlotte, Miami and Wichita for a number of years. As understanding and appreciation grew for these local efforts, the Foundation became receptive to proposals from the national organization to provide training and technical assistance to expand national, regional and state networks for drop-out prevention. As a result, the Board approved more than \$2 million in grants in the 1992-1996 period to support Communities in Schools' expansion plans, which eventually evolved into a national campaign with an ambitious goal of serving one million at-risk students by the year 2000. Foundation funding was also aimed at strengthening the organization's capacity as a resource for school reform in Knight cities, where grants continued for the local activities of Communities in Schools.

In June 1998, a new funding opportunity arose to heighten the impact of Community in Schools' work. The Foundation approved nearly \$1 million for three grants that linked CIS programs in South Florida and Wichita with researchers at the University of North Carolina at Chapel Hill in a project to test, evaluate and implement online the School Success Profile, an assessment tool that would allow millions of youth to provide in-depth information in a low-impact way about themselves and how they relate to friends, family, school and neighborhood.

"We believe the School Success Profile can help local Communities in Schools organizations become even more successful by better matching programs to individual needs and stretching limited resources to reach more students," Love explained at the time of the grant.⁴⁰⁹

New American Schools was another organization whose work seemed poised for expansion. A nonpartisan outgrowth of the America 2000 initiative of President Bush's administration, New American Schools was established to develop, test and replicate "break-the-mold" school reform designs, including one called Roots and Wings, a comprehensive program that restructured schools with the aim of assuring that all students achieve world-class

standards. In 1994, an Excellence-funded collaboration between the Miami-Dade (Fla.) Public School District and Johns Hopkins University supported field tests and evaluations of the Roots and Wings model in three Miami-Dade schools.

That introduction to New American Schools and its growing reputation as a leader and innovator in education reform led to nearly \$1 million in support in 1995 and 1996 for large-scale replication of seven of its promising school reform models in 11 jurisdictions, including the state of Kentucky, Miami-Dade County and Philadelphia. In addition, the Foundation provided substantial direct support through the Excellence in Education program for field testing in Miami to Roots and Wings, which was developed by Robert Slavin and colleagues at Johns Hopkins University.

The best example of funding that enabled a good idea to go to scale involved the Los Angeles-based Galef Institute. It was also a grant-making model that represented how the Foundation forged partnerships with innovative national educators to benefit its areas of geographic interest. The approach relied on testing an idea with a small, local grant that allowed the Foundation to become acquainted with the organization and its leadership, observe its capacity to work with local educators and judge its impact.

The first grant of \$35,000 was made to Galef in 1992 to help launch Different Ways of Knowing, a school-restructuring approach that utilized an interdisciplinary curriculum and provided a program of professional development for teachers. Different Ways of Knowing was tested over the next two years in the Compton School District in Long Beach. Encouraged by the experiment, the Foundation made a \$160,000 grant in 1994 to continue the Long Beach project and to explore introducing Different Ways of Knowing in Kentucky, where the Foundation already provided small grants to local organizations that sought to assure that the mandates of the 1990 Kentucky Education Reform Act were implemented.

In response to the state's invitation to help Kentucky teachers achieve success in their reform efforts, Galef formed the Kentucky Collaborative for Teaching and Learning. Just

months into the Kentucky project, demand from schools and teachers far outdistanced the collaborative's capacity to respond. Rather than the 50 schools originally targeted for the Kentucky pilot, 161 schools and 1,000 elementary teachers were participating, and a waiting list of twice that number had accumulated. In an extraordinary action, Knight trustees approved another \$1 million for Galef in December 1994 for its work in Kentucky. Over the next three years, the Board approved two more grants totaling \$710,000, which helped to leverage state funds to accelerate the growth of Different Ways of Knowing into 115 school districts and 324 schools, reaching more than 3,700 teachers and some 90,000 Kentucky elementary students.

The next step was to consider expanding Different Ways of Knowing to middle schools, a move the Foundation supported by including funds in a 1997 grant to study that possibility. In addition, the Board approved a complementary grant to the University of Kentucky's newly organized Institute on Education Reform to assess the groundbreaking work of the Kentucky Education Reform Act at the elementary and high school levels and to begin exploring meaningful middle school reform.

"The work of The Galef Institute and the Kentucky Collaborative for Teaching and Learning stands as one of the best examples in the nation of how to take good practice in school reform to scale," Love noted in a news release in 1997.⁴¹⁰

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The large-scale collaborative projects in Charlotte and Kentucky exemplified a strategy that became a cornerstone of the Education Program in the second half of the 1990s as the Foundation sought to expand and deepen the impact of school reform in the geographic areas of interest to the Foundation. Formally approved by the Board in December 1995 as part of the update of its strategic plan,⁴¹¹ the approach resulted in nearly \$8 million in grants by the end of 1997. In addition to the initiatives in Charlotte and Kentucky, the Foundation provided funding

for comprehensive reform efforts in six other communities: Philadelphia, Detroit, San Jose, Akron, South Florida and Long Beach.

The San Jose project, Challenge 2000, was a particularly good example of what the Foundation sought in such partnerships. Challenge 2000 was the education component of the Joint Venture: Silicon Valley Network, a sweeping initiative to bolster the region's economy and develop top-notch schools. Backed by government, corporate, community and educational leaders, Challenge 2000 boldly established as its goal that every Silicon Valley high school graduate should qualify for admission to the California State University System -- a standard that recognized that the future workplace required a basic education equivalent to a college preparatory curriculum in the 20th century.

“While Knight Foundation’s \$1 million grant makes it just one of dozens of funding sources for the ongoing regional initiative, Challenge 2000 incorporates the elements the Foundation’s Education Program seeks in its support of this and other education reform movements,” the 1995 annual report stated. “Those include a broad base of community support, funding and collaboration; the involvement of the entire education community; measurable and consistent standards; and an understanding that true reform addresses the needs of students from kindergarten through college.”⁴¹²

It should also be noted that the Knight-funded collaboratives in Detroit, Philadelphia and South Florida were formed in response to what became widely known as the “Annenberg Challenge.” In 1993, publisher and philanthropist Walter Annenberg made a historic \$500 million commitment to help improve the nation’s schools -- a gift that sought to stimulate promising local reform efforts through innovative school/community partnerships, primarily to benefit urban school systems. The Annenberg Foundation usually required a 2:1 match of its grants, half of which had to come from new, private funding and the other half in public dollars. The Foundation’s grants of \$1 million each to the three Annenberg Challenge partnerships counted toward the matches.

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When the Education Program's emphasis shifted from higher education to K-16 school reform in 1991, the Board expressed a desire to change the composition of the Education Advisory Committee. At that time, only former college presidents were members because the committee had originally been established to advise the Foundation on its initiative for private liberal arts colleges. Three new members appointed in 1992 and 1993 reflected the new education focus.

John Porter was a former president of Eastern Michigan University, past superintendent for public instruction for the state of Michigan and past general superintendent for Detroit Public Schools. Betty Lou Whitford, a University of Louisville professor of secondary education, had directed several school/college collaboration projects and participated in the Professional Development Schools network of the National Center for Restructuring Education, Schools and Teaching at Teachers' College, Columbia University. Holly Houston had worked with several highly regarded school reform organizations including the Coalition for Essential Schools at Brown University. In 1989, she co-founded with her husband, Grant Wiggins, the Center for Learning, Assessment and School Structure, a not-for-profit organization that consulted with districts and state education departments on education reform.

In late 1993, Houston and Wiggins structured a unique arrangement with Knight Foundation that allowed the couple to share a seat on the Education Advisory Committee. Through the shared assignment, the Education Program benefited from Wiggins' perspective as a nationally respected education reformer whose research and writings had focused on performance-based curricula and assessment.

Two former college presidents remained on the committee: John Chandler, who was named chairman, and Dick Gilman. Chandler replaced Henry King Stanford, who stepped down to comply with Foundation policy that trustees could not serve as advisory committee members.

Jill Conway also stepped down in 1991, when she was elected to the Board of Trustees. Bill Friday retired in 1993.

The committee's responsibilities initially remained much the same. Members helped the Foundation determine the range of activities eligible for funding through the Excellence in Education initiative, evaluated the grant proposals, recommended actions to trustees and assessed the periodic reports submitted by the Excellence project directors.

Love said during a 1997 interview⁴¹³ that members' diligent review of the progress reports was of tremendous benefit to the program.

"They posed questions for which we secured answers from the grantees before we released payments and posed questions for the next round of annual reporting. I think that was an extremely rich use of the committee's expertise. It gave the committee a sense that they were contributing more than time and that the Foundation was contributing more than dollars," he explained.

"We also used individual committee members ad hoc for their particular expertise, almost as subcommittees. Betty Lou Whitford, who had a lot of experience with school-college collaborations, is a real academician and a well-published scholar on school reform. She took the lead in helping shape *Learning to Collaborate*. She wrote the introductory chapter, helped edit it and really gave it its philosophical underpinning. John Porter is far more a practitioner of education. He consulted with the Excellence in Education project at Indiana University Northwest, which looked to Detroit as a model in many respects and to John Porter as a celebrity who came to advise them," Love said.

He also turned to the committee for reactions to selected education grants beyond the Excellence initiative.

"Committee members would pose interesting questions about the significance of a grant and how we were going to evaluate it. They would react to the big picture when it looked like the Foundation was moving pretty solidly in a certain direction. They asked questions. Have

you thought about these implications? Do you know about this effort in Kansas City? Do you know about this person in New York who's interested in this? It was a way to educate them about the Foundation and get general feedback and advice from them about program strategy," Love said.

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Although most of the Education Program's new grants in the early 1990s addressed school reform issues, the Foundation was still monitoring the multiyear projects that had been funded through the Excellence in Undergraduate Education initiative and remained committed to a dissemination conference that had been part of that program's original plan. So, in June 1993, the Foundation hosted a three-day conference in Columbia, Md., for 125 liberal arts educators. Attended by many of the college presidents whose institutions had participated in the Excellence in Undergraduate Education program and by the recipients of the Presidential Leadership Grants, the conference was an opportunity for the directors of the Excellence projects to share their successes, disappointments and challenges in implementing their programs.⁴¹⁴ A meeting highlight included a panel discussion moderated by William Buckley on the purpose and meaning of a liberal education. Featuring prominent liberal arts educators and recent college graduates as panelists, the two-hour discussion was taped and presented as a four-part series on Buckley's PBS show, "Firing Line." The conference's keynote speaker was Cornel West, then a Princeton University professor whose book of provocative essays, "Race Matters," had just been published. (West later became a faculty member at Harvard University.) A special speaker was James Rouse, chairman of the Enterprise Foundation and founder of the Rouse Company, the developer of Columbia, Md., a pioneering planned community.

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Over the next two years momentum began building for a new look at higher education funding. Part of the trustees' interest was an outcome of the Excellence in Education initiative, which demonstrated that colleges and universities have a responsibility to consider the implications of school reform on college admissions, the undergraduate curriculum and the preparation of teachers and other professionals.

But beyond the lessons of the Excellence program, the Foundation's trustees remained concerned about the quality of American higher education because of the significant dollars the Foundation had invested in journalism programs at the nation's major universities; the effort and work of the Knight Commission on Intercollegiate Athletics; and the Foundation's historic links to higher education.

The Board also recognized that colleges and universities were often among the most important institutions in Knight cities, with the capacity to lead as well as educate. And, even though the Foundation began to concentrate on public school reform in 1991, the Board on a selective basis continued supporting local higher education institutions that had an impact on the quality of life in Knight communities. A \$1 million grant to Johnson C. Smith University in 1992 exemplified the practice. Paid from community guideline funds, the grant bolstered a capital and endowment campaign of a historically black college whose leadership and community outreach activities were highly valued in Charlotte.

The first result of the trustees' renewed interest in higher education was Board approval for a reactivated Presidential Leadership Grants program. During the strategic planning review of 1995, trustees agreed to make Presidential Leadership Grants to strong private colleges; to define the program as national; to support up to five grants per year of \$150,000 each for unrestricted support to be used at the discretion of the president to accomplish something he or

she feels is in the best long-term interest of the institution; and to utilize the Education Advisory Committee as the primary means for identifying and reviewing candidates for these grants.⁴¹⁵

As it had in 1990 and 1991, the Foundation initiated the Presidential Leadership Grants without direct contact with the schools; there was no application process. Colleges were selected from the list of 159 institutions designated as “Baccalaureate (Liberal Arts) Colleges I” in the Carnegie Foundation’s *Classification of Institutions of Higher Education* -- a distinctive change from the earlier program that focused on historically black colleges and other schools that serve special populations. As in the original Presidential Leadership Grants program, how the grants were used was left to the discretion of the college presidents.

By the end of 1997, two rounds of Presidential Leadership Grants had resulted in \$150,000 awards to 10 presidents of private universities and colleges, half of which had received grants in the Excellence in Undergraduate Education program.

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A year after reviving the Presidential Leadership Grants, the Board took another major step in higher education with a three-year funding commitment to the Knight Higher Education Collaborative, an effort that reaffirmed the Foundation’s K-16 perspective on education reform. Described as a “bold initiative to encourage colleges and universities to work collaboratively on tough issues of the reform and restructuring of higher education,”⁴¹⁶ the Knight Collaborative was administered by the University of Pennsylvania’s Institute for Research on Higher Education whose director, Robert Zemsky, was a respected analyst and provocative commentator on trends shaping the future of higher education.⁴¹⁷

The Collaborative sought to engage reform-minded presidents, administrators and faculty members from approximately 150 colleges and universities -- 32 in or near Knight cities -- in a three-year program to promote broad-based restructuring on their campuses. The initiative linked

colleges and universities with providers of technical assistance -- lawyers, productivity professionals, organization and training experts, budget analysts -- to work cooperatively on specific reform issues that had been identified in a series of campus roundtable discussions that had taken place over a three-year period as part of an earlier initiative supported by the Pew Charitable Trusts.⁴¹⁸ Those issues revolved around the following:⁴¹⁹

- Learning Environment. How much does the culture of an institution have to change as it shifts from being faculty- and teaching-centered to being student- and learning-centered?
- Effective Strategy. To what extent has higher education become trapped in a cycle of strategic planning that produces “to-do lists” rather than a well-articulated strategy incorporating a limited set of operating principles from which short- and mid-term decisions and operating procedures can be derived?
- Governance and Decision Making. Can colleges and universities become more efficient in the way they make decisions?
- Faculty Roles and Rewards. Where does this conversation start, and does the balance between teaching and research need to be recalibrated?

By the end of 1997, Knight Foundation had committed nearly \$1.7 million to the collaborative, which included funding for additional campus roundtables, for an interactive network to link faculty and senior administrators and for *Policy Perspectives*, a periodic publication that gave voice to the lessons learned in the search for best practices in higher education reform.

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The Board's renewed enthusiasm for higher education was also reflected in the Foundation's program of local grant making. In 1997, trustees approved 29 community education grants totaling just over \$5 million. Of that sum, colleges and universities in Knight cities received more than \$3.5 million with the largest grant -- for \$2.04 million -- awarded to Florida International University (FIU) in Miami to establish four endowed chairs and the Center for Urban Education and Innovation in the College of Education. The Center built on FIU's experiences in an earlier program entitled FOCUS (For Our Children in Urban Schools), a collaboration involving FIU, Miami-Dade Community College, Miami-Dade County Public Schools and other community partners. FIU had received an Excellence in Education grant in 1993 for a component of FOCUS that sought to recruit and educate teachers for urban classrooms -- a project the Foundation called "a bold effort to define a role for inner-city communities and neighborhoods in the preparation, orientation and nurturing of new teachers for urban classrooms."⁴²⁰

Although such community education grants were an important part of the Education Program, they added up to just 30 percent of new education dollars approved in the 1991-1997 period. The remaining 70 percent -- or \$35 million -- funded the core of the education strategy in the 1990s: the Foundation-designed initiatives; support for communitywide, collaborative partnerships undertaken on a large scale; and grants to a highly selective group of national reform organizations, particularly when their programs involved Knight communities.

At the end of 1997, trustees appeared on course to continue education funding in the same direction. A statement on education goals and objectives⁴²¹ noted that the Foundation supported public and private institutions at all levels of education and sought a strategic balance between benefit to public school reform and the strengthening of higher education.

The statement also clearly defined what the Education Program supported: (1) transition grants for Excellence in Education projects; (2) broad collaborative initiatives in Knight communities to accomplish large-scale reform; (3) national organizations with expertise in addressing key reform issues and with the ability to benefit local reform in Knight cities; (4) collaboration among national education reform networks; (5) the Presidential Leadership Grants; (6) evaluation and assessment of student learning as an outcome of education reform; and (7) programs or projects of particular national or local significance in Knight communities.

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As the end of the decade approached, the Board also had an opportunity to reflect on the wisdom of a decision made by an earlier generation of trustees. The Foundation's 1986 grant of \$5 million to Cornell University to endow a writing program in Jack Knight's name had resulted in a nationally respected model for successfully integrating writing instruction throughout a curriculum and developing the capacity of faculty and graduate assistants to teach writing more effectively. Love believed the Board's decision to endow the program "the most effective grant the Foundation's made to higher education"⁴²² and noted that the program's impact went far beyond the Cornell campus.

An increasing percentage of Cornell's graduating Ph.D.s had benefited from teaching assistantships in which the John S. Knight Program in Writing provided them unique experiences in teaching writing and biology, writing and engineering, and so on. These Ph.D.s -- considered top hires at institutions around the country -- were expected to enrich the teaching of writing wherever they went and in whatever disciplines they taught.

Two program-enhancing grants in the first half of the 1990s recognized the value of Cornell's work in this area. Then in 1996, the Foundation saw an opportunity to increase the program's impact. A \$750,000 grant enabled Cornell to establish a new National Center for the

Development of Writing in the Disciplines to help export Cornell's expertise to other higher education institutions through summer institutes for teams of faculties from other institutions.

"I do think this grant -- which has had tremendous impact on and been of significant value to Cornell -- and the opportunity to look at a national center could benefit a much broader segment of higher education," Love said. "There is a kernel of something there that could be one of Knight Foundation's great legacies, building on the interest of the founder. Of all the things we've done, I feel that John Knight would be proud that his successors have returned at several intervals and discovered for themselves the quality of the work Cornell does in writing."

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With a renewed Foundation interest in higher education, the role of the Education Advisory Committee members shifted once again. When the Board reactivated the Presidential Leadership Grants in 1995, Chandler and Gilman, the former private liberal arts college presidents, served as a nominating committee for the program.

"They helped to check references, kept an ear to the ground about leadership changes and significant evidences of leadership, and recommended to the committee a slate of candidates for the Presidential Leadership Grants," Love said. "The committee and staff then discussed the candidates with them and out of the committee came a very confident recommendation. I think that we have been more sophisticated and ambitious in our use of that committee as a technical assistance resource for the projects as much as for the Foundation. We're finding opportunities to utilize the special talents of the group or specific members."

The committee's role expanded further in 1996 to include monitoring the progress of the Knight Collaborative.

"Limiting the committee to simply processing an initiative is not only not a good use of that resource, it's not very satisfying service for the committee members. There are ongoing

roles that can be defined, based on opportunity and need, that should be part of that committee's agenda and that also give us guidance about how to staff the committee," Love concluded.

In 1997 the Foundation added one name to the Education Advisory Committee's roster: Dr. John Kuykendall, president emeritus of Davidson College.

XI.

Arts and Culture in the 1990s

When Penelope McPhee was appointed Arts and Culture Program officer in late 1990, the Foundation's arts funding was a combination of local grants made in response to proposals from Knight cities and a national Arts and Culture Program that was still in an early, formative stage. There were few principles guiding to whom, why and for what grants were made. The Board's basic thrust was to:

- Make grants for local cultural initiatives.
- Support major national arts and cultural institutions
- Encourage major national and regional arts organizations in initiatives involving Knight Foundation cities.
- Supplement city guidelines with national Arts and Culture Program funds for important local arts projects.
- Concentrate grants in six disciplines: 1) music, primarily classical music, and opera; 2) art museums, galleries and visual arts organizations; 3) other types of museums, such as children's museums, science and history museums, and zoos; 4) historic preservation and other history projects; 5) theater; and 6) dance.

Recognizing that her position had been created to help the Board develop a comprehensive strategy for arts funding, McPhee outlined within two months an action plan for how the task needed to be approached. The plan called for:⁴²³

- Developing a network of informal ad hoc advisers.
- Reviewing what other foundations were doing in the arts.
- Refining criteria for evaluating unsolicited grant requests.
- Defining the relationship between the Arts and Culture Program and the Cities Program.
- Establishing criteria for possible initiatives.

Over the next six years, McPhee spent much of her tenure as director of Arts and Culture Programs engaged in these activities in an effort to identify strategies that would transform the Foundation's arts funding into a coherent and meaningful program. In the meantime, the Board approved a 1992 strategic plan statement for Arts and Culture that reaffirmed the general principles under which the program operated and encouraged McPhee to continue the process she had already started of gathering information to improve and shape the program.

At the Board's directive, McPhee visited most of the Knight communities, spoke with leaders of local cultural institutions about the challenges they faced and sought to identify common problems and issues. She also used incoming grant proposals as information-gathering tools, screening them for trends and assessing which organizations appeared to be in a position to have an impact on the field. Her involvement with Grantmakers in the Arts added another dimension to the research as she regularly conferred with her counterparts at the nation's major foundations. And she sought outside advice when a single proposal or cluster of grant requests raised questions that required expert knowledge and experience.

From the process emerged a clearly articulated vision, expressed in the 1996 annual report:

“Over the years, Knight Foundation’s Arts and Culture Program has endeavored to nurture three interconnected constituencies -- artist, audience and arts institution. Through its local and national grant making, the Foundation has encouraged the creation of the highest caliber of art across the disciplines, has sought new and innovative ways to engage a broad sector of our society both as participant and audience for the arts, and has supported a wide range of arts institutions in their efforts to serve as the broker in that enduring and passionate relationship between artist and audience.”⁴²⁴

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Geographically, the Foundation’s arts funding emphasized Knight cities in the 1991-1997 period. Of the \$52.3 million in new arts grants approved, \$30.7 million went to cultural institutions in Foundation communities or national arts organizations involved in projects benefiting those cities.⁴²⁵ The remaining \$21.6 million supported nationally significant arts organizations and programs, including some in Knight cities, as well as two Foundation arts initiatives, the Magic of Music⁴²⁶ Symphony Orchestra Initiative and the Museum Loan Network.

The Foundation’s grants also reflected a focus on the six disciplines trustees had identified as their primary areas of interest. A program update prepared for the strategic planning review in the fall of 1995 noted that more than 82 percent of grant dollars approved in the period 1992-June 1995 supported organizations and projects in those designated areas. Of the remaining 18 percent, more than half of the grant dollars went to organizations or projects that involved more than one of the arts disciplines. While the Foundation did not directly fund artists, trustees approved a limited number of grants to organizations that nurtured the development of artists through fellowships and residencies at key periods during their careers.

This wide spectrum of grant making, as well as the Foundation’s historic relationships with major arts organizations in Knight communities, were significant influences on the two initiatives the Arts and Culture Program developed during the 1990s.

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The Magic of Music Symphony Orchestra Initiative had its roots in the Foundation's long experience with funding orchestras in Knight cities. In Detroit, Miami and other Knight communities, orchestras had often suffered serious financial problems, mirroring the difficulties facing the field nationally. Spiraling costs, declining revenues, union demands, shrinking funding sources and mounting debt had forced some orchestras out of business. The gravity of the situation was underscored by a 1993 TIME Magazine article that posed the question, "Is the Symphony Orchestra Dying?," and an earlier report to the American Symphony Orchestra League (ASOL) that warned of bankrupt organizations and crippling union and scheduling commitments. While the ASOL report was controversial, with some in the field rejecting its premises and conclusions, the Foundation recognized from the grant proposals it received that many orchestral organizations were not only struggling with finances but with their core mission.

The financial problems reflected a complex series of challenges for orchestras nearly everywhere: competition from other forms of art and entertainment; a national decline in music education -- traditionally a source of enthusiastic and educated concertgoers; questions about if, when and how to apply technology in the concert hall; developing a broader programmatic vision that encompassed a much wider range of music and artists; attracting non-traditional audiences, especially younger and more diverse concertgoers; remaining connected and involved with homebase communities; and transforming the institutional culture of symphony orchestras to encourage productive communications.

Against this backdrop, Black approached McPhee⁴²⁷ early in her tenure as Arts and Culture Program officer with a provocative article⁴²⁸ that challenged symphonies to connect with their audiences. The ideas expressed in the article so intrigued Black that he wondered if the Foundation shouldn't consider funding a symphony to explore how it could be done. While no

such grant was pursued, the article and Black's interest laid the groundwork for exploring how the Foundation could play a role in reinvigorating symphonies.

In September 1993, the Planning and Program Committee approved a plan⁴²⁹ to develop an initiative to strengthen symphony orchestras in or near Knight communities. The objective, McPhee told the committee, was to help orchestras help themselves in a systemic way. The plan called for appointing a small advisory committee to assist the Foundation with defining the scope of the program, hiring consultants as needed and preparing a request for proposal (RFP) to symphony orchestras.

A month later the Foundation had in hand a background paper on other national symphony initiatives⁴³⁰ and had spoken informally with Strategic Grantmaker Services, a consulting firm through which Thomas Wolf and William Keens were available to advise the program. Wolf was the author of the 1992 report to the American Symphony Orchestra League. Keens was known for helping nonprofit groups address complex situations, for facilitating discussions of policy and planning questions and guiding the organization on what to do next.

The next step -- forming an advisory committee -- received a giant boost when Foundation trustee Jill Conway helped persuade Fred Starr, who was retiring as president of Oberlin College, to serve as chairman. A recognized author and lecturer on music and musical institutions, Starr had written the article urging symphonies to reconnect with their audiences that had so impressed Black a few years earlier. His availability and willingness to head the committee was particularly important to Black and McPhee.

In recruiting other members to the committee, Black and McPhee avoided executives, conductors and musicians with symphonies in Knight communities because of their potential conflict of interest.

“What we were trying to establish with this symphony advisory committee -- and it's difficult -- were people who were knowledgeable about symphony orchestras but had little or no vested interest, at least not too much of a vested interest, in the status quo and were willing to

think outside of the envelope,” McPhee recalled in a 1997 interview. “We turned to some people who knew symphony orchestras, but weren't directly involved with them, like Judith Arron from Carnegie Hall and Lawrence Wilker from the Kennedy Center. But we also knew we needed to have representation from the musicians and from the artistic directors. Joe Robinson, the principle oboist from the New York Philharmonic, was an incredible addition. We’ve had a couple of music directors: Ben Zander from the Boston Philharmonic and Roger Neirenberg from the Jacksonville Symphony Orchestra.”⁴³¹

Two other members also served on the committee in the 1994-1997 period: Wayne S. Brown, executive director of the Louisville Orchestra, and Murray Horwitz, director of cultural programming for National Public Radio.⁴³²

The committee met for the first time in June 1994 and helped the Foundation craft the following mission statement:

“The ‘Magic of Music’ is a funding initiative of the John S. and James L. Knight Foundation directed at strengthening symphony orchestras. Its purpose is to encourage a greater sense of excitement in the concert-going experience and a more vital relationship between artists and audiences.

“The Foundation acknowledges the importance of the symphonic music tradition to our civilization and its power to communicate to a universal audience. Recognizing, too, that this music is best appreciated in live orchestra concerts, the Foundation believes that it can play an important role in providing funds that allow orchestras to be venturesome in exploring imaginative ways to strengthen the bond between artists and audience. Through this program, it hopes to inspire ‘transformational’ change in the orchestra field even when this entails new demands, stresses, skills, processes, lessons and risks.

