

Plenary #1 – Finance

Presenter – Dr. Gerald Grant

Financing Adventist Christian Education

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When I was asked to speak on the topic of Finance within the context of Adventist Education in Canada, I thought the answer was fairly easy. We need more money! This money should come from students, parents, churches, conference, the Seventh-day Adventist Church in Canada, along with donors and other contributors. Alas, the answer is not so easy and is much more complex than it seems. Financing Adventist education has been a challenge since its inception in the mid-to-late 1800s. The challenge is no different today. It may have even gotten worse. The question of having sufficient funding for ongoing operations, support activities, and infrastructure investments has been a constant theme throughout the years. I don't expect it to change much going forward.

In the report "An investigation into the issue of low enrolment in Seventh-day Adventist schools in Canada and how it has been addressed" Dr. Dennis Marshall highlighted the concern of respondents that the cost of sending their children to Seventh-day Adventist institutions is too high. The issue of affordability looms large in any discussion about the low take-up of Adventist Christian education opportunities by eligible members of the church community. However, any discussion of the cost and affordability of Adventist Christian education cannot start with just a focus on finance. To engage in this discourse we need to begin by putting the financial discussion into context. The contextual discussion must first begin with the 'why' of Adventist Christian Education. There must be a compelling rationale as to why parents and students should commit a large amount of resources to pursuing such a course of education. If there is no compelling reason then the discussion of cost and affordability of Adventist Christian education is moot. Why waste time and energy on something that is not valuable? In fact, if something is not valuable then it is prudent stewardship of resources not to spend any time or money pursuing it.

By drawing on the notion of business value cycles, I will propose a value cycle model for Adventist Christian education that puts the focus on the core constituents of the process, students (supported by parents and the church). The primary focus of Adventist Christian education is the education of children and young adults who must "receive a knowledge of God, the Creator, and Christ, the Redeemer" and are "trained to be thinkers, and not mere reflectors of men's thoughts...that includes everything that is good, and pure, and noble." (White, 17-18). Parents (and teachers) who cooperate "with the divine purpose in imparting to the youth a knowledge of God, and in molding the character into harmony with His" (White, p. 19) are key players in shaping the choices students make about Adventist Christian education. The church is central to creating the environment and harnessing and governing the resources necessary for delivering valuable Adventist Christian education. The value cycle model for Adventist Christian education will illustrate a process that defines what is necessary for achieving the goal of excellence in Adventist Christian education. It will show the need for investment in appropriate infrastructural services (both physical and virtual) as well as the core processes that must be executed to make education delivery possible.

By understanding what is essential to deliver valuable Adventist Christian education, we will be able to talk about what is less essential (not core) and what is not needed at all. We will find that by focusing on what is essential organizations delivering Adventist Christian education will be able to drive efficiencies (lowering costs) while enhancing the quality of outcomes. The value cycle will show that costs increase when there are asymmetries in information flows within the system. Removing asymmetries becomes a key goal of parents and institutional administrators. This approach will challenge students, parents, teachers, and institutional administrators to rethink what is necessary and important in fulfilling the goal of delivering Adventist Christian education to all who may seek it, while shedding the baggage and high costs of institutional legacy that play no part in achieving the value sought.

We will make specific recommendations for driving costs out of the Adventist education system as well as recommendations for making investments that are valuable in enhancing the reach and quality of Adventist Christian education. Suggestions of how to finance Adventist education in Canada will be presented.

Value chains and value cycles

Value chains and value cycles are ideas, drawn from business, that are used to depict the essential tasks the organization must undertake to deliver value to the customer. The idea of the value chain was popularized by Michael Porter, a Harvard professor. With the value chain organizations undertake a number of primary and support activities that generate superior value for the organization. The extent to which these activities are performed efficiently and effectively will determine the overall return (profitability) to the organization for engaging in those activities. The value chain concept is widely used in business and remains popular.

