THE ACADEMY REPORT CARD

NAD Principals ASSESS Enrollment, Funding, and Governance

Many Seventh-day Adventist academies are under enormous pressure to maintain enrollment, maximize funding, and manage collaborations effectively. Principals are in an excellent position to assess how their schools are functioning.

This article reports on the findings of an in-depth online survey of Adventist academy principals in the North American Division (NAD).[1] Ninety-three out of 108[2] academy principals provided feedback on this survey, and thereby offered a glimpse into the inner workings of their academies.[3]

The survey was conducted by the Alumni Awards Foundation (AAF),[4] a non-profit organization dedicated to improving Adventist schools. AAF sought information about the current state of Adventist education from the perspective of the secondary principals in order to empower the organization to better serve the school system.[5]

Questions were revised from the annual survey of The University of Chicago Consortium on Chicago School Research,[6] and requested information such as demographic data, perceptions of financial and political support; characteristics of the school; and personal job satisfaction in the role of principal.[7] Respondents were also asked to react to a series of statements about the strengths and weaknesses of the NAD school system.[8] Open-ended questions asked about obstacles and successes, and invited additional comments.

Only the results of the AAF survey in the areas of enrollment, funding, and governance are reported here. This article explores the question: How are NAD academies doing?

ENROLLMENT

Declining enrollment is a source of concern for many NAD elementary and secondary schools. Academy principals responding to the survey reported 2010 enrollments ranging from fewer than 50 to more than 200 students. Twenty-eight principals reported that enrollment at their academy had increased over the past five years (2005-2010), 19 that it had remained stable, and 41 that it had decreased (five reports did not fit into a single category). Nearly 80 percent[9] of the principals did not express confidence that Adventist K-12 schools in

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the NAD would grow during the next decade. What factors explain what is happening in these schools?

Location

Urban, rural, and suburban locations did not differ in levels of current enrollment.[10] However, the 33 schools located within 15 miles of an Adventist hospital, college, university, conference office, or area headquarters (Adventist Center [AC]) were significantly larger than schools farther away from an AC.[11] Eleven of the 16 academies with more than 200 students were located in an AC, and each of the 10 schools whose enrollment had significantly increased over the previous five years was near an AC,[12] although not all AC schools had grown. It appears that being close to an AC is good for enrollment.

Size

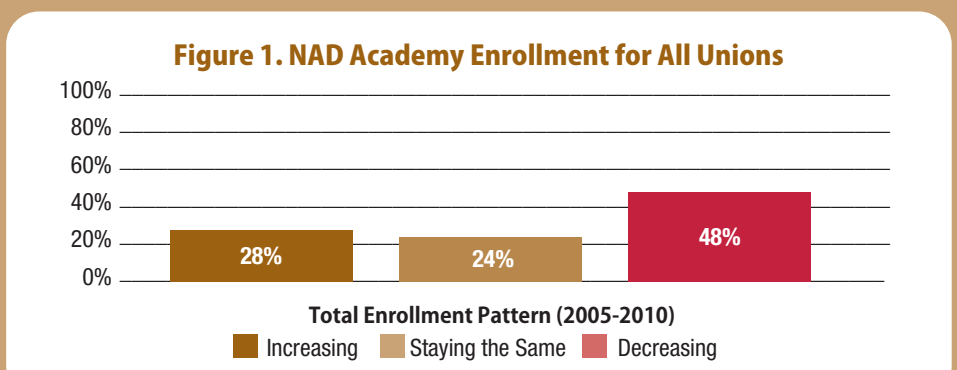
The researchers correlated current and long-term patterns of enrollment for all of the academies surveyed.[13] Most large schools grew between 2005 and 2010, while small schools decreased in size. One principal explains, "Membership has dropped significantly [in our area], and [the church] is aging [which means] fewer [Adventist] kids."

