

## **An Open Letter from Wayne Arnason to the UUA Board of Trustees Regarding Support for UU Theological Schools**

October 2, 2007

Dear UUA Board Members:

I began this letter in June on the night the four at-large Trustees reported on behalf of the Board to the 07 General Assembly, describing the mission-based rationale for recent Board votes supporting policies of the panel on Theological Education. I took notes, comparing these first public statements from the Board about these issues to conversations with Board members and with President Sinkford, as well as with the statements made by Board members in the Board meeting I observed at the 07 GA. Even though the October 07 Board meeting has no formal agenda time on Panel issues, the Panel's survey is being circulated and there is discussion in ministers' forums about the Panel's priorities. I've noted that the Panel's survey invites opinions about excellence in ministry, without including sustained theological school funding as one of the options for response. Therefore I have decided to circulate this letter and invite your response.

The Board will continue to be asked to vote annually on recommendations from the Panel on Theological Education recommendations that will likely include continuing major reductions in unrestricted grants for operating budget support for the two remaining independent Unitarian Universalist theological schools. I hope to continue and expand the conversation with you and others in the year ahead through this open letter about the rationale for such recommendations and the change in the funding philosophy of the Panel, since it was not possible in either the limited agenda time of the Board meeting, or in the way that the agenda of the General Assembly is arranged, to debate any of the beliefs and assertions that Board and Panel members have expressed. I am circulating this letter as an individual, not as a spokesperson for the Starr King School Board on which I serve. I address the letter to you, the Board, since you are ultimately the decision-makers and have acted as the spokespersons for the Panel's change in policy.

The discipline of the Board speaking with one voice is one I respect. I do not expect individual responses to this letter. However, one of my frustrations about the Board process that led to your April 07 motion to the Panel, and my abiding disappointment in the votes that the majority of you cast in June, has to do with your unwillingness to move more deliberately so that you could hear and respond to other voices than the ones you have been listening to. So I hope that you *will respond* in your one voice to the arguments that I offer below in a public way, so that statements you assert as fact can be researched, and that beliefs you hold can be freely debated. Your process last year and your engagement with the General Assembly has offered no such opportunity. If this "lawyerly" approach to what you have said publicly is missing the point entirely, and if the real reasons for your vote in June are not being articulated publicly (see the final section of this letter), then I respectfully ask for a candid communication from the Board about your assessment of the problem you are trying to address and contribution to excellence in theological education and ministerial formation being made by the two UU schools so that this conversation can continue with integrity.

### **The Under-Capitalization of UU Theological Education**

I want to first frame my disagreement with the Panel's recommendations and the Board's motions during 06-07 in a larger context. We are debating about how \$650,000 should be spent in support of excellence theological education and ministerial formation, as if this is all the money that could or should be available. President Sinkford has acknowledged and no one will deny that our two remaining UU theological schools are under-capitalized. His leadership response was to encourage an exploration of merging the two schools with new support to be made available to the merged school as a goal of the current capital campaign. It was a bold vision, and a good and useful initiative. It ended when it was clear that both UUA funding for the negotiations and the time frame for the new capital campaign launch would not allow for a more lengthy process of conversation to resolve critical disagreements about what a consolidation process should have on the table and what it could not have.

As open as I was personally to the possibilities and advantages of consolidation, the whole idea did feel like a strategic retreat. In a world where our capital resources to support theological schools were greater, would any of you argue that it is a bad idea for Unitarian Universalism to have two or more schools preparing students for our ministry? Apparently many more people want to be ministers than the resources of the existing UU schools can accommodate, so there is no doubt about the demand side for UU theological education. The

capital costs of creating additional schools to meet this demand are prohibitive. So where and how is leadership being exerted to improve the capital resources for our two historic schools?