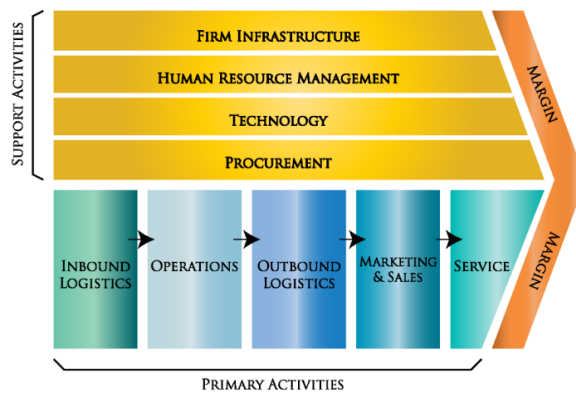


Figure 1: Porter's Value Chain

Although the value chain concept is popular and useful, it follows a linear path and presumes that there is a customer who will buy the products or services produced. We prefer to conceptualize the ideas of the value chain as a cycle. We use a cycle because it embodies the notion of renewal and growth. The core focus of any value cycle model is the customer. We define the customer as the *main recipient of the services provided (either paid for by them or for whom the services are paid)*. Using our definition

that value is ***“the agreed upon benefit to be derived that supports the outcomes customers (clients, donors, supporters) seek and are willing to pay for or fund”***, we believe that if the customer is lost sight of in the process of delivering services they will walk away physically, financially, and emotionally. In so doing, the institution will be left investing in infrastructure and activities that is of no value to the customer.

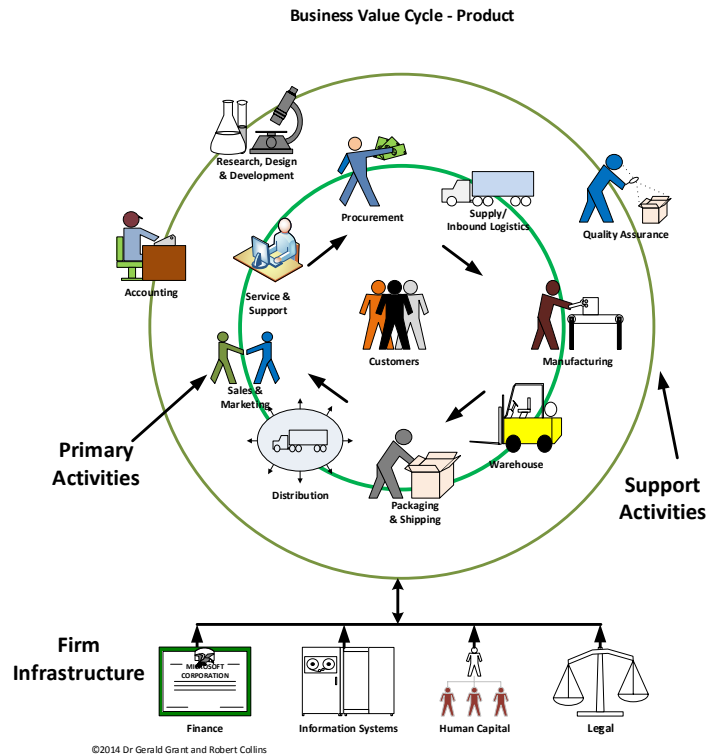


Figure 2: Business Value Cycle

The value cycle lens is a useful way to look at the activities that organizations perform and how they generate value. We apply this lens to the issue of delivering Adventist Christian education.

Adventist Education Value Cycle

Core focus: Development of an Army of Missionaries in God’s Service

The student is the core constituency of Adventist educational institutions. The spiritual, academic, social, and physical success of the student is the key benefit that parents, donors, and supporters seek. This is what they are willing to pay for or fund. Parents do not make the sacrifice to send their children to Adventist schools just to succeed academically. They can do this in public schools. They make the sacrifice as part of the effort to help their son or daughter develop spiritually, intellectually, socially, and physically. The holistic development of students is the key reason parents send their children to Adventist Schools, church members give support to Adventist Education, and churches and conferences subsidize Adventist institutions.