“The ‘Magic of Music’ is an outgrowth of the Foundation’s commitment to arts and culture, which has included significant support to symphony orchestras nationally, with particular emphasis in the 26 cities of special interest to the Foundation.”

Committee members told the Foundation that the request for proposals needed 1) to avoid telling orchestras how and what to think; 2) to emphasize that orchestras should not devise projects based on what they believed the Foundation wanted to hear; and 3) to use language that celebrated, not just reaffirmed, the importance of symphonic music.⁴³³ Some members also wanted the Foundation to invite proposals from orchestras all over the country, not just Knight cities, but Black and McPhee resisted, believing the Board wanted to focus the initiative on Foundation communities.

The first RFP was distributed to 26 orchestras a month later,⁴³⁴ and the resulting proposals were disappointing.

“How communications from foundations to nonprofits normally get addressed was a part of the problem,” McPhee explained. “Possibly our language in the proposal was a part of the problem. And a great part of the problem was that orchestras, we felt, were so embattled from day to day that they didn't even have the breathing room to think about anything innovative and long term. So we decided to do a couple of things.

“One, we decided to widen the net and re-invite 10 of the original group of Knight Foundation cities that we thought had the best capacity to give us something interesting if we worked with them. Second, we decided to also invite other orchestras that had demonstrated through their recent past work that they were inclined to be entrepreneurial and innovative. But then there was an even bigger step that we took.

“It was clear that the first group of proposals had never gotten out of the development office of the orchestra and that to really be creative the project needed the involvement of certainly the music director, hopefully the musicians and definitely the executive director. And, to be not only creative but systemic, it certainly needed the involvement of the board and the musicians. So our second invitation required that whatever proposal was submitted be signed by the executive director, the music director, a musician and a board member. We also required them to agree that if they got a planning grant -- and the first round was just for planning grants,

those four people who signed the proposal would come to a retreat. That was probably the most important decision that we made in terms of the whole symphony initiative.”⁴³⁵

A second RFP was distributed in December,⁴³⁶ and the advisory committee responded by recommending funding for eight orchestras. The trustees generally concurred, although Alvah Chapman was disappointed that only three of the orchestras served Knight cities. However, recognizing that the committee had reviewed two rounds of proposals and given significant consideration to orchestras from Foundation communities, the Board in April 1995 approved planning grants of \$50,000 each to the Boston Symphony Orchestra, the Brooklyn Philharmonic, the Los Angeles Philharmonic, the New World Symphony in Miami, the Oregon Symphony, the Philadelphia Orchestra, the Saint Paul Chamber Orchestra and the San Antonio Symphony.

The planning retreat occurred a month later at the Aspen Institute’s Wye Center in Queenstown, Md.⁴³⁷ Often for the first time, representatives from the board, management, the musical director’s staff and musicians sat in the same room and talked with one another -- a circumstance that led McPhee to observe that fostering internal communications among the Foundation’s grantees was “a lesson for other initiatives in the future.”⁴³⁸ At the retreat, McPhee emphasized that an underlying purpose of the initiative was to learn from both successes and failures in the experimental projects being funded.

“We hope these eight projects will provide insights that can be shared with the field,” McPhee said. “For that reason, we are encouraging a spirit of cooperation and openness with the intention of helping one another and colleagues.”⁴³⁹

The initiative advanced in June 1996 with implementation grants totaling nearly \$3 million to the Brooklyn Philharmonic Orchestra, New World Symphony, the Oregon Symphony, the Philadelphia Orchestra and San Antonio Symphony.

“The five orchestras that now go forward with grants for up to three years all took to heart the call to innovate,” the Foundation’s newsletter stated at the time of the grants.⁴⁴⁰ “There’s Philadelphia’s continued testing of video in the concert hall . . . Oregon’s targeted

audiences of non-concertgoers . . . the interactive, multimedia projects in Brooklyn and Miami . . . New World Symphony's attempt to train more engaging musicians . . . and San Antonio's unusual 'insurance fund' to fuel more experimentation.”

Still, the advisory committee believed there were other orchestras with the potential to innovate in ways that the initiative's current participants had not yet examined. To broaden the scope of the projects and ideas being tested, a select group of additional organizations were invited to submit proposals in July 1996. As a result, four more planning grants of \$50,000 each were made in December to the Colorado Symphony Association, the Kansas City Symphony, the Louisiana Philharmonic Orchestra and the Saint Paul Chamber Orchestra. In addition, the Foundation awarded the Saint Louis Symphony Orchestra a \$750,000 implementation grant to expand its nationally watched Community Partnership Program, which was already under way when the Foundation invited a proposal from the orchestra.

“The five new orchestras were selected because they represent an unconventional orchestra structure or a nontraditional relationship with their host community,” McPhee said.⁴⁴¹

The Colorado Symphony Association was the nation's premier musician-managed orchestra. The St. Paul Chamber Orchestra was the initiative's only chamber music ensemble. The Kansas City Symphony's proposed project was inspired and led by musicians. The Louisiana Philharmonic Orchestra had been founded and was governed by musicians.

Knight Foundation's 1996 annual report reflected on the variety of ideas represented by participants in the initiative.⁴⁴²

“The approaches are as distinctive as the ensembles themselves,” the report noted. “In Portland, Oregon Symphony concertgoers -- many from the untapped 19- to 39-year-old age group -- watched as an experimental dance-theater troupe called Imago shared the stage with musicians performing a program of Bach, Milhaud and Rorem. In St. Louis, symphony musicians reconnected to their community and formed new partnerships by taking their music to black churches, schools and nontraditional venues. In Miami Beach, strolling passersby stopped

to take in a New World Symphony performance on an outdoor screen at trendy Lincoln Mall. And in Philadelphia, some audience members loved the addition of concert hall video while others were distracted. 'If I had wanted to watch video, I would have stayed home and watched the orchestra,' one person told National Public Radio."

The Foundation also reported that the initiative's role as a stimulant to communications was off to a good start. The "Magic of Music" grantees were "sharing their successes and failures with each other and, by extension, with the industry at a time when developing and sustaining knowledgeable, committed audiences is paramount. From the Foundation's perspective, the dialogue that occurs within orchestras and their communities around these projects will be as important a measure of success as the outcome of the project itself."⁴⁴³

The Foundation promoted the continuation of such dialogue with another grantee meeting in 1997 that again attracted the principal stakeholders from each of the 10 participating orchestras.⁴⁴⁴ In 1997 and 1998, the Foundation also approved three additional implementation grants -- to the Louisiana Philharmonic Orchestra, the Oregon Symphony Association and the Kansas City Symphony. The Colorado Symphony Association received a second planning grant.

By March 1998, the Foundation had invested \$5.14 million in grants in the Magic of Music initiative.

To evaluate the program, the Foundation contracted with the Bay Group. McPhee and Starr also continued to emphasize that introspection and evaluation had real value for the field and that a key objective and responsibility of the initiative was to communicate with colleagues not directly involved.

"There is no such thing as a failed experiment," the orchestras were reminded. "Some of the experiments may not work. But even that represents a learning opportunity and a success."⁴⁴⁵

* * * * *

The second major arts initiative evolved from the Foundation's four decades of support for museums in Knight cities, where the Foundation had long-established funding relationships with a broad range of museums -- from world-renowned collecting institutions to societies and associations highlighting the work of significant regional artists, to small and large organizations examining the culture and contributions of ethnic minorities. This experience, as well as a growing awareness of the challenges facing museums in the early 1990s, led Lee Hills to urge the Foundation to consider whether it could serve the field and enrich museumgoers' experiences by helping to develop a well-administered, economically viable program to facilitate the sharing of artworks.

The key question was why a large percentage of the artworks owned by the largest museums in the U.S. should be kept in storage and remain inaccessible to the public on a regular basis when many smaller museums, which held modest or incomplete collections, could be enhanced by borrowing the stored objects.

In October 1993, the Foundation asked Strategic Grantmaker Services to conduct in-depth interviews with more than 100 representatives of the museum community to determine interest in a collection-sharing initiative. One of the Foundation's concerns was that the National Endowment for the Arts already had a small program for museums to share artworks, but it was underutilized. Among the questions the Foundation needed answered were whether the museum field would respond to any program and what factors would spur museums to participate. The SGS study -- conducted by Gary Burger, who would later become the Foundation's director of Arts and Culture Programs -- assured the Foundation that potential borrowing and lending institutions had a strong interest in such a program.

During this early stage, the Foundation staff also learned that the Philadelphia-based Pew Charitable Trusts, one of the largest of U.S. foundations, was a potential funding partner. The

Trusts had previously supported a museum loan program that encouraged the long-term loan of objects among 32 institutions in the Philadelphia region. The Trusts also provided seed money for the development of a statewide loan program in Texas based on the Philadelphia model.

It was also a time when entrepreneurial museums were developing collection-sharing programs, and the Foundation supported two such ventures in this period that contributed to its knowledge.

The first grant, \$300,000 to the San Jose Museum of Art in 1993, helped launch an ambitious, eight-year, collection-sharing program with New York's Whitney Museum of Art, considered by many to have the world's best collection of 20th century American art. The program provided for four successive long-term exhibitions of objects drawn from the Whitney. Although some in the museum field criticized the program's high loan fees, there was an overwhelmingly positive response by San Jose-area museumgoers.

The Whitney partnership reflected a much broader strategy by the San Jose Museum of Art to transform itself into a contemporary, fiscally sound, responsive institution. The museum erased its deficit, balanced the budget, recruited a dedicated and diverse board, attracted more volunteers from all segments of the community and made exhibitions more accessible.

"Museums have to change," the museum's director, Josi Callan, explained. "They can't be exclusive. Everything we do here is about educating the community."⁴⁴⁶

The Foundation funded an even broader collaborative venture in 1994. A touring exhibition entitled "Made in America: Ten Centuries of American Art" was organized by a consortium of five Midwestern art museums and featured 160 objects from their collections, including masterworks by painters such as John Singer Sargent, Grant Wood, Winslow Homer, Mary Cassatt, Georgia O'Keeffe, Jackson Pollack and Andy Warhol, among others. The exhibition was the second cooperative venture for these five institutions.

"Collection-sharing is the essence of how museums will be able to fulfill their two most important goals in contemporary times: reaching out to non-traditional audiences and reflecting

the broadest representation of their communities,” Evan Maurer, director of the Minneapolis Institute of Arts, said at the time of the 1994 grant.⁴⁴⁷

Meanwhile, in response to museums’ positive responses to the SGS study, the Foundation invited 25 museum representatives to a meeting in October 1994 to test the waters, determining how deep support ran for the idea among its most important constituency. The participants told the Foundation the program needed a jump-start that could be provided by facilitating communications among borrowing and lending institutions and by keeping the program simple and flexible.

The next step in the planning process was the selection of an experienced museum professional to help develop and plan the program. The choice was Lori Gross, a 20-year veteran with strong ties to the museum world in the U.S. and internationally. In April 1995, Gross began seeking input from the field by attending the gatherings of national museum groups.

Three components emerged as key to the success of a collection-sharing program: grants, communication and technical assistance, and the development of a database of collections. With these elements in mind, the Foundation invited proposals from a number of organizations with the capacity to operate a collection-sharing program. In September 1995, the trustees of the two foundations selected the Massachusetts Institute of Technology as the administrative host site. Pew and Knight trustees also decided to split equally the program development and first-year implementation costs of \$770,000 for the newly created Museum Loan Network.

MIT, where both foundations had a grant-making history, brought to the project expertise in the design and maintenance of a computer database and a history of collaboration with or managing independent programs, including a state-of-the-art collection management system for museums. It also had demonstrated a long-standing commitment to the arts through its Office of the Arts, which administered MIT’s Artist-in-Residence Program, List Visual Arts Center and Council of the Arts Grants Program as well as the MIT Museum.

To ensure that the Museum Loan Network remained responsive to the field, the Foundation established an advisory committee drawn from members of the museum community. Stephen Weil, whom the editor and publisher of ARTNews magazine described as “one of the museum world’s most valuable players,”⁴⁴⁸ agreed to serve as chairman. Weil was the retired deputy director of the Smithsonian’s Hirshhorn Museum and Sculpture Garden.⁴⁴⁹

Over the next two years, 1995-97, the following joined Weil on the committee: Tritobia Benjamin, director of the Howard University Gallery of Art; Budd H. Bishop, director of the Samuel P. Harn Museum of Art at the University of Florida; Teri J. Edelstein, deputy director of The Art Institute of Chicago; Bruce H. Evans, director of The Mint Museum; John F. Fleming, director of the National Afro-American Museum and Cultural Center; Ted A. Greenberg, registrar of the Fine Arts Museums of San Francisco and M.H. De Young Memorial Museum; Suzanne Quigley, registrar at the Solomon R. Guggenheim Museum; Jock Reynolds, director of the Addison Gallery of American Arts at the Phillips Academy; Joseph J. Rishel, senior curator of European Painting and Sculpture Before 1900 at the Philadelphia Museum of Art; Howard J. Taylor, director and chief curator of the San Angelo Museum of Fine Arts and Children’s Art Museum; Susana Torruella-Leval, director of El Museo del Barrio; and Patterson B. Williams, dean of education at the Denver Art Museum.⁴⁵⁰

The Museum Loan Network was publicly announced in October 1995 with a statement of the following objective and philosophy:⁴⁵¹

“The principal goal is to encourage collection sharing of art objects among museums throughout the country, particularly between institutions of different sizes. Emphasis will be placed on long-term loans to strengthen permanent collections. This is not a traveling exhibits program.

“This objective addresses serious issues in the museum world: escalating costs, dwindling resources, the impossibility of creating significant collections through purchase and the realities of limited storage. A museum loan program

that focuses on the sharing of collections without the burden of mounting comprehensive exhibitions is especially appropriate.”

Weil was especially interested in the program addressing regional inequity. “The opportunity to assist the museum community in making its collections available to a more geographically diverse audience is truly exciting,” he said. “The gulf between where many of these collections were first assembled and where people live today is growing. The establishment of the Museum Loan Network offers a means to bridge the gulf in creative ways that can benefit lenders and borrowers alike.”⁴⁵²

The advisory committee met later in October to establish guidelines for the three types of grants that would be available: planning, travel and implementation. Implementation grants were expected to range from \$5,000 to \$30,000 and cover the direct costs of borrowing and lending, such as research and identification of objects, insurance, shipping and conservation.

By the end of its first year, the Museum Loan Network had produced an impressive response from the museum field and the Boards of Knight and Pew each agreed in the fall of 1996 to provide an additional \$1.4 million to continue the program for three more years.

By the end of its second year, the MLN had established a computer database of art objects available for long-term loan and awarded grants totaling more than a half million dollars to 57 museums in 29 states, including Alaska, and the territory of Puerto Rico. Major collecting institutions such as the Art Institute of Chicago, the Detroit Institute of Arts, the Boston Museum of Fine Art and the Corcoran Gallery were among those that had received funds to survey collections in storage to assess what might be available for loan. On the borrowing side, a place such as the Mobile (Ala.) Museum of Art enhanced its collection with sculptures from the Isamu Noguchi Garden Museum on Long Island.

In early 1998, the Museum Loan Network announced a Curatorial Ambassador pilot project to further extend the networking capabilities of the program. Composed of curators from

museums nationwide and representing various art historical disciplines, the project was intended to promote the Network and to assist applicants in locating potential lending partners.

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Beyond its initiatives for symphony orchestras and museums, the Arts and Culture Program fulfilled the Board's directive to focus on innovation by funding the nation's top tier of cultural institutions to create, produce and present new works in opera, classical music, dance, theater and the visual arts by the nation's top tier of cultural institutions. Grantees included the Metropolitan Opera, Carnegie Hall, the Kennedy Center for the Performing Arts, the Lincoln Center Theater, the Lyric Opera of Chicago, the American Dance Festival, the Brooklyn Academy of Music and the Spoleto Festival in Charleston, S.C.

One of the best examples of a project that stimulated new work was the Florida Dance Association's National Dance Commissioning and Touring Program, a collaboration among dance service organizations in Florida, Philadelphia, Chicago and the Twin Cities. McPhee told the Board during the strategic planning review of 1995 that the Foundation's \$150,000 challenge grant in 1993 had been one of the most significant of the past three and a half years because it addressed the two most critical needs in the dance world -- funds to create new work and funds for touring.⁴⁵³ She also pointed out that the Foundation had taken a risk by being the first funder -- a risk that paid off as the Foundation's support leveraged additional grants, including \$175,000 from the Pew Charitable Trusts and \$150,000 from the MacArthur Foundation in Chicago.

The Florida Dance Association program was one of many initiatives that encouraged innovation and dissemination of the highest caliber of artistry through tours and other means, such as televised productions of plays and operas and radio series like National Public Radio's *PERFORMANCE TODAY*.

The Foundation focus on innovation was not limited to support of new work. Other projects explored state-of-the-art technologies and provided opportunities for artists to pursue their work independently and to collaborate among themselves and within communities. Examples of the latter included a new residency program at Yaddo, an upstate New York artists' colony, that encouraged America's most distinguished artists to collaborate with each other, and the American Academy in Rome project that focused on attracting artists from the Southeastern portion of the U.S. to its highly respected fellowship program.

By the time the 1995 strategic planning review occurred, however, the Foundation's grant-making strategy for stimulating creativity among artists and arts organizations had shifted from providing funds to help create single works of art toward supporting institutions and mechanisms that empowered artists to create on an ongoing basis. Several 1995 examples of such grants included the Carnegie Hall Corporation's Commissioning Project to stimulate new work by composers; the Santa Fe Opera's program that produced three newly commissioned operas over a span of three years; and the artist-in-residence program of the Jacob's Pillow Dance Festival, which allowed choreographers and their companies to concentrate on the process of creating new work.

In 1996, the focus turned to theater when a number of grant requests were submitted for new play development programs -- projects not unlike what the Foundation had selectively supported in the past. But the cluster of proposals prompted the Foundation to consult with artists and experts in the field to develop a more comprehensive view of the challenges and needs in this artistic discipline.

Theater consultant Jerry Horton, head of the University of Georgia's Non-Profit Management and Community Service Program and a former theater manager, researched new play development in nonprofit theater and evaluated Knight Foundation's previous grants in the field. Based on that analysis, he recommended a set of criteria for evaluating programs.⁴⁵⁴ With Horton's report in hand, McPhee created a small working group of respected theater

professionals to analyze how Foundation grants could be most effective in the area of new play development and whether this segment of nonprofit theater was the most important to support. Chaired by Andre Bishop, artistic director of Lincoln Center Theater, the committee was also asked to review grant proposals.

The result was a series of grants for the new play development programs of the American Conservatory Theatre, Chicago's Goodman Theatre, the Denver Center Theatre Company, the John F. Kennedy Center for the Performing Arts, Steppenwolf Theatre and Tennessee Repertory Theatre. The common elements in their programs were a commitment to nurture playwrights at various stages of their careers, to provide support at every stage of a play's development and to advance the best of the just completed repertoire to full main-stage production.⁴⁵⁵

The strategy of identifying national opportunities to establish and strengthen programs that encouraged the creation, development and presentation of new work continued in 1997 and 1998 with a series of grants to dance companies, including the American Ballet Theatre and the José Limón Dance Foundation.

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McPhee's update on the Arts and Culture Program during the strategic plan review of 1995 noted that some of the Foundation's most successful arts grants had supported collaborative efforts. The synergies created by some of these collaborations had produced such positive outcomes -- artistically, financially and systemically -- that collaboration became a key strategy of the Foundation's arts funding in the 1990s.

Some collaborations were relatively limited in scope, involving just two or three arts organizations in a cooperative venture focused on an exhibition or performance. One example of such a collaboration on a local level occurred in 1993 in Philadelphia, where the National Museum of American Jewish History and the Afro-American Historical and Cultural Museum

organized and presented two exhibitions on the relationship between African-Americans and American Jews.

Collaboration among Knight cities was also encouraged as evidenced by two 1996 grants. The first supported a working partnership between the Long Beach Symphony Association and the symphonies in Akron and Wichita and the second among arts organizations in Macon, Columbus and Milledgeville that led to the new statewide Georgia Music Hall of Fame.

A project that exemplified what the Foundation hoped to achieve with collaboration was an in-house marketing agency operated by Charlotte's North Carolina Performing Arts Center for itself and three of the arts groups that use the facility -- Opera Carolina, the North Carolina Dance Theatre and Charlotte Repertory Theatre.

The concept evolved from a \$315,000 grant in 1991 to the local arts council to oversee the stabilization of the North Carolina Dance Theatre, an artistically respected but debt-ridden dance company. By 1994, North Carolina Dance Theatre had stabilized but needed more earned income. At the same time, the Foundation was receiving marketing proposals from other Charlotte arts groups.

The confluence of these events led the Foundation staff and Rolfe Neill, Charlotte's adviser, to initiate discussions with local arts groups that resulted in a proposal from the North Carolina Performing Arts Center to create a one-of-its-kind in-house marketing agency for itself and three of its resident companies. After funding a one-year pilot phase with a \$109,580 grant, the Foundation provided \$430,000 in 1995 to fully implement the in-house agency, the Marketing Service Organization (MSO).

"The successful dynamic of all of the members of the MSO groups working together has resulted in solid corporate images and increased ticket sales for the center and its resident companies," Judith Allen, the center's president, reported in early 1997. "We are proud of this 'noble' experiment."⁴⁵⁶

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Such collaborations as the MSO helped trustees, advisers and staff clarify their thinking about what types of collaborations the Arts and Culture Program should encourage. Thus, when the Board reviewed the strategic plan in late 1995,⁴⁵⁷ it was the consensus that special consideration should be given to efforts that addressed long-range arts issues in Knight cities, especially for projects focused on fund raising, marketing, facilities and cultural planning. The plan also noted a preference for the involvement of consensus-building organizations, such as arts councils, community foundations and other communitywide groups, which could play a leadership role in attracting key people and vital resources.

Historically, the Board had been receptive to important communitywide capital and endowment campaigns for the arts in Knight cities, especially in the months and years immediately following the 1986 settlement of Jack Knight's estate. During that period, Knight Foundation invested millions of dollars in the renovation and construction of museums, performing arts facilities; funded endowment campaigns to provide a base of support for operating and maintaining some of these arts facilities; and selectively identified other opportunities to financially stabilize significant arts organizations in Knight cities.

Among the capital and endowment grants of that period were \$1 million for a new High Technology Museum in San Jose -- a project that didn't materialize until well into the next decade; \$1 million to The Philadelphia Orchestra for a new symphony hall; \$1 million for the North Carolina Performing Arts Center; \$900,000 for capital improvements at the Philadelphia Museum of Art; \$800,000 for a new National Invention Center in Akron; \$500,000 to endow a fund for exhibitions at the Center for the Fine Arts in Miami; \$500,000 for Discovery Place in Charlotte; \$500,000 for the permanent endowment fund of the Akron Art Museum; and \$300,000 for the Dade (Fla.) Community Foundation, which used the funds for the endowments

of the opera, historical association and science museum in Miami. In addition, numerous modest grants supported capital improvements and endowment funds of smaller arts organizations in Knight cities of all sizes.

As the Foundation's giving increased dramatically in the 1990s, the emphasis shifted to programmatic grants⁴⁵⁸ -- a funding preference that most foundations of this period expressed. Still, the Board was not insensitive to the dilemma that this created, a problem further exacerbated by the deep cutbacks in federal and state funding that were having a profound impact on arts institutions nationwide. The emphasis by foundations on creating new programs during this period resulted in numerous spider-like organizations with tiny bodies and many long, spindly legs. Museums, for instance, were asked to organize new exhibitions even when they couldn't pay guards enough to keep the galleries open, and arts organizations were expected to initiate education programs in schools when they couldn't garner operating support for their core mission.

In recognition of this reality, the trustees responded positively to capital and endowment requests when it was believed that a community or an important arts organization had taken a proactive, progressive approach to a well-defined need.

One of the earliest and largest grants of this kind was made in 1991 to the Community Foundation for Santa Clara County (Calif.) to help establish the Silicon Valley Arts Fund, an endowment that provided long-term financial stability for 11 arts institutions in the San Jose area. Knight Foundation's grant of \$1,050,000 was one of the key leadership gifts in this \$20 million campaign. Just three years later the Foundation supported a similar effort in Charlotte where cultural and civic leaders decided to put the arts on solid footing by establishing an arts endowment for 20 cultural institutions. The Foundation's grant of \$1 million helped the campaign surpass its \$25 million goal.

Such grants were not restricted to the larger Knight cities. In 1997, the Board made a \$500,000 grant for an extraordinary arts capital and endowment campaign in Columbus. Called

the Columbus Challenge, the \$83 million campaign supported construction of a performing arts center; a new facility for the Woodruff Museum of Civil War Naval History; the renovation of the Springer Opera House and Liberty Theatre; endowments for the local art museum, science center, orchestra and opera house; and a revolving seed fund for historic preservation projects.⁴⁵⁹

The Board also responded positively to individual arts organizations when they offered long-term solutions to operating, maintenance and facility challenges. Such was the case in 1993 when the Board granted \$1 million to the Detroit Institute of Arts and \$750,000 to the Detroit Symphony Orchestra. It was a time when the Detroit Symphony Orchestra and the Detroit Institute of Arts faced financial crises that threatened to erode their quality if not their existence. However, the boards and management of these organizations demonstrated what the Foundation felt was “leadership, innovation and courage”⁴⁶⁰ in addressing their perilous conditions with bold recovery measures.

In Philadelphia, timing played a key factor in a 1993 endowment grant of \$400,000 for the Philadelphia Orchestra as it planned its future as part of a proposed downtown arts district.

McPhee addressed the issue of such endowment and stabilization grants in her strategic plan update in 1995. Noting that it might be the appropriate time to develop a more comprehensive strategy for stabilizing arts organizations, she suggested several options, including a long-term initiative to endow favored groups or a rotating program in which selected organizations might receive general operating support in three-year rounds.

On the national level, the Foundation identified the American Federation of Arts as one of those favored groups and approved a \$500,000 grant in 1995 for its Campaign for the Secondary Century endowment.

In 1996, recipients were the Akron Museum of Art and the Philadelphia Museum of Art. The Akron museum received \$575,000 to increase the museum’s operating endowment and for general operating support. The Philadelphia museum was awarded a \$1 million partial challenge grant to increase its unrestricted operating endowment as part of a larger capital campaign.

In 1997, the grantee was the Detroit Symphony Orchestra for a project that, according to the 1997 annual report, exemplified how multiple allies addressing their community's greatest needs could "help to build the arts infrastructure in meaningfully coherent ways."⁴⁶¹ The Foundation's combined capital and endowment grant of \$1 million supported an \$81 million project for a new office/retail building that would house the symphony and Detroit Medical Center, a parking garage and a new home for the Detroit High School for the Fine and Performing Arts.

In early 1998, opportunities arose to support major capital projects for the arts in the two communities of greatest historical significance to the Foundation. In Miami, a \$2.5 million grant supported the capital and endowment campaign for Greater Miami's planned performing arts complex, while in Akron the Foundation provided a \$1 million grant to the University of Akron for its \$5 million renovation plans for the E.J. Thomas Performing Arts Center. Known as Thomas Hall, the facility had been the focus of a \$1 million endowment grant in 1986.

Under most circumstances, a major grant for a performing arts center in Miami would have been likely because of the project's impact and Miami's historical ties to the Knight brothers. But this grant raised a legal question.