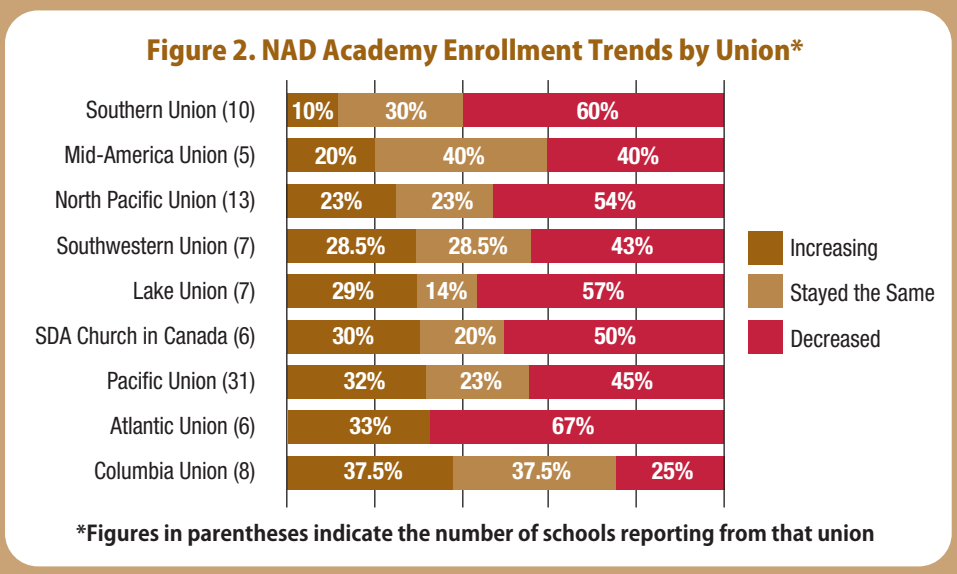
Number of Constituent Churches

The survey found that the more constituent churches an academy reported, the larger its current enrollment[14] and the more likely that it had a pattern of growing enrollment.[15] Interestingly, the number of constituent churches per school was not statistically different between schools in AC's versus those outside of these centers.

School Reputation

The long-term enrollment pattern was correlated with school reputation.[16] Sixty-five percent[17] of the principals who answered this question said that a negative school reputation represented a roadblock for their school, and 87 percent[18] said that the Adventist community did not perceive denominational schools as excellent. A principal explained, "Overcoming the negative reputation that the school has obtained over the last decade or so [is a problem]. We are making deliberate changes . . . getting that message out is slow and difficult." While the CognitiveGenesis study[19] shows that students in NAD K-12 schools perform well overall, this information has not necessarily trickled down to the constituents. One principal summed it up thus: "The perception of our Adventist schools must change in every category if we are to not only survive, but flourish."





Other Issues

Comparisons that did not quite attain statistical significance include the following: Current enrollment at boarding schools tended to be only a little larger than at day schools,[20] and NAD boarding academies trended toward having grown slightly between 2005 and 2010.[21] An index measuring the perceived supportiveness of the school board, conference, and local church

("Politics") was created,[22] but tests showed no significant relationship to enrollment. A subset of this index measuring schools' visions for improvement also did not statistically relate to enrollment.

Conclusion

Enrollment is a concern for Adventist education. This study revealed that higher academy enrollment in the NAD is related to location (AC), larger current size, having more constituent churches, and positive school reputation.

One principal described many positive actions the school had taken to improve, including: "recruited and retained superb teachers," "fiscally responsible," "spiritual," and "cutting edge technology," but concluded, "All in all, this school is excellent in many ways, and yet we still face declining enrollment in the economic slump." Another principal commented: "The biggest change needed is to fill the seats! We need pastoral and church support or the ability to heavily recruit outside the Adventist circles . . . [which] will change culture . . .☹." The emoticon at the end reflects this principal's concern about having schools that are truly "Adventist" in culture and have sufficient enrollment to operate efficiently.

Funding

How are North American Division Adventist academies affected by funding? More than half[23] of the principals who responded to the survey's questions about finances cited money as their greatest roadblock to school improvement. No precise financial data were gathered in this survey, but the principals' perceptions of the ease of acquiring and managing financial support for the school and financial aid for students were combined to create a "Money Index" of perceived financial capacity.[24] In addition, open-ended responses addressed the need for funding, value issues, and ideas for change.

Top: Great Lakes Academy, Cedar Lake, Michigan.
Bottom: Girls' dorm at Auburn Adventist Academy, Auburn, Washington.