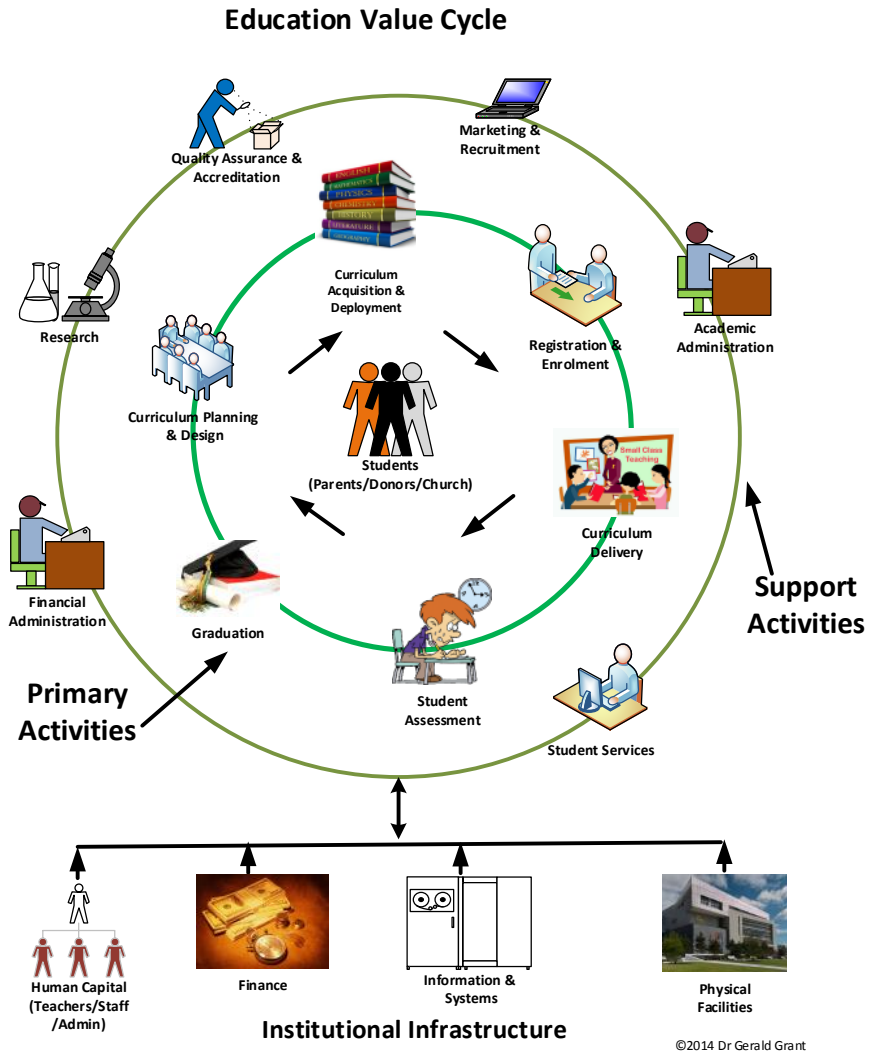


Figure 3: High Level View of an Education Value Cycle

Many Adventist Schools often lose sight of the student and have focused on preserving conventionally held ideas about who the student should be, how the education enterprise should be run, and how services should be delivered. Some school managers and boards have focused considerable effort developing their institutions’ physical plant while neglecting student development. While an institution’s physical plant is important academically, socially, and aesthetically, it is not the core focus. Ellen White, drawing on the example of the schools of the prophets in the Bible, counsels against developing extravagant institutional infrastructure while neglecting the affordability and comfort for the students that attend our schools.

So, before we talk about financing Adventist Education we must begin by focusing on why and for whom this Adventist Education exist. Adventist Education is for the student first and foremost. As to why, the following quote from Ellen G. White sums up why; a point of view that is applicable even today.

“As a people having advanced light, we should devise means by which to develop an army of educated missionaries to enter the various departments of the work of God. We need well-disciplined, cultivated young men and women in our schools, in our sanitariums, in the medical missionary work, in the offices of publication, in the conferences of different states, and in the field at large. We need young men and women, who, having high intellectual culture, are fitted to do the best work for the Lord.” (White, 6 T 201.2)

Strengthening, disciplining, and polishing those with ingenious minds to labor for Christ with earnestness and fidelity is a key goal of Adventist Education (White, 6 T 201.2). So, if the focus is not the development and growth of the student, then the effort put into creating Adventist educational institutions is without merit. If the student is lost sight of in the process of “doing school” he or she will walk away physically, financially, and worse of all, emotionally.