Knight-Ridder had donated a significant part of the site on which the center was to be located. Company executives had publicly noted that the center could serve as a catalyst for dramatically revitalizing the surrounding area, which included *The Miami Herald* and an adjacent property that Knight-Ridder owned and planned to develop. If the trustees approved a grant for the center, would the IRS consider it self-dealing with an entity -- Knight-Ridder -- that the agency had classified as a disqualified person?

In September 1993, the Board asked Black to pursue a private letter ruling from the IRS on the matter. After more than four years of IRS scrutiny, the question was satisfactorily answered. The Foundation's \$2.5 million grant pushed the \$48.2 million fund-raising campaign

for private dollars past the halfway mark. The \$244 million complex, scheduled to break ground in 2000, was to feature a ballet/opera house and an orchestra concert hall.

The Foundation increasingly turned to challenge grants in such capital and endowment campaigns to stimulate fund-raising activities aimed at putting important arts organizations on solid footing. Examples included a \$650,000 challenge grant in 1994 to the Cleveland Orchestra to endow a maintenance fund for the Blossom Music Center where the Blossom Music Festival -- a cultural highlight of Akron summers -- had been supported by the Foundation for nearly 30 years. In 1995, the Foundation structured a \$500,000 challenge grant to encourage the Florida Philharmonic Orchestra to find new donors, a step that helped the orchestra broaden its support throughout South Florida with the goal of establishing long-term stability. In 1997, the Foundation awarded a \$1 million challenge grant for the San Jose Art Museum's endowment campaign.

Although the largest capital, endowment and stabilization grants usually went to high-profile organizations in the biggest Knight cities, the Board recognized a variety of opportunities for smaller communities to advance their cultural goals. One of the largest such grants was made in 1996 in Tallahassee, where a \$1 million challenge grant leveraged funds to complete the long-awaited Capital Cultural Center, which housed a science center and museum.

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While the Foundation continued to build on its history of capital, endowment and stabilization grants for arts organizations, the Board widely used another approach during this period to strengthen the arts in Knight cities. Termed the "import-export" strategy, the technique imported art of the highest caliber produced by national and regional organizations into Knight

Foundation communities and helped catapult local organizations to the regional and national arena.

“We have succeeded . . . by supporting national tours by major performing and visual arts institutions, by providing subsidies to venues in our communities for certain kinds of activities and by supporting national organizations such as the Kennedy Center for activities that involve groups from our cities,” McPhee told the Board in her 1995 update on the strategic plan.⁴⁶²

The Kennedy Center activity to which McPhee referred was a national ballet commissioning project, which produced six new ballets by American choreographers working in collaboration with leading regional ballet companies, including the Pennsylvania Ballet and Miami City Ballet. The 1991 grant of \$300,000 that supported the project was just one of dozens of grants to national and regional organizations that broadened the range of dance, opera, theater and visual art available in the 26 communities and resulted in the creation and production of new work across disciplines.

Among the most significant grants that engaged important national, regional and state institutions in efforts to share their art, artists and expertise with Knight cities during this period in the Foundation’s history were the following.

- A 1992 grant to the National Trust for Historic Preservation provided \$1 million for a three-year demonstration project -- the Community Initiated Development Program (CID) - - which attempted to use historic preservation to revitalize commercial areas in Detroit, Philadelphia and Miami Beach. Described by McPhee as a grant that “traded high risk for high impact,”⁴⁶³ the Foundation’s \$1 million provided a complex blend of technical assistance, financing, community development and historic preservation. In Southwest Detroit, for instance, the grant enabled a vacant 1890s Oddfellows Hall to be successfully incorporated into the Mexicantown Bakery redevelopment.

Beyond saving an older property, which was the primary purpose of most of the Foundation's local historic preservation grants, the experiment addressed the challenge of whether historic preservation could serve as a catalyst for real estate development in a traditional commercial corridor. For the most part, Knight Foundation felt the question was successfully answered.⁴⁶⁴ The National Trust and the Foundation learned a great deal about the economics that affected the success of community-driven redevelopment processes in traditional commercial areas -- a key lesson for a Foundation that had designated community development as one of its funding priorities.

"This was Knight Foundation's first major foray into historic preservation on a strategic national level," McPhee said at the conclusion of the three-year program trial. "That we've seen such success in only four years is quite remarkable."

The Board agreed. In 1996, the Foundation continued the experiment with a \$250,000 challenge grant to the National Trust to expand the CID Program to as many as 10 additional cities. The trustees also stipulated that the grant was to be matched 1:1, with Foundation funds to be used in Knight cities.

- In 1993, Mid-America Arts Alliance received \$100,000 to establish a subsidy fund for small museums and galleries in Knight cities to participate in Exhibits USA, the Alliance's touring program of low-cost, museum quality exhibits and educational materials. Four years later, the Foundation reported the grant had helped bring Exhibit USA's traveling shows to some 274,000 museum visitors in 13 Knight communities, including Macon, where the Tubman African-American Museum hosted one of the exhibitions.

"We don't have a curator, so we rely heavily on outside exhibits," explained Carey Pickard, the museum's director. "That, in effect, is what Exhibits USA did for us. They shipped us a show in custom-built cases that came ready to be hung, not only with labels prepared but also with really good educational materials."

Recognizing that museums such as the Tubman had the mission and creativity to present a varied program of changing exhibitions but lacked the substantial resources required to create them in-house, the Foundation's Board continued support for the program with an additional \$250,000 grant in 1997. The funds helped Exhibits USA develop 15 more traveling shows and provided subsidy fees for the exhibiting venues in Knight communities.

- Of particular interest was a series of grants to the Southern Arts Federation that represented both the "import" and "export" facets of the import-export strategy. In 1991, the Foundation made a \$51,540 grant to the Federation's Southern Musical Roots Tour, which enabled musical groups reflecting styles indigenous to the South to tour throughout the region. Knight cities were not only included among the tour sites; they also provided the folk artists: a country and bluegrass band from Columbia, S.C.; a blues musician from Macon, Ga.; and a Miami duo performing bembe music from Cuba.

Building on this approach, the Southern Arts Federation launched its Folk Arts Traveling Exhibit Program in 1993. With 12 of its 26 cities in the South, the Foundation had a special stake in supporting the project. The traveling exhibits addressed a need identified by small and midsized museums and galleries for high-quality, low-maintenance, affordable exhibitions. It also capitalized on the South's many outstanding exhibitions of ethnic and folk arts.

Knight Foundation's grant of \$75,500 helped the Federation take advantage of these needs and resources by selecting and refurbishing five existing exhibits and sending them to cities throughout the region. Museums and galleries in the Foundation's 12 Southern cities received at least two of the five exhibitions at no fee, paying only a nominal shipping charge for each exhibit.

In addition, several exhibitions developed by curators in Foundation cities were selected for the tour, including one featuring photography about the life of Vietnamese immigrants who had settled along the Mississippi Gulf Coast near Biloxi.

Believing that the program had been an “extraordinary success,”⁴⁶⁵ the Foundation made a \$90,000 challenge grant in 1995 to extend the program and to broaden its base of support.

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Most of the import projects supported by the Foundation were far more limited in scope than those of the National Trust for Historical Preservation, the Mid-America Arts Alliance and the Southern Arts Federation. Such grants focused on a national tour, single exhibit or specific project from which local audiences benefited. Organizations that received such grants included the widely respected Group 1 Acting Company, for productions of both contemporary and Shakespearean work, and the national tours of Jacob’s Pillow Dance Festival, the Paul Taylor Dance Foundation and Liz Lerman Dance Exchange, all of which included a number of Knight cities.

Beyond performances and exhibitions, the Foundation called on national organizations to assist with the development of art and artists on a local level and to share their expertise with important community institutions. For example, a grant to the José Limón Dance Foundation enabled one of America’s leading modern dance companies to establish a summer residency in San Jose. Similarly, support for the Dance Theatre of Harlem allowed that nationally renowned institution to do likewise in Detroit.

And, finally, the Foundation responded to selected opportunities to employ national groups in helping Knight cities develop the organizational capacity necessary to enhance the arts in Knight cities. One of the few grants of this type went to the National Assembly of Local Arts Agencies to launch a pilot program to strengthen such arts agencies in Foundation communities.

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The reverse of the import strategy -- exporting art from Knight cities to a national, regional or state level -- did not occur as frequently, but there were some notable examples.

Foundation support enabled the Miami City Ballet to introduce a new work to a national audience during the 1995 Florida Festival at the Kennedy Center in Washington, D.C. Another Foundation recipient, the Miami-based New World Symphony, also performed. And, at the Akron Art Museum, a challenge grant of \$80,000 in 1993 provided momentum for the development and national tour of the exhibition, "The Persistent Presence: Women in Photography." The exhibition was an especially fitting one for the museum to organize and for the Foundation to support. A Knight endowment grant of \$300,000 in 1990 had created the Knight Purchase Award to provide the museum the resources to periodically buy work from renowned living photographers to add to its already notable collection of photography.

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An increasing number of Foundation-supported projects supported represented the growing efforts of arts organizations to highlight the rich experience, history and artistic heritage of America's varying ethnic groups and to acquaint a broader audience with the values and importance of their contributions. Although the Board-approved strategic plan did not specifically address diversity as a funding priority in the arts, the Foundation recognized the importance of such projects, pointing out in the 1993 Annual Report that "in a society struggling every day to accept differences and find harmony among groups and individuals, the arts can evoke our common humanity in a way few other forms can."⁴⁶⁶ As a result, the trustees responded to a significant number of proposals focused on art, artists and audiences whose

voices and vision were just beginning to be included in America's vast and varied cultural mosaic.

Such grants included \$500,000 in 1992 for the capital campaign of the National Museum of the American Indian, the last of the Smithsonian Institution museums to be built on the National Mall in Washington, D.C. Hemispheric in its approach to native culture, the new museum was poised to provide an unparalleled presentation of what McPhee called the "profound and original contributions that native cultures have made to world civilization."⁴⁶⁷

Grants to the Washington Drama Society's Arena Stage provided \$200,000 for projects to expand the involvement of minorities in American theater. The grants supported efforts to diversify every aspect of theatrical production -- from acting, directing and playwriting to the many artistic, technical and administrative careers in the theater and to cultivate and develop new playwrights and new plays.

More often, the Foundation supported individual exhibitions and performances that highlighted the work of minority artists and cultures. Among such grants were those for the national tours of works by such African-American artists as Faith Ringgold and John Biggers, the exhibition "African-American Artists in Paris: 1945-1965" from the Studio Museum in Harlem and a National Council for the Traditional Arts program, "Echoes of Africa," an exploration through performance and education programs of the African-folk origins of America's popular music and dance.

Complementing the Arts and Culture Program's diversity grants at the national level were an even broader variety of projects in Knight cities. Foundation funding helped to develop, stabilize and strengthen museums and cultural centers focused on the art and history of a specific ethnic group. There were grants to encourage museums, orchestras, dance, opera and theater companies to engage minorities as artists and audiences and to stimulate the development of new work that gave expression to previously unheard voices. A small sampling of such efforts included a new multicultural theatrical work by the Latino-Chicano comedy troupe, Culture

Clash; a new repository and research center at Wichita's Mid-America All-Indian Center that concentrated on the work of Native American artist Blackbear Bosin, and an educational exhibition and national tour of the slave ship Henrietta Marie organized by a maritime heritage society in Key West.

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The 1992 strategic plan had not specifically addressed the role of arts education in the Arts and Culture Program. As a result, funding for this area was limited, and no overall strategy guided grant making. In the period from 1992 through June 1995, the Board made just \$1.2 million in arts education grants, most of which supported the outreach or in-school programs of individual arts organizations for one or two years.

During the 1995 strategic planning review, McPhee told the Board that the impact of such projects needed to be reconsidered. Because many school systems during this period had cut back or eliminated their arts classes, they had been more than willing to accept whatever the arts community was willing to provide at minimal cost to the schools. This scattershot approach, McPhee warned, did not ensure that every student received comprehensive arts education from grades K-12.⁴⁶⁸

As a result, the trustees in December 1995 approved an updated strategic plan that, for the first time, declared arts education as a funding interest and set forth a strategy for grant making in the field. The Foundation (1) developed new guidelines for arts education proposals that encouraged a long-term commitment by the school system and local arts organizations and that resulted in curriculum-based, sequential learning for all students; and (2) worked with local advisers to identify such projects and developed a series of questions advisers can use in their evaluation of all arts education proposals.⁴⁶⁹

As a first step in its new approach, the Foundation made grants totaling nearly \$600,000 in 1995 and 1996 to Young Audiences of New York whose model program -- Arts Partners -- had grown to include seven school systems and 60,000 students. Young Audiences examined arts education in six midsized Knight cities to determine the likeliest community where those who practiced the arts might collaborate with those who teach them. Wichita was selected because of a communitywide collaborative partnership committed to providing sequential arts education in the public schools. Through a small grant in 1997, the Foundation also encouraged the Lexington Arts and Cultural Council in Kentucky to develop a strategic plan for implementing Arts Partners.

A second grant for a comprehensive arts education project followed in 1996 -- \$200,000 to the Center for Creative Education in Palm Beach County (Fla.) for a project designed to use the arts as tools in the teaching of all academic subjects. The project was an outgrowth of a countywide partnership of the school district, artists and cultural organizations.

Looking beyond local efforts to the national arena for successful arts education models, the Board in March 1997 provided a \$300,000 grant to the Harvard University Graduate School of Education's Project Zero for its ARTS SURVIVE project, a three-year study examining examples of arts education partnerships in school reform initiatives that have demonstrated they can survive initial funding and become an integral part of the life of a school, including projects previously funded in Knight cities.

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As the Board considered a statement for the Arts and Culture Program during the 1991-1992 strategic planning exercise, trustees were certain of only a few things. They wanted to enhance the quality of cultural life in Knight cities, and they envisioned a national program of grant making that encouraged innovation. In 1992, it was understood that the Arts and Culture

Program was a work-in-progress, to be defined by the grants that were made, the needs expressed by leaders in the field and the opportunities that arose nationally and in Knight communities.

Just five years later the Foundation, which had become the 12th biggest arts funder in the U.S. and the largest in the Southeast, had fulfilled the Board's objectives. The implementation activities included two nationally important initiatives addressing critical needs in the arts, an impressive track record of groundbreaking grants and strategic support for major arts organizations nationally and locally, and responsive grant making that addressed well-identified needs in the field while it emphasized approaches, such as collaboration and long-term financial stabilization, which the trustees felt should be encouraged.

But even with a better-defined idea of how it could achieve its goals, the Arts and Culture Program held to the broad mission that the Board had identified five years earlier and had reaffirmed during the strategic planning update in 1995. A statement on goals and objectives, issued in 1997, restated the Arts and Culture Program guiding precepts:

“It would encourage innovative, experimental projects that had a national impact; it would not only respond to proposals but would be proactive; it would continue to be bold in the support of excellence, innovation and risk-taking; it would be enterprising in identifying the needs in the arts field and responding to them creatively; and it would continue to build on the Foundation's strengths -- close contact with our communities, flexibility and common sense.”

XII.

Knight Commission on Intercollegiate Athletics

A discussion of Knight Foundation's programming highlights during the 1990s would not be complete without an accounting of the Knight Commission on Intercollegiate Athletics. Established in 1989 as an independent panel, the Commission operated from its own office in Charlotte with a three-person staff headed by Christopher "Kit" Morris, a Davidson College graduate and former college athletics administrator. Black was the sole liaison between the Foundation and Commission, serving in a key leadership position as an ex-officio member.

The Knight Commission on Intercollegiate Athletics changed the way that others viewed the Foundation and the way the Foundation viewed itself. The Commission's work raised the Foundation's national profile, extended its influence in educational and philanthropic circles, broadened its base of knowledge about higher education as an institution and exposed the Board to the experience of supporting a national commission.

The Commission ceased operations for what appeared to be the final time in early 1996, after the NCAA's governance structure was overhauled to clearly put college and university presidents in charge of athletics on their campuses. The most significant developments in the Commission's activities during the 1990s were the following.

- The Commission met eight times in 1990 in Washington, D.C., and discussed the problems of college sports in open sessions attended by and reported on by the media. The

sessions focused on presentations by athletic conference commissioners, athletics directors, coaches, student-athletes, professional league officers, media executives and others -- a total of 88 over a year's period.⁴⁷⁰

By the fall, the commissioners were prepared to assess what they had heard from the experts, keeping foremost in mind the advice that the Commission's co-chair, Father Theodore Hesburgh, had stressed from the beginning: College presidents must take charge of athletics on their campuses, and the Knight Commission could suggest a framework for how to do it.

Commissioners ultimately agreed with Hesburgh, although some initially wanted the group's recommendations to cover a broader spectrum of issues, including the influence of television money on college sports, state government funding for intercollegiate athletics and gender equity. But by late 1990, when the final draft of the report had been completed, the Commission had reached a consensus that more could be accomplished by keeping the focus on presidential control.

Even before the Commission released its report and recommendations in March 1991, its hearings and public statements were credited with contributing to the impetus the reform movement gained in 1990. In early 1991, the Presidents Commission of the National Collegiate Athletics Association (NCAA) sponsored a legislative reform package that college presidents presented for approval at the NCAA's annual meeting in January of that year. The college presidents' proposals were overwhelmingly approved.

- On March 19, 1991, the Commission released its first report, *Keeping Faith with the Student-Athlete: A New Model for Intercollegiate Athletics*, at a Washington, D.C., press conference attended by 200 media representatives. Interest in the subject had been fueled by the Commission's open meetings over the past year and the NCAA legislative action just two months before.

A two-hour Bill Moyers special on the topic also ran on PBS the evening the report was released. A significant portion of the program was devoted to a panel discussion featuring several Commission members.

Keeping Faith was a call-to-action to university presidents to take control of athletics on their campuses, in athletics conferences and in the decision-making councils of the NCAA.

At the heart of the Commission's recommendations was a new structure of reform called the "one-plus-three" model in which the 'one' -- presidential control -- was directed toward the 'three' -- academic integrity, financial integrity and certification. In making the proposal, the Commission rejected the frequently heard argument that only a few "rotten apples" were tainting intercollegiate athletics.

"The problems are so deep-rooted and long-standing," the report said, "that they must be understood to be systemic. They can no longer be swept under the rug or kept under control by tinkering around the edges . . . Nothing short of a new structure holds much promise for restoring intercollegiate athletics to their proper place in the university."

The Commission made extensive recommendations to implement its one-plus-three model and included a statement of principles it urged the NCAA to incorporate into a process certifying that member institutions were in compliance with fundamental academic and financial standards. "Ideally," the report said, "institutions will agree to schedule only those colleges and universities that have passed all aspects of the certification process. Institutions that refuse to correct deficiencies will find themselves isolated by the vast majority of athletics administrators who support intercollegiate athletics as an honorable tradition in college life."

Response to the report was overwhelmingly positive. More than 1,500 news stories, editorials and columns were published in the month following the report's release. Extended segments on network television news shows addressed the Commission's recommendations. Hundreds of letters of support were received, and there were requests for 5,000 copies of

Keeping Faith, many from college presidents who shared it with their trustees and faculty athletic councils.

Knight Commission members accepted dozens of invitations from campuses, professional organizations and the media to discuss the Commission's findings and recommendations.

At its meeting in early April 1991, the NCAA Presidents Commission adopted a statement welcoming the report and said it "would accelerate the reform movement currently under way in intercollegiate athletics through the NCAA."

- In June 1991, the NCAA Presidents Commission voted to propose to the NCAA changes setting higher entrance requirements for college athletes and stricter norms for monitoring athletes' progress toward a college degree.

- Following a meeting of Knight Commission on Sept. 23-24, 1991, co-chairs William Friday and Father Hesburgh released a statement applauding the work of the NCAA Presidents Commission and supporting the reform proposals it planned to bring to the NCAA annual meeting in January 1992. Friday and Father Hesburgh also asked the Presidents Commission to consider endorsing additional proposals that went further in emphasizing the academic life of the student-athlete and to oppose efforts to roll back reforms enacted at the January 1991 NCAA meeting.

"We plan to encourage every university president to attend the 1992 NCAA Convention in Anaheim, Calif., next January," the Hesburgh-Friday statement read. "The presence of these presidents is essential to ensure the passage of sound reform proposals and to prevent watering down the progress we have already made."

- In January 1992, delegates to the annual NCAA convention overwhelmingly approved by 3-1 votes the Presidents Commission proposals to raise academic standards.

- On March 17, 1992, Knight Commission released its second report, which concluded: “A solid start on the road to athletics reform has been made. Presidents are in control of the process.

“Academic reforms -- ‘no pass-no play’ -- have been enacted and will be put into place over the next several years. A major study of financial issues is under way, with legislation scheduled for 1994. A certification program is being tested and will top the NCAA’s 1995 legislative agenda.”

- In June 1992, the Presidents Commission committed to advancing NCAA legislation that held colleges and universities accountable for their athletics programs and promised to work closely with Knight Commission members and staff to construct certification regulations that would draw widespread support and still meet rigorous standards of public accountability.

- In January 1993, delegates to the NCAA annual convention passed legislation that created an NCAA certification process for Division I schools. Of even greater long-term significance, legislation created an NCAA Joint Policy Board, made up of the association’s Administrative Committee and officers of the Presidents Commission. The newly formed board had authority to review the NCAA budget and legislative agenda and to evaluate and supervise the NCAA’s executive director.

- On March 18, 1993, the Knight Commission issued its third and final report, *A New Beginning for a New Century*, which lauded the progress on athletic reform and asserted that college presidents were in firm control of the NCAA's legislative agenda.

“Presidential leadership is the hallmark of today's NCAA,” the report observed. Yet it made no claim that all the problems tarnishing college athletics had been solved -- or even that they ever would be. “Reform is not a destination but a never-ending process, a race without a finish,” the report said.

- In September 1993, the Knight Commission produced a final publication, “Reports of the Knight Foundation Commission on Intercollegiate Athletics,” which included the 1991, 1992 and 1993 reports with an introduction by Black.

- In the spring and summer of 1994, key leaders in college athletics wavered in their commitment to stronger academic requirements for student athletes. Chief among them was the Black Coaches Association, which felt the standards hit minorities especially hard. The reform movement was also dealt a blow by the resignation of Richard Schultz from his position as executive director of the NCAA. Schultz, a Commission member, was a strong reform proponent.

- In June 1994, Black asked and received permission from Knight Foundation's Board to reconvene the Commission on a limited, temporary basis.

- In August 1994, the NCAA Council, the organization's governing body, endorsed two proposals that weakened new freshman academic eligibility standards scheduled to go into effect in 1995. Before the council's meeting, Knight Commission's leadership wrote Joseph Crowley, head of the NCAA Presidents Commission, warning that “without consistently strong

leadership, the college sports reform movement will come to a standstill at best, and at worst succumb to the opposition of those who believe that its supporters lack the courage and resolve to stay involved for the long haul.”

- Knight Commission reconvened in the fall of 1994. The Commission urged the NCAA to turn back the proposals to water down athletic eligibility standards. To head off passage of the roll-back legislation scheduled to be considered at the annual NCAA convention in January, Father Hesburgh and Friday distributed a letter asking college presidents to become personally involved, attend the convention and “provide clear instructions on how your institution’s vote is to be cast on these matters.”

- In January 1995, the NCAA refused to water down the higher academic standards set to go into effect. Cedric Dempsey, the NCAA’s new executive director, also made a speech saying it was time to revive the idea of reorganizing the NCAA. Knight Commission extended its operations for another year to concentrate on NCAA restructuring.

“An NCAA governance structure with presidents clearly in charge is the best insurance policy that reform will go forward,” Black said.⁴⁷¹

- At its January 1996 convention, the NCAA approved by a 777-79 vote a drastic overhaul of its governance structure in what one news account called “the most significant event in the organization’s 90-year life.”⁴⁷² The new structure granted greater autonomy to the NCAA’s three divisions, designated CEOs as the sole members of each division’s governing body and established an overall executive committee chosen from the divisional executive boards.

A *New York Times* editorial on Jan. 23, 1996, called the move a big victory in the campaign “to control runaway athletic programs” and said that the restructuring plan “was lifted chapter and verse” from the Knight Commission.

NCAA President Gene Corrigan described it as “the crowning touch to the Knight Commission’s recommendations. It puts the real power where it ought to be. Presidents no longer have any place to hide.”

In a Jan. 11, 1996, memo thanking members of the Knight Commission for their work, Black observed that presidential control by no means guaranteed problem-free college athletics programs.

“It remains to be seen, of course, how the presidents use their new power to address such problems as the growing commercialization of sports and the alarming increase in criminal misconduct by some athletes,” Black said. “My response to questions from the press about our future has been that we are retiring to the sidelines but that we’ll be watching closely from there and conceivably could be heard from again if circumstances warrant.”

- On Feb. 16, 1996, Black wrote Knight Foundation trustees that their “generous and courageous support of this undertaking” had been deeply appreciated and shared with them letters expressing gratitude from individuals such as pollster Lou Harris, a consultant to the Foundation, who credited “the faith and fortitude of the Knight Foundation” for bringing about systemic reform.

“Oddly enough, the money was not the main story,” Harris wrote. “The faith and confidence that reform could be accomplished, the intelligence to ask the right people to run the Commission, the willingness to stick it out the many times the outlook became bleak -- all must be credited to the iron will of the Foundation.”⁴⁷³

In concluding his final report on the Knight Commission, Black also expressed his gratitude to the Foundation's Board, adding: "At a time when foundations are frequently criticized for being too timid and bureaucratic to function as engines of change, I take great satisfaction in the work of the Knight Commission. I hope you do, too, and that you share the feelings of Lou Harris that it has been a proud moment in the Foundation's history," Black concluded.

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Knight Commission's high profile and impact attracted proposals to the Foundation to establish commissions to address other issues such as crime. The Board resisted, taking its cue from Black, who believed a distinctive set of circumstances and activities needed to exist to make a commission effective. Defining those elements shortly after the Commission wound up its business in early 1996, Black said Knight Commission had:

- Addressed a discrete problem it could get its arms around.
- Targeted a single organization -- the NCAA -- which could legislate rules changes to address the problem.
- Attracted a strong, prestigious, compatible leadership in Father Hesburgh and Bill Friday, who in turn recruited a strong, knowledgeable, engaged Commission.
- Hired a strong staff.

- Held a year-long series of meeting with interested parties to get their input before making recommendations.
- Involved the media from the start and engaged a top-flight public relations firm to work with the Commission.
- Stuck to limited, well-defined goals and avoided the minutia and distraction of other problems.
- Produced a concise, easily understood report defining the problem and laying out recommendations.
- Presented the report at a Washington, D.C., press conference with the full Commission present.
- Followed up -- not folded up -- by keeping the staff intact after the first report; seizing every opportunity to stump for its proposals; staying in touch with the NCAA leadership and college and university presidents; retaining a strong presence at NCAA conventions; publishing follow-up reports to the original; going back into business to fight off efforts to undo academic reforms; and sticking around for an additional year to support NCAA restructuring.

XIII.

Evaluation

As the Board began its strategic planning exercise in 1991, the Foundation marked a milestone: \$100 million given away since 1950, with 90 percent of it distributed during the 1980s. Hundreds of grants ranging in size from \$500 to \$5 million had been approved, but the Foundation had little knowledge beyond anecdotal evidence of the impact of its grants.

As far back as Ben Maidenburg's presidency, trustees were aware of the need to know how funds were used and urged him to visit Knight cities to assess grants.

Jack Knight also addressed the issue in his response to Gibson's White paper in 1979.⁴⁷⁴ When Gibson suggested the Foundation had minimal concern in monitoring grants, Knight replied: "To the contrary, I think we should examine the use of our grants much more carefully than we do at the present time."