Number of Constituent Churches

Although schools with more constituent churches had higher enrollment, a correlation between the number of constituent churches (from 1 to 5) and the Money Index showed that schools with fewer constituent churches reported obtaining funds more easily.[25] Principals explained that constituent churches' failure to fulfill their financial agreement with the school was a severe problem, and some "churches view Adventist education as a financial drag." However, one principal reported that "our school has made a strong effort to work in a positive manner with the constituent churches in the deciding of the amounts of their annual subsidies. In turn, the churches faithfully pay their subsidies."

There was no significant difference in the Money Index between schools primarily supported by the conference and schools primarily supported by local church(es).[26] About one-third of the academies in this study were conference-supported, and those principals agreed with the respondent who noted

that getting "financial support from the local conference is . . . a major challenge."

Governance

Principals whose schools had better funding also reported more relational/political support from the governing entities (i.e., the school board and conference officials) with whom they interacted.[27]

The School Improvement Index[28] was created from the questions on the Politics Index that focused specifically on the vision of teachers, school boards, and conferences for school improvement, as well as their willingness to help. The School Improvement and Money indices were significantly correlated,[29] confirming that greater financial support was related to a strong vision for school improvement by those who helped to govern the school.

School Reputation

Does the school's reputation make a difference in its level of funding? The answer is a definite "Yes." NAD academies reporting higher reputations also had better financial support.[30]

Budget and Financial Gain/Loss

The two questions in the survey that directly addressed the area of budgets were: "Did your school operate within its planned budget this last year?" and "Did your school experience a financial gain or loss this last year?" Academies that were rated higher on the Money Index also operated within their planned budget.[31] However, several factors that might be expected to affect whether or not a school operated within its planned budget were not statistically relevant, including current enrollment, location, sources of funding, governance, and school improvement focus.

Perceptions of funding did not differ between schools whose principals reported that the institution had experienced a financial gain in the past year and those that it had not.[32] However, this may be misleading, since some conferences subsidize a school's deficit each year end as a matter of financial policy. Schools whose enrollment grew between 2005 and 2010 trended toward having a pattern of financial gain,[33] although this failed to reach statistical significance.

Funding Needs

The majority of the principals' open-ended responses related to funding. As one commented, "Money is the real issue." Another explained, "The cost of education limits enrollment, and yet there is not enough funding for schools to progress beyond just being 'OK.'" Another responded that lack of "funding to support newer program efforts" made it difficult to attract more students. Some comments seemed to reflect a "victim" perspective, while others appeared to recognize that money was not required to effect many changes. As one principal noted, "With funding not adequate, I must rely on my knowledge, skills, and effort to create change."

Staffing was another major funding need: "We have too few people doing too many things. Everyone is overloaded." Another principal agreed, "The major difficulty is lack of funding for full-time teachers in each discipline."

Nearly 85 percent[34] of the principals reported that a lack of funds for student aid was a concern: "The biggest challenge is finances. We need to give more assistance to families that cannot afford private school tuition."

More than 80 percent[35] of principals cited a lack of funding for facility improvements. One said, "Our building is too small, and there is no funding available." Another commented, "Finances are necessary to forge ahead with necessary improvements (adding new classes and teachers, upgrading facilities, student aid, etc.)."

Value Issues

Concerns about the perceived value of Adventist education appeared frequently in the qualitative data. Many of the principals noted that Adventist education is expensive: "I believe that we are pricing ourselves out of business. Many of our parents cannot afford the entire tuition." Another principal stated, "[The] BIGGEST problem with Adventist Secondary Education is the ability of students and parents to pay for education. . . . I believe the number of families and kids interested in secondary school is still high, but it is never in the radar anymore because it is not an option due to financial concerns." This principal noted that the cost of education has increased over the past 30 years, but wages have not risen as rapidly, resulting in the "extremely large amount of financial assistance requested by our parents."

Several principals also described concerns by constituents about whether Adventist education was worth the cost: "Many of the church members do not see the value in Adventist education," and others have the "opinion that Adventist education just may not be worth sacrificing other things for in a limited budget." "Parents are willing to save and sacrifice for private education, but it may not be in an Adventist school."