2. Primary Activities of the Education Value Cycle

In any value cycle it is very important to understand the activities that are fundamental to the achievement of the goal of serving the focal customer as distinct from those activities that are supportive of such efforts. The primary activities, as they are called, are the activities that must be executed if the goal is to be reached. If the activity is not performed there is no possibility of achieving the goal. Each activity, if performed effectively, will lead to goal attainment. However, they must be done in concert. If each activity is done separately, in silos, even if effectively done, they will not lead to goal attainment. Take for example, if an Adventist School has a great, well-designed and awesome curriculum but do not have registered students this will negate the opportunity for that curriculum to be delivered in the classroom. If there are no students there will be no teaching, student assessment or graduation. Without this the institution will soon not be viable and will have to be closed. This is the scenario faced by many Adventist Schools in the past and even today. They do not have students therefore all the plans to deliver an awesome education cannot be executed. It is worth noting that the performance of each of the primary activities may have differential effects. However, if they are not done or are not done properly the impact the core agenda will not be achieved. Students will not be served and they will not come. So, if a school enrolls a lot of students but they don't get good results they will stop coming and their friends won't come either. Parents and other supporters will seek different options.

“I am very disappointed with the disconnect between the claims made regarding excellence in education and what we are receiving at the school...” (Parent, SDACC Education Survey 2014)

So what is the lesson? Adventist schools must focus intently on executing the primary activities. They must do this well. They must employ the best people and resources to ensure execution of these activities. At the same time they must focus on the core stakeholder, the student, with an eye on what parents, donors, and the church will pay for and fund.

“The Lord would have painstaking efforts made in the education of our children. True missionary work done by teachers who are daily taught of God would bring many souls to a

knowledge of the truth as it is in Jesus, and children thus educated will impart to others the light and knowledge received". (White, 6T 217.1)

3. Support Activities

A set of activities must be performed to support the primary activities. The support activities are important and essential to achieving the goal of serving the customer. They are not optional. They are distinguished from the primary activities because without the primary activities they are not needed. If a school ceases to exist then the need for quality assurance, student services, and other support activities go away. The support activities create the context in which the primary activities can flourish. For example, the capacity of Adventist schools to focus on the primary education delivery activities will be severely hampered if the school is experiencing poor financial administration. Poor or ineffective financial management has been a problem for many Adventist schools since the start of the Adventist education system. As far back as the late 1800s, Ellen White spent a lot of time addressing the need for effective management of schools.

"The financial management in some of our schools can be greatly improved. More wisdom, more brain power, must be brought to bear upon the work. More practical methods must be brought in to stop the increase of expenditure, which would result in indebtedness. In Battle Creek and College View altogether too much money has been invested in buildings, and more than was necessary has been spent in furnishing the school homes." (White, 6T 210.1)

"When the managers of a school find that it is not meeting running expenses, and debts are heaping up, they should act like levelheaded businessmen and change their methods and plans. When one year has proved that the financial management has been wrong, let wisdom's voice be heard. Let there be a decided reformation. Teachers may manifest a Christ-like excellence in serious, solid thinking and planning to improve the state of things. They should enter heartily into the plans of the managers and share their burdens." (White, 6T 210.2)

One of the findings in the report "An investigation into the issue of low enrolment in Seventh-day Adventist schools in Canada and how it has been addressed" is "the need for an effective marketing strategy to address the problem of low and declining enrolment, thus opening an new path for growth and sustainability" (p. 10). Marketing and recruitment are key strategic activities that are crucial to engaging students, parents, and other supporters with the school and, in turn, fostering increased enrolment. Marketing on its own, though, does not produce increased enrolment. It will be most effective when the primary activities of the school are perceived by stakeholders to be delivering on the promises made. If the product is good marketing it becomes easier.

These and other very essential support activities crucial to achieving the goals of developing well-rounded, spiritually mature Adventist students must also be performed. Too often they are not effectively implemented or executed. Weakness in executing the support activities can also lead to a

reduced capacity to deliver on the primary activities as well. Poorly run schools are likely to exhibit poorly delivered educational outcomes.

