

Davenport investments end up outweighing other considerations in evaluating administrators.”

Tompkins' election came after several ballots, in a process that lasted about seven hours. The committee started out with approximately 30 names. A couple of other people who had been disciplined for involvement with Davenport money were also considered. However, Tompkins led all the way, according to Union College president Dean Hubbard.

Tompkins estimates that the Kansas-Nebraska Conference will break even on its Davenport investments, which totaled \$1.2 million. He says \$600,000 has been returned through insurance.

It was in Kansas that Davenport funds were used to hire an evangelist one year. Davenport also contributed to the endowment of the conference academy. The letters between Davenport and Treasurer Dan Peckham were as much about evangelism plans as they were about investment monies. In May 1977, Peckham wrote, “There is one item I especially want to report to you regarding our evangelism. Because of a large meeting we had here in Topeka at the beginning of 1976, our total baptisms thus far this year are a little behind last year, but with the plans for the rest of the year, we feel quite certain that we will be very close to 400 baptisms for the year and this will be a big increase over last year—1976—which is the best year we have had.”

Davenport funded the evangelist's salary in 1976. He wrote back to Peckham that he was “thrilled with the prospects” of Kansas' evangelism and hoped “to have a small part in it.” In addition he told Peckham he wanted to provide some funds for needy academy students.

Peckham never invested personally with Davenport, and he went from the position of conference treasurer to assistant treasurer when Kansas and Nebraska merged.

Reile will be remembered, in Mid-America at least, for his role in the merger of the Northern and Central Unions into the

present Mid-America Union as well as the subsequent merger of several conferences. In the September *Mid-America Outlook*, Ellsworth Reile's shift from president of the Union to an officer in the Adventist Health System/Eastern and Mid-America was announced with a full-page story summarizing his accomplishments.

The article by *Outlook* editor Halle G. Crowson noted the conference mergers and the Union merger and the savings which have resulted from them. “There were ten conferences in the two unions prior to merger. Today there are six conferences in the Mid-America Union. The Mid-America Union office is operating with one less man in the office than were in the former Central Union office,” the article said. “These mergers have now resulted in a saving of more than one million dollars annually. These funds are now being channeled back into the conferences to help at the local level.”

In discussing his plans for Mid-America, Tompkins says he plans to carry out suggestions made in a report initiated by Reile and compiled by Dean Hubbard, president of Union College.

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## Closing Small Boarding Academies: The Pioneer Valley Case

by Terri Dopp Aamodt

The 1982–1983 school year had been a series of financial crises: 112 students instead of the budgeted-for 125; a monthly cash flow shortage of over \$18,000; over a million dollars of loans payable; utility bills that ran

\$25,000 per month in wintertime; a shortage of student jobs; \$100,000 of accounts receivable from unpaid tuition; and the 7,000 members of Southern New England Conference unable or unwilling to respond to repeated calls for emergency funds.

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### **Faculty members had to wait two to four weeks to receive their paychecks.**

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At that point the conference, still trying to repay funds it had repeatedly borrowed to help Pioneer Valley Academy (\$139,000 in 1978–79, \$200,000 in 1981–1982), could not borrow any more money.

On May 8, 1983, the conference committee and the academy board voted to close the school because \$279,000 was needed to open school the next fall, and only 25 percent of a conference-wide goal to retire the debt had been raised. With the end of the school year, June 30, 1983, Pioneer Valley Academy in New Braintree, Massachusetts, disappeared in a surge of red ink. Other than those eliminated after conference mergers, Pioneer Valley is the first boarding academy in North America to close.

While new day academies, both junior and senior, continue to be established, boarding academies in North America are facing difficult times. It is true that the four largest boarding academies gained students in 1982—Monterey Bay Academy in the Pacific Union enrolled 514 students; Forest Lake in the Southern Union, 393; Kingsway in the Canadian Union, 340; and Shenandoah Valley in the Columbia Union, 327. But among the 42 boarding academies in North America, smaller schools, like Pioneer Valley Academy, are struggling.

Overall academy enrollment for the North American Division (NAD) dropped 1,418 students from 1981 to 1982. This drop was 710 students larger than the previous year's decline. What happened to Pioneer Valley Academy deserves to be carefully examined by church members in other

conferences which operate small Adventist boarding academies.