The schools themselves have had more success than ever before in raising their own endowment resources. However, with small development staffs, and with so much of the burden for fundraising leadership falling on the overextended role of the President, both schools are strapped for the resources to fully fund their own capital needs in competition with other expressed needs for UU capital giving. When the consolidation negotiations between our schools were still open, President Sinkford was willing to exert leadership in capital fundraising for a combined school with the UUA as a partner and stakeholder. He is not willing to do so for two independent UU theological schools, and the funding goals for theological education in the “Now is the Time” campaign do not include any capital resources for UU theological schools. Similarly, members of The Panel on Theological Education moved briskly when consolidation in any near future was no longer a possibility to set in motion a process to eliminate all unrestricted funding to the two schools. Do any of you believe that the Panel would have made such a recommendation if we were engaged in a consolidation process right now? I do not.

The key point here is that apparently neither the President nor Panel members believe as a matter of mission or governance or principle that direct funding of a theological school or schools is inappropriate, as Panel member Tamara Payne-Alex has contended. Rather, such funding is *contingent* on whether the schools cooperate with agendas, needs, or models for theological education set forth by UUA leaders. There is apparently no longer either trust or confidence by these leaders that the boards, presidents, and staff our two UU theological schools can best allocate unrestricted operating budget funds in support of the stated end of the Board to support excellence in ministerial formation.

Sadly, we now find ourselves squabbling about this paltry \$650,000 when the real immediate needs for UU theological education capitalization run into many millions. We have a new capital campaign announced that has passed by the opportunity to increase endowment resources for either the Fund for Theological Education (which the Panel administers) or direct endowment resources for our two theological schools. We are not yet seeing any direct new initiatives from the generous and visionary leaders at the Shelter Rock Congregation or the Veatch Foundation as they find themselves with increasing resources to allocate, and as the value of the Fund for Theological Education that they donated over two decades ago fails to keep up with the needs it was intended to support.

### **The Stated Rationales for the Panel’s Recommendations and Board’s June 07 Vote**

Since the Panel on Theological Education apparently keeps little or no minutes or records of its conversations (beyond its recommendations), and since the Board’s “Deep Chair” conversations are similarly unrecorded, the only sources for understanding and responding to the Board’s rationale for its votes in April and June 07 have been:

- Telephone conversations with Board members
- Statements made by Board members in the June meeting.
- President Sinkford’s response to a question I asked him in the UUMA’s question and answer session at General Assembly.
- The Board’s Report to the 2007 General Assembly.

Based on these sources of information, I have understood six major publicly stated reasons for the Board’s recent actions. They are:

1. An Argument from the Principle of Equity, i.e. Sixty-Five per cent of students preparing for UU ministries are attending non-UU theological schools. It is therefore better or more just to stop giving three quarters of the Panel’s resources away to two schools that contain only one third of the students.
2. An Argument based on Accountability for Resource Allocation, i.e. With limited resources to support the stated end of excellence in ministry and ministerial formation, it is better for the Board through its Panel of Theological Education to devote all or most of its resources to goals or programs that the Board believes will achieve these ends. The Board should stop giving funds to support excellence in ministry and ministerial formation to independent theological schools because they are believed to be less accountable to congregations

for the uses of these funds. Project based grants or scholarships are more accountable than UU theological schools.

3. An Argument from Mission, i.e. the purposes of the Association of Congregations are under review, but the Board is clear through its policy governance work that the owners of the Association are congregations and the most critical mission or purpose of the Association is to serve congregations. Theological schools are not congregations, and so direct operating budget support to theological schools are at best a lower priority for Association funding and possibly outside the mission of the Association. Basic support for institutions of UU theological education should come from individuals or foundations donors rather than through the Association of Congregations.

4. An Argument for “Gap Funding”, i.e. the theological schools are equipped to offer a basic theological education that prepares people for UU ministry, but there are many programs or initiatives that would support ministerial excellence or formation that no theological school should be expected to provide, or that theological schools are not currently encouraged by funding to provide. UUA resources should be focused on these gaps.

5. An Argument inviting Research to Dispel Ignorance, i.e. the Board asked for a timetable for a study process that would offer new options for how the Panel’s funds might be allocated, if freed from a “singular focus” on funding UU theological schools. Resources devoted to theological schools need to be re-directed to this study.

6. An Argument from a Governance Principle, i.e. the Board should not question or turn back a recommendation from the Panel on Theological Education because policy governance as well as other respected theories of governance discourage Boards from second-guessing work that it has delegated to an empowered committee.