One principal summed it up succinctly, "The number of Adventists committed to Adventist education is diminishing. A growing number are unwilling or unable to sacrifice to provide Adventist education for their children."

Ideas for Improving Funding

Several principals recognized the need for a paradigm shift in funding: "The way we finance our school system must change. It's not just the responsibility of the local church to finance a school. It's the responsibility of all churches." "We need to have CHURCH SCHOOLS rather than TUITION SCHOOLS!! Parents cannot afford the tuition, but as a church family we . . . need to continually give to Adventist education so that all of our children can experience the education we have for them. EDUCATION is one of our greatest EVANGELISTIC TOOLS. When are we going to learn that?"

Other Issues

Several factors were not statistically related to the Money Index. Although academies located near an AC tended to be larger and growing, principals of these schools reported more difficulty in obtaining funding than principals at other schools,[36] but the difference did not reach statistical significance. Funding did not differ significantly among urban, suburban, and rural locations. Day academies were not significantly different from boarding academies in reported funding, and current enrollment was not significantly related to either financial gain/loss or to operating within budget.

Conclusion

Funding is a major issue for many Adventist schools. In this survey, greater financial support was related to: one or few constituent churches, positive political support, good school reputation, and operating within the planned budget. Academy principals said they needed funding for general purposes, staffing, student aid, and facility improvements. Respondents expressed concern about the cost of Adventist education and their conviction that some parents do not perceive its value. Principals suggest that the Adventist Church as a whole (not only local congregations) should recognize schools as a church ministry and support them accordingly.

Top: Parkview Adventist Academy, Lacombe, Alberta, Canada.
Bottom: Maplewood Academy, Hutchinson, Minnesota.

Governance

How are NAD academies doing in the area of governance? As noted above, better relationships with school boards and conference officials correlated significantly with better perceptions of funding. A positive school reputation was also related to higher scores on the Politics Index.[37]

Teachers

Teacher engagement—the degree to which teachers are willing to change, continually improve, and innovate professionally—was measured using the Teacher Engagement Index[38] and correlated with positive relationships between schools and their governing entities.[39] The ability of a school to attract qualified teachers (as measured by the Teacher Qualifications Index[40]) also related to good political relationships.[41] The survey found a correlation between positive political climate and the principals' ability to remove poorly performing teachers.[42] This is important, since 75 percent[43] of surveyed principals noted that poorly performing teachers could affect school improvement, and that good governance was important to facilitate needed personnel changes.

Pastors

The responding principals commented on relationships with local pastors, school boards, and conferences/unions. "We enjoy tremendous support from our local church pastors," wrote one principal, adding: "Not all schools get this support!" Support included: "ongoing communication among staff, board, and constituency and combined pastor/teacher in-service meetings"; "collaboration between constituent pastors and administration to quarterly compare/synch calendars. Monthly school newsletter put in all area church bulletins. . . .;

Positive Initiatives

Principals shared their most successful initiatives:

Overall school environment:

- Hired a full-time development director and recruiter.
- Performed more intentional teacher evaluations, including specific goals for each teacher (used drop-ins, video, and formal evaluations).
- Increased public relations.
- Hired and retained staff that students admire and respect.
- Improved access to technology for all teachers and students.

Funding:

- Used social networking for marketing and outside fundraising.
- Set up an endowment fund for teacher training.
- Developed a foundation to support the school.
- Managed the budget and ensured careful reporting.
- Developed a four-way matching program among family, church, student labor, and school.
- Secured grant money for faculty training and new textbooks.
- Instituted sound fiscal policies and practices.
- Established policies that require students to be current in monthly payments and have a zero balance from the previous year.
- Recruited sponsors or donors for students who cannot afford full tuition.

Governance:

- Chose school board members intentionally based on what they can bring to the table.
- Created a non-profit-style board with member selection based on interest, support, and influence.
- Scheduled collaborative meetings for pastors and teachers.
- Enhanced board training with a consultant and Philanthropic Service for Institutions.

annually meet with constituent church boards to share school budget and answer questions."