When Pioneer Valley Academy opened in September 1965, about 30 miles west of South Lancaster, Massachusetts, its future appeared considerably brighter. The gleaming new school attracted 250 students from the northeastern United States, and the curriculum offered a wide range of courses, including four years of French, and the services of three full-time music teachers.

The academy was built to replace boarding facilities at South Lancaster Academy, which had been operated by Atlantic Union College. In 1958, the college told the Southern New England Conference that accreditation required that they move South Lancaster Academy off the campus. On July 20, 1958, the conference constituency voted to build their own boarding academy. A few months later the 5200 conference members were asked to contribute \$200,000 a year for the next five years as part of a \$1,800,000 fund-raising program.

After prolonged debate, a crucial decision was made that affected the viability of the new school. The academy was located a considerable distance from the membership centers of the conference, Boston and South Lancaster. As a result, the already established Greater Boston and South Lancaster academies continued as senior day academies. A conference of under 7,000 members now had three senior academies.

By 1963, costs had risen above available funds, and the conference had to borrow money to complete the girls' dormitory. By 1965, the cost of the school had climbed to \$3 million.

**F**or the first ten years of its operation, the academy survived from one year to the next with the help of heavy subsidies. Enrollment hovered between 220 and 250 students; the school was designed to accommodate 324. Just as the Southern New England Conference prepared to call a moratorium on nearly 20 years of fund-raising for the

academy, the school's problems began to multiply. Enrollment hit a high of 288 in 1977-1978. Many students with inadequate financial resources had been admitted, and 30 of them paid less than 25 percent of their bill. The following year's enrollment dipped to 207 students, or 40 below budget. This loss, coupled with a backlog of \$153,000 in unpaid tuition, forced the conference to borrow \$139,000. Similarly catastrophic enrollment drops occurred for several years.

By this time, several underlying problems became obvious. The Southern New England Conference had chosen Pioneer Valley Academy's location in part to attract students from the Northern New England Conference, which did not have a 12-grade school. When Northern New England transformed Pine Tree Memorial School to a full-fledged day academy, a critical source of students for Pioneer Valley disappeared. Since the academy had been designed to operate with one-third to one-half of its students coming from outside the local conference, the school had to go farther afield to attract students. The result was a group of parents who did not feel compelled to pay school bills, and a group of students who had little in common with each other and did not form a cohesive alumni group after they graduated. The location was too remote to attract industry; eventually the school's two main industries, Harris Pine Mills and Dakota Bake-n-Serve, pulled out. Pioneer Valley Academy was left with two large industrial buildings with large mortgages and high maintenance costs.

Enrollment in September 1981 fell to 142. By November, the school was down to a ten-day supply of food and heating oil. The power company and telephone company notified the school that their utilities would be shut off in ten days if their bills were not paid. The conference borrowed \$200,000 from the Atlantic Union to meet immediate needs and called a constituency meeting in February 1982 to determine what should happen to the academy. The constituency voted to operate the academy another year,

balancing the budget on an enrollment of 125. Only 112 students entered in the fall of 1982, which meant a loss of over \$100,000 to the school.

**I**n the meantime, other crises ensued.

Pioneer Valley Academy was saddled with a heavier burden of interest on its loans. It had missed three consecutive monthly payments to Fitchburg Savings Bank, to which it owed over \$500,000 at 7½% interest on loans for industrial buildings and faculty homes. The bank recalled the loans and rewrote them at 15 percent interest as a penalty. The academy then had to pay nearly \$60,000 a year in interest on these and other loans. Grocery wholesalers refused to deliver c.o.d. to the academy. The only way the school could obtain food was to take cash or a certified check to the company and load the food on its own trucks. Faculty members had to wait two to four weeks to receive their paychecks.

On February 20, 1983, the Southern New England Conference constituency held another special session to deal with Pioneer Valley Academy. Conference officials maintained that with a special offering to retire the debt, and continued large yearly offerings, the academy could survive. The plan called for a special offering of .5 percent of conference members' yearly income (based on the previous year's tithe figures). The constituency voted to keep the academy open indefinitely.

On April 23 the conference collected a special offering with a goal of \$140,000. The offering netted only \$46,000 in cash and pledges, and the financial handwriting was on the wall. Within a few weeks the conference committee and Pioneer Valley Academy Board voted to close the school. On July 19, 1983, the constituency of the Southern New England Conference ratified the board's decision to end the struggle for Pioneer Valley Academy.