4. Institutional Infrastructure

For any organization to be effective at serving the needs of its core constituency it must have in place a set of infrastructural assets and services that will allow for efficient, effective, and sustainable execution of primary and support activities. Without a robust and resilient infrastructure the quality and effectiveness of the services provided will be severely undermined. There is a tight interplay between institutional infrastructure and the primary and support activities. Poor infrastructure will result in reduced capacity to deliver both primary and support services.

Our schools need robust and resilient institutional infrastructures if they are to efficiently and effectively deliver high quality Adventist Christian education. From highly trained teachers and administrators to functional, yet attractive, buildings, Adventist schools must invest in, maintain, and advance the development of the necessary institutional infrastructures.

High quality, functional and aesthetically pleasing facilities

Adventist educational facilities must meet appropriate standards of quality, functionality, and aesthetics that will be attractive to people who wish to send their children there. Too often many of our institutions fail to meet these basic standards. We often take the advice of simplicity to a level that is unattractive and dysfunctional. Parents become unwilling to send their children to schools that lack the basic functional requirements. At the same time, having large, overbuilt, and elaborate institutional buildings does not necessarily equate with the delivery of superior education. In fact, such buildings may end up consuming valuable institutional resources to simply keep the lights on. They may end up being difficult to maintain operationally and structurally. Ellen White, cautioned against investing in overbuilt and extravagant institutional facilities. We are counselled to have institutional facilities that meet the highest standards of functionality, yet are simple and attractive.

Highly competent and spiritually motivated teachers, administrators, and staff.

Our educational institutions must invest in and develop a cohort of teachers, administrators, and staff that embody the values of Adventist education while at the same time meeting the requisite standards of competence and excellence in their area of work. Without effective, spiritually motivated and compassionate teachers, administrators, and staff, Adventist education has little hope of thriving and growing.

“We can not in this day of peril accept teachers because they have been in school two, three, four, or five years. The question which should decide whether they are qualified for their work should be, Have they, with all their acquisition of knowledge, searched the Bible, and dug beneath the surface for truth as for hidden treasures? Or have they seized the chaff in the place of the pure wheat thoroughly winnowed? Are they partaking of the fruit of the tree of life?”—White P. C., “Tree of Life and Tree of Knowledge.” (Home and School Manual, p. 33)

Competent, effective, and Christ-like teachers will embody and communicate the values of Christian education to their students. They will become effective role models. It is both heartening and sad that, in the recent survey on Adventist education in Canada, parents and students have pointed to the great benefit of having dedicated teachers and administrators in our school but have also highlighted to devastating effects of having teachers and administrators who do not reflect the values of Christian education outlined in the bible or the writings of Ellen White and other Adventist spiritual leaders. If our schools are to succeed spiritually, academically, and financially, we must have people who are both competent and dedicated to what they have been called to do. As one parent commented in the SDACC Education Survey 2014 “I have observed that having a dedicated, forward thinking principal (i.e., actively plans for growth and forward movement) makes a huge difference in the progress of the school.”

Strong Financial Base

Having an adequate financial base is critical to the success of Adventist education. While debt is often attractive in the short term, a financial base built on debt will ultimately impair the ability of the institution to deliver on its goals of high quality Christian education. Ellen White writing in the Review and Herald of August 13, 1908 had this to say about debt and Adventist institutions:

“We are not to copy the mistakes of the past, and become more and more involved in debt. We are rather to clear of the indebtedness that still remains in our institutions. Our churches can help in this matter if they will. Those members to whom the Lord has given means can invest their money in the case without interest or at a low rate of interest, and by their freewill offerings they can help to support the work.”

She further writes:

“As church schools are established, the people of God will find it a valuable education for themselves to learn how to conduct the school on the basis of financial success. If this cannot be done, close the school until, with the help of God, plans can be devised to carry it on without the blot of debt upon it. Men of financial ability should look over the accounts once, twice, or thrice a year, to ascertain the true standing of the school and see that enormous expenses, which will result in indebtedness, do not exist. We should shun debt as we should shun the leprosy.” (White, 6T 217.2)

While debt, as an instrument for financing educational investment, has been and is widely used in the Adventist church, administrators and boards must ensure that the institutions they run operate on a solid financial base. They must be able to service their debt from their current operations. If they cannot they will lose capacity to effectively carry out the educational enterprise. Essential activities will have to be curtailed; teachers will become demotivated by low pay and inadequate access to basic materials and supporting facilities. All these will result in a substandard educational product. Too many Adventist schools today are in this position.