He envisioned the newspaper editors and managers taking on this responsibility, adding: "Far too often we make grants and that is the end of it. We should be better informed with what is done with our money."

As distributions accelerated in the mid-1980s, Jim Knight expressed the same concern and in September 1985 asked the newly created Program Review Committee to determine how the Foundation's money had been spent in the past so its Board could make informed decisions about programming in the future.⁴⁷⁵

Hills was particularly sensitive to this need in Journalism, and he assured that the Foundation received regular reports on the progress of its major grants and initiatives in midcareer and minority journalism education. He assigned this responsibility to the Journalism Advisory Committee,⁴⁷⁶ whose reports were sometimes supplemented with evaluations by outside consultants.

Outside of the Journalism Program, the Foundation's effort to monitor and evaluate grants was coordinated through the Distribution and Planning and Program Committee and assigned to staff.

The Distribution Committee took on the responsibility of identifying projects that should be monitored, and Foundation associates and staff were expected to follow up.⁴⁷⁷ Hills, as chairman of the Planning and Program Committee, also asked Black to monitor special grants and initiatives, such as the pilot donor-advised funds at community foundations.⁴⁷⁸

In an effort to further address the evaluation aspect of grant making, Hills invited Virginia Fielder, Knight-Ridder's senior research executive, to discuss the topic in September 1988 with the Planning and Program Committee.⁴⁷⁹

Fielder assessed one quarterly round of grants and determined that 80 percent required no more than monitoring with a simple reporting form, but the remainder needed more extensive evaluation to determine if the goals for which the grant were made were ultimately achieved. She noted, too, that the Foundation should not only evaluate projects funded by single grants but scrutinize grants clustered around a single theme. She also told the committee that limited evaluation mechanisms could be built into project grants but that the Foundation needed to hire a staff specialist or consultant to evaluate programs.

Foundation staff developed an evaluation form in late 1989⁴⁸⁰ and emphasized in the 1989 annual report that evaluation was an important component of grant making in the future.

“Although Knight Foundation throughout its history has asked for reports from selected grant recipients, no standard format was required. We will continue to do this where appropriate.

We believe, however, that more rigorous project evaluation which measures performance against formal standards or declared goals and objectives benefits both the grant-seeker and the Foundation,” the report noted.

“Preparing specific, measurable goals and objectives can help to focus a grant request. Reporting on goal attainment can aid the grant-seeker with internal planning and the Foundation with knowing whether or not our funds have been well spent in order to improve future grant making.”⁴⁸¹

The Foundation selectively distributed its evaluation form to grant recipients targeted by the Distribution Committee and staff, who tried to identify projects that offered the opportunity for the Foundation to learn more about subjects such as welfare-to-work and drop-out prevention programs.

By 1992, the Foundation utilized a grant review process described in the strategic planning document, “Sharpen the Focus -- Heighten the Impact.” According to that plan, the Foundation:⁴⁸²

- (1) Monitored use. For many grants, e.g. capital and endowment, the Foundation simply monitored use of the funds.
- (2) Required reports. On a more selective basis, the Foundation required interim and final reports, often as a condition for future payments or additional support.
- (3) Required a formal evaluation plan. This strategy was particularly used for innovative or model projects. The Foundation stipulated that the grantee had to file an evaluation plan using a special form. At the end of the grant, the evaluation plan became the basis for the final report. The Excellence in

Undergraduate Education initiative was one example of when this approach was used. Excellence grant-seekers had to submit an evaluation plan as part of the proposal process.

(4) Made site visits. Foundation management, staff, advisers and -- to a far lesser extent -- trustees visited projects to observe activity and talk to participants as a method of evaluation for grants and programs. The strategic planning document cited the Pennsylvania Ballet, the Yale Law School Journalism Fellows, Ohio Dominican in Columbus and targeted Knight cities as examples.

(5) Used outside consultants. On a highly selective basis, the Foundation employed an expert evaluator to examine and assess a project or group of related projects. The strategic planning document cited Northwestern University's Newspaper Management Center and the journalism minority programs as examples.

The strategic planning document also addressed the drawbacks in the current process and looked ahead to what was needed in the future.

“Although the basis for a solid program of evaluation of individual grants has been laid, program officers at present are not routinely focused on evaluation of past grants,” the strategic planning document noted. “Also yet to be planned is the process by which evaluation of individual grants is amalgamated into assessments of Foundation initiatives and overall grant programs. Because of time constraints and the need for objective assessment beyond the program officer assigned to a grant, responsibility for monitoring grants and conducting more formal and routine evaluations may be eventually be concentrated in a staff position.”

While a program evaluator was identified as a future staffing need in the 1992 strategic planning document,⁴⁸³ Black did not ask the Board to approve the position for another four years because he considered other staff needs more pressing. In the meantime, the Foundation arranged for outside consultants to monitor and evaluate its major initiatives for community foundations, immunization, youth violence, symphony orchestras, school-college collaborations and the Knight International Press Fellowships.

In addition, the funding partners of the National Community Development Initiative contracted for ongoing, extensive monitoring and evaluation of NCDI.

But this level of attention to evaluation only scratched the surface of what the Foundation could be doing. Beyond initiatives, the Foundation rarely sought independent evaluations of major grants, instead relying on reports and evaluations from grant recipients. As a result, the experiences of what appeared to be very successful projects, such as the John S. Knight Writing Program at Cornell University, were not documented in a way that made them useful as learning tools and models for replication and adaptation. Furthermore, when experimental ventures, such as South Pointe Elementary School in Miami Beach, did not realize their full potential, the Foundation lacked an objective assessment about what went wrong.

The Foundation did not even evaluate one of its earliest initiatives, Excellence in Undergraduate Education. Although individual colleges and universities reported on and assessed their own projects, no consultant or adviser provided the Foundation an overall review of the program's impact.

By the time the Board reviewed and updated its programming strategy in the latter part of 1995, however, evaluation had become a principal component of the Foundation's programmatic efforts. The updated strategic plan called for all four programs to continue with plans to evaluate the Foundation's current major initiatives and to selectively consider grants and clusters of grants for evaluation.

At the same time the Board considered programming strategy, the consulting firm of Hamilton, Rabinovitz and Alschuler reviewed the Foundation's internal administrative processes and concluded that an evaluation position was important at this stage of the Foundation's development. The Hamilton firm prepared for the Board an extensive memo on the types of evaluation available, how other foundations handle and use the function, Knight Foundation's current practices, options the Board might consider and the consultant's own recommendations which were to:⁴⁸⁴

- Retain the current policy of calling for independent evaluations of all significant initiatives, plus a few of the largest reactive grants in the Community Initiatives Program, and spell out the strategic and operating implications for the evaluation function.
- Add a senior program position with the title of director of evaluation, coequal in rank with the program directors, reporting directly to the Board or to the president. Fill the position with someone with technical experience in program evaluation but with a less rigid methodological attitude than is typical in that profession.
- Vest responsibility for developing and enforcing institutionwide evaluation design standards, together with the responsibility for managing all evaluations, in the new director of evaluation.
- Establish a procedure in which the Board receives notices and summaries of all completed evaluations and has access to the full document upon request.

While Black and McPhee favored the position of director of evaluation, they opposed the approach the Hamilton firm recommended, which appeared to place the evaluator in the role of an auditor looking over the shoulder of both the program staff and grant recipients to assess their performance. They saw evaluation as a learning tool for both the Foundation and grantees and wanted to put it to use in making midterm adjustments in multiyear projects and initiatives. In line with this view, Black and McPhee saw the director of evaluation reporting to the vice president and chief program officer. Both, however, agreed with Hamilton's recommendation that the Foundation had reached a point that a senior level director was needed to provide evaluation expertise because of the number and complexity of initiatives under way. Black asked the Planning and Program Committee and full Board to consider the question in September 1996.⁴⁸⁵

Trustees did not want to backtrack from their earlier commitment to evaluate initiatives and important grants, but there was considerable debate about formalizing an evaluation position as well as the timing. Jill Conway, chairman of the Planning and Program Committee, opposed the position. Black flew to Boston to present his case for the position to her and Jerry Austen before the committee and board met. She was not convinced. Her concerns, included in the minutes of the Planning and Program Committee meeting of Sept. 17, were that:

- (1) The Foundation's program directors were capable of monitoring their own work with the understanding that self-scrutiny was expected.
- (2) Philanthropic evaluation should not be a policing function akin to government monitoring, which could lead to unwanted bureaucratization.
- (3) Evaluation could discourage risk-taking and add to the costs of carrying out funded programs.

Eventually Conway voted for the position of director of evaluation, but both she and Jerry Austen believed that the position should not be filled immediately. Austen told the committee that a number of trustees felt enough staff had been added for the time being and that the Foundation should wait until a new president was in place before deciding how the evaluation function should be handled and who to hire.

Committee members in favor of immediately filling the position were Lee Hills, Tom Johnson and Rolfe Neill, who did so even as he expressed concern about “blanket evaluation laden with bureaucracy.”

Following a full discussion, the committee voted unanimously in favor of establishing a director of evaluation position to report to the vice president and chief program officer but was divided on timing. Approval for hiring someone immediately passed narrowly, 3 to 2. Accepting the committee’s recommendations, the full Board of Trustees unanimously voted to authorize Black to proceed. The meeting minutes for Sept. 17, 1996, outlined trustees’ expectations for this position.

“As envisioned, the essential role of the director of evaluation will be to manage the Foundation’s program evaluation, including (1) working with the board, senior officers and program directors to articulate the principles that should guide decision-making about evaluation; (2) developing a comprehensive evaluation plan for the Foundation; and (3) helping to identify and select appropriate independent consultants to perform evaluation. This position should be filled by someone with some technical experience in program evaluation but with a less rigid methodological approach than is typical of many in the profession. Because the person in this position will oversee outside evaluators who may be specialists in one of four areas of grant making, and take responsibility for dissemination and presentation of results, he or she would ideally be a generalist with excellent written communications skills.”

Black and McPhee thought the evaluator needed the qualities of a skilled journalist -- someone with the capacity to gather and assimilate information about initiatives and grants, identify viable problem-solving strategies, sift out practices that didn't work and then package that information in a way that was meaningful to grant recipients and grant-seekers, other funders, experts in the fields of Foundation interest, policy-makers and the general public. Black and McPhee even placed an ad in *Editor & Publisher* magazine, to which newspaper journalists seeking new jobs often turned.

The result of the search was the selection of John Bare, a media research consultant and veteran journalist who joined the Foundation as director of evaluation in August 1997. By early 1998, Bare had helped the Board and staff further refine their thinking about evaluation, which he explained in the Foundation's newsletter.⁴⁸⁶

"Gaining an understanding of the impact and effectiveness of grant programs is a particularly important component of evaluation research. Beyond simply documenting a program's success, the evaluation must explain why a specific grant succeeded under certain conditions. Likewise, when a less successful grant program is under consideration, the evaluation should explain why difficulties occurred. Without this knowledge, the Foundation can neither replicate successful grant programs nor improve upon programs that fell short of expectations," Bare wrote.

"While I'm new to this, it's worth mentioning that my philosophy on evaluation squares with that of my colleagues at Knight Foundation. Evaluation isn't something we do to our grant recipients; it's something we do with them. Evaluation is part of our ongoing partnerships, something that benefits both the Foundation and the organizations that hope to spend our grant dollars well," he concluded.

XIV.

Managing \$1 Billion in Assets

The Foundation's finance area, which was initially responsible for human resources, technology and administration as well as investment management, experienced changes comparable to those taking place on the programming side of the Foundation during the 1990s.

Just as the Planning and Program Committee gradually realigned its focus to concentrate on policy rather than management and administration, so too did the Finance Committee begin to concentrate on strategic policy and asset allocation issues.

Most significantly, the 1990s were characterized by a strategic shift in the philosophy that governed how the Foundation invested its assets, which rose from \$605,039,445 in 1991 to \$1,189,784,233 by the end of 1997. The changes occurred after June 1991, when the Board adopted a plan proposed by the Finance Committee to more broadly diversify the Foundation's portfolio. Until that time, the Foundation's assets consisted principally of large cap domestic stocks, Knight-Ridder stock and domestic bonds, although some diversification beyond these traditional investments had already begun during Jim Knight's final years as Foundation chairman. Knight, in fact, had directly approved of a \$5 million venture capital commitment to J.H. Whitney & Co., a fund specializing in small, privately held companies.⁴⁸⁷ The Board unanimously approved the J.H. Whitney investment in June 1989.⁴⁸⁸

Heffern, the Finance Committee's chairman, and Crowe provided their perspectives on the committee's changing role and Foundation investment policies and practices in separate interviews in 1996 and 1997. The interviews also covered developments in human resources, compensation and technology for which the Foundation's finance area was responsible until mid 1997.⁴⁸⁹ Based on information and documents provided during the two interviews,⁴⁹⁰ the major financial developments of this era are the following:

- By the end of 1997, Knight Foundation had received almost \$200 million from Jim Knight's estate.⁴⁹¹ Crowe said the manner in which Jim Knight's estate was settled contributed to reducing the Foundation's excess holdings of Knight-Ridder stock, which represented approximately 26-27 percent of the portfolio when he died in 1991. At the time of his death, the Foundation was already working to reduce its ownership of Knight-Ridder stock to under 20 percent of the portfolio -- a legal requirement. But rather than passing all of the Knight-Ridder stock to the Foundation and to disqualified persons of the Foundation, namely his daughters who were Board members, Jim Knight's estate was able to distribute some of it to other beneficiaries. As a result, the Foundation no longer needed to count some of his shares or those of disqualified persons among its excess business holdings.

That event, along with the Foundation's diversification program, enabled the Foundation to reduce Knight-Ridder stock well below the 20 percent target. By the mid-1990s, the excess holdings problem with which the Foundation had grappled for much of the previous decade was resolved.

- The Finance Committee on May 22, 1991, approved a diversification plan (a) permitting investments with small cap domestic and international equity managers, an additional bond manager and ongoing alternative equity and real estate partnership investments; and (b) recommending a reduction in holdings of Knight-Ridder stock below 20 percent of total portfolio

assets. The committee action was prompted by two considerations: a review of the status of the James L. Knight estate and the Foundation's current and anticipated holdings of Knight-Ridder stock; and a recommendation by Cambridge Associates to further diversify the portfolio, which included reducing the Foundation's ownership of Knight-Ridder stock.⁴⁹² The Finance Committee proposed the diversification plan to the trustees, who unanimously approved it on June 20, 1991.⁴⁹³

- The next significant development occurred a year later when the Foundation adopted its first asset allocation model. Based on the recommendations of the Finance Committee and a planning report from Cambridge Associates, the full Board on June 17, 1992, unanimously approved the following asset allocation targets: 60 percent in traditional equities, 20 percent in alternative equities and 20 percent in fixed-income instruments.⁴⁹⁴

Over the next four and a half years the asset allocation model was continually refined.

- New asset categories, such as emerging market equities, distressed security partnerships and hedge funds, initially made some trustees uncomfortable. While the Board embraced the value and principle of diversification, there were lingering concerns as the diversification program evolved about allocating assets to investments that involved greater risk.

An important turning point in attitude was prompted by a two-part series in *Foundation News* magazine in late 1993 and early 1994 that addressed trustees' fiduciary responsibilities in the context of legal developments and the modern approach to the management of investments. The articles were entitled "Investing in U.S. Securities Is a Violation of Your Fiduciary Duty" and "Let Go of Your Old Investment Assumptions." The authors were John A. Edie, vice president and general counsel of the Council on Foundations, and Lowell S. Smith, managing director of the Private Banking Division of Morgan Guaranty Trust Company of New York.

The series assured trustees of foundations that it is important for a portfolio to have asset categories that in and of themselves might take on a bit more risk but, when combined with less volatile investments, will produce a better return. Edie and Smith stressed that such an investment strategy was not only a prudent approach in theory but a legal requirement because it is the only way a foundation can earn back the 5-5.5 percent of assets normally spent on grants, grant administration and expenses and to recoup any value lost due to inflation -- goals toward which trustees must work to fulfill their fiduciary responsibilities.

- To implement the diversification plan, the Foundation spent considerable time identifying and establishing relationships with effective investment managers in the asset categories targeted by the Finance Committee. The result was that between June 1991 and February 1997 the Foundation hired more than two dozen fund managers to focus on domestic large-cap and small-cap stocks, international and emerging market equities, domestic bonds, real estate and hedge funds.

The Foundation also built up its investment in partnerships from one or two to 30, with the life of the partnerships being seven to 10 years. The partnerships covered a broad range of investments, including real estate, venture capital, buyouts and companies that were financially restructuring. By February 1997, 17 percent of the Foundation's assets were in partnerships, according to Crowe. He noted, though, that the Foundation usually had no more than a 10 percent position in any one partnership and sometimes as little as one to two percent.⁴⁹⁵

The dates of when the Foundation hired and terminated fund managers, invested in partnerships and the sums of money that were allocated are included in the "Chronology of Investment Events," a record of important investment actions and decisions from 1985 forward. Crowe began to compile the list after joining the Foundation in 1990 and updated it regularly.⁴⁹⁶

- Identifying suitable money managers, funds and partnerships was a process in which Crowe gradually assumed the lead role as the investment program evolved. When he first joined Knight Foundation, Crowe relied heavily on Cambridge Associates and Jim Bailey, whose contacts within the investment community were extensive. Cambridge helped develop lists of potential managers and assisted in the search and selection process. As Crowe established relationships with other foundations and institutions with large endowments, he asked for their advice and recommendations as well. Yale University, for instance, had an active program in alternative asset partnerships and proved to be a sounding board for Crowe when Knight Foundation was ready to pursue such investments. Cambridge's expertise in this area, however, remained a resource for Crowe, who continued to seek the firm's counsel about investment managers and partnerships throughout this period.⁴⁹⁷

- The Foundation's relationship with each of its investment managers was defined by an agreement in which Crowe provided specific written instructions that stipulated the Foundation's guidelines for investments, reporting requirements, trading restrictions, performance objectives and benchmarks, and agreed fees for services. In the case of partnerships, the general partner had to agree to abide by all conditions of the partnership agreement.

Crowe customized the contents of such agreements, relying on language and concepts from similar contractual arrangements provided by some of the Foundation's own money managers, by Cambridge Associates and by other foundations and institutions managing large endowments.⁴⁹⁸

The result was that the Foundation's investment managers had well-defined parameters in which to operate and clearly established criteria by which performance was measured.

- The Foundation’s finance staff monitored and reported to the Finance Committee the performance of each manager and partnership individually, each asset category collectively, and the total portfolio overall. The staff was assisted in these efforts by Cambridge Associates and Mellon Bank. Cambridge reported to the Foundation on the performance of the partnerships, while Mellon Bank handled the reporting function for the portfolio’s equities. The Foundation’s financial assistant -- a position added in 1994 -- was responsible for incorporating the data from Cambridge’s and Mellon’s reports into a comprehensive, detailed financial report for the Finance Committee. The key information, in turn, was communicated to the full Board by Gordon Heffern in his quarterly reports as chairman of the Finance Committee.

- In September 1996, Crowe prepared a report for the Finance Committee entitled “Diversification Adds Value,” which reviewed portfolio performance.⁴⁹⁹ Crowe wrote that since the diversification plan was approved in 1991, significant time and effort had been spent “exploring, analyzing and adding new asset categories to the portfolio, such as international and emerging market equities and hedge funds; expanding the alternative asset investment program in domestic and foreign private equity and real estate partnerships; gradually reducing the holdings of KRI stock; and adding refinements, such as a fixed duration bond strategy, currency overlay management and a cash equitization program.”

Crowe reported that the overall result of this activity was a “diversification program that has added significant value, both in terms of incremental dollars and in reducing portfolio risk.”

The specific facts were that since 1991 the investment program:

- Had added almost \$265 million of value over-and-above the investment target of inflation plus 5.5 percent -- a target which maintained the purchasing power of the Foundation.

- Had added \$79 million of value over-and-above a passive index strategy of putting 60% in stocks, 30% in bonds and 10% in treasury bills.
- Had added almost \$61 million of value over-and-above the performance of other actively managed endowment funds as represented by the Cambridge Associates Endowment Index, which represents the returns of 56 foundations, 111 universities and 22 museums and libraries.
- Had reduced the overall portfolio risk even while the above returns were being achieved.

The 1997 annual report⁵⁰⁰ stated that the Foundation's investment strategy had continued to produce such favorable results and commented that "Knight Foundation's investment portfolio extended its run of double-digit returns to three years in 1997 by posting a 17 percent increase."

Investment activity had added \$181.8 million in value during 1997, while contributions from Jim Knight's estate accounted for another \$2.3 million. After grants, administrative expenses and taxes were paid, the net increase in Foundation assets added up to \$134 million.

- The Foundation was also successful in implementing another key provision of the diversification plan -- reducing ownership of Knight-Ridder stock. By Dec. 31, 1997, Knight-Ridder stock represented about 13 percent of the portfolio's value⁵⁰¹ -- nearly half the 25 percent it had been when the diversification plan was adopted in June 1991.⁵⁰² The reduction was accomplished by sale and gift.

When the Foundation gave away stock, it was initially to institutions, such as universities, which had received large grants and were equipped to handle stock transfers. Later, almost any size of grant could be paid out in stock. Stock gifts helped the Foundation reduce its Knight-

Ridder stock holdings but also allowed it to avoid paying excise tax on the difference between what the stock was valued at on the date of Jack or Jim Knight's death and the date when it was sold.

- The complexity of implementing the 1991 diversification program required changes in the way the Board, Finance Committee and Foundation's staff fulfilled their fiduciary responsibilities -- changes that were unanimously approved by trustees in September 1994, December 1995 and March 1997.⁵⁰³

The Sept. 20, 1994, action was a one-page resolution in which the Board stated that it had delegated its authority to manage the Foundation's assets to the Finance Committee, which in turn had designated the chief financial officer as the primary person to execute investment policies and decisions approved by the Finance Committee on behalf of the Foundation.

The Dec. 12, 1995, Board action was an endorsement of a broad six-page statement of investment policy developed by the Finance Committee. The statement specified the investment goal, risk and performance objectives and spending assumptions to be followed by the committee. It also contained a statement of authority and responsibilities delegated by the trustees to the committee, the chief financial officer and staff, investment managers, consultants and others serving the Foundation.

Crowe said the statement of 1995 reflected how the Foundation had been operating for a year or more and reaffirmed the Board's support for the current policies, procedures and operations.⁵⁰⁴ The statement, along with the investment policy resolution passed by the Board in September 1994, also demonstrated how the roles and responsibilities of the Finance Committee and finance staff had evolved during the 1991-95 period. The committee had clearly moved away from hands-on management of the investment program to focus on planning, policy and oversight. In turn, the committee had delegated responsibility for administration of the program to the finance staff, working under the direction of the chief financial officer.

One example that demonstrated how things had changed was the process of hiring, funding and monitoring investment managers. Crowe recalled that when he joined the Foundation in 1990 the Finance Committee interviewed the final candidates for managers and regularly met with existing managers to monitor their performance. But as the diversification plan was implemented over the next few years, the number of investment managers and partnerships dramatically increased.

If the Finance Committee had continued its practice of personally interviewing and reviewing the performance of every manager and partnership, the committee would have had to meet several days each quarter -- a schedule next to impossible for its members. The answer was for the committee to delegate the responsibility for hiring and funding investment managers to the finance staff.

A further refinement of the Finance Committee's responsibilities occurred in March 1997 when the Board of Trustees approved bylaw revisions. The new bylaws included a statement on the responsibilities of the Finance Committee that incorporated the principles outlined in the 1995 investment policy statement.⁵⁰⁵

- The investment policy statement approved by the Board in 1995 dictated that the finance staff shall:

“Remain informed about economic and regulatory development. Monitor trends in the financial markets, both domestically and internationally. Investigate and be knowledgeable of existing and newly introduced investment categories, strategies and techniques. Determine their value to the Foundation's investment program. Advise the Finance Committee on these issues.”

Crowe said a key element in his ability to fulfill this responsibility was the Chartered Financial Analysts program sponsored by the Association for Investment, Research and

Management. To receive the C.F.A. designation, candidates undertake a rigorous and comprehensive three-year program of study that covers investment strategies, instruments, techniques and theories and requires a yearly test to determine mastery of the subject matter.

After joining Knight Foundation, Crowe sought the C.F.A. designation and was awarded it in 1993.

- Beyond its responsibilities with the investment program, the Foundation's finance area had to develop a modern accounting system that could efficiently manage and monitor the grants control program, grant and vendor payments, and the payroll and budgeting process, which became far more complex and demanding in the 1990s.

In Akron, the Foundation's bank had done much of the accounting work. In Miami, the Foundation had to create an in-house capability for these functions.

A major step was taken in 1991 when a formally trained CPA was hired and the accounting system fully computerized. Checks and balances were established to ensure the system's integrity. The annual Ernst & Young audits confirmed that adequate policies and procedures were in place and were followed.

"The audits that we've had by Ernst & Young always come back whistle-clean," Crowe said in his interview.

During the 1995 fiscal year, the Foundation changed its method of accounting from modified cash to the accrual basis to comply with new nonprofit accounting standards. The change is reflected in the 1995 annual report and its consequences explained in the third item of the "Notes to Financial Statements" section.

The Foundation also underwent a major change in the budgeting process during this period. In 1990, Black and Crowe put together the 1991 budget in a matter of couple of days. The estimated expenses for 1991 administrative costs, such as travel, subscriptions and stationery, were little more than guesswork because it was the Foundation's first year in Miami

and the first with a 14-member staff. No input was sought from those directly responsible for the Foundation's programs.

In the years to come, officers and program directors had a greater role in designing their own budgets and were accountable for monitoring expenses. Parallel to this process was the development of an accounting system that assisted Foundation managers, the Finance Committee and Board in tracking expenses throughout the year.

By 1994, Foundation staff members were dedicating substantial time over a period of several weeks in the fall to evaluating the previous year's budget, reviewing their programs for the upcoming year, assessing their costs, making budget recommendations and reviewing projected administrative and initiative expenses with Black -- a process not unlike major corporations' budgeting process. After Black was satisfied, the budget was presented to the Finance Committee, fine-tuned and submitted to the Board for approval in December.

In December 1994, the Foundation's Board also approved a strategic decision to separate the direct costs of developing and administering initiatives, such as those involving immunization and symphony orchestras, from costs included in the regular administrative budget. The recommendation to do so came from the Planning and Program Committee, which took responsibility for overseeing the process. The Finance Committee also continued to review initiative expenses as part of its responsibility in the annual budgeting process.

- The Foundation realized a substantial tax savings for much of the early to mid-1990s because it qualified for a 1 percent rather than 2 percent excise tax rate, resulting in an annual savings of approximately \$500,000. To qualify for the lower tax rate, the Foundation permitted its grant distributions to slightly exceed the minimum required levels, resulting in a gradual expansion of the six-month qualified distribution credit targeted by the Foundation's grant control program to more than nine months.

At the June 1995 Board meeting there was a consensus among trustees (no vote was taken) that grant spending levels should be established in a manner to preserve the value of the Foundation's corpus and should not be guided by the tax implications of distributions. It was agreed that increases in grant spending levels should be moderated and the amount of qualified distribution credit gradually reduced toward the six-month target, subject to review on an annual basis.⁵⁰⁶

- The IRS conducted an excise tax audit and a pension audit for the years 1992 and 1993, respectively. As part of the process, the auditors looked at grants and administrative overhead. Crowe reported to the Board in March 1997 that the results, based on an audit completion interview, "were very satisfactory."⁵⁰⁷ There were no issues, and the only adjustment was a \$200 mistake, which the IRS wrote off.

