

Columbia, Maryland. Others point out that even if the North American Division were to be totally separated from the General Conference, there is no reason why both organizations couldn't continue to operate out of the same building, with the North

American Division perhaps occupying its own wing.

But such conjectures are premature. As of now, a consensus has not yet emerged that is strong enough to ensure the organization of a North American Division.

Merging Unions and Conferences: The Example of Mid-America

by Jiggs Gallagher

If a Seventh-day Adventist church administrator was seeking advice on conference mergers, he would have to look to the Midwest. In the last three years, two unions and eight of their local conferences have consolidated. The Northern Union (then the smallest, with 15,000 members), and the Central Union (then the eighth largest with 37,000 members), combined in May 1980 to form the new 55,000-member Mid-American Union, making it one of North America's middle-sized unions. At present, all the local conferences in the new union, except for two, have merged. As a result of these mergers, the church is saving nearly \$1 million annually. In addition, money was

injected into church accounts from the sale of the vacated five offices and two academies.

A decreasing tithe dollar and the increasingly apparent inefficient organizational structure prompted the consolidations. The national economic slowdown of the late 1970s inevitably decreased the flow of tithe dollars and led conference administrators in the Midwest to consider the advantages of merger. The Midwest, with its small population and large territories, could not disregard diminishing funds and glaring organizational inefficiencies. For example, two of the conferences involved in the mergers—Wyoming Conference with 2,020 members, and the South Dakota Conference, with 1,931 members—each had a constituency smaller than the members of the College View Church in Lincoln, Nebraska. It was obvious that maintaining a complete support staff for such small

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constituencies was bad administration. (Now the smallest conference in the Mid-America Union, Dakota Conference, has just over 5,000 members and the largest, Rocky Mountain Conference has 15,000 members.)

After years of informal discussion, the crucial actions to merge the two unions came rapidly. The executive committees of the two unions, meeting two days apart in 1980—the Central Union on May 26, 1980 and the Northern Union on May 28—voted to merge. Three weeks later, the constituencies of each of the unions—meeting separately, but only one day apart (the Northern Union on July 14 and the Central Union on July 15)—also voted in favor of a merger. This vote in 1980 by the two union constituencies was the crucial action creating the Mid-America Union Conference.

The constituencies also voted to establish a special, large merger committee. They also select their representatives to the committee. The merger committee was empowered to take whatever action was necessary to formulate a new constitution and by-laws for the new union, to select its officers, and to give study to consolidating conferences within the new union.

Just two days later, July 17, the merger committee, with 78 members, gathered for one day in Lincoln, Nebraska. All the members of both union committees were joined by twice as many laymen. Charles Bradford, vice-president of the General Conference for North America, presided. E.L. Marley, president of the Northern Union, announced his intention to retire. That cleared the way for Ellsworth Reile, president of the Central Union, to be elected the president of the new Mid-American Union. The rest of the officers of the union were then selected.

In addition, two subcommittees were formed. One produced a constitution and by-laws for the new union, and submitted them at its first constituency meeting. The other subcommittee, comprising all the conference presidents within the new union

and all the laymen on the merger committee, recommended which conferences should be merged. With one exception, the choices for consolidation, submitted to the merger committee before it adjourned, proved to be the mergers that subsequently took place. (Minnesota ended up remaining a separate conference.)

Finally, the merger committee designated itself the governing body for the merged union, until the constituency for the new union convened. For nine months the Mid-America Union had the largest union committee in the history of North America.

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April 12–16, 1981 the constituents of the new union formally met, adopted the new constitution and by-laws, and re-elected Reile as president. During the nine months from the convening of the merger committee to the first Mid-America Union constituency meeting, five officials had retired or received calls elsewhere and were not replaced (three officials had originally served in the Northern Union and two in the Central Union).

As soon as the merger committee had selected Reile as president of the combined union, he began implementing the merger of conferences. Within two weeks, the Iowa and Missouri constituencies had approved of a merger. The last merger of conferences—the Dakotas—took place only nine months later, in April, 1981. It happened to be the same month that the Mid-America Union constituents met to ratify the new union’s constitution.

Reile followed a similar pattern in all the

merger discussions. First, he visited each of the conference committees and received their approval, in principle, to merge. Then—in what Reile thinks is the key to the whole process—he held four to six open meetings (usually on consecutive days) in different parts of a conference. In addition to Reile, union treasurers and local conference officers (except for those rare conference officers who refused) made a one-hour presentation, explaining the structural and financial details of the proposed merger. Graphs and maps were handed out. After the presentation, the meeting was opened for questions and answers, and usually extended for another two hours. At the conclusion, a straw ballot was taken and the results announced. Except in South Dakota, the votes were overwhelmingly in favor of a merger. Votes in favor of merger varied from a low 50–60 percent to strong approval.