Robust and resilient information infrastructure

Education is clearly an information business. This is especially so in the current era. Having efficient, affordable, and effective access to information resources is pivotal to both operational efficiency and effective delivery of educational services. The lack of an efficient and effective information infrastructure is a central reason why the costs of operating Adventist educational institutions are so high. Similar to many public institutions, Adventist institutions are veritable silos of information that create barriers (thus increasing the costs) to operating as a single integrated entity. Often, to navigate the institutional silos these institutions have to hire more people whose jobs are simply to translate information from one silo so that it can be used by another, sometimes losing value through the translation. This increases the cost of operations tremendously. With a robust and integrated information infrastructure organizations are positioned to operate more efficiently, more cheaply, yet more effectively. More sharing and collaboration is possible. This will reduce operating costs.

A robust and resilient information infrastructure also provides the opportunity for broadening the delivery modalities of Adventist education. As institutions experiment with online or blended educational delivery they are often hampered by poorly integrated information infrastructures. This prevents both effective delivery of services and the ability to expand the reach of Adventist educational services to those who cannot physically access the services in person.

The key message that the Education value cycle model communicates is that for educational institutions to be successful they must focus attention on their most significant constituent, the student. If the student is lost sight of the funding will walk away with them. There is no real hope of properly financing Adventist Christian education. We will be in a perpetual cycle of under-resourcing and underperformance.

Financing Adventist Christian Education

What needs to be paid for and how?

Often, when talking about financing Adventist education, we make the mistake of conflating all aspects of the education value cycle into a single discussion. We believe it is important to make clear distinctions between the various aspects of the value cycle because each part of the cycle may need to be funded differently. Each part, whether primary, support, or infrastructural, have different demands and focus as well as different temporal cycles.

Paying for primary activities

The primary activities focus squarely on the operational tasks involved in delivering education to the students within the school year. Curriculum must be planned, acquired, delivered, and assessed. Students enrolled and advanced or graduated. These are core operational activities that must be paid for on a yearly basis. If these activities don't occur there will be no school.

Primary educational activities should largely be covered by student tuition. Any school with at least ten (10) students should be able to cover a major portion (if not all) of the cost of a teacher's salary with tuition and related fees. While salary and benefit subsidies may be required for the smallest schools, the tuition fees should be sufficient to cover the core primary activities. Many years ago, while I served as Vice-Principal for Finance for an Adventist college, I came to the realization that if one were to look at the core activities involved in delivering education, the tuition being charged was sufficient to deliver on the educational requirements. The bulk of the costs being incurred were outside of the core activities and were related to things not central to the providing the basic educational requirements. Substantial costs were being driven up by spending on the farm, cafeteria, store, and other ancillary activities.

Ellen White counsels that tuition charged in our schools should be adequate to cover the running expenses:

“In some of our schools the price of tuitions has been too low. This has in many ways been detrimental to the educational work. It has brought discouraging debt; it has thrown upon the management a continual suspicion of miscalculation, want of economy, and wrong planning; it has been very discouraging to the teachers; and it leads the people to demand correspondingly low prices in other schools. Whatever may have been the object in placing the tuition at less than a living rate, the fact that a school has been running behind heavily is sufficient reason for reconsidering the plans and arranging its charges so that in the future its showing may be different. The amount charged for tuition, board, and residence, should be sufficient to pay the salaries of the faculty, to supply the table with an abundance of healthful, nourishing food, to maintain the furnishing of the rooms, to keep the buildings in repair, and to meet other necessary running expenses. This is an important matter and calls for no narrow calculation, but for a thorough investigation. The counsel of the Lord is needed. The school should have a sufficient income not only to pay the necessary running expenses, but to be able to furnish the students during the school term with some things essential for their work.” {6T 210.3}

She recognizes that not everyone will be able to afford the tuition to be paid but counsels against using this fact as an excuse for charging inadequate tuition. She suggests:

“If students cannot of themselves command sufficient means to pay the actual expense of good and faithful work in their education, is it not better that their parents, their friends, the churches to which they belong, or large-hearted, benevolent brethren in their conference, should assist them than that a burden of debt should be brought upon the school? It would be far better to let the many patrons of the institution share the expense than for the school to run in debt.” {6T 212.1}