If I have left out any of the publicly stated arguments that support your recent actions, I would be glad to be better informed. At the end of this letter, I will address the question of whether there are arguments or emotions informing your actions that are not being publicly stated and whether these have carried any more weight than the publicly stated arguments. Let me now address each of the public arguments I have heard.

## **1. The Argument from Equity**

This argument sounds self-evidently strong and has been the most frequently touted argument by all UUA leaders for changing the Panel’s funding priorities. I would suggest, however, that the Board needs to request from its Executive and Staff better information than it currently has to judge the weight of this argument, and to understand whether, why, and how having sixty-five per cent of the students in non-UU schools presents a problem for us. Here are some questions I would ask:

Do students attend non-UU schools because they believe that they will receive an inferior theological education at UU schools? Or do they attend non-UU schools because they are better capitalized, and offer better financial aid packages? Or do they attend non-UU schools because they are better situated geographically to match the students lifestyle or family needs? Asking and answering these questions would inform the Board’s understanding of the meaning of non-UU school attendance. If lack of financial aid resources keeps people away from UU schools, and if the Board values UU theological education occurring within a community of UU students, then maybe the Board’s conversation about how to create or allocate resources should go in a different direction.

How much capacity for residential and non-residential students do UU theological schools have? If the Board values having students preparing for UU ministry be connected to a UU institution for theological education, how much current capacity and how much more operating budget or endowment funding would our UU schools need to be able to absorb more students? If, for example, we wanted to encourage half our students to attend UU schools, what would be the gap between the tuition these new students would pay and the cost to the school to educate them, and where would funding for that gap come from, especially if the Board decided to eliminate operating budget support for UU theological schools?

If this statistic about what schools students are choosing is thought to be so important, should we be asking how many of the students who have received preliminary fellowship and final fellowship as UU ministers have come from the two UU theological schools, how many have come from Harvard and Andover Newton (the two non-UU schools with strong historical traditions of preparing UU ministers) and how many have come

from other non-UU theological schools? I suggest that this is a more relevant statistic for the Board's future deliberations than the broad statistic about where students go to school.

I would also point out two important fallacies in the argument from equity (a) that UUA resources for ministerial formation and excellence are inequitably and therefore unjustly used if not made available to all individuals or institutions involved in preparation for UU ministry and (b) that UUA resources are not being effectively used in support of the UUA's mission if they are disproportionately given to UU theological schools rather than to all schools or to individuals involved in preparing for UU ministry.

With regard to (a) above, inequitable distribution of a resource is not unjust or ineffective per se. It depends on your mission. Perfect equity would entail taking the Fund for Theological Education and dividing it up among all the students as a scholarship fund, or it would entail taking the number of UU students enrolled as a proportion of all the UU students we have, and dividing up the Fund among all the schools that train UU students. I'm not aware of any Panel member claiming that the argument from equity is powerful enough to justify such an approach. (b) The question of whether it is effectively accomplishing the Board's ends to give 75% of the Fund's resources to the two UU schools cannot simply be based on the statistic of how many of our students are attending them. How important to our Association of congregations is it to have our own infrastructures of theological education doing basic preparation for ministry? Can we afford to reduce support and hope that the infrastructure support will be picked up by UU donors? What would be the cost to our effectiveness as an Association if we made such a decision? Are the two UU schools better equipped to be responsive to the Board's concern for lay theological education or to do distance learning to serve UU students in other schools than any of the other schools our students attend? These are the questions that the Board needs to be asking when it looks at whether investing resources for ministerial formation and excellence in UU institutions is an effective investment. As we go through the balance of the arguments, I will be saying more about our Association's purposes and mission and how they should help to guide policy in this area.