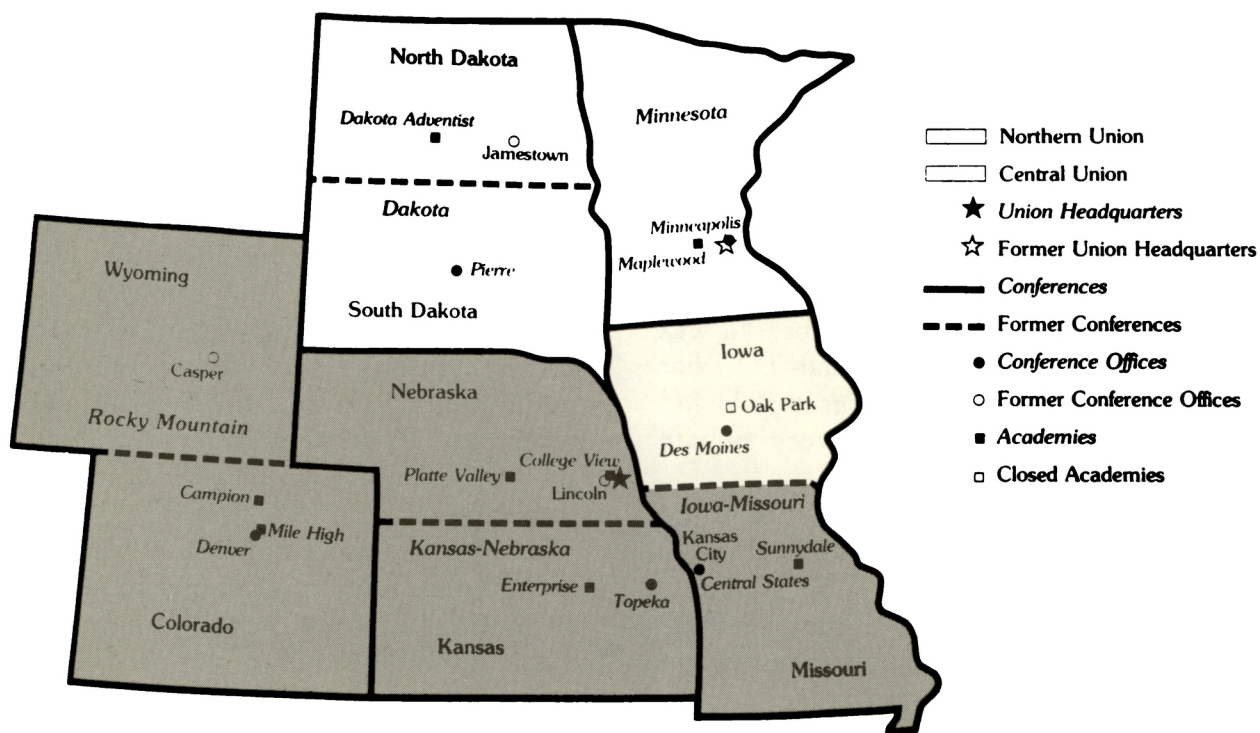
The next step was obtaining the conference committees' approval to convene the relevant conference constituencies. Each

constituency gathered separately and voted on the proposed merger. Finally, the constituency of the new conference met to approve a new constitution and bylaws, and to elect new officers. Sometimes, debates over names could not be settled at the initial meeting of the constituency.

Reile found that emotions rose highest during discussions over which academy would be saved and where the headquarters of the new conference would be located. The unwritten rule that emerged was that one of the merging conferences would get to keep its academy and the other the location of the new conference's headquarters.

The first negotiations involved the Iowa and Missouri Conferences, pitting healthy Sunnydale Academy in Missouri against the less-than-robust Oak Park Academy in Iowa. In the end, Iowa lost Oak Park Academy, but saved its conference office in Des Moines. Missouri sold its suburban conference office near Kansas City, but its Sunnydale Academy became the boarding academy for the new conference. Proceeds

Mid-America Union Conference



from the sales of properties went into conference operating funds. The Iowa Conference, in the old Northern Union Conference, and the Missouri Conference, in the old Central Union Conference, finally reorganized as the Iowa-Missouri Conference in late July 1980.

Kansas and Nebraska became the second set of local conferences to consolidate. Here the pieces at stake could not be easily rearranged or sacrificed. The Nebraska Conference operated Platte Valley Academy, a boarding school in Shelton, and College View Academy, a day school in Lincoln. Kansas had a boarding school, Enterprise Academy, situated in northern-central Kansas. Both of the conferences' boarding academies were sound financially; Nebraska's College View Academy enrollment for 1980-81 was less than 80, however.

