

# Shall We Subsidize the Student or the College?

74

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The debate over what are the most desirable policies for federal and state governments to follow in aiding public higher education rages with increasing intensity. In this context it may prove fruitful for the Seventh-day Adventist church to reexamine its own policies seemingly hallowed by tradition and therefore often unchallenged. In particular, the church should consider the possibility that aid given to institutions provides "disguised cash subsidies to those United States citizens who need it least" and that "direct student aid is by far the most potent stimulant of institutional diversity and competition that is available."<sup>1</sup>

As matters now stand, all Adventist colleges and universities receive substantial operating and capital improvement grants from church conferences in fairly stable and generally escalating annual amounts. These grants operate to reduce the amount of tuition that would otherwise have to be paid by students if the level of educational services is to be maintained. Since each student pays the same tuition rate, the grants, or subsidies, are passed on to each student, in effect, without any regard for his need for such aid. The church helps the only child of the millionaire precisely to the same extent as the child who is totally on his own.

The traditionalist is quick to say, "But we've always done it this way. And besides, the church has to treat everyone the same." The first statement hardly warrants comment. The second claims credentials of equity and fairness that demand appraisal. Are all really treated the same? And should they be? Let's examine some of the present practices.

Most large Adventist churches operate elementary schools. Although tui-

tion charges may be fixed at a uniform amount for each student, churches invariably maintain a "student aid" fund to assist families unable to meet the full cost. Operating under the so-called Temple Plan, some churches assume the entire burden of school costs through contributions of the membership as a whole, and attendance is then open to the children of all members. Obviously, therefore, on the elementary level the church endeavors to adjust the charges to families (including those who have no children in school), at least partially, on the ability-to-pay principle.

The same practices prevail to a lesser degree in Adventist secondary schools and colleges. Here the local churches play a less prominent role, although it is not unusual for an individual church to sponsor one or more of its young people beyond the elementary level. Private loan or scholarship funds were the chief sources of such limited aid as was available until the federal and state governments stepped into the picture. During the past decade in particular, governmental agencies have released a vast sum of dollars to aid students in meeting rapidly rising college costs.

The interesting thing about these government funds is the manner in which they have been distributed. Funds could have been given as operating grants to various colleges to help cover operating costs — so as to keep tuition from rising so rapidly and to help all college students equally. But government agencies seem to have been wise enough to realize that some students need no help and others need a great deal of help. Therefore, much of this money has been released through a system that makes loans and grants to individual students on the basis of demonstrated need. What the government has been saying, in effect, is that the student who can afford to pay the full cost of his education should do so, whereas the poor student who is on his own or whose family can help very little should receive a great deal of assistance. Furthermore, the machinery for determining an equitable distribution of these funds has been set up and is currently being used by all Adventist colleges and universities.

It seems, therefore, that someone should suggest that we reevaluate the church practice of channeling directly into the institutional budgets those dollars earmarked for support of college and university operations.

As I have already indicated, the practice of using general church funds to help those students who especially need help is well established, particularly on the elementary level, and to a lesser degree on the higher levels. It is now pertinent to observe that this year at least two Adventist colleges are setting aside from their depreciation funds substantial sums to be used for grants to needy students. The machinery for determining individual

need has already been created (in the form of the College Scholarship Service) and has been used by all Adventist colleges for years in distributing federal funds to students; so this is no problem.

I suggest, however, that student aid is at least a questionable use of depreciation funds. Would it not be more logical to take those general church funds that come to the college in the form of operating grants and convert all or part of them to student aid funds for allocation to individual students, using the same criteria and machinery that we are already using to distribute the federal grants?

What would be the financial effect if we were to use all of these operating grants for aiding the student who needs help rather than to give the money to everyone in the form of lower tuition, as we now do? At the La Sierra campus of Loma Linda University, for example, it would mean raising tuition rates by approximately \$125 per year. The relatively affluent student would pay the full cost of his education, and the university would have about \$185,000, in addition to government and private funds, to assist the students who are at the lower end of the economic spectrum. The \$185,000 might be given in the form of outright grants or in the form of long-term, low-interest loans similar to National Defense loans, possibly with cancellation features for students entering church employment. The form of the aid and the conditions attached to it are policy matters that would evolve out of discussion and debate.

If such a proposal were to be adopted, perhaps it could be put into effect gradually over a period of several years. For obvious reasons, it could also be achieved best by a cooperative program involving all Adventist colleges. (It is encouraging to note that there is beginning to appear among the church educational leaders a recognition of the need to move away from competition toward cooperation. Here is an opportunity to try our wings on an issue unlikely to disturb greatly those "dreadful dragons," the vested interests!)

Inevitably, and rightly, the question will be raised as to whether or not this proposal is in harmony with the counsel of Ellen G. White. I think it is. These words provide an example: "Many are too poor to obtain without assistance the education that they require. The churches should feel it a privilege to take a part in defraying the expenses of such. . . . Besides this, in each conference a fund should be raised to loan to worthy poor students; . . . in some cases they should even receive donations."<sup>2</sup>

This is an appeal to both churches and conferences to provide not only loans but also grants directly to students, strictly on the basis of individual

need. No concern here about "invasion of privacy" or "treating everyone alike"! The next paragraph completes the student aid package by calling attention to work opportunities by which students might "partly defray their expenses."<sup>3</sup> Many other references can be cited also.

Well, there we have it: grants, loans, and work opportunities, all given directly to students on the basis of need. It sounds much like the federal government program, doesn't it? One might be tempted to wonder if the federal authorities have secretly been reading Ellen White publications! Or could this be a case where the "children of this world are wiser than the children of light"?

My proposal is that Adventist colleges, as their first act in what we hope will soon become the New Era of Cooperation under General Conference leadership, will agree to convert all conference operating grants into student aid funds, over a five-year period, using existing machinery to distribute funds to those students most in need.

Let's end the "disguised cash subsidies" to those who need them least, as far as operating grants are concerned. There will still remain the much larger capital grants for new construction as a continuing channel of direct aid to the institution itself.<sup>4</sup>

#### REFERENCES AND NOTES

- 1 Robert H. Haveman, New federal support to institutions and students: What emphasis?, *Liberal Education* 56:309-316 (May 1970).
- 2 Ellen G. White, *Testimonies for the Church* (volume six of nine volumes; Mountain View, California: Pacific Press Publishing Company 1900), p. 213.
- 3 White, p. 214.
- 4 I hope the views expressed in this brief article will stimulate a bit of dialogue.