By focusing on what it takes to deliver primary educational activities, educational institutions will avoid the mistake of charging too little or too much tuition. Parents and sponsors must be led to recognize the genuine cost of delivering the education to students while not being saddled with expenses that are not essential to the educational enterprise. This requires greater engagement and transparency on the part of all involved; student, parent, teacher, school administrators, and sponsors. Too often, the genuine cost of delivering Adventist education is not transparent to everyone. Student tuition is being used to pay expenses incurred by schools that are the result of poor and sometimes fraudulent management. Many of our institutions are saddled with debt and expenses that they should not have incurred in the first place. For everyone to genuinely engage in creating economies in running our schools the financial commitments and demands must be made transparent. To cater for students who cannot afford to pay the fees, conferences and schools may need to create endowments to support needy and worthy students.

There are cases where some schools charge no tuition. This may be a welcome relief for many parents. However, such situations are novel and may not be sustainable without significant ongoing support by the benefactors and parents. The model may not be transferrable to all situations. Schools that do not charge tuition must assiduously cultivate support from people who are willing to provide the funding needed. Not charging tuition does not remove the necessity of distinguishing between primary activities and support activities. It may even be more vital to do so in this situation.

Paying for support activities

Support activities, as discussed earlier, are essential to facilitating the execution of the primary activities. At the same time, however, they cannot and should not be given greater value than the primary activities. So often, in many of our schools, the running of the support activities becomes the central focus. Great debt is incurred in providing support services to the neglect of the central requirements for delivering high quality education. Enormous debts have been added for running and staffing cafeterias, stores, and other ancillary activities that cannot be operated on an economical basis. Great losses are made by engaging in activities that, while nice to have, marginally benefit the delivery of high quality educational outcomes.

Support activities cover a larger time horizon than primary activities. They require multi-year commitments to institute and develop to be effective. The efficacy of the primary activities will be significantly reduced in schools with poorly established and executed support activities. Consequently, support activities should largely be paid for by the subsidies and donations provided by sponsoring organizations such as churches and conferences. By ensuring that the support activities are in place, institutions provide the operating context in which the primary activities can flourish. As with the primary activities, institutional administrators must ensure that the support activities established genuinely provision the services required. They should not be put in place simply to provide jobs for people who are otherwise would not be employed. Great efficiencies and economies could be gained from streamlining and perhaps consolidating support activities. Institutions should make every effort to avoid creating support silos that only drive up the cost of operating. Rationalizing support activities and

breaking down the barriers between the silos should be an ongoing effort. Too often are these costly activities allowed to perpetuate because no one is willing to challenge their necessity and efficacy.

“Not only for the financial welfare of the schools, but also as an education to the students, economy should be faithfully studied and conscientiously and diligently practiced. The managers must guard carefully every point, that there may be no needless expense, to bring a burden of debt upon the school...” (White, 6T 208.3)

Paying for institutional infrastructures

Investments made in people and facilities are crucial to the establishment, growth and development of our schools. The quality of education delivered will be severely impaired if a school fails to properly establish and develop its human capital, its facilities and systems, and its financial base. Hiring, integrating, developing, and renewing human capital (teachers, staff, and administrators) is a crucial long term endeavor of educational institutions. These institutions cannot afford to have a constant turnover of personnel. The most successful schools have very stable staffing over a long period of time. This does not mean that they should keep people on board that are not delivering effectively. They should assiduously focus on the development of their personnel and should be willing to terminate those that might be a detriment to the accomplishment of the high quality education delivery.

School facilities and systems require substantial long term investment. They must be carefully planned so that they provide the greatest functionality while being efficient and economical to sustain over the long term. They should not be ostentatious and designed simply to gratify aesthetic desires.