## **2. The Argument based on Accountability for Resource Allocation**

For forty-six years the UUA Board has believed that UU theological schools were important enough to the Association's mission and purposes to arrange for direct and unrestricted funding of their operating budgets. All these years the UU schools have been structurally independent of, but accountable to Unitarian Universalists and to the Association. Accountability to the Association of Congregations has been both formal, through reports to the Panel (and even to the General Assembly) and informal (as illustrated by the responsiveness of the two UU schools to enter into a consolidation study at the request of the President of the UUA.) In their governance structure, the UU schools' Boards are accountable to the schools' owners and stakeholders, which includes their donors, UU congregations, the UUA, the community of theological schools with which they affiliate, and at least in the case of Starr King, historically marginalized communities which any institution serious about its anti-oppression commitments must include and honor. The schools are also accountable to the Association of Theological Schools accreditation process, a daunting self-evaluation required each decade. The Boards of both schools in recent years have included both immediate past UUA Presidents, the former Moderator, both immediate past Financial Advisors, the immediate past UUA Secretary, three former UUMA Presidents, and the immediate past chair of LREDA. Both schools have their financial records independently audited and they are available for public inspection. In none of these formal or informal senses are the non-UU schools that contain two-thirds of our students accountable to Unitarian Universalist institutions or communities, and it is unlikely that they ever will be.

So how are the two UU schools *not* accountable for their policies, programs, and decisions? The only sense in which the two UU schools are not "accountable" to the UUA is that neither the Panel on Theological Education nor the Board can tell them what to do. There is a difference, however, between "accountability" and "control". So I would ask the members of the Board to be clear about how you are using language when deciding your votes or defending your decisions. "Accountability" means being responsible to other parties for the decisions you make. "Control" means that through governance or financial authority, one group makes decisions for another.

"Accountability" means that when the Panel is deciding whether to recommend an unrestricted operating budget grant to Meadville or Starr King, they have the right to ask the schools' Presidents to account for their past performance and plans for how the money will be spent (something the school Presidents do in person twice a year.) "Control" means that the Panel or the Board says to the schools: "We will give you these funds but only for these purposes or projects."

So is there anything wrong with that? On behalf of resources available through congregations, shouldn't the UUA exercise this degree of control?

This brings us to a discussion of the value of independent theological schools, free from the direct control of an outside judicatory. In the interest of brevity, I will only highlight the following arguments for independent schools:

The vitality, diversity, and health of UU'ism is better encouraged by a multiple centers of authority than by concentrating leadership and power in a single center.

The traditions of academic freedom in higher education have traditionally kept even state-funded schools independent of the political control of the legislatures, and the principles involved here apply to denominations and their theological schools as well.

Independence from judicatory control guarantees that the programs and policies of theological schools are not subject to denominational political controversy. (The first agenda of the right wing Southern Baptists after taking over their judicatory was to bring their theological schools under judicatory control.)

Currently, between eighty and ninety per cent of the money that supports the two UU theological schools is already being raised from individual donors and foundations. The UU schools are not dependent on the UUA. The amount of unrestricted money that is being given through the Panel to the schools is modest but it is nonetheless important. Even the small cuts in funding made in June 07 require conversations about eliminating staff or programs if the UUA's money is not quickly replaced. The short-term survival of the schools may not be at stake in the conversation about the Panel's unrestricted grants, but the impact of these cuts on the ability of the schools to fulfill their missions is very much at stake.

I have often heard the complaint that UU's will fund their institutions (such as their congregations, or the Association) just enough to keep them alive but not enough to enable them to thrive. The choices the Board makes over the next few years will determine whether you fall into that pattern when it comes to theological education. The unrestricted grants that support basic operations help insure that the foundations for excellence in ministry through UU theological schools remain in place. The proposals being discussed for grants-based funding are like choosing to build turrets on the top of a castle whose foundations are being neglected.

If there is an accountability question to be discussed here, I would respectfully suggest that you consider the Board's accountability to the third purpose of the Association as stated in the by-laws, a purpose I believe that still operates as closest thing to a stated "end" of the Association according to policy governance theory. That end states that the Association exists to "encourage and strengthen UU organizations". If the Board desires to change that end, I wish that you would bring such a change to the General Assembly floor in the form of a by-law amendment, rather than ignore or dismantle this end one decision at a time.