Protracted negotiations left each of the academies in operation, though College View Academy continues to face severe economic difficulties. The office of the new conference was situated in the headquarters of the former Kansas Conference in Topeka. Joel Tompkins, Kansas Conference president, was elected president of the new conference, and Howard Voss, Nebraska Conference president, joined the new Mid-America Union as personal ministries director. Even the name of the new conference was vigorously debated. When the new conference officially came into existence in November 1980, it was the Kansas-Nebraska Conference. While the name favored the more southern state, it did have historical credibility; Kansas-Nebraska was the name of the congressional act that opened the region to settlement in 1854 and played a key role in the slavery debate prior to the Civil War.

Wyoming and Colorado got into the spirit, forming the Rocky Mountain Conference in February 1981. The disparity between the sparse Adventist membership in Wyoming and the larger membership in Colorado favored making Denver the

headquarters. In addition to Colorado retaining the location of the headquarters for the new conference, all three Colorado academies continue to operate: Mile High academy, a day school in Denver; Champion Academy, a boarding school near Loveland (which served the Wyoming constituency as well); and a ten-grade school in Grand Junction. Colorado also supplied its president William Hatch, for the presidency of the new conference. The Wyoming president, Ben Liebolt, became president of the North Dakota Conference, and later was elected president when the new Dakota Conference was formed.

Finally, the two Dakota conferences also combined. Because South Dakota had closed its academy some years earlier, both the North Dakota Conference and the South Dakota Conference had a natural concern in Dakota Adventist Academy's deteriorating financial situation. A common interest in the academy spurred the merger of the two small conferences into the Dakota Conference in April 1981. Since the academy was in North Dakota, the new conference's headquarters, according to the rules generally followed, were situated in Pierre, South Dakota.

Dakota Adventist Academy had had financial difficulties, extending back to the 1970's, that had rocked the church all the way to the General Conference. The school was an ambitious project; all buildings on the campus were linked with indoor walkways to provide protection against the harsh North Dakota winters. Ambition was overcome by reality, however, when the academy's multi-million dollar mortgage strained the resources of the North Dakota Conference. Subsequently, several North Dakota Conference administrators moved to other positions.

The Minnesota Conference and the Central States Regional Conference are the only entities in the new Mid-America Union's territory that have not participated in a merger during the last three years,

although there was some discussion of combining the Minnesota Conference with the Dakota Conference.

Reile points out that the new Mid-American Union has as few conferences—six—as did the old Central Union Conference. As a result of the local conference and union conference mergers, nine administrators have moved into the pastorate, and the present ratio of one administrator to 27 pastors is considerably lower than before the merger.

A total of 47 salaries were eliminated, either by retirement, or by attrition. The Mid-America Union Conference staff contains only one more member than the old Northern and Central Union staffs combined. These savings in salaries represent about 75 percent of the nearly \$1 million in projected annual savings (see boxed table for details). Because the Northern Union Conference had no college in its territory, there was, fortunately, no need for a difficult decision on closing a college.

(Merger negotiations between the Atlantic Union Conference and the Columbia Union Conference broke down in 1978 when neither organizations was willing to give up a college in its territory.)

In fact, according to Reile, “the greatest single beneficiary of the merger is Union College. The creation of the Mid-America Union Conference consolidated efforts to support a quality educational institution in the Midwest.”

Most observers have been impressed by the spirit of cooperation that marked the three-year period. Reile notes that Adventists who view the Midwest as conservative and resistant to change are mistaken. “I can’t imagine a smoother transition over potentially rough waters than we have experienced here,” he says. While Reile refuses to say whether the experience in Mid-America should be a model for other areas of North America, he says that, “Considering the financial realities of the 1980’s, there is no question that the church in our area is in a much better position to serve as a result of the mergers.”

Recurring Annual Savings through Mergers

(Based on operating expenses for the 1980-81 fiscal year. Income from Sale of Property not included)

Salaries

24 Departmental Salaries & Allowances		\$489,600	
23 Secretarial Salaries		276,000	
			\$765,600

Expenses

Utilities	@ \$12,000	60,000	
Rent	@ 7,500	37,500	
Maintenance/Janitor/Grounds	@ 5,500	<u>27,500</u>	
			125,000

Travel

24 Budgets - Per Year	@ \$ 7,200	\$172,800	
Less Travel Increases Due to Large Territory		<u>86,400</u>	
			<u>86,400</u>
Total Savings Per Year			\$977,000