Despite the Foundation's steady growth, its administrative expenses remained well below the ".65 Rule" threshold that foundations at one time were legally required to observe. That legislation -- since expired -- had required a foundation to spend no more than 0.65 percent of its assets on administrative expenses. The Foundation's administrative expenses ran 0.40 to 0.45 percent of assets.

- The Foundation continuously expanded employee benefits during the 1990s.

The 12 staff members who joined the Foundation in 1990 were provided a sound but basic benefits package: medical, dental and life insurance; a defined benefits pension plan; and vacation time up to three weeks after the first year.

Over the next few years, the package added: disability insurance; a Section 403 (b) plan which allowed employees to set aside a portion of pretax income for retirement purposes; financial assistance for staff members to continue their education; a parental leave policy that gave four weeks off with pay to employees who demonstrated they were the primary care-giving

parent for a newborn child, newly adopted child or newly accepted foster child; programs that provided employees free psychological counseling and reduced-cost vision care; and a Section 125 plan, which allowed staff members to defer part of their own salary to pay for qualified child care and certain medical expenses with pretax dollars.

The Foundation also matched employees' personal charitable contributions. Initially, the matching gifts program was based on a 1:1 match of contributions up to \$5,000 and limited to educational institutions. In December 1996, the Foundation increased the match to 2:1 and expanded the program to all tax-exempt organizations eligible to receive a Knight Foundation grant.

The 403 (b) plan was established with a provision that permitted employer contributions. Beginning in 1993, the Board approved an employer contribution to the employee 403 (b) defined contribution plan. The contributions were made possible by the savings realized on pension expenses, which were less than projected as a result of a decline in the amount of the Foundation's required contributions to the defined benefit pension plan. Employees received contributions to their 403 (b) accounts based on their salaries, with the distributions pro-rated according to how much of the Foundation's total payroll an employee's salary represented. Trustees made it clear that future contributions were not automatic and would be decided on a year-to-year basis.

- One of Black's early goals for the Foundation's new chief financial officer in 1990 was the revision of the personnel policy manual. The manual was drafted for presentation to staff in the summer of 1993 and subsequently revised to incorporate their recommendations. The manual was updated periodically as policies and procedures were refined and clarified and new benefits added.

- Compensation and benefits were an issue of serious and ongoing concern among Knight Foundation's trustees, who delegated responsibility in these matters to the Finance Committee. The Foundation's bylaws were explicit in how the Finance Committee was to discharge its duties.⁵⁰⁸

“Compensation recommended by the Finance Committee to the Board of Trustees for officers, staff personnel, retired personnel and Board of Trustees shall be competitive, reasonable and with a reasonable relationship to such compensation as is provided by other foundations of similar size as determined by surveys conducted by reliable research sources.”

To comply with this provision, the Finance Committee asked Cambridge Associates and the consulting firms of Towers Perrin and Watson Wyatt to conduct salary surveys to guide the Foundation. The committee also relied on similar information from the Council on Foundations, Knight-Ridder and Greater Miami Chamber of Commerce to inform the process. The goal was to assure that Foundation compensation remained competitive.⁵⁰⁹ The Foundation wanted to pay employees above average salaries, but not the highest.

- Non-employee trustees received annual compensation and meeting fees -- a practice that began in 1979 with a \$1,000 annual stipend and \$250 per-meeting fee.⁵¹⁰ By the 1990s, the annual stipend was \$12,000, and trustees were paid an additional \$900 per Board meeting and \$750 per committee meeting. The Board chairman and committee chairmen received \$1,000 per meeting.

Trustee benefits included a deferred compensation program, trustee discretionary grants and matching gifts.

Approved in December of 1988⁵¹¹ and initiated in 1989, trustee discretionary grants gave each trustee the opportunity to personally recommend up to \$10,000 in grants each year. The

grants were based on applications from institutions and programs that met Knight Foundation qualifications, although exceptions were made to some policies, most notably the geographic restrictions. The trustee could recommend two grants of \$5,000 each or one for \$10,000. The trustee discretionary grants required Board approval.⁵¹²

Just as it did for employees, the Foundation matched trustees' personal charitable contributions to educational institutions up to \$5,000, initially on a 1:1 basis. The trustee matching gifts program was expanded in December 1996 along with the employee matching gifts program to provide a 2:1 match of a Board member's contribution to any tax-exempt organization eligible to receive a grant from Knight Foundation.

Trustees were also reimbursed for Foundation-related expenses, including first-class air travel. On advice of legal counsel, the Board approved a policy in December 1991 not to reimburse trustees or officers for travel expenses incurred by a spouse.⁵¹³

- In March 1995, Hills appointed an ad hoc committee of Austen, Conway and Heffern to review Foundation policies with respect to travel and other business expenses, awarding construction and consulting contracts and conflict of interest issues.⁵¹⁴ The action was prompted by a recent agreement between the New York State Attorney General and the Freedom Forum that sought to correct Freedom Forum's excess spending for travel, meetings, entertainment, its corporate headquarters and personal items for its chairman. The agreement also addressed the Freedom Forum's hiring of trustees' friends and close associates for construction and consulting contracts and a pattern of grants and support for projects and organizations with which trustees had an ongoing relationship.

“Let me make it clear at the outset that in asking you to undertake this assignment I'm in no way suggesting that I think Knight Foundation has problems similar to those which led to this agreement,” Hills wrote the ad hoc committee. “Even so, it seems to me it would be prudent to see how our own practices and policies stack up against the restrictions placed on the Freedom

Forum by the agreement, and to ask ourselves if the way we are operating is in all cases appropriate for a nonprofit institution.”

In September 1995, Austen, as chairman of the ad hoc committee, reported to the full Board that the committee had completed its review of expense policies and procedures and concluded that they were “reasonable and appropriate.” Heffern also noted to trustees that an article recently published in *The Chronicle of Philanthropy* about the high salaries received by senior officers of selected nonprofit organizations had been reviewed by the ad hoc committee, which had concluded that the compensation of Knight Foundation’s president and two vice presidents was not excessive.

- The Board approved bylaw revisions in March 1997 that restructured the Finance Committee and led to organizational changes on staff. Recognizing that the breadth and complexity of the Finance Committee’s responsibilities had grown led trustees to delegate the Foundation’s financial responsibilities to four separate committees: the Finance Committee, the Administrative and Human Resources Committee, the Pension Plan Administrative Committee and the Pension Plan Investment Committee.

Austen appointed Heffern chairman of the Finance Committee and John Ong, a new trustee, chairman of the Human Resources and Administrative Committee. The committee’s responsibilities were defined in the Foundation’s new bylaws.

- “The functions and duties of the Finance Committee are to review and recommend the corporation’s ‘Investment Policies’ for approval by the Board of Trustees, recommend asset allocation targets for the corporation’s investment program, maintain oversight of the investment program to ensure consistency with the ‘Investment Policies’ and the asset allocation targets, recommend an independent certified professional accounting firm for retention by the Board of

Trustees to conduct a formal financial audit of the corporation each year, review the work of such auditors, recommend action on the annual auditor's reports to the Board of Trustees and serve as the Investment Committee for the corporation's 'Defined Benefit' Pension Plan in accordance with these bylaws. (Article V, Section Two)

- “The functions and duties of the Administrative and Human Resources Committee are to review and recommend the corporation's personnel, compensation and benefit policies; staffing needed to perform the corporation's mission; appropriate salary levels for staff and fees for trustees and advisers; personnel insurance programs and other benefits; staff training and development plans; administrative expense budgets; program initiative expense budgets; significant capital expenditures and real estate leases; and peril, liability and directors' and officers' indemnification insurance coverage. The Administrative and Human Resources Committee shall serve as the Pension Plan Administrative Committee for the corporation's 'Defined Benefit' and 'Defined Contribution' Pension Plans in accordance with these bylaws. (Article V, Section Six)”

The Foundation's staff was reorganized to complement the Board's new committee structure. The finance staff positions under Crowe -- a controller and a finance assistant -- were assigned to work with the Finance Committee on the investment program, accounting system, taxes and audits. A new position entitled director of administration was created to supervise the human resources and administrative functions, including technology, records management and the archive. The position reported directly to the Foundation's president.

XV.

Communications

Extending back to its beginning in the early 1950s, the Foundation had a practice of publicizing its giving programs. Stories appeared in the *Akron Beacon Journal* about the Foundation's program of scholarships and its impact.⁵¹⁵ When the Foundation provided \$200,000 in 1971 to expand a park adjacent to the Akron Public Library, the project and the grant were the subject of a front-page story.⁵¹⁶

In 1974, Jack Knight began urging the Foundation to publish a formal annual report.⁵¹⁷ Although a form entitled "Annual Report" had been filed with the Foundation's tax returns since 1971, few people outside the Foundation or the IRS saw it. In September 1975, the Board approved the Foundation's first published annual report -- a simple one-page brochure that fit in a No. 10 envelope, a format the Foundation retained until 1982.

A February 1978 confidential statement that Alvah Chapman distributed to local managers and editors of newspapers about Knight Foundation contained the following advice:⁵¹⁸ "Publicity of grants is desirable so long as such stories avoid the impression the grant comes from the newspaper and not the Foundation."

What news coverage the Foundation received remained local, however, because grants were made primarily in Knight cities -- a circumstance that meant the Foundation did not have to

produce news releases or develop media contacts. But as the Foundation launched major journalism initiatives, new national programs in education and the arts and the Knight Commission on Intercollegiate Athletics, Black felt it was time to go beyond local publicity and seek a higher profile. He took the subject up with the Planning and Program Committee and Board in December 1988. The committee told Black to proceed, and in early 1989 Black reported to trustees⁵¹⁹ that he had personally undertaken several additional activities to increase awareness of the Foundation's work at both the national and local levels.

The activities included a local luncheon with community leaders and a press conference in Lexington to discuss grants in that area -- the outcome of which was local TV and radio coverage and stories in the state's two major newspapers; a visit to the American Newspaper Publishers Association and *Editor & Publisher* to review the work of the Newspaper Management Center -- a visit that produced an editorial and major stories in *E&P* and ANPA's monthly magazine; a presentation to Knight-Ridder publishers at which he encouraged news coverage of the Foundation's grants; and development of a plan to publicize the Foundation's Excellence in Undergraduate Education initiative, which resulted in a major feature in *The Chronicle of Higher Education*.⁵²⁰

Jim Knight was pleased when Black reported to trustees on the results of his efforts. "I think you made an excellent start of obtaining a little better press on our Foundation grants," Knight wrote.⁵²¹

That set the stage for hiring a public relations firm, which was discussed with the Planning and Program Committee and full Board in March 1989.⁵²² David Meeker and Associates worked with Black and Spaniolo to publicize its national initiatives and grants. It also helped redesign the annual report to include more information and photos about programs, an inviting cover and eye-catching graphics -- a move opposed by Barbara Toomey. She felt the Foundation did not need to publicize grants or produce a more elaborate annual report because

such efforts took time and money away from grant making and was not appropriate for a Foundation that did not -- like a corporation -- need to market a product.

Another communications development occurred in October 1989, when the Foundation introduced a quarterly newsletter for its advisers and trustees. The newsletter's purpose, described in the first issue, was to keep the audience informed about Foundation business, to provide a convenient information piece that could be filed for future use and to improve the quality of the Cities Program through sharing of ideas.

The Foundation's greatest opportunity for raising its national profile rested in the work of the Knight Commission on Intercollegiate Athletics, whose work was being watched and reported by a wide spectrum of media -- from *USA Today* to *The Chronicle of Higher Education* to the *NCAA News*. To further maximize the Commission's impact and to fulfill the Foundation Board's mandate that the final report and recommendations be "broadly disseminated to the public,"⁵²³ the Commission hired one of the nation's largest public relations firms, Hill & Knowlton.

The end result of all this activity was a higher profile for Knight Foundation and Board awareness that communications had become an operational necessity for the Foundation, so much so that a full-time position of communications director was added.

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With the hiring of Virginia Henke as communications director in 1990, external and internal communications activities dramatically increased, guided by a communications policy adopted by the Board during the strategic planning exercise of 1991-92.⁵²⁴ Lee Hills publicly reaffirmed the philosophy behind that policy in a *Foundation News* magazine column prepared for the March/April 1992 edition.

Asked why a hypothetical foundation -- the Modest Foundation -- should consider spending money on creating an in-house communications staff to publicize its activities rather than using those “precious funds” for additional grant making, Hills responded accordingly: “There would be no excuse for spending money for self-promotion, to become known as a ‘major player’ or -- worst of all -- to satisfy the egos of the board CEO and/or program staff. Publicity for self-serving motives gives foundations a bad name.”

On the other hand, Hills said, the expense of a full-time communications director could be justified, especially by a large foundation, when the Board and staff agreed that the purpose was to support the grant-making function. Hills defined those objectives accordingly:⁵²⁵

- “Improve grant making by sharing knowledge acquired through foundation-funded programs.
- “Clarify funding requirements and areas of interest.
- “Recognize worthwhile organizations and projects so they can attract additional funding.
- “Help grant-seekers make better proposals.
- “Keep other foundations informed to set the stage for joint initiatives.
- “Educate the public, media, policy-makers and legislators about the value of foundations in order to maintain and encourage support for the role of foundations; and

- “Improve the annual report and facilitate internal communications.”

Knight Foundation’s communications activities in the 1990s worked toward the goals that Hills described. Beyond the Knight Commission’s extensive communications campaign, the Foundation relied on a combination of printed publications and personal communications.

The external publications focused on the annual report, a periodic newsletter and a brochure for grant-seekers entitled “How to Apply for a Grant” -- all of which were recognized as samples of excellence in foundation communications by the Wilmer Shields Rich Awards, an annual competition of the Council on Foundations that encouraged foundations to improve the accountability and quality of their communications.

Beyond an improvement in presentation and organization, the content of the Foundation’s publications shifted focus, evolving from a straight accounting of what the Foundation had done and the mechanics of grant application procedures to strategic presentations that emphasized programmatic and investment objectives.

The immunization initiative launched in 1994 was also a turning point. For the first time, special communications materials produced as technical assistance for grantees provided a “value-added” benefit in the Foundation’s relationship with grantees. The idea was extended a step further in 1996 and 1997 with publications for a broader audience. *Learning to Collaborate: Lessons from School-College Partnerships in the Excellence in Education Program* and *Recruiting, Retaining, Graduating Minority Students in Journalism: Lessons from Six Experimental Programs* acknowledged the Foundation’s role and responsibility to publicly document what it had learned through its initiatives in fields where it had developed a leadership role among grant-makers.

Beyond its own publications, the Foundation relied on ongoing news coverage. A stream of Foundation news releases, phone calls and personal contacts with media produced national

and local press attention. The communications activities of grant recipients also contributed to an ongoing flow of published information about Knight Foundation activities.

Knight-Ridder newspapers were a special and steady source of printed news about Knight Foundation. At one time the Foundation relied almost solely on publishers to tell their newsrooms about the major grants in their area -- information publishers readily had available because they were mailed a package with the news just days after each Board meeting. But as initiatives and national grants increased in the 1990s, the Foundation supplemented what the publishers did with news releases and phone calls to local editors and reporters. The result was a substantial increase in local coverage of Foundation activities.

It's important to note, however, that news coverage of the Foundation relied strictly on the news judgment of the local newspapers' executives. Some Knight-Ridder newspapers regularly ran stories about grants and initiatives; others did not. The content of news stories about Foundation activities and the basic question of whether to write anything at all were the province of the local newsrooms, not the Foundation.

Black and Henke, however, did not hesitate to correct inaccuracies, especially when they misled the reader about Knight Foundation's relationship with Knight-Ridder and the local newspaper. If a story described the Foundation as the "philanthropic arm" of Knight-Ridder or the corporate contributions agent of the local paper, the publisher received a pointed letter about the error.

There was also widespread use of a standard paragraph that described Knight Foundation as a private foundation separate from and independent of Knight-Ridder and Knight-Ridder newspapers. The paragraph was routinely distributed to Knight-Ridder newsrooms; it was put in every news release; and it was included in letters to grant recipients who were encouraged to use it in their communications.⁵²⁶

Beyond its attention to local coverage of grants and initiatives, the Foundation concentrated on identifying writers, publications and other media opportunities that covered

education, the arts, journalism and the special interest areas defined by the Board as funding priorities. Of particular note was the level of attention the Foundation received as one of the nation's largest private foundations. As such, its activities were regularly the subject of articles in publications distributed by the Council on Foundations and in *The Chronicle of Philanthropy*, which published a lengthy profile of Knight Foundation in March 1993.⁵²⁷

As a large grant-maker, the Foundation also was regularly approached for information about its programmatic interests and application procedures by the many nonprofit and for-profit directories published for grant-seekers. In an effort to be publicly accountable and to reduce the number of proposals from organizations and projects ineligible for grants, the Foundation responded to lengthy and detailed questionnaires the major directories used to gather information.

Internal communications also developed during this period with the focus on manuals for both trustees and advisers.

In 1991, Hills suggested that a packet be assembled that provided in one place key information helpful to trustees. What resulted was a Trustees' Board Packet that was periodically updated as the membership of the Board and committees changed, bylaws were revised and policies amended.

A second ongoing communication with the Board was a report on news coverage and correspondence from grant recipients and colleagues. Originally assembled in the president's office, the report became a responsibility of the communications director in 1990 and was distributed every few months, providing a snapshot of the attention the Foundation's activities received during the 1990s.

In the strategic planning sessions of 1991-92, the Board and approved the development of an Adviser's Manual for local advisers. The manual's contents initially covered the role and responsibilities of advisers, grant procedures and policies. Periodically updated, the manual later

added customized sections on the donor-advised funds, grant history and current grants for each of the 27 communities.

The Board-approved direction to move toward electronic communication took a giant leap forward in the spring of 1997 with the establishment of the Foundation's Internet site, which provided the most sought-after information by grant-seekers and other interested parties: on-line versions of the annual report, newsletter and news releases; details about the Foundation's four program areas; the current year's grants; grant application procedures; and frequently asked questions about the Foundation. In 1998, the site was recognized with a bronze award in the Wilmer Shields Rich Awards competition.

Just as the Foundation developed its own web site, projects and initiatives created by its grants also went online, exposing even larger constituencies to the Foundation's work and mission. The Museum Loan Network, the Knight Collaborative and nearly all the midcareer journalism education programs launched their own web pages.

As important as the written word, however, was the personal contact that the Foundation's officers and staff had with advisers, grant recipients, grant-seekers, foundation world colleagues, and national and community leaders in the Foundation's areas of programming interest. McPhee's early site visits to Knight cities set the tone. Although they were fact-finding missions to inform the development of the Arts and Culture Program,⁵²⁸ group discussions that newspaper publishers organized for McPhee gave local arts leaders an opportunity to communicate with someone who directly administered Knight Foundation programs -- a first in most instances.

Recognizing the value of such meetings, the Foundation expanded on the idea when Hills expressed concern in 1991 that South Florida nonprofit organizations had developed unrealistic expectations of the Foundation since its move to Miami the year before.⁵²⁹ The answer was a series of "get to know Knight Foundation" gatherings -- suggested by Hills -- organized around presentations by the program staff.

When the Board decided to meet at least once a year outside of Miami, Foundation staff took the “get to know Knight Foundation” presentation on the road. Over the next five years, nonprofits in Akron, Detroit, Philadelphia and San Jose became better acquainted with the Foundation through meetings held in conjunction with Board visits.

Communicating the Foundation’s programmatic interests and grant strategies to local advisers through personal contact was equally important. In addition to the many phone calls back and forth between program directors and local advisers and their designated representatives, the Foundation tried to hold at least one meeting a year with them, usually when they were in Miami for the annual Knight-Ridder publishers’ conference.

Beyond events organized and sponsored by the Foundation, officers and program directors were receptive to speaking invitations that could advance grant-making interests. Not only did these presentations enable the Foundation to personally connect with audiences in the arts, education, journalism and nonprofit worlds, they were an opportunity to articulate broad philosophies that guided the Board and Foundation executives. Ranging from a pragmatic discussion of philanthropy’s purpose in society in the 1990s to a call-to-arms to journalists not to forget their historic role as guardians of democracy, these speeches have been preserved in the Foundation’s archive so that future trustees and staff, and perhaps one day scholars, can understand the people and environment that influenced so much of the grant making during this period of tremendous growth in the Foundation’s history.

XVI.

A Changing of the Guard

Profound changes during the 1990s in the way Knight Foundation addressed its programming, finance, operations and communications responsibilities corresponded with significant developments involving the Foundation's Board of Trustees and its governance decisions.

The first of the changes occurred in late 1991 and early 1992 when three new trustees joined the Board: Jill Conway, former president of Smith College and a member of the Foundation's Education Advisory Committee; Tom Johnson, president of CNN; and Larry Jinks, publisher and chairman of the *San Jose Mercury News* and chairman of the Journalism Advisory Committee.

Conway and Johnson filled the Board vacancies that had been created by the 1991 death of Jim Knight and the retirement of Charles Clark. Jinks replaced Rolfe Neill, who had completed five successive one-year terms in the Board slot designated for a senior Knight-Ridder publisher -- the term limit specified in the Foundation's bylaws for this position.

Conway became the first Board member who did not know either one of the Knight brothers. After leaving Smith College in 1985, where she was president for 10 years, Conway became a visiting scholar in the Program in Science, Technology and Society at Massachusetts Institute of Technology. A prolific author whose books included *The Road From Coorain*, a

New York Times list bestseller which chronicled her youth in her native Australia, Conway served on a number of boards and was elected chairman of the Kresge Foundation in 1997.

Johnson had known the Knights and was a respected news executive whose experience spanned newspapers and broadcasting. A native Georgian who had begun his career on the *Macon Daily Telegraph*, Johnson eventually became publisher of the *Los Angeles Times* before moving to CNN. He also had major foundation experience, having been on the Rockefeller Foundation board. Johnson had an important connection to one of the major projects the Foundation had supported. He was chairman of the Board of Visitors of the John S. Knight Fellowship Program at Stanford University and had been a member of that advisory body with Lee Hills since 1983.

Jinks was a veteran newsman whose 35-year career had been spent almost entirely with Knight Newspapers and then Knight-Ridder. He had held a variety of executive news positions at the *Observer* and *The Miami Herald*, where his role during the 1970s contributed to *The Herald* being named by *Time* magazine as one of the 10 best dailies in the U.S. He left *The Herald* to become executive editor of the *Mercury News* but returned to Miami as senior vice president of news and operations for Knight-Ridder corporate. That position put him in an office right next to Hills, who frequently called upon him for assistance with Foundation matters. Jinks returned to San Jose as publisher in 1989 but remained active with the Foundation as chairman of the Journalism Advisory Committee.

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As the Board completed its strategic planning review in June 1992, the Planning and Program Committee met for the first time in more than a year. A new committee chairman, Austen, and new members, Conway, Johnson and Olson, signaled that the Foundation was ready to move forward. Hills, who remained the only member providing continuity with the past,

encouraged the new group not to forget that “planning needs to be an ongoing, continuing process to enable the Foundation to meet changing needs and opportunities.”⁵³⁰

But the nature of the Planning and Program Committee’s work changed over the next few years. Black paved the way by urging the committee to rethink its job. Why not concentrate on a longer-term, broader view rather than involve itself in the details of specific programs, Black asked at the June 1992 committee meeting.⁵³¹ Although its responsibilities formally remained the same as described in the Foundation’s Articles of Incorporation, the committee evolved over the next few years from a hands-on role in program and initiative development to policy-making and oversight.

One of the reconstituted committee’s first decisions in June 1992 was a unanimous recommendation to the Board to change the name of the Foundation to the John S. and James L. Knight Foundation -- a move suggested a year earlier by Toomey. The reason was to pay tribute to the Knight brothers and to further clarify the separation between the Foundation and Knight-Ridder.⁵³² The Board of Trustees unanimously adopted the name change on Sept. 16, 1992. It became effective Jan. 1, 1993.

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Although the governance structure remained essentially the same throughout the 1990s, the Board approved several important changes that reflected the operating realities of the Foundation.

Legal counsel Rod Petrey described the first of these changes in a brief background report on bylaw revisions that he prepared in February 1997.⁵³³

“During 1993 and 1994, the Foundation reorganized and became a Florida corporation instead of an Ohio corporation,” Petrey wrote. “It eliminated the fiction of having separate ‘members’ (theoretically in addition to, but actually the same as, its Board of Trustees) and

adopted bylaws for the new Florida corporation which paralleled the old Code of Regulations for the Ohio corporation.”

Trustees unanimously approved the new bylaws for a Florida nonprofit corporation on Dec. 14, 1994.⁵³⁴ The bylaws reaffirmed the Board governance structure established in 1986 and were substantively the same as the articles of Incorporation approved by the Board of Trustees in 1988.

The next major change came in March 1997 when the Board of Trustees unanimously approved bylaw revisions that were described by Conway as “legal housekeeping” to clarify the Foundation’s committee procedures.⁵³⁵

The changes were prompted by Austen. At the December 1996 Board meeting, he had asked how much authority had been delegated to the Finance Committee by the Board. In response to a request from Crowe, Petrey researched the question and produced a document tracing the history of the Foundation’s committee structure, discussing some governance issues and recommending bylaw changes.⁵³⁶

Petrey’s memorandum informed Crowe that the Foundation Board and committees were generally operating in compliance with Florida law and the Foundation’s governing documents, but some committee practices were not adequately provided for in the bylaws and articles of incorporation.

As a result, Petrey recommended the following changes, which were considered by the Finance Committee, the Planning and Program Committee and subsequently approved in March 1997 by the Board of Trustees.⁵³⁷ The revised bylaws:

- Required rather than permitted the chairman to establish the committees defined in the bylaws;
- Clarified that all members of Board committees must be trustees;

- Clarified the functions and duties of the various committees established in the bylaws;
- Clarified the areas where the trustees had previously delegated authority to the Finance Committee (in resolutions approved in September 1994 and December 1995) and those areas where Board approval was required;
- Established a Pension Plan Administrative Committee, a Pension Plan Investment Committee and a Human Resources and Administrative Committee -- a reorganization of the Foundation's finance area that was discussed earlier in Chapter XIV.
- Authorized the chairman to establish and appoint subcommittees and define in writing the powers and duties of such subcommittees.

After Board action on the revisions, Petrey urged that the full Board approve important decisions and continue to hear, and formally accept or reject, reports from each of the major committees at the quarterly meetings and record such action in the Board's minutes.

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When Jinks retired as publisher of the *San Jose Mercury News* in early 1994, he was replaced by Jay Harris, who had just been named the new publisher of the *Mercury News*. At the same time, Barbara Knight Toomey stepped down from the Board after 14 years, telling Hills that she wanted to "change directions," do more traveling and other things. She also said she did

not agree with the Foundation's direction and the way the Foundation was being run.⁵³⁸ She was replaced by her sister, Marjorie Knight Crane.

In April 1995, C.C. "Gibby" Gibson retired from the Board. His vacancy was filled in June 1995 by a prominent Akronite, John Ong, chairman and CEO of BFGoodrich.

Before being named publisher in San Jose, Harris was a Knight-Ridder vice president responsible for business operations at nine of the 26 daily newspapers, including *The Charlotte Observer* and *Akron Beacon-Journal*. He had joined Knight-Ridder in 1985 as executive director of the *Philadelphia Daily News*. In October 1988, he was named to the corporate staff as assistant to the president of the newspaper division.

Marjorie Knight Crane was the third daughter born to Jim and Mary Ann Knight. She studied theater arts at Rollins College in Winter Park, Fla., and received a bachelor's degree in communications from Queens College in Charlotte, where she resided for a number of years.