### **3. The Argument from Mission**

The argument that because the UUA is an association of congregations, serving the needs of congregations, it should be a lesser or eliminated priority to fund non-congregational agencies is an extremely "constructionist" interpretation of policy governance theory, which I hope most Board members don't accept. In fact, it's my understanding that the POTE is has invited proposals from UU theological schools for grants for programs and initiatives they think the schools should be doing. So apparently the Panel members don't think that directing funds to non-congregational institutions is inappropriate per se. I have heard this argument stated, but it is apparently not being followed.

### **4. The Argument for Gap Funding**

This is the most persuasive argument to me for the Panel's recommendations and the Board's actions. It is true that no theological school whose basic business is a foundational theological education for ministry can support all the possible programs for specialized ministries, continuing education, lay education, and education for community change that we would like to see happen. There is a need for new initiatives that will encourage these forms of ministerial formation and excellence in ministry.

However, I would refer you back to my points made in discussing arguments one or two above, namely, that we limit ourselves in considering these needs if we accept that the only funds we can have available are

the ones that the Panel administers, and that new programs for excellence in ministry cannot be funded except at the expense of support for the foundation of ministerial education in UU theological schools.

The Panel's philosophy of "gap funding" has been used effectively in awarding a quarter of their available funds in recent years. However, I question the ways that the UUA has taken advantage of this gap funding. At least one of the gaps filled temporarily by Panel funding has become a permanent fixture in their list of recommendations, the Internship Clearing House. It has been clear for years that this clearing house is a valuable service to congregations that the UUA is uniquely equipped to provide, and I see no programmatic reason why the Association has avoided incorporating full funding for the Internship Clearing House into the UUA Operating Budget, relieving the Panel's funds from that ongoing responsibility. If the Panel's intention to go to a request-for-proposal model for making grants is fulfilled, I hope that the Finance Committee of the Board will look carefully at shouldering responsibility for some of these funding gaps in excellence in ministry that appropriately should belong to the UUA, and not to a grants fund. This would free up Panel money for new proposals.

A request-for-proposal approach to distributing Panel funds has many attractions for Panel members and maybe for the Board. The Panel gets to articulate needs and judge who best can meet them through its review of grant applications. The Panel exerts more control over the money it hands out. Knowing the competence of the Panel members, I am sure they would do the best job they could within this framework of decision-making. By definition, however, the Panel's choices are limited by who applies for the grants. Non-UU theological schools will have their own structures of accountability with limits on the investments they can make in their UU students. The Panel has acknowledged that funding will still continue to flow to the two independent UU schools. That funding will be for add-on programs, however, that stretch the schools in directions that the Panel prioritizes, above and beyond the basic operational needs of the school. In effect, the Panel is proposing to withdraw money that helps sustain (for example) a faculty position covering basic ministerial education, and instead make that money available for programs or projects the school has not been expected to undertake until now.

The informal statements from Panel member Tamara Payne-Alex at the June Board meeting are an ominous hint of the problems with this kind of approach. Ms Payne-Alex used as an example the possibility that Starr King School might be asked to apply for funds for develop and promote anti-oppression education for UU students in non-UU schools. This is a noble goal and a great example of a gap that currently exists. Knowing that the members of the UUA Board have worked very hard over the years to develop their own consciousness and actions towards being an anti-oppression Board, I ask you to consider how that educational process unfolds. Those of you who have been on the Board for some years will recognize that it requires not only personal education, but also institutional policy-making, and a community of accountability to each other and to historically marginalized communities. All of this requires a living community of engagement, such as we have in our two UU schools.

Imagine how different, and possibly how superficial, anti-oppression education might be that operates outside of such a living community of engagement, but exists only on-line, or through occasional visits to a school community that does not live this engagement in all of its facets of daily life. My point here is not that Starr King could not or should not devote resources to developing these kind of educational resources for non-UU students, but that such a project has clear limitations compared to the anti-oppression education available within a UU school. While Ms. Payne-Alex may have only been tossing out a for-instance, her example suggests that the Panel wishes to take advantage of the foundation of UU anti-oppression education that exists in the living community of a school like Starr King but no longer desires to fund the operations that insure this community will continue to exist. I am confident that similar contradictions will become evident if the Panel continues on its stated course of developing requests-for-proposals.