In the erection of school buildings, in their furnishing, and in every feature of their management the strictest economy must be practiced. Our schools are not to be conducted on any narrow or selfish plans. They should be as homelike as possible, and in every feature they are to teach correct lessons of simplicity, usefulness, thrift, and economy. (White, 6T 208.1)

Educational institutions cannot simply operate from one year to the next without establishing a sound financial base. Efforts should be made to establish and develop productive and sustainable ways to increase the financial capacity of the schools over the long term. In the early years of Adventist institutional development, educational institutions were advised to establish themselves in places where there was land enough to engage in agricultural and other productive activities that will build the financial base of the institutions. While agricultural activities are no longer practical in many circumstances the counsel of engaging in productive activities is still relevant. A strong financial base is crucial to long term sustainability.

Establishing and developing institutional infrastructures requires the combined effort and investment of parents, churches, conferences, business people, and philanthropists. While it is important that there is local support, involvement, and commitment, too often the establishment of school infrastructures is left to the ad hoc efforts of local people who lack both the financial and technical know-how to properly

develop these infrastructures. Consequently, the Adventist church in Canada and worldwide have a patchwork of institutional facilities; some well-developed and others in woeful states of repair. To address this state of affairs I believe a properly structured and endowed education investment fund (along the lines of a private REIT) should be established to support the establishment of educational infrastructures in Canada. Churches and members should be invited to contribute to such a fund at low rates or return.

There is also not enough common effort is creating robust information infrastructures. For example, in our foray into online education, the church in Canada is already building silos in the online world with several online educational offerings competing with each other with different infrastructures. How much better would it be if there was a robust online learning environment that all schools could leverage to deliver the primary educational activities to suit the needs of various constituencies. In the age of the Internet, conferences and individual schools should not individually be developing their own infrastructures. There should be coordinated effort across the country to identify the necessary functionalities and facilities required to support digitally mediated education in the classroom and online. This coordination will lower costs and extend the reach of Adventist educational services.

The approach to funding infrastructural development efforts need to change from ad hoc local efforts to more coordinated, yet responsive efforts to establish a good and solid foundation on which the institutions can thrive. There is much room for driving cost out of the education system if we can avoid unnecessary duplication of facilities and systems as well as investments in unsustainable infrastructures.

Conclusions

It is my belief that we can only properly talk about financing Adventist Christian education when we understand what it is what it takes to deliver it. By conceptualizing Adventist Christian education through the lens of the Education Value Cycle we are now able to talk about the how the cost of delivering valuable Adventist education can be addressed.

Ellen G. White had much to say about the development of Adventist Schools and their financing. Having witnessed firsthand the struggles in establishing Adventist Schools both in North America and Australia, she counselled school authorities on principles of managing our schools effectively from a financial point of view. I will draw on some of that counsel to articulate what I consider to be key principles that should guide our discussion on how to finance Adventist education.

1. Hire effective managers with good economic sense: Effective managers are able to choose, plan and execute organizational activities that are economically feasible and sustainable.
2. Charge adequate tuition: Our schools should charge enough tuition to provide for the genuine needs of the education endeavor and for the sustenance of the students and faculty.

Ellen White sums it up nicely.

“The amount charged for tuition, board, and residence, should be sufficient to pay the salaries of the faculty, to supply the table with an abundance of healthful, nourishing food, to maintain the furnishing of the rooms, to keep the buildings in repair, and to meet other necessary running expenses. This is an important matter and calls for no narrow calculation, but for a thorough investigation. The counsel of the Lord is needed. The school should have a sufficient income not only to pay the necessary running expenses, but to be able to furnish the students during the school term with some things essential for their work.” (White, 6T 210.3)

3. Don't Accumulate Debt: Debt should not be allowed to accumulate year upon year. Effective and decisive action must be taken immediately to address shortfalls faced. Debt should be prudently applied and managed.
4. Build functional, efficient, and wholesome facilities: The management of our schools should be practiced with economy and efficiency while providing wholesome service to the students. Simplicity and usefulness, not self-indulgence should feature in the development of school facilities.
5. Actively cultivate financial support for students: Parents, friends, churches and philanthropists are to assist students in bearing the expense of attending our schools.
6. Heed both spiritual and economic advice: Our institutions must be run by consecrated people who heed both spiritual and economic advice. They are managers who “refuse to run the school any longer unless some sure system devised”.
7. Break down walls of separation and collaborate: We must be willing to break away from generally accepted and normative practices and create new collaborative endeavors that will enhance the viability and growth of the school and drive costs down.

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