Her husband's career required several moves on the family's part, and they lived in Belgium and Japan as well as various locations in the U.S. She regularly participated in civic and community groups where the family lived and was particularly active with the Junior Leagues in Phoenix, Charlotte and Miami.

Ong, a long-time Akron civic leader, had known both Knights, but especially Jim. He had worked with Jim Knight on a fund-raising campaign for Western Reserve Academy, a boys' preparatory school near Akron. In electing Ong to the Board, the trustees recognized the Knights' stated preference for Board members who knew something about their lives and values. His presence on the Board also demonstrated an appreciation for the Foundation's historic ties to Akron, as Ong was one of the community's most respected and involved citizens as head of BFGoodrich since 1979.

Just four days after Ong was elected a trustee, another Board opening occurred with Jim Batten's death on June 24, 1995. During his term on Knight Foundation's Board, his perspectives on corporate responsibility, the role of a civic leader as public servant, and the vital

function that newspapers and journalists perform in a democracy helped the Foundation sharpen the focus of its grants in journalism, education and the local communities. The vacancy was filled in December 1995 by Neill, who shared with the late Jim Batten a respect for the principles the Knights had embodied: a commitment to community involvement, civic leadership and a dedication to high-quality journalism.

“He was an associate of both of our founders and appreciates their values,” Hills noted upon Neill’s re-election.⁵³⁹

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After the December 1995 Board meeting, Hills announced his intention to step down as chairman in March 1996, five years after being elected to the post.⁵⁴⁰ Hills thought the timing was right because of a decision that Black had made several months before.

During the strategic planning review of September 1995, Black had informed the Board that he intended to retire from his post as president and CEO after 1997. Hills did not believe it was in the Foundation’s best interest to have a new chairman and a new president at the same time, so he resigned his chairman’s post to give his successor an opportunity to work with Black for a couple of years. Hills did not relinquish his membership on the Board, however, and remained a trustee.

On March 19, 1996, Jerry Austen was elected to succeed Hills as chairman. Jill Conway was elected vice chairman.

Austen paid tribute to Hills at a dinner honoring the soon-to-be former chairman at a dinner the night before his own election. Austen recalled what the relationship between Hills and the Knights had been and how “crucial” Hills’ role had been in the Foundation’s development. Austen’s remarks included the following:⁵⁴¹

“I remember a conversation that I had with Jack Knight in 1973 when I first began to care for Jack medically. As those of you who knew Jack are aware, Jack was pretty careful about handing out praise. So what Jack said is all the more impressive. He told me that he wanted Patty and me to meet Lee and Tina Hills. I recall his words almost exactly -- ‘that Lee was a very special individual - - brilliant, thoughtful, a great editor, a fine businessman, a wonderful leader and a thoroughly good person.’ He also said that Tina was ‘a remarkable lady and a truly outstanding person in her own right and that they made a wonderful team!’ In the 23 years that have followed, I have been repeatedly reminded about the accuracy of Jack Knight’s evaluation of both Lee and Tina Hills.”

Noting that Hills was “not only Jack’s associate in business but also his friend and adviser,” Austen recalled Hills’ influence in Jack Knight’s ultimate decision to leave the bulk of his estate to the Foundation. Austen noted, too, that Hills’ relationship with Jim Knight was “unique.”

“In the last years of Jim’s life, Jim talked a great deal to Lee about his estate plans regarding the Knight Foundation and Lee played a very important role advisory role,” Austen said.

Austen concluded by recognizing Hills’ leadership during a 15-year period, 1981-1996, when the Foundation’s assets and programming activities grew enormously and the Foundation became one of the largest in the country.

“Lee has always put the best interests of the Foundation first,” Austen said. “He has approached every problem in a calm, intelligent and thoughtful manner and has always tried to keep in mind what he felt the wishes of the Knight brothers would have been. His vision and good common sense have been key to the success of the Foundation.”

Hills’ resignation as chairman was followed in 1997 by the retirement of another longtime Board member, Henry King Stanford. The Board vacancy created by Stanford’s retirement was left open for the Foundation’s new president.

The Board began the process of searching for Black's successor in mid-1996.

At the June 1996 Board meeting Austen announced to trustees that the Nominating Committee would serve as the Presidential Search Committee⁵⁴² -- a practice that had historical precedent from the presidential search of 1987. Lee Hills, who had been appointed chairman of the Nominating Committee in March, recommended that Austen serve as chairman of the Presidential Search Committee. Austen assumed the post and named one additional trustee to the Presidential Search Committee -- Marjorie Knight Crane.

In September 1996, Austen reported to the Board that the Presidential Search Committee consisting of himself, Chapman, Crane and Hills had already met twice to consider the qualifications and background required of the new president⁵⁴³ and decided to hire Heidrick & Struggles as the executive search firm to assist with identifying, recruiting and interviewing presidential candidates.

Austen outlined the presidential search process, invited trustees to submit names of possible candidates and assured them that they would be kept informed as the search progressed.⁵⁴⁴

In September 1997, after a year-long national search, the Board of Trustees unanimously elected Hodding Carter III to succeed Black as president and CEO.

Carter was a known entity to many of the Foundation's trustees, staff and advisers. For two years before accepting the president's job, he had held the Knight Chair in Journalism at the University of Maryland. He was also acquainted with many of the news executives associated with the Foundation because of his long and distinguished career as an award-winning journalist, media critic and educator.

Carter began his career as a reporter with the family-owned *Delta Democrat-Times* in Greenville, Miss., in 1959. By the time he left the paper in 1977 to work in President Jimmy Carter's administration, he was the paper's editor and associate publisher and a nationally

syndicated columnist. He served the President as assistant secretary of state and department spokesman, most notably during the Iran hostage crisis.

For 10 years Carter was a Washington-based opinion columnist for *The Wall Street Journal* and subsequently became a frequent contributor to *The New York Times*, *Washington Post* and many other newspapers and magazines. He was president of MainStreet, a TV production company that specialized in documentaries and public affairs television and was host, anchor, panelist, correspondent and reporter for a variety of public affairs television shows on PBS, ABC, CBS and CNN. He was also chief correspondent for the PBS documentary series *Frontline* and the winner of four Emmy awards.

A 1957 graduate of Princeton, Carter served on the university's board of trustees. He was a Nieman Fellow at Harvard University and held honorary doctoral degrees from several colleges and universities. He also chaired the advisory board of the Pew Center for Civic Journalism and served on the board of the Center for Foreign Journalists, which later became the International Center for Journalism. He had authored two books: "The Reagan Years" and "The South Strikes Back."

Carter assumed the presidency on Feb. 1, 1998 -- exactly 10 years to the date Black had become president. Black continued as a Foundation trustee.

"My fellow trustees are grateful to Creed," Jerry Austen said in his chairman's letter in the 1997 annual report. "He presided over Knight Foundation with wit and wisdom during a decade of exceptional growth and transformation, and we look forward to his continued service as a trustee. During his tenure, the Foundation's assets increased from \$435 million to \$1.2 billion, its annual grant payments from \$15.6 million to \$42 million and its staff from five to 30 persons. New national programs in education and the arts were added to the existing programs in community grants and journalism, and increased emphasis was placed on developing program initiatives instead of simply responding to requests. The Foundation also created a blue-ribbon commission which spent six years helping lead a campaign to reform intercollegiate athletics."

In conclusion, Austen remarked: “We are fortunate to have been served by Creed’s superb leadership. We expect no less as Hodding Carter steps in to lead Knight Foundation into the next century.”

Footnotes

FOOTNOTES

¹*Akron Beacon Journal*, Feb. 25, 1940.

²*Akron Beacon Journal* news clippings from the 1940s and 1950s made no reference to James L. Knight's participation in starting the Knight Memorial Education Fund. Later Knight Foundation records (1980s and 1990s) credited both brothers with starting the Fund.

³The C.L. Knight Scholarship Fund was established in 1924 at Oberlin College with a \$6,000 gift by C. L. Knight. Knight Foundation continued to make small grants to supplement the fund.

⁴The C. L. Knight Scholarship Fund was established in 1931 at Mount Union College in Alliance, Ohio, with a \$3,000 gift from C. L. Knight. Knight Foundation added \$10,000 to the fund in 1970.

⁵"Knight: A Publisher in the Tumultuous Century" by Charles Whited, p. 309.

⁶"Information for Applicants for the Knight Educational Scholarship Fund," a set of guidelines among the John S. Knight papers, University of Akron, B Series, Box 7, Folder 16.

⁷*Akron Beacon Journal* news stories of Sept. 1, 1940, Feb. 8, 1942, and March 1, 1942, indicated the *Beacon Journal* Publishing Company was the sponsor of the Knight Memorial Education Fund. Additionally, an *Akron Beacon Journal* news story from 1952 (month and date unknown) stated that the *Beacon Journal* placed \$25,000 a year in the Fund. However, a news release prepared circa 1945 stated that John S. Knight supported the Fund with gifts.

⁸*Akron Beacon Journal*, undated news story, circa 1940s.

⁹John S. Knight papers, University of Akron, B Series, Box 3, Folder 17.

¹⁰*Akron Beacon Journal*, Dec. 7, 1955.

¹¹*Akron Beacon Journal*, Feb. 28, 1942.

¹²*Akron Beacon Journal*, Sept. 14, 1947.

¹³Knight Foundation records on the Knight Memorial Education Fund.

¹⁴"Information for Applicants for the Knight Educational Scholarship Fund," a set of guidelines among the John S. Knight papers, University of Akron, B Series, Box 7, Folder 16.

¹⁵"Knight: A Publisher in the Tumultuous Century" by Charles Whited, p. 309.

¹⁶*Akron Beacon Journal*, July 20, 1952.

¹⁷List of contribution sources prepared in the early 1990s by the office of Timothy J. Crowe, chief financial officer and treasurer of Knight Foundation.

¹⁸The \$377,000 figure is a sum of student loans and grants distributed, 1950-1965, as noted in the tax records for those years.

¹⁹The \$55,000 figure is a sum of student loan repayments, 1952-1965, as noted in Knight Foundation's tax records for those years.

²⁰Board of Trustees meeting minutes, July 17, 1962.

²¹Board of Trustees meeting minutes, Aug. 12, 1957.

²²Ben Maidenburg's report on students who received funds is attached to the Board meeting minutes of July 14, 1959.

²³"Knight: A Publisher in the Tumultuous Century" by Charles Whited, p. 178.

²⁴Julio E. Munoz letter of Oct. 16, 1996, to Lee Hills

²⁵Lee Hills' career with Knight Newspapers is chronicled in several books: "Knight" by Charles Whited; "Knights of the Fourth Estate" by Nixon Smiley; "The Charlotte Observer: Its Time and Place, 1896-1986" by Jack Claiborne; and "On Guard: A History of the Detroit Free Press" by Frank Angelo.

²⁶*Parade Magazine*, Oct. 10, 1982. Included with C.C. Gibson memo of Oct. 27, 1982, to Knight Foundation trustees; C.C. Gibson letter of Oct. 17, 1977, to Patrick Craig Walsh; and Patrick Craig Walsh letter of Oct. 20, 1977, to C.C. Gibson.

²⁷Edwin J. Thomas was elected to Knight Foundation's Board of Trustees on April 12, 1966. Thomas also joined the Board of Directors of Knight Newspapers Inc. in 1966, but the specific date of his election was not determined.

²⁸"Knight: A Publisher in the Tumultuous Century" by Charles Whited, p. 232.

²⁹"Knight: A Publisher in the Tumultuous Century" by Charles Whited, p. 255.

³⁰"Knight: A Publisher in the Tumultuous Century" by Charles Whited, p. 233.

³¹"Knight: A Publisher in the Tumultuous Century" by Charles Whited, p. 255.

³²"Knight: A Publisher in the Tumultuous Century" by Charles Whited, p. 260-261 and 272.

³³Board of Trustees meeting minutes, June 16, 1966.

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- ³⁴General agenda item for December 7, 1966, Board meeting.
- ³⁵List of contribution sources prepared in the early 1990s by the office of Timothy J. Crowe, chief financial officer and treasurer of Knight Foundation.
- ³⁶C.C. Gibson interview on June 18 and June 24, 1996, by Virginia L. Henke.
- ³⁷John S. Knight memo of Feb. 8, 1967, to Ben Maidenburg.
- ³⁸“Knight: A Publisher in the Tumultuous Century” by Charles Whited, p. 310.
- ³⁹Ben Maidenburg memos of May 11, 1971, to trustees and July 13, 1971, to Lee Hills.
- ⁴⁰Ben Maidenburg memo of July 11, 1971.
- ⁴¹Ben Maidenburg memo of May 11, 1971, to trustees.
- ⁴²Ben Maidenburg memo of April 13, 1971, to top news executives in Miami, Detroit, Tallahassee, Charlotte, Philadelphia and Macon.
- ⁴³Charles Clark memo of May 25, 1971, to Trustees of Knight Foundation.
- ⁴⁴John S. Knight memo of May 25, 1971, to Lee Hills, E.J. Thomas, Charles Clark, John L. Weinberg, Frank Harvey and Alvah Chapman.
- ⁴⁵“Knights of the Fourth Estate” by Nixon Smiley, page 315.
- ⁴⁶Alvah Chapman interview on Oct. 3, 1996, by Virginia L. Henke.
- ⁴⁷Lee Hills memo of July 22, 1971, to Ben Maidenburg.
- ⁴⁸John S. Knight memo of Aug. 5, 1971, to J. Montgomery Curtis, C.A. McKnight, Don E. Carter, Sam McKeel and Lee Hills.
- ⁴⁹Lyle Nelson’s first approaches to Knight Foundation were documented in Lee Hills’ Knight Foundation papers, which included correspondence between Nelson and Hills dating from 1970. They were also discussed in an interview with Lyle Nelson on Dec. 5, 1996, by Virginia L. Henke.
- ⁵⁰Lee Hills memo entitled “A Working Paper on the Future of the Knight Foundation” of Aug. 22, 1972, to Knight Foundation trustees.
- ⁵¹“Knight: A Publisher in the Tumultuous Century” by Charles Whited, p. 298-312.

⁵²“Knight: A Publisher in the Tumultuous Century” by Charles Whited, p. 298-312.

⁵³Dr. W. Gerald Austen, M.D., interview on Aug. 25, 1996, by Virginia L. Henke.

⁵⁴Lee Hills memo of Aug. 4, 1973, to Ben Maidenburg.

⁵⁵Board of Trustees meeting minutes, Sept. 23, 1973.

⁵⁶The first reference to Norman Sugarman in Knight Foundation records is a Lee Hills letter of Feb. 26, 1974, to John S. Knight. The letter refers to a detailed legal opinion that Sugarman gave Knight about leasing an office for Knight Foundation in the new Akron Center Building.

⁵⁷Charles Clark memo of July 16, 1973 to Knight Foundation trustees.

⁵⁸Lee Hills memo of July 29, 1974, to Knight Foundation trustees.

⁵⁹Ben Maidenburg memo of Nov. 1, 1971, to Knight Foundation trustees.

⁶⁰John S. Knight memo of Aug. 5, 1974, to Knight Foundation trustees and James L. Knight memo of Aug. 13, 1974, to Knight Foundation trustees.

⁶¹Ben Maidenburg memo of Nov. 5, 1974, to Knight Foundation trustees.

⁶²David Freeman letter of Nov. 7, 1974, to Ben Maidenburg.

⁶³Norman Sugarman letter of Nov. 4, 1974, to Ben Maidenburg.

⁶⁴Ben Maidenburg memo of Nov. 5, 1974, to Knight Foundation trustees.

⁶⁵Draft of Lee Hills statement for “Key Executives of the Original Knight Newspapers” on Knight Foundation, attached to a Hills memo of Aug. 7, 1975, to Ben Maidenburg.

⁶⁶George Von note of April 4, 1977, to Margaret Brown.

⁶⁷Ben Maidenburg memo of June 24, 1976, to Beverly Carter, Larry Jinks, Don Shoemaker and Alvah Chapman.

⁶⁸John S. Knight memo of June 29, 1976, to Ben Maidenburg.

⁶⁹Lee Hills memo of Dec. 29, 1977, to C.C. Gibson with his changes on the “Foundation Information Statement for Newspaper Executives Concerned.”

⁷⁰John S. Knight memo of Jan. 9, 1978, to Lee Hills.

⁷¹Knight Foundation description attached to Lee Hills memo of Jan. 5, 1978, to John S. Knight and James L. Knight.

⁷²Lee Hills memo of Feb. 17, 1978, to Alvah Chapman.

⁷³Alvah Chapman memo of Feb. 24, 1978. (Full distribution list unknown/copy available sent to Creed Black, publisher of the *Lexington Herald-Leader*).

⁷⁴Correspondence exists in Knight Foundation records from this period demonstrating that newspaper publishers and executives in the cities designated for Knight Foundation funding were corresponding with Ben Maidenburg, C.C. Gibson or one of the trustees about grant-seeking organizations in their communities.

⁷⁵List of “Knight Foundation Contributions by Location/Years 1972 Through 1981.” Date and origins unknown.

⁷⁶Charles Clark memo of Nov. 5, 1976, to Knight Foundation trustees

⁷⁷John S. Knight memo of May 30, 1974, to Knight Foundation trustees and John S. Knight memo of Jan. 14, 1975, to Knight Foundation trustees.

⁷⁸Formation of the Investment Committee was approved by trustees at the Dec. 16, 1975, meeting.

⁷⁹John S. Knight memo of April 27, 1975, to Ben Maidenburg.

⁸⁰C.C. Gibson interview on June 18 and June 24, 1996, by Virginia L. Henke.

⁸¹The Code of Regulations was further amended on Sept. 21, 1978, to include more specific language about indemnification of trustees.

⁸²Lee Hills memo of Feb. 3, 1975, to John S. Knight.

⁸³C.C. Gibson memo of April 14, 1979, to Knight Foundation trustees on the topic “White Paper.”

⁸⁴John S. Knight letter of Dec. 26, 1979, to Norman Sugarman.

⁸⁵C.C. Gibson’s memo of Feb. 4, 1980, to Knight Foundation trustees.

⁸⁶Gordon Heffern interview on June 28, 1996, by Virginia L. Henke.

⁸⁷“Knight: A Publisher in the Tumultuous Century” by Charles Whited, p. 48-49, and C.C. Gibson interview on June 18 and 24, 1996, by Virginia Henke.

⁸⁸John S. Knight memo of March 27, 1980, to Knight Foundation trustees.

⁸⁹“Knight: A Publisher in the Tumultuous Century” by Charles Whited, p. 314, 324-328, 330-331.

⁹⁰Figures on the value of John S. Knight’s estate were taken from the *Akron Beacon Journal* news story by business editor, James Toms, as it appeared in a special section in June 1981 paying tribute to John S. Knight.

⁹¹Norman Sugarman letter of June 19, 1981, to C.C. Gibson and Board of Trustees meeting, June 24, 1981.

⁹²C.C. Gibson letter of July 23, 1981, to James L. Knight.

⁹³James L. Knight letter of Oct. 21, 1981, to Knight Foundation trustees.

⁹⁴Eugene Struckhoff interview on March 22, 1996, by Virginia L. Henke.

⁹⁵Eugene Struckhoff memo of Nov. 12, 1982, entitled “Knight Foundation: Questions to be considered to Focus Planning.”

⁹⁶Norman Sugarman memo of Dec. 8, 1981, on “Estate of John S. Knight: Impact on Knight Foundation,” distributed to James L. Knight, Lee Hills and C.C. Gibson.

⁹⁷“Planning Activity and Background: 1950-1990,” a three-ring binder of information that Lee Hills prepared as background on strategic planning, is a comprehensive source for all the strategic planning activities that took place during Knight Foundation’s first four decades. “Strategic Plan-Phase I,” which is included in the document, is a more detailed account of the issues the Board faced in December 1981.

⁹⁸John S. Knight served on the University of Miami Board of Trustees from 1950-1964.

⁹⁹The list of foundations visited by the Planning Committee and summary reports of these site visits were included in “Planning Activity and Background: 1950-1990” by Lee Hills. Eugene Struckhoff’s preparatory materials for the Planning Committee’s visits to these foundations are in Knight Foundation’s administrative files on microfiche.

¹⁰⁰Lee Hills memo of June 24, 1982, to Knight Foundation trustees.

¹⁰¹The excess business holdings issues are reviewed in a Lee Hills memo of March 10, 1982, to Knight Foundation trustees with accompanying memoranda of March 9, 1982, from Norman Sugarman. These materials were included in “Planning Activity and Background: 1950-1990” by Lee Hills. Knight-Ridder’s purchase of Knight-Ridder stock is also discussed in an April 14, 1982, letter from John C. Fontaine of the law firm of Hughes, Hubbard & Reed to Alvah Chapman, who had sent Fontaine a copy of the Norman Sugarman memoranda.

¹⁰²Lee Hills document of Aug. 9, 1996, entitled “Response to Questions by Jenny Henke: How he sees KF at this time. His role in the Foundation. Legacy of KF. What has been accomplished. KF future, etc.”

¹⁰³“Planning Activity and Background: 1950-1990” by Lee Hills, Section 5.

¹⁰⁴Gordon E. Heffern letter of Dec. 7, 1981, to James L. Knight.

¹⁰⁵Ben Maidenburg memo of Dec. 23, 1981, to Lee Hills.

¹⁰⁶Board of Trustees meeting minutes, June 24, 1982.

¹⁰⁷Alvah Chapman memo of March 12, 1982, to Knight Foundation trustees.

¹⁰⁸Lee Hills memo of June 24, 1982, to Knight Foundation trustees on subject of “Progress Report/Status of Planning.”

¹⁰⁹Lee Hills memo of June 24, 1982, to Knight Foundation trustees on subject of “Progress Report/Status of Planning.”

¹¹⁰Eugene Struckhoff’s assignment is described in a Lee Hills memo of July 26, 1982, to Knight Foundation trustees.

¹¹¹Eugene Struckhoff’s report on “Programming by the Knight Foundation: Question, Issues and Options” from Sept. 3, 1982, can be found in Knight Foundation’s administrative files on microfiche. Struckhoff also elaborated on his contacts with Knight Foundation in the early 1980s in an interview on March 22, 1996, by Virginia Henke.

¹¹²Lyle Nelson interview on Dec. 6, 1996, by Virginia L. Henke.

¹¹³Lyle Nelson’s “rough draft for discussion” grant proposal to Knight Foundation dated July 16, 1981.

¹¹⁴Larry Jinks interview on Nov. 22, 1996, by Virginia L. Henke.

¹¹⁵Lyle Nelson interview on Dec. 5, 1996, by Virginia L. Henke.

¹¹⁶Board of Trustees meeting minutes, June 24, 1982.

¹¹⁷Information on John S. Knight’s contributions to Cornell University during the last 11 years of his life was based on his tax returns for those years, as reported to C.C. Gibson by Knight’s personal secretary, Elizabeth Sammeth, and the Brouse & McDowell law firm. Gibson relayed this information to the Board of Trustees in the grant-write up on the Cornell University grant that was prepared as an agenda item for the June 1986 meeting of the Board of Trustees.

¹¹⁸Cornell President Frank Rhodes' early discussions with Knight Foundation were reviewed by C.C. Gibson in his interview on June 18 and 24, 1996, by Virginia Henke and a letter from C.C. Gibson of Sept. 15, 1981, to Cornell University President Frank H. T. Rhodes. Subsequent conversations and discussions between Knight Foundation and Cornell University were described in the grant proposal write-up for Cornell University featured in the agenda for the June 1986 Board meeting.

¹¹⁹John S. Knight's role in helping establish and support Cornell University's Across-the-Curriculum Writing Program was noted in a April 16, 1986, letter from Cornell President Frank H. T. Rhodes to C. C. Gibson and in Gibson's grant write-up prepared for trustees in advance of the June 1986 Board Meeting.

¹²⁰Lee Hills memo of June 22, 1982, to Knight Foundation trustees. The memo is included in "Planning Activity and Background: 1950-1990" by Lee Hills.

¹²¹A comprehensive record of Lee Hills' and Knight Foundation's activities related to the John S. Knight biography is available among the Foundation's administrative records on microfiche.

¹²²Board of Trustees meeting minutes, September 21, 1984.

¹²³Board of Trustees meeting minutes, March 21, 1989.

¹²⁴Alvah Chapman comments of Dec. 2, 1985, at luncheon for Knight Foundation Program Review Committee and James L. Knight.

¹²⁵Lee Hills memo of Dec. 11, 1985, to the Program Review Committee

¹²⁶Minutes prepared by Lee Hills of Dec. 2, 1985, meeting of Program Review Committee with addendum, "First Meeting: General Areas of Agreement."

¹²⁷The 11th edition of the Foundation Directory, published by the Foundation Center, ranked Knight Foundation number 21 on the list of the 100 largest foundations by asset size. Published in 1987, the 11th edition provided fiscal information based on assets as of Dec. 31, 1986.

¹²⁸Some documents refer to the Program Review Committee as the Policy Review Committee.

¹²⁹Remarks on Jan. 14, 1986, to Knight Foundation trustees by Elizabeth T. Boris, Ph.D., vice president of research and information services, Council on Foundations. Initially prepared for the Program Review Committee, these remarks were later edited and distributed to all Knight Foundation trustees and on May 21, 1986, to the new Cities Program Advisory Committee.

¹³⁰While the minutes of the Board of Trustees meetings in 1986 do not show specific approval of the Cities Program budget or specific guideline amounts, the Foundation proceeded with the

Cities Program as proposed by the Program Review Committee in January 1986 and communicated to all trustees in a memo from Lee Hills dated Jan. 17, 1986.

¹³¹Board of Trustees meeting minutes, March 28, 1986.

¹³²Larry Jinks interview on Nov. 22, 1996, by Virginia L. Henke.

¹³³Lee Hills memo of May 8, 1986, to Larry Jinks, Creed Black, Don Carter, Deborah Howell, Philip Meyer and Eugene Roberts.

¹³⁴The title of the 1986 report (specific date unknown) was “Grants Made in Journalism/Knight Foundation/1975 Through March 1986.”

¹³⁵“Major Journalism Grants in the United States” by Philip Meyer, July 21, 1986.

¹³⁶Lee Hills letter to top news executives is undated but is available among Lee Hills’ papers from 1986 on the Journalism Advisory Committee activities from 1986.

¹³⁷“Summary of Suggestions for Knight Foundation Consideration/October 1986” was prepared by Scott McGehee and is available among Lee Hills’ papers from 1986 on the Journalism Advisory Committee.

¹³⁸A Nov. 10, 1986, report of the Subcommittee on Midcareer Education entitled “The Knight Foundation: A Commitment to Professionalism.”

¹³⁹Larry Jinks memo of Feb. 12, 1987, to C.C. Gibson.

¹⁴⁰Larry Jinks memo of Feb. 17, 1987, to C.C. Gibson.

¹⁴¹Larry Jinks memo of June 7, 1982, to Lee Hills.

¹⁴²Janet Chusmir letter of Aug. 29, 1986, to Lee Hills.

¹⁴³Janet Chusmir letter of Oct. 8, 1986, to Lee Hills.

¹⁴⁴C.C. Gibson and Lee Hills comments of April 1, 1986, to Knight-Ridder Newspapers Management Conference in Boca Raton, Fla.

¹⁴⁵More information about the role of the Cities Program Advisory Committee is contained in a letter of April 7, 1986, from Lee Hills to members of the Cities Program Advisory Committee.

¹⁴⁶March 1986 “Confidential Guidelines for Internal Use” for Knight Foundation associates.

¹⁴⁷Survey results prepared by Janet Chusmir; John Dotson’s letter of July 20, 1986, to Rolfe Neill; and Carrol Dadisman’s letter of July 17, 1986, to Rolfe Neill.