## **5. An Argument Inviting Research to Dispel Ignorance**

In her remarks at the June Board meeting, Tamara Payne-Alex herself debunked this argument when she stated that even if the Board decided to find funding for a study on excellence in ministry elsewhere, the Panel would still recommend an immediate cut of \$50,000 in funding to UU schools. I list and respond to this argument, however, only because it came up in conversations with UU Trustees prior to the June Board meeting, and because President Sinkford stated to the UUMA that funding the study was a reason for these immediate cuts. Apparently, many Trustees and Officers were under the impression that the Panel was being responsive to the Board's motion to create a timeline for developing a new approach to its funding recommendations, and needed the funding represented by these cuts to do that. Instead, Ms. Payne-Alex's remarks surprised both ob-

servers and Trustees by candidly acknowledging that the Panel's mind is made up about how it wants to proceed. The design of the recently released survey confirms that their mind is made up, since they failed to include sustained funding for UU schools as an option to be considered in the available answers. Regardless of what the study they administer determines, you will see an outcome that includes the schedule of recommended cuts for the two UU theological schools. The study may well be a helpful piece of work, but apparently the Panel already has decided that it will not include information that might suggest that the present unrestricted operating budget grants to the schools is a good way to fund ministerial formation and excellence.

## **6. The Argument from Governance Principle**

I was especially surprised and disappointed to hear Tamara Payne-Alex use the argument at the June Board meeting that should the Board turn back recommendations from the Panel it would undermine their work. The suggestion she made implied that you would be violating a governance principle if you chose to vote against or change their recommendations. For your consideration in future votes on Panel recommendations, I want to offer my understanding of your governance relationship with the Panel.

The Panel of Theological Education is not part of the Executive or the Administration. It is a Board-appointed Committee, and although it is not in the by-laws, I would contend it is a Committee of the Board. Like the Finance Committee, it brings you recommendations on restricted funds that the Board has been entrusted to allocate. It does not report to you through the President, but directly. You appoint two Board members to serve on it. The Panel gives you advice. They are not empowered with executive limitations policies you have passed to operate freely within certain parameters. They are asked to feed you information and advice. You make the decisions. It was at best an error and at worst a distortion of your relationship to the Panel to suggest that there would be something inappropriate about a vote to change or deny their recommendations. If you felt uncomfortable with either the process or the content of their recommendations, your duty as a Board member would be to send the recommendations back for work or re-do them to meet the deadline of the start of the new fiscal year.

What is inappropriate from a governance perspective is that the Panel brings you recommendations so late in the year that you feel pressured to act on them to avoid funding chaos for grant recipients. I have also in other correspondence and conversation already commented on another governance concern, that the Panel's record-keeping procedures may be in violation of the Open-UUA Policy.

## **Unstated Arguments Behind the Board's Policies and Votes**

It is difficult to fight with ghost arguments, arguments that are stated only privately and verbally, and never publicly or in writing, when you are discussing a UUA policy shift. Unfortunately, ghost arguments can sometimes be the real reasons behind such shifts. Ghost arguments I have heard this past year have been based in mythologies and stereotypes of the UU schools, as well as on personality and leadership tensions.

So maybe this letter has been a waste of my time, if no one on the Panel or the Board will publicly own up to any of these as reasons for the shift in policy change you have begun. The conversations I have had since April with Board members and the posts I have read on-line from ministers have been long on pronouncements and short on meaningful analysis. We hear that the Panel believes we have a problem with ministerial formation and ministerial excellence, and apparently the Board buys into this and believes funds have to be re-directed to solve this problem, but nobody publishes anything that describes the problem. Instead I am forced to write a letter pointing to the weaknesses in the stated arguments for a solution to a minimally defined problem.

Thank you for taking the time to read all this. I took the time to write it and to send it to a broader reading list because we will be dealing with these issues for the next three years every time you have a Panel recommendation to consider. Could we step back and have a conversation about whether and how the perceived problem exists before we start slicing away at our theological schools' operating budgets? I am hoping that the both the process and the depth of conversation we are able to have in the Association over the next three years will be an improvement on what has happened between April and June of this past year.

Sincerely yours,

Wayne Arnason