¹⁴⁸C. C. Gibson letter of July 30, 1986, to Rolfe Neill.

¹⁴⁹C. C. Gibson letter of Dec. 22, 1986, to Knight Foundation associates.

¹⁵⁰A list of Knight Foundation's literacy grants from 1985 to mid-1991 was included as Appendix A in a background paper prepared for Knight Foundation's Board of Trustees in September 1991. The paper, "Illiteracy: The Silent Epidemic," was distributed to Knight Foundation local advisers as part of an agenda package for a meeting on Oct. 4, 1991.

¹⁵¹"Strategic Plan-Phase I" as featured in "Planning Activity and Background: 1950-1990" by Lee Hills.

¹⁵²Year-end assets in 1981 were \$21,102,216 and year-end assets in 1982 were \$460,555,993 according to *Sharpen the Focus-Heighten the Impact*, Financial Plan Section.

¹⁵³Front-page story on Ben Maidenburg's life and death in the *Akron Beacon Journal*, July 28, 1986.

¹⁵⁴Board of Trustees meeting minutes, Sept. 18, 1986.

¹⁵⁵Alvah Chapman memo of Sept. 8, 1986, to James L. Knight.

¹⁵⁶Board of Trustees meeting minutes, Sept. 18, 1986.

¹⁵⁷Alvah Chapman suggested to James L. Knight that Lee Hills be appointed as chairman of the Reorganization Study Committee and Gordon Heffern, Alvah Chapman and Barbara Toomey be named as members in a memo dated Sept. 8, 1986.

¹⁵⁸Board of Trustees meeting minutes, Sept. 18, 1986.

¹⁵⁹Lee Hills memo of Oct. 6, 1986, to Knight Foundation trustees.

¹⁶⁰Trustee comments on board reorganization and composition and a new Foundation executive were included among Lee Hills' papers in the folder marked "Reorganization Study Committee."

¹⁶¹Board of Trustees meeting minutes, Dec. 19, 1986.

¹⁶²Background information on James K. Batten from "The Charlotte Observer: Its Time and Place, 1869-1986" by Jack Claiborne.

¹⁶³Background on Rolfe Neill from "The Charlotte Observer: Its Time and Place 1869-1986" by Jack Claiborne.

¹⁶⁴W. Gerald Austen, M.D., interview on Aug. 25, 1996, by Virginia L. Henke.

¹⁶⁵Correspondence between John S. Knight and W. Gerald Austen, M.D., from 1974 to 1981 is included among the John S. Knight papers at the University of Akron, B Series, Box 2, Folders 39 and 40.

¹⁶⁶W. Gerald Austen, M.D., interview on Aug. 25, 1996, by Virginia L. Henke.

¹⁶⁷Nominating/Search Committee meeting minutes, Feb. 24, 1987.

¹⁶⁸Barbara Toomey letter of Nov. 22, 1986, to Lee Hills, in connection with trustee recommendations for the Reorganization Study Committee.

¹⁶⁹James L. Knight note of Sept. 1, 1987, to Henry King Stanford.

¹⁷⁰Alvah Chapman interview on Oct. 3, 1996, by Virginia L. Henke.

¹⁷¹Executive session meeting minutes of Dec. 15, 1987, which includes: (1) letter signed by James L. Knight, Alvah Chapman and Lee Hills pledging their support after two years to Creed Black if he proposes Knight Foundation's move from Akron; (2) Alvah Chapman letter of Dec. 8, 1987, offering Creed Black the position of president and the terms of his employment; and (3) Peter McLean's letter of July 20, 1987, to Lee Hills with the "Special Salary Breakdown-Foundations with Assets \$300 million and Over from the Council on Foundations, 1987."

¹⁷²Alvah H. Chapman's letter of Dec. 8, 1987, to Creed Black, which Black acknowledged with his signature on Dec. 9, 1987.

¹⁷³Gordon Heffern interview on June 28, 1996, by Virginia L. Henke.

¹⁷⁴Nominating/Search Committee meeting minutes, Feb. 24, 1987.

¹⁷⁵Interview with Creed Black on Feb. 11 and Feb. 21, 1997, by Virginia L. Henke.

¹⁷⁶"Creed Black, Mr. President," article by Eugene Patterson in the American Society of Newspaper Editors Bulletin, April 1983.

¹⁷⁷The Code of Regulations which had been approved by the Board in principle on Dec. 19, 1986, was formally approved on March 25, 1988, by Knight Foundation's Board of Trustees. However, it was amended at a special meeting on June 30, 1988, to include a description of the Planning and Program Committee that had been omitted by mistake.

¹⁷⁸Article III of the June 30, 1988, amended Code of Regulations of Knight Foundation.

¹⁷⁹Limits on the number of family members allowed to be on Knight Foundation's Board of Trustees were noted in Article III, Section 3, Point B of the June 30, 1988, amended Code of

Regulations. Limits on company representatives were noted in Article III, Section 3, Point C of the same amended Code of Regulations.

¹⁸⁰Sarah S. Wright letter for C.C. Gibson of Jan. 16, 1987, to Foundation associates.

¹⁸¹C.C. Gibson letter of April 24, 1987, to all Knight Foundation associates.

¹⁸²Rolfe Neill letter of Dec. 16, 1987, to Knight Foundation associates.

¹⁸³Rolfe Neill letter of Feb. 27, 1988, to Lee Hills.

¹⁸⁴James L. Knight letter of July 7 to Foundation Associates (Creed Black wrote the letter and Knight signed it.)

¹⁸⁵Creed Black memo of June 30, 1988, to Knight Foundation Associates.

¹⁸⁶Sarah Write report of Sept. 14, 1988, to Creed Black on "Proposal Review Procedures of Foundation Associates."

¹⁸⁷C.C. Gibson memo of Nov. 25, 1986, to Distribution Committee.

¹⁸⁸Lee Hills letter of Dec. 1, 1986, to C.C. Gibson.

¹⁸⁹Lee Hills letter of May 27, 1987, to Knight Foundation Distribution Committee on the "Community Foundation Program."

¹⁹⁰Board meeting minutes from June 26, 1987.

¹⁹¹Board meeting minutes of March 25, 1988.

¹⁹²C.C. Gibson letter of June 10, 1987, to Lee Hills.

¹⁹³Lee Hills memo of Sept. 23, 1987, to Knight Foundation trustees.

¹⁹⁴Alvah Chapman memo of June 15, 1987, to Knight Foundation trustees on "grant Control Program."

¹⁹⁵The field of gerontology as a focus for Knight Foundation support was reviewed and noted in the minutes of the June 23, 1986, meeting of the Program Review Committee.

¹⁹⁶Planning and Program Committee meeting minutes, Sept. 20, 1988.

¹⁹⁷Board of Trustees meeting minutes, Sept. 21, 1988.

¹⁹⁸C.C. Gibson letter of Jan. 13, 1988, to Lee Hills.

¹⁹⁹Henry King Stanford memo of Jan. 21, 1988, to Lee Hills on “Policy to Guide Educational Grants.”

²⁰⁰The Knight Foundation staff survey is included with a Henry King Stanford memo of Jan. 21, 1988, to Lee Hills.

²⁰¹Henry King Stanford memo of Jan. 21, 1988, to Lee Hills on “Policy to Guide Educational Grants.”

²⁰²Henry King Stanford letter of Jan. 11, 1988, to C. C. Gibson.

²⁰³Knight Foundation 1987 annual report, p. 35.

²⁰⁴James L. Knight letter of June 9, 1982, to C.C. Gibson.

²⁰⁵Planning and Program Committee meeting minutes, Sept. 20, 1988.

²⁰⁶Planning and Program Committee meeting minutes, Dec. 14, 1988.

²⁰⁷Board of Trustees meeting minutes, March 21, 1989, and Planning and Program Committee meeting minutes, March 20, 1989.

²⁰⁸Board of Trustees meeting minutes, March 21, 1989, and Planning and Program Committee meeting minutes, March 20, 1989.

²⁰⁹Board of Trustees meeting minutes, March 21, 1989.

²¹⁰Creed Black interview on Feb. 11 and 21, 1997, with Virginia L. Henke.

²¹¹Planning and Program Committee meeting minutes from June 29, 1988.

²¹²Barbara Toomey letter of May 24, 1988, to Frank Harvey.

²¹³Creed Black letter of June 20, 1988, to James L. Knight.

²¹⁴Board of Trustees meeting minutes, June 26, 1987.

²¹⁵Alvah Chapman memo of April 27, 1987, to James L. Knight, Lee Hills, James K. Batten and Richard Capen.

²¹⁶Lee Hills memo of Aug. 15, 1986, to University of Miami President Edward T. Foote.

²¹⁷James L. Knight memo of Feb. 23, 1989, to Creed Black.

²¹⁸James L. Knight's respect for the full Board making grant decisions is evidenced in a Jan. 14, 1985, letter to C.C. Gibson about the University of Miami's request to Knight Foundation for its endowment campaign. In it he discussed the size of the personal gift he was considering, but noted: "What the Foundation should do, I shall leave up to the other members of the Board to decide."

²¹⁹Creed Black's letter of July 6, 1988, to Knight Foundation trustees who were not on the Distribution Committee described Jim Knight's review procedures of grant proposals.

²²⁰Information about the number of queries and proposals the Foundation received 1984-1991 is the subject of a report entitled "Summary Data on Grants and Proposals," featured in the Organization and Operations Section of the 1992 strategic plan, "Sharpen the Focus-Heighten the Impact."

²²¹Excellence in Undergraduate Education grants were actually awarded to 40 colleges and universities, but Knight Foundation revoked the grant of Augustana College in Sioux Falls, S.D.

²²²Planning and Program Committee meeting minutes, Dec. 11, 1989.

²²³Henry K. Stanford memo of March 12, 1990, to Planning Committee.

²²⁴Sarah Wright memo of Aug. 18, 1989, to Distribution Committee.

²²⁵Sarah Wright's assessment of elementary and secondary education proposals was discussed at the Planning and Program Committee on Sept. 21, 1989.

²²⁶Planning and Program Committee meeting minutes, March 20, 1989.

²²⁷James L. Knight letter of May 9, 1989, to Creed Black.

²²⁸Planning and Program Committee meeting minutes, Sept. 21, 1989

²²⁹Sarah Wright memo of Dec. 19, 1989, to James Batten.

²³⁰James K. Batten memo of Jan. 2, 1990, to Jay Harris, Gus Harwell and Tony Ridder.

²³¹Creed Black memo of March 2, 1990, to Knight Foundation associates recapping his presentation at the Knight-Ridder management conference.

²³²Memo from Gene Roberts and Garry Farrugia on Nov. 1, 1989, to Knight Foundation Journalism Advisory Committee.

²³³Introduction to "A Study of Seven University Programs for Print and Broadcast Journalists Funded by the Knight Foundation" by Professor Jerome Aumente of Rutgers University School of Communication, Information and Library Studies, March 1990.

²³⁴Reports on the early progress of the pilot minority journalism projects funded at the University of Florida and the University of Missouri are available among Knight Foundation's eligible organization files on the 1987 grants to these two schools. The reports were submitted by Ralph Lowenstein, dean of the University of Florida College of Journalism and Communications, and Dean Mills, dean of the University of Missouri School of Journalism.

²³⁵Concerns about the University of Florida and University of Missouri minority journalism programs were expressed in the following materials: Creed Black letters of May 24, 1989, to Ralph Lowenstein, dean of the College of Journalism and Communications at the University of Florida; to James D. Atwater, dean of the School of Journalism at the University of Missouri; and in the Journalism Advisory Committee meeting minutes of Aug. 9, 1988, and Nov. 6, 1989, to which was attached a report from Scott McGehee on her site visits to both schools.

²³⁶Scott McGehee's report of Nov. 6, 1989, to Journalism Advisory Committee.

²³⁷Knight Foundation 1992 annual report, p. 34.

²³⁸Creed Black interview on Feb. 11 and 21, 1997, with Virginia L. Henke.

²³⁹A handwritten letter by Creed Black to Lee Hills dated Oct. 28, 1988, addressed the subject of hiring James D. Spaniolo. A memo of March 7, 1989, from Alvah Chapman to Knight Foundation trustees recommended the election of Spaniolo as vice president and secretary. Chapman wrote the letter as the chairman of the Nominating Committee.

²⁴⁰Biographic information on James D. Spaniolo was obtained from a resume and autobiographical statement Spaniolo provided during an interview on Sept. 19, 1996, by Virginia L. Henke.

²⁴¹James D. Spaniolo interview on Sept. 19, 1996, by Virginia L. Henke.

²⁴²Knight Foundation Summary Data on Grants and Proposals, 1984-1991, featured in "Sharpen the Focus-Heighten the Impact" strategic plan of 1992

²⁴³List of contribution sources prepared in the early 1990s by the office of Timothy J. Crowe, chief financial officer and treasurer of Knight Foundation.

²⁴⁴James L. Knight obituary, *The Miami Herald*, Feb. 6, 1991.

²⁴⁵Charles Clark financial report of March 15, 1975, to Knight Foundation trustees.

²⁴⁶Eugene Struckhoff interview on March 22, 1996, by Virginia L. Henke.

²⁴⁷Eugene Struckhoff interview on March 22, 1996, by Virginia L. Henke.

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- ²⁴⁸John S. Knight note of Nov. 5, 1979, to Norman Sugarman.
- ²⁴⁹Norman Sugarman letter of Nov. 13, 1979, to John S. Knight.
- ²⁵⁰John S. Knight letter of Dec. 26, 1979, to C.C. Gibson.
- ²⁵¹Minutes of Feb. 14, 1980, meeting attached to John S. Knight letter of Feb. 29, 1980, to C.C. Gibson.
- ²⁵²Minutes of Feb. 14, 1980, meeting attached to John S. Knight letter of Feb. 29, 1980, to C.C. Gibson.
- ²⁵³Lee Hills letter of Feb. 25, 1980, to C.C. Gibson.
- ²⁵⁴John S. Knight letter of Feb. 29, 1980, to C.C. Gibson.
- ²⁵⁵C. C. Gibson letter of April 16, 1982, to James L. Knight.
- ²⁵⁶James L. Knight letters of April 21, 1982, and June 1, 1982, to C.C. Gibson.
- ²⁵⁷Creed Black memo of Dec. 15, 1989, to James L. Knight, Lee Hills and Alvah Chapman.
- ²⁵⁸James L. Knight memo of Dec. 19, 1989, to Creed Black.
- ²⁵⁹James L. Knight memo of Dec. 19, 1989, to Lee Hills and Alvah Chapman.
- ²⁶⁰Interview with Creed Black on Feb. 11 and Feb. 21, 1997, by Virginia L. Henke.
- ²⁶¹Barbara Toomey letter of March 13, 1990, to Knight Foundation trustees.
- ²⁶²Interview with Henry King Stanford on June 6, 1996, by Virginia L. Henke.
- ²⁶³Henry King Stanford letter of Dec. 20, 1993, to Lee Hills. The earlier letter referred to by Stanford in the 1993 letter is the James L. Knight letter of Sept. 1, 1987, to Henry King Stanford. The original letter was provided to Virginia L. Henke during her interview with Dr. Stanford on June 3, 1996.
- ²⁶⁴W. Gerald Austen, M.D., interview on Aug. 25, 1996, by Virginia L. Henke.
- ²⁶⁵Community development as a special area of interest was noted in the Knight Foundation Newsletter, April 1991, article headlined "Foundation commits \$5 million to national collaborative effort to revitalize inner cities," p.2.
- ²⁶⁶Knight Foundation Newsletter, Summer 1997, article headlined "Knight Commits \$4 Million to Community Development Consortium," p.3.

²⁶⁷A discussion of James L. Knight's will took place during the interview with Barbara Toomey on Jan. 16, 1997, by Virginia L. Henke.

²⁶⁸Lee Hills memo of Feb. 19, 1991, to Knight Foundation trustees and Larry Jinks.

²⁶⁹Lee Hills memo of April 18, 1991, to Knight Foundation trustees.

²⁷⁰Lee Hills memo of May 20, 1991, to Knight Foundation trustees details the topics that Barbara Toomey suggested for discussion at the Board's June 20, 1991, meeting.

²⁷¹Barbara Toomey memo of June 13, 1991, to "Fellow Trustees" on the subject of "Governance -- Knight Foundation."

²⁷²Alvah Chapman as Nominating Committee chairman refers to a May 15, 1991, mailing of trustee prospects in a June 4, 1991, memo to Knight Foundation trustees. Chapman sent a second memo with trustee mailing prospects to Knight Foundation trustees on June 4, 1991.

²⁷³Amended Code of Regulations of Knight Foundation dated June 20, 1991, Attachment A to special meeting of the members of Knight Foundation on June 20, 1991.

²⁷⁴Minutes of the special meeting of the Board of Trustees on June 20, 1991.

²⁷⁵The strategic plan adopted was called "Sharpen the Focus-Heighten the Impact" and approved by trustees in several stages over a year's period ending June 17, 1992. The plan included a revised Statement of Purpose; program statements for the Foundation's four programs -- Community Initiatives, Journalism, Education and Arts and Culture; a Financial Plan; a statement on operations and organization addressing the role and responsibilities of advisory committees and advisers, the framework for future trustee meetings, the grant-making process, the communications plan and evaluation. In addition to the actions and policies in the strategic plan, the Board made several related decisions which were recounted in the minutes of the Board meetings of Dec. 12, 1991, March 25, 1992, and June 17, 1992. The Knight Foundation Newsletter of January 1992 also had a story highlighting the most newsworthy results of the December 1991 Board meeting.

²⁷⁶Knight Foundation 1992 annual report, p. 12.

²⁷⁷Community Initiatives Program statement in "Sharpen the Focus-Heighten the Impact" strategic plan of 1992.

²⁷⁸Community Initiatives Program statement in "Sharpen the Focus-Heighten the Impact" strategic plan of 1992 and the report on the "Meeting with Associates" in the package of strategic planning materials for the Dec. 13, 1991, meeting of the Board of Trustees.

²⁷⁹A report of the Aug. 20, 1991, meeting with community foundation executives and local advisers in Akron, Charlotte, Detroit and Miami was included in the package of strategic planning materials for the Sept. 19, 1991, meeting of the Board of Trustees.

²⁸⁰Journalism Program statement in “Sharpen the Focus-Heighten the Impact” strategic plan of 1992.

²⁸¹New emergency grant procedures were unanimously adopted at a special meeting of members of Knight Foundation on Sept. 18, 1991, when the Code of Regulations was amended to authorize the Distribution Committee to approve emergency grants between regular meetings of the Board of Trustees.

²⁸²Knight Foundation 1990 annual report, p. 60.

²⁸³Knight Foundation 1997 annual report, p. 67.

²⁸⁴The “Summary Data on Grants and Proposals: 1984-1991,” included in the 1992 strategic plan reported 1,154 proposals in 1991. Beginning in 1993, the chairman’s letter in Knight Foundation’s annual report began listing the number of proposals and the numbers were: 1,140 in 1993; 1,367 in 1994; 1,308 in 1995; 1,129 in 1996; and 286 in 1997.

²⁸⁵Board of Trustees meeting minutes, June 24, 1982.

²⁸⁶The data on multiyear grants is derived from the lists of grants in the 1991 and 1997 Knight Foundation annual reports. The grant descriptions note whether there is a multiyear commitment.

²⁸⁷Knight Foundation 1996 annual report, p. 27.

²⁸⁸Highlights of the March 1994 meeting of the directors of the midcareer journalism programs were featured in the Knight Foundation Newsletter, April 1994, p. 4 article headlined “Midcareer Journalism Program Directors Exchange Views.” A comprehensive meeting review was prepared by one of the participants, Victor K. McElheny, director of the Knight Science Journalism Fellowships at Massachusetts Institute of Technology.

²⁸⁹Minutes of the Aug. 8, 1996, meeting in Anaheim, Calif., of Knight Chairholders in Journalism provide details about this gathering.

²⁹⁰Creed Black memo of Sept. 11, 1995, to Lee Hills.

²⁹¹The briefing book for the “John S. and James L. Knight Foundation Board of Trustees Meeting & Planning Review” at the Sonesta Beach Hotel, Key Biscayne, Fla., on September 19-21, 1995, was distributed with an introductory Creed Black memo dated Aug. 30, 1995.

²⁹²Lee Hills' introductory remarks of Sept. 20, 1995, were later added to the trustees' briefing book for the September 1995 strategic plan review.

²⁹³The highlights of the program updates for 1992-1995 were featured in a memo of Sept. 5, 1995, from James Spaniolo to Knight Foundation trustees. The memo is included in the trustees' briefing book distributed in advance of the strategic plan review on September 19-21, 1995.

²⁹⁴The \$110 million figure for grants approved between Jan. 1, 1992, and June 30, 1995, was featured in the strategic plan briefing book distributed to trustees in advance of the September 1995 strategic planning review.

²⁹⁵The goals, objectives and plans approved by the Board of Trustees as part of the 1995 strategic plan review were included as Exhibit F1 with the minutes of the Dec. 12, 1995, Board of Trustees meeting.

²⁹⁶"Sharpen the Focus-Heighten the Impact" strategic planning document.

²⁹⁷William Friday letter of Jan. 18, 1996, to Lee Hills.

²⁹⁸*The Chronicle of Higher Education*, "Sidelines" column, Feb. 5, 1992

²⁹⁹Creed Black's speeches during his period as president of Knight Foundation, 1988-1997, are included in Knight Foundation's archive, Box 1, RG3-Officers-Speeches and Writings. Among the speeches is "Ethics and Athletics: The Place of Sports in American Society," Jan. 25, 1992, at St. Johns College, Annapolis, Md.

³⁰⁰James D. Spaniolo's speeches during his period as vice president and chief program officer of the Knight Foundation, 1989-1996, are included in Knight Foundation's archive, Box 2, RG3-Officers-Speeches and Writings.

³⁰¹Knight Foundation planned to include the speeches and presentations of all program directors, including Del Brinkman (Journalism), A. Richardson Love Jr. (Education) and Linda L. Raybin (Community Initiatives) in its archive.

³⁰²Penelope McPhee's speeches during her period as director of Arts and Culture Programs, 1990-1996, and as vice president and chief program beginning in 1996, are included in Knight Foundation's archive, Box 1, RG3-Officers-Speeches and Writings.

³⁰³Board of Trustees meeting minutes, Dec. 14, 1993.

³⁰⁴The observation about technology was included in "The Knight Foundation: Summary of Assessment of Management and Operating Systems, And Recommendations for Improvement," one of two reports presented to the Board of Trustees on March 19, 1996, by the consulting firm of Hamilton, Rabinovitz & Alschuler, Inc. The second report was "Portrait of Desired Generic Characteristics."

³⁰⁵Board of Trustees meeting minutes, March 19, 1996.

³⁰⁶Exhibit C, attached to the Board of Trustees meeting minutes, Dec. 10, 1996.

³⁰⁷Subject Issue Memorandum #5 dated Jan. 3, 1997, on “Senior Program Staff Peer Review and Collaboration” from Hamilton, Rabinovitz and Alschuler; located among records in the President’s Office of Knight Foundation.

³⁰⁸Planning and Program Committee meeting minutes, March 18, 1997.

³⁰⁹Knight Foundation 1993 annual report, p. 62.

³¹⁰Knight Foundation 1994 annual report, p. 45.

³¹¹Knight Foundation 1995 annual report, p. 37.

³¹²Knight Foundation 1996 annual report, p. 41.

³¹³Knight Foundation 1997 annual report, p. 51.

³¹⁴Knight Foundation Newsletter, April 1993 edition, p. 3 story headlined “Marian Wright Edelman Addresses Community Initiatives Advisory Committee.”

³¹⁵Planning and Program Committee meeting minutes show the immunization initiative was discussed before its launch on the following dates: March 22, June 15, Sept 21 and Dec. 14, 1993, and March 23 and June 21, 1994.

³¹⁶Community Initiatives Advisory Committee meeting minutes of a conference call, Aug. 27, 1993.

³¹⁷The 17 experts who did presentations at the Nov. 9-10, 1994, meeting were noted in the “Summary of Presentations” publication produced after the meeting.

³¹⁸Knight Foundation Newsletter, Winter 1995 edition, p. 2 story headlined “Initiative Aims at Pitfall of Reinventing the Wheel.”

³¹⁹Knight Foundation 1995 annual report, p. 10.

³²⁰Community Initiatives Program strategy as approved by the Board Dec. 12, 1995.

³²¹Planning and Program Committee meeting minutes, Dec. 14, 1993.

³²²Community Initiatives Advisory Committee meeting minutes, March 24, 1995..

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- ³²³Planning and Program Committee meeting minutes, Sept. 21, 1994.
- ³²⁴Community Initiatives Advisory Committee meeting minutes, March 24 and June 1-2, 1995.
- ³²⁵Community Initiatives Program strategy as approved by the Board Dec. 12, 1995.
- ³²⁶“What Is Your Community’s Answer to Youth Violence?,” distributed to local advisers by Knight Foundation on May 15, 1996.
- ³²⁷Knight Foundation Newsletter, Spring 1997, front-page article headlined “New Initiative Addresses Youth Violence.”
- ³²⁸John S. and James L. Knight Foundation Newsletter, Winter 1998, p. 4 article headlined “New Initiative Seeks Answers to Violence.”
- ³²⁹Creed Black letter of June 25, 1990, to Christopher Harte, *Akron Beacon Journal* publisher and president, who served as the local adviser to the donor-advised fund at the Akron Community Foundation.
- ³³⁰Creed Black interview on Feb. 11 and 21, 1997, with Virginia L. Henke.
- ³³¹Board of Trustees meeting minutes, June 19, 1990.
- ³³²Meeting minutes of community foundation executives and local advisers from Akron, Charlotte, Detroit and Miami on Aug. 20, 1991. Included in a 1991 packet of materials prepared for trustees entitled, “Sharpen the Focus-Heighten the Impact, Planning Meeting #2, September 19, 1991.”
- ³³³Knight Foundation Newsletter, January 1994 edition, p. 1 story headlined “Community Foundation Initiative Launched in 12 Cities.”
- ³³⁴Penelope McPhee memo of March 3, 1997, to Distribution Committee entitled “Update on Donor-Advised Funds at Community Foundations.”
- ³³⁵Board of Trustees meeting minutes, March 18, 1997.
- ³³⁶Board of Trustees meeting minutes, March 18, 1997.
- ³³⁷Knight Foundation Newsletter, July/August 1995 edition, p. 2 story headlined “Initiatives Focus on Import-Export Strategy in the Arts.”
- ³³⁸Knight Foundation Newsletter, July 1992, p. 6 story headlined “Program fills voting booths with youth and parents.”

³³⁹The background paper on illiteracy was included in the briefing packet for Knight Foundation's meeting with advisers, Oct. 4, 1991.

³⁴⁰Knight Foundation 1994 annual report, p. 8.

³⁴¹Knight Foundation Newsletter, Summer 1997, p. 1 article headlined "National Center for Family Literacy Launches Welfare-to-Work Initiative" with jumps on p. 6-7.

³⁴²Knight Foundation Newsletter, Spring 1997, p. 4 article headlined "Family Service Grant Emphasizes Neighborhoods."

³⁴³Community Initiatives Program Update, included in the briefing book prepared by staff for trustees in advance of the Sept. 19-21, 1995, strategic planning review.

³⁴⁴Knight Foundation 1997 annual report, p. 21.

³⁴⁵Community Initiatives Program strategy, included with the minutes of the Dec. 12, 1995 meeting of the Board of Trustees.

³⁴⁶Community Initiatives Program Strategy, included with the minutes of the Dec. 12, 1995 meeting of the Board of Trustees.

³⁴⁷The statement on "Guidelines for Community Needs Assessments" was distributed to Knight Foundation advisers by Jim Spaniolo in a memo dated March 4, 1996.

³⁴⁸James D. Spaniolo memo of March 4, 1996, to Knight Foundation advisers.

³⁴⁹The Oct. 4, 1991, meeting between Knight Foundation staff, selected trustees and Knight-Ridder publishers resulted in a list of community needs. The list was included in a briefing book given to trustees for their Board meeting, Dec. 13, 1991.

³⁵⁰Rolfe Neill's presentation at the Oct. 4, 1991, meeting was circulated with a Creed Black memo to advisers dated Oct. 8, 1991. It was later edited and included in "Sharpen the Focus -- Heighten the impact," the 1992 strategic planning document.

³⁵¹"Community Initiatives Program Update," included in the briefing book prepared by staff for trustees in advance of the Sept. 19-21, 1995, strategic planning review.

³⁵²Penelope McPhee memo of March 3, 1997, to the Distribution Committee.

³⁵³James D. Spaniolo interview on Sept. 19, 1996, by Virginia L. Henke.

³⁵⁴Interview with Penelope McPhee, March 19 and April 8, 1997, by Virginia L. Henke.

³⁵⁵Creed Black memo of Aug. 18, 1997, to Knight Foundation trustees.

³⁵⁶Penelope McPhee memo of Aug. 18, 1997, to Knight Foundation trustees.

³⁵⁷Jill Conway memo of Sept. 18, 1997, to Knight Foundation trustees.

³⁵⁸Creed Black memos of Sept. 24, 1997, to Knight Foundation Community Initiatives advisers and managers of the newspapers recently purchased by Knight-Ridder Inc..

³⁵⁹Knight Foundation Newsletter, Spring 1998, p. 2 story headlined “Knight Board of Trustees Recommits to 26 U.S. Cities.”

³⁶⁰Knight Foundation 1997 annual report, p. 20.

³⁶¹Knight Foundation 1996 annual report, p. 17.

³⁶²Del Brinkman interview on Feb. 27, 1997, by Virginia L. Henke.

³⁶³Journalism Program Update, included in the briefing book prepared by staff for trustees in advance of the Sept. 19-21, 1995, strategic planning review.

³⁶⁴Board of Trustees meeting minutes, March 21, 1989.

³⁶⁵Journalism Advisory Committee meeting minutes, Jan. 31, 1996.

³⁶⁶Del Brinkman’s “Report on an Action Plan for Knight Foundation’s Journalism Program,” dated July 21, 1995.

³⁶⁷Knight Foundation Newsletter, Nov./Dec. 1995 issue, p. 2 story headlined “Plan Outlines Funding Priorities in Journalism Education.”

³⁶⁸Knight Foundation Newsletter, Nov./Dec. 1995 issue, p. 2 story headlined “Plan Outlines Funding Priorities in Journalism Education.”

³⁶⁹Journalism Program Update, included in the briefing book prepared by staff for trustees in advance of the Sept. 19-21, 1995, strategic planning review.

³⁷⁰“Midcareer Programs for Journalists/An Overview/Number of Extended-Term Fellowships at Ten-Year Low,” a 1986 report by Eugene Roberts to the Journalism Advisory Committee.

³⁷¹Knight Foundation 1996 annual report, p. 17.

³⁷²Knight Foundation Newsletter, Winter 1997, p. 2 story headlined “An Investment in Intellectual Capital for the Newspaper Industry.”

³⁷³Journalism Program Strategy, included with the minutes of the Dec. 12, 1995, meeting of the Board of Trustees.

³⁷⁴Knight Foundation 1993 annual report, p. 22.

³⁷⁵Knight Foundation Newsletter, Summer 1997, p. 10 story headlined “Public Journalism Project Celebrates Success, Looks Ahead.”

³⁷⁶Knight Foundation Newsletter, Spring 1997, p. 6 story headlined “Grant-Making Strategy Status Report/Journalism.”

³⁷⁷Larry Jinks memo of May 17, 1990, to Knight Foundation.

³⁷⁸Reese Cleghorn letter of June 15, 1995, to Del Brinkman, included as Appendix II in the briefing book distributed to the Board of Trustees in advance of the strategic planning review of Sept. 19-21, 1995.

³⁷⁹Journalism Program Update, included in the briefing book prepared by staff for trustees in advance of the Sept. 19-21, 1995, strategic planning review.

³⁸⁰Knight Foundation 1995 annual report, p. 14.

³⁸¹Journalism Advisory Committee meeting minutes, Jan. 31, 1996.

³⁸²Knight Foundation Newsletter, Spring 1997, p. 1 story headlined “\$3 Million Grant Will Help FAMU Building J-School.”

³⁸³Knight Foundation 1992 annual report, p. 16.

³⁸⁴Knight Foundation Newsletter, April 1993, p. 2 story headlined “Meeting Focuses on Needs, Opportunities Among Eastern European Journalists.”

³⁸⁵Knight Foundation Newsletter, Spring 1996, p. 1 story headlined “Knight International Press Fellows Receive Three More Years of Funding.”

³⁸⁶Knight Foundation Newsletter, Sept./Oct. 1995, p. 1 story headlined “New Report Details Experiences of First Knight International Press Fellows.”

³⁸⁷The evaluations of the Knight International Press Fellowship Program were part of the International Center for Journalists’ permanent files on the grants that established and continued the Knight International Press Fellowships.

³⁸⁸*Unpublished Crimes Against Journalists* is a 122-page booklet that was published by the Inter American Press Association in 1997.

³⁸⁹*Unpublished Crimes Against Journalists*, p. 4-8.

³⁹⁰Knight Foundation 1996 annual report, p. 19.

³⁹¹Creed Black speech of April 14, 1989.

³⁹²Knight Foundation 1997 annual report, p. 13.

³⁹³Education Program statement in *Sharpen the Focus-Heighten the Impact* strategic plan of 1992.

³⁹⁴A complete list of Excellence in Education project descriptions and contacts is provided on p. 45 in "Learning to Collaborate: Lessons from School-College Partnerships in the Excellence in Education Program," a November 1996 booklet prepared for the Knight Foundation by Policy Studies Associates, Inc.

³⁹⁵Knight Foundation 1996 annual report, p. 33.

³⁹⁶Education Program Update, included in the briefing book prepared by staff for trustees in advance of the Sept. 19-21, 1995, strategic planning review.

³⁹⁷A. Richardson Love, Jr., interview on Feb. 19, 1997, by Virginia L. Henke.

³⁹⁸Excellence in Education Program participants prepared summaries of their projects in advance of the annual National Conference on School/College Collaboration. Knight Foundation assembled and distributed the summaries for review during a special meeting of project representatives held in conjunction with the conference. Project summaries were available for 1993, 1994, 1995 and 1996 among the records of the Education Program office.

³⁹⁹Conclusion of *Learning to Collaborate: Lessons from School-College Partnerships in the Excellence in Education Program*, p. 44.

⁴⁰⁰Education Program Update, included in the briefing book prepared by staff for trustees in advance of the Sept. 19-21, 1995, strategic planning review.

⁴⁰¹Education Program Update, included in the briefing book prepared by staff for trustees in advance of the Sept. 19-21, 1995, strategic planning review.

⁴⁰²Education Program Update, included in the briefing book prepared by staff for trustees in advance of the Sept. 19-21, 1995, strategic planning review.

⁴⁰³Knight Foundation 1994 annual report, p. 30.

⁴⁰⁴Knight Foundation 1994 annual report, p. 29.

⁴⁰⁵Knight Foundation Newsletter, July 1994, p. 3 story headlined “Grant Links Two Education Reform Efforts.”

⁴⁰⁶Descriptions of the National Board for Professional Teaching Standards’ certification process were provided by teachers in the Knight Foundation 1993 annual report, p. 43, and Knight Foundation Newsletter, Winter 1998 edition, p. 6 & 7 story headlined “Meet a Charlotte Schoolteacher Who Was Among the First to Earn National Board Certification.”

⁴⁰⁷Knight Foundation Newsletter, Winter 1998 edition, p. 6 story headlined “Going to Scale in Education Reform.”

⁴⁰⁸Knight Foundation 1988 annual report, Chairman’s Letter p. 4.

⁴⁰⁹Knight Foundation Newsletter, Summer 1998 edition, p. 6 story headlined “How to Succeed in School,” p. 6-8.

⁴¹⁰Knight Foundation news release, Dec. 17, 1997, headlined “Four Large-Scale Education Reform Projects Are Funded”

⁴¹¹Education Program Strategy, included with the minutes of the Dec. 12, 1995, meeting of the Board of Trustees.

⁴¹²Knight Foundation 1995 annual report, p. 22.

⁴¹³A. Richardson Love Jr. interview on Feb. 19, 1997, by Virginia L. Henke.

⁴¹⁴Excellence in Undergraduate Education Program participants prepared summaries of their projects in advance of the June 10-12, 1993, meeting. The summaries were combined in a booklet and distributed for June 10-12, 1993, at the conference. The booklet of summaries is located in the Knight Foundation archive in a box labeled RGS/Education/Excellence in Undergraduate Education/1993.

⁴¹⁵Education Program Strategy, included with the minutes of the Dec. 12, 1995, meeting of the Board of Trustees.

⁴¹⁶Education Program statement on Knight Foundation’s web page as of January 1998.

⁴¹⁷Knight Foundation Newsletter, Winter 1997 edition, p. 6 story headlined “Zemsky: Thoughts on Change in Higher Education.”

⁴¹⁸Knight Foundation Newsletter, Winter 1997 edition, p. 1 story headlined “Collaborative Aims to Help Campus Reform” and Knight Foundation 1996 annual report, p. 35 and 37.

⁴¹⁹Knight Foundation Newsletter, Winter 1997 edition, p. 6 story headlined “Zemsky: Thoughts on Change in Higher Education.”

⁴²⁰Knight Foundation 1993 annual report, p 36.

⁴²¹Education Program Statement on Goals and Objectives as featured on Knight Foundation's web page as of January 1998.

⁴²²A. Richardson Love, Jr., interview on Feb. 19, 1997, by Virginia L. Henke.

⁴²³Planning and Program Committee meeting minutes, Dec. 17, 1990.

⁴²⁴Knight Foundation 1996 annual report, p 26.

⁴²⁵The \$52.3 million figure was calculated by adding the sums reported as arts grants in Knight Foundation's annual reports, 1991-1997.

⁴²⁶The name "Magic of Music" was used with the permission of The Magic of Music, Inc., which created special moments through music for thousands of critically/terminally ill and handicapped children and adults throughout the U.S.

⁴²⁷Interview with Penelope McPhee, March 19 and April 8, 1997, by Virginia L. Henke.

⁴²⁸The article by S. Frederick Starr originally appeared in the winter 1988 issue of "American Symphonies" and is included in the Knight Foundation's administrative files on the symphony initiative. Frequently referred to as "Why Can't We Clap?," the article was actually headlined "Saving America's Symphonies."

⁴²⁹Penelope McPhee's plan for an orchestra program was first outlined in an Aug. 31, 1993, memo to Creed Black and Jim Spaniolo entitled "Arts and Culture Symphony Orchestra Initiative."

⁴³⁰"A Summary of National Initiatives for American Symphony Orchestras" prepared for Knight Foundation" by John E. Graham, November 1993.

⁴³¹Interview with Penelope McPhee, March 19 and April 8, 1997, by Virginia L. Henke.

⁴³²A list of members of the Magic of Music Symphony Orchestra Initiative Advisory Committee members can be found in the 1994, 1995, 1996 and 1997 Knight Foundation annual reports.

⁴³³Minutes of the Magic of Music Symphony Orchestra Initiative Advisory Committee meeting, June 6, 1994.

⁴³⁴Creed C. Black letter of July 26, 1994, inviting proposals for the Magic of Music Symphony Orchestra Initiative.

⁴³⁵Interview with Penelope McPhee, March 19 and April 8, 1997, by Virginia L. Henke.

⁴³⁶There were three versions of the second request for proposal for the Magic of Music Symphony Orchestra Initiative, issued Dec. 7, 1994. One version went to seven orchestras that had already submitted proposals that the advisory committee felt were promising but needed development; the second, to three orchestras whose proposals were not acceptable but which were strong organizations; and the third to orchestras from non-Knight cities which had not yet been invited to participate in the initiative.

⁴³⁷Summary of the Knight Foundation Magic of Music Symphony Orchestra Initiative planning retreat, May 13-14, 1995. Audio tapes also exist of discussions during this retreat.

⁴³⁸Interview with Penelope McPhee, March 19 and April 8, 1997, by Virginia L. Henke.

⁴³⁹Knight Foundation Newsletter, July/August 1995 edition, p. 3 story headlined “Magic of Music Meeting Described as ‘Beginning of a Dialogue’.”

⁴⁴⁰Knight Foundation Newsletter, Summer 1996 edition, p. 1 story headlined “Quintet of Orchestras Puts Innovation into Practice.”

⁴⁴¹Knight Foundation Newsletter, Winter 1997 edition, p. 1 story headlined “Five More Symphonies Become Labs for Experimentation.”

⁴⁴²Knight Foundation 1996 annual report, p. 21.

⁴⁴³Knight Foundation 1996 annual report, p. 21.

⁴⁴⁴A report on the 1997 meeting of participants in the Magic of Music Symphony Orchestra Initiative is featured in the Knight Foundation Newsletter, Spring 1997 edition, p. 2 story headlined “Symphony Initiative Participants Share a Lesson.”

⁴⁴⁵Minutes of retreat of Magic of Music Symphony Orchestra Initiative participants, Jan. 26-27, 1997.

⁴⁴⁶Knight Foundation 1994 annual report, p. 38-39.

⁴⁴⁷Knight Foundation Newsletter, October 1994 edition, p. 5 story headlined “New Ventures Test the Waters of Collaboration.”

⁴⁴⁸*ARTNews*, October 1995, “Perspective” column headlined “Time to Play Hardball” by Milton Esterow, editor and publisher of *ARTNews*.

⁴⁴⁹Complete lists of Museum Loan Network Advisory Committee members can be found in the 1994, 1995 and 1996 Knight Foundation annual reports.

⁴⁵⁰A list of members of the Museum Loan Network Advisory Committee can be found in the 1995, 1996 and 1997 Knight Foundation annual reports.

⁴⁵¹Museum Loan Network Fact Sheet, distributed in a press packet announcing the Museum Loan Network on Oct. 17, 1995.

⁴⁵²Knight Foundation news release, distributed Oct. 17, 1995, in a press packet announcing the Museum Loan Network .

⁴⁵³Arts and Culture Program Update, included in the briefing book prepared by staff for trustees in advance of the Sept. 19-21, 1995, strategic planning review.

⁴⁵⁴Jerry Horton's "Evaluative Criteria for a Play Development Program," a list of 16 points to consider in evaluating proposals.

⁴⁵⁵Knight Foundation 1996 annual report, p. 21.

⁴⁵⁶Knight Foundation Newsletter, Spring 1997 edition, p. 6-7 story headlined "Grant-Making Strategy: Four Case Studies Illustrate Impact."

⁴⁵⁷Arts and Culture Program Update, included in the briefing book prepared by staff for trustees in advance of the Sept. 19-21, 1995, strategic planning review; and Arts and Culture Program Strategy, included with the minutes of the Dec. 12, 1995, meeting of the Board of Trustees.

⁴⁵⁸Arts and Culture Program Update, included in the briefing book prepared by staff for trustees in advance of the Sept. 19-21, 1995, strategic planning review.

⁴⁵⁹Knight Foundation Newsletter, Winter 1998 edition, p. 1 story headlined "Arts, Education Groups Take Lead in Revitalization."

⁴⁶⁰Knight Foundation 1993 annual report, p 47.

⁴⁶¹Knight Foundation 1997 annual report, p 36.

⁴⁶²Arts and Culture Program Update, included in the briefing book prepared by staff for trustees in advance of the Sept. 19-21, 1995, strategic planning review.

⁴⁶³Arts and Culture Program Update, included in the briefing book prepared by staff for trustees in advance of the Sept. 19-21, 1995, strategic planning review.

⁴⁶⁴Knight Foundation Newsletter, Fall 1996 edition, article headlined "Grant Helps National Trust Expand Community Development," p. 8.

⁴⁶⁵Knight Foundation 1995 annual report, p 30.

⁴⁶⁶Knight Foundation 1993 annual report, p 47.

⁴⁶⁷Knight Foundation 1992 annual report, p 28.

⁴⁶⁸Arts and Culture Program Update, included in the briefing book prepared by staff for trustees in advance of the Sept. 19-21, 1995, strategic planning review.

⁴⁶⁹Approved goals, objectives and strategies for each of Knight Foundation's four programs were included with the minutes of the Dec. 12, 1995, Board of Trustees meeting.

⁴⁷⁰All Knight Commission records, including the minutes of the commission meetings, are available at the University of North Carolina at Chapel Hill.

⁴⁷¹Knight Foundation Newsletter, Winter 1995 edition, article headlined "NCAA Restructuring Next Step for the Knight Commission," p. 7

⁴⁷²Knight Foundation 1995 annual report, p. 21.

⁴⁷³Louis Harris letter of Jan. 23, 1996, to Lee Hills.

⁴⁷⁴John S. Knight letter of Dec. 26, 1979, to C.C. Gibson.

⁴⁷⁵Board of Trustees meeting minutes, Sept. 24, 1985.

⁴⁷⁶Lee Hills memo of April 7, 1987, to Journalism Advisory Committee

⁴⁷⁷Planning and Program Committee meeting minutes, June 29, 1988.

⁴⁷⁸Planning and Program Committee meeting minutes, March 23, 1988.

⁴⁷⁹Planning and Program Committee meeting minutes, Sept. 20, 1988.

⁴⁸⁰The evaluation form was announced in the October 1989 "Knight Foundation Newsletter" and noted again in a more extensive article on evaluation in the January 1990 "Knight Foundation Newsletter."

⁴⁸¹Knight Foundation 1989 annual report, p. 11.

⁴⁸²Evaluation" statement as approved March 6, 1992, in the strategic planning document entitled "Sharpen the Focus -- Heighten the Impact."

⁴⁸³"Future Staffing Needs" statement as approved March 6, 1992, in the strategic planning document entitled "Sharpen the Focus -- Heighten the impact."

⁴⁸⁴"Subject Issue Memorandum #4: The Evaluation Function" by Hamilton, Rabinovitz and Alschuler. Approximate date: mid-1996.

⁴⁸⁵Planning and Program Committee meeting minutes, Sept. 17, 1996, and Board of Trustees meeting minutes, Sept. 17, 1996.

⁴⁸⁶Knight Foundation Newsletter, Winter 1998 edition, p. 3 story headlined “A Primer on Evaluation.”

⁴⁸⁷Creed Black made specific mention of James L. Knight’s approval of the J.H. Whitney venture capital commitment during a meeting with Virginia L. Henke on Oct. 1, 1997, while reviewing a first draft of this history.

⁴⁸⁸Board of Trustees meeting minutes, June 21, 1989.

⁴⁸⁹Gordon Heffern interview on June 28, 1996, by Virginia L. Henke and Timothy J. Crowe interview on Feb. 19, 1997, by Virginia L. Henke.

⁴⁹⁰Documents provided by Chief Financial Officer Timothy J. Crowe during and after his interview include: a “Chronology of Investment Events” from 1985 to February 1997; “Summary of Investment Objectives” from December 1995; “Investment Policies of the John S. and James L. Knight Foundation,” as approved by the Board in December 1995; “Diversification Adds Value,” a report from September 1996; and a reprint of two *Foundation News* articles from 1993/94 entitled “Investing in U.S. Securities Is a Violation of Your Fiduciary Responsibilities” and “Let Go of Your Old Investment Assumptions.”

⁴⁹¹The Knight Foundation 1995 annual report stated a total of \$193 million in distributions had been received from the James L. Knight estate in its Notes to Finance Statements, item 8, p. 67. Comments about the James L. Knight estate distributing an additional \$4 million to the Foundation were part of the meeting minutes of the Board of Trustees, March 17, 1997. The Treasurer’s Report section of the 1997 annual report, p. 68, indicated another \$2.3 million had been distributed to the Foundation.

⁴⁹²Finance Committee meeting minutes, May 22-23, 1991, and Board of Trustees meeting minutes, June 20, 1991.

⁴⁹³Board of Trustees meeting minutes, June 20, 1991.

⁴⁹⁴The asset allocation model is included as Exhibit A with the minutes of the quarterly meeting of the trustees of Knight Foundation, Charlotte, N.C., June 17, 1992.

⁴⁹⁵Timothy J. Crowe interview on Feb. 19, 1997, by Virginia L. Henke.

⁴⁹⁶The “Chronology of Investment Events,” which is regularly updated, is included as Attachment A with the transcript of the Virginia L. Henke interview with Timothy J. Crowe on Feb. 19, 1997. The “Chronology” in Attachment A covers the period Dec. 18, 1985, to Feb. 21, 1997.

⁴⁹⁷Timothy J. Crowe interview on Feb. 19, 1997, by Virginia L. Henke.

⁴⁹⁸Timothy J. Crowe interview on Feb. 19, 1997, by Virginia L. Henke.

⁴⁹⁹The September 1996 report entitled “Diversification Adds Value” is included as Attachment C with the transcript of the Virginia L. Henke interview with Timothy J. Crowe in Feb. 19, 1997.

⁵⁰⁰Knight Foundation 1997 annual report, p. 68.

⁵⁰¹Item 3 in the “Notes to Financial Statements” of the Knight Foundation 1997 annual report.

⁵⁰²Board of Trustees meeting minutes, June 20, 1991.

⁵⁰³The minutes of the Board of Trustees meeting, Sept. 20, 1994, included as Exhibit A a one-page resolution detailing the investment policy the Board approved. The Dec. 12, 1995, Board action was an endorsement of a broad six-page statement of investment policy developed by the Finance Committee. The minutes of the Board of Trustees meeting on March 18, 1997, included as Attachment A the bylaw revisions that redefined the duties of the Finance Committee.

⁵⁰⁴Timothy J. Crowe interview on Feb. 19, 1997, by Virginia L. Henke.

⁵⁰⁵Attachment A to the Board of Trustees meeting minutes, March 18, 1997.

⁵⁰⁶Extensive discussions of excise tax savings were featured in the Board of Trustees meeting minutes, June 20, 1995, and in the Timothy J. Crowe interview on Feb. 19, 1997, by Virginia L. Henke.

⁵⁰⁷Board of Trustees meeting minutes, March 18, 1997.

⁵⁰⁸Article V, Section 2, of Knight Foundation’s bylaws approved in 1988 and 1994.

⁵⁰⁹Compensation issues during the 1990s were covered in interviews with Gordon Heffern on June 28, 1996, and Timothy J. Crowe on Feb. 19, 1997, by Virginia L. Henke.

⁵¹⁰The first mention of trustee stipends and fees occurred in the Board of Trustees meeting minutes, March 22, 1979.

⁵¹¹Board of Trustees meeting minutes, December 15, 1988, and Creed Black memo of Dec. 21, 1988, to Knight Foundation trustees.

⁵¹²Creed Black memo of March 22, 1991, to Knight Foundation trustees and James D. Spaniolo memo of Jan. 24, 1995, to Knight Foundation trustees. Both were included in the Knight Foundation Board Manual.

⁵¹³Special Board of Trustees meeting minutes, December 12, 1991.

⁵¹⁴Lee Hills memo of March 10, 1995, to W. Gerald Austen, Gordon Heffern and Jill Conway.

⁵¹⁵*Akron Beacon Journal*, July 20, 1952.

⁵¹⁶The date of the *Akron Beacon Journal* story on the expansion of the park near the Akron Public Library was unknown. A copy of the story was available in Knight Foundation's archive.

⁵¹⁷John S. Knight memo of May 30, 1974, to Knight Foundation trustees and John S. Knight memo of Jan. 14, 1975, to Knight Foundation trustees.

⁵¹⁸Alvah Chapman memo of Feb. 24, 1978, to local managers and editors, point 10, page 5.

⁵¹⁹Creed Black memo of Feb. 1, 1989, to Knight Foundation trustees.

⁵²⁰March 29, 1989, article in *The Chronicle of Higher Education*.

⁵²¹James L. Knight letter of Feb. 7, 1989, to Creed Black.

⁵²²Planning and Program Committee meeting minutes of Dec. 14, 1988; Board meeting minutes of Dec. 15, 1988.

⁵²³Language in Knight Foundation's resolution establishing the Knight Commission on Intercollegiate Athletics, passed by the Board of Trustees on Sept 22, 1989.

⁵²⁴The communications policy was adopted by the Board of Trustees on March 6, 1992, and included in the Organization and Operations section as part of the 1992 strategic plan, "Sharpen the Focus-Heighten the Impact."

⁵²⁵*Foundation News*, March/April 1992 edition.

⁵²⁶The paragraph that Knight Foundation used during the 1990s as a description is featured in the Adviser's Manual.

⁵²⁷*The Chronicle of Philanthropy*, March 23, 1993, article headlined "Bold Knight? Foundation Aims to Shed Obscurity."

⁵²⁸Penelope McPhee memorandum of March 25, 1991, to Knight Foundation's Planning Committee.

⁵²⁹Lee Hills memo of July 31, 1991, to Creed Black.

⁵³⁰Planning and Program Committee meeting minutes, June 17, 1992.

⁵³¹Planning and Program Committee meeting minutes, June 17, 1992.

⁵³²Planning and Program Committee meeting minutes, June 17, 1992.

⁵³³Roderick N. Petrey memo of Feb. 27, 1997, to Timothy J. Crowe was included as attachment A with the March 18, 1997, minutes of the Planning and Program Committee.

⁵³⁴The bylaws of Knight Foundation as a Florida nonprofit corporation were attached as Exhibit A to the special Board of Trustees meeting minutes, Dec. 14, 1994.

⁵³⁵A full discussion of the March 18, 1997, revisions to the bylaws was in the Planning and Program Committee meeting minutes of March 18, 1997, and the Board of Trustees meeting minutes, March 17, 1997.

⁵³⁶The Roderick N. Petrey memorandum of Feb. 27, 1997, to Timothy J. Crowe was included as Attachment A with the March 18, 1997, minutes of the Planning and Program Committee.

⁵³⁷A full discussion of the March 18, 1997, revisions to the bylaws was discussed in the March 18, 1997, minutes of the Planning and Program Committee and the Board meeting minutes of March 18, 1997.

⁵³⁸Barbara Toomey's resignation letter of December 1993 did not address her reasons for leaving. Lee Hills called her the week she resigned and discussed it. He followed that conversation with a memo on Dec. 22, 1993, to Knight Foundation trustees about her reason for resigning. Barbara Toomey also discussed her reasons in a Jan. 16, 1997, interview with Virginia L. Henke. A transcript of the interview is in the Knight Foundation archive.

⁵³⁹Knight Foundation Newsletter, Winter 1996 edition, story headlined "Charlotte's Neill Rejoins Trustees' Board."

⁵⁴⁰Lee Hills memo of Jan. 18, 1996, to Knight Foundation trustees.

⁵⁴¹Knight Foundation Newsletter, Spring 1996 edition, article headlined "Lee Hills: 'A Very Special Individual,' p. 6.

⁵⁴²Board of Trustees meeting minutes, June 18, 1996.

⁵⁴³Lee Hills memo of July 15, 1996, to Jerry Austen.

⁵⁴⁴Board of Trustees meeting minutes, Sept. 17, 1996.