Despite these appreciative comments, 81 percent[44] of principals said that there were sometimes tensions between educators and pastors. One principal longed for "increased support from the conference leadership and pastoral community."

School Boards

The principals expressed a desire for "better working relations between school faculty and staff and school board members." While most respondents[45] said that their school boards intended to be helpful, they described a variety of problems, including the following:

- "Apathy among some board members to support any change. They are just waiting for the principal or school staff to do something wrong to bring it for discussion without consulting or asking the administration first."
- "The school board does not participate in gathering funds. Unfortunately, that is left solely up to me, the principal."
- "Micromanagement from the school board."

Seventy-two percent[46] of the principals surveyed expressed concern that school boards often lack appropriate training, and 51 percent[47] said board members fell short in the areas of innovation or expertise. Almost two-thirds of the principals[48] agreed that the school board members were not always selected in a way that could create a knowledgeable, helpful group. One principal suggested, "Our boards should be professional based, not representative based. I believe they can be both, but it involves the local church boards placing the appropriate individual on the board. This would include individuals wishing to be board members to provide necessary credentials that would qualify them to be on a school board." Another respondent suggested offering "board education," which would enhance the "quality of board member training" (see sidebar on School Board Training on page 34).

School board issues were often related to other problems in a school. One principal wrote: "Staff, parents, pastors, the board and constituents are not of the same mind. Unity is needed." Principals and school boards who collaborated successfully achieved positive outcomes. One principal described a variety of ways that the board had helped improve the school: "We made the shift to including project-based learning in our school as a board-driven initiative. . . . [A] board-appointed Vision Committee is the directing force . . . [with] board sub-committees to improve: spiritual climate, facility, and recruiting and fund-raising."

Relationship With Church Organizations

Conferences/unions were perceived as helpful when they led in "visioning and proactive support." The principals appreciated the following: "Conference-wide education prayer circle, [supporting] many visits to conference churches by staff and student groups. Conference-led 'regional meetings' (5+ per year) with strong school involvement/promotion," and "increased focus on missions and creating opportunities for students to be involved, because of a strong conference-level support and leadership."

One principal expressed concern, however, that conferences try to enforce "one-size-fits-all policies that were made when enrollments were larger. People at levels above that are policy police and do not assist us in utilizing our local resources to their fullest." The principals wanted conferences/unions to think and communicate about Adventist education as a whole, especially in their geographic area: "No one at the conference is willing to make tough decisions or do what is good for the whole. Consolidation of churches or schools never happens, and instead we go way into debt until finally, assets are sold to pay off bad debt rather than to set up endowments to

School Board Training

Eighty-three percent of the North American Division academy principals surveyed said that school board members try to help make their schools a better place, but nearly three-quarters (72 percent) agreed that "lack of training" prevented school boards from being effective. While almost 60 percent (50/85) of the principals felt that the school board at their school had a clear understanding of its responsibilities, two-thirds noted that school boards need more knowledge about new educational and operational practices, and 86 percent said board members needed more expertise in finance, management, and operations.

The majority of responding principals (63.5 percent) agreed that the composition of school boards is not carefully monitored, and 73 percent said that their school did not have established evaluation procedures for staff, principals, and school boards.

Resources for School Board Training

1. Philanthropic Services for Institutions (PSI)

• Designs for Effective Governance (DEG) grants. This is a dollar-for-dollar matching grant of up to $2500 for school board training. An additional $1000 will be awarded one year after completion of the training if PSI receives a short follow-up report showing the impact of the grant. Applications are accepted year round.

• Contact Kristin Priest at http://www.philanthropicservice.com to set up an informal board training session for your school. Kristin and Lilya Wagner travel year round to schools in the NAD to conduct board training.

2. Board Source: http://www.boardsource.com. This is considered the leading organization in nonprofit board management, benchmarking, and best practice. Its site includes many free articles and resources.

3. *The Journal of Adventist Education* School Boards theme issues:

• Volume 62:2 (December 1999/January 2000)
• Volume 66:5 (Summer 2004)
• Volume 70:5 (Summer 2008)

The articles from all three issues may be accessed at the JAE Website (http://jae.adventist.org). Click on "Choose an Index/Search" at the upper right, then select "Issue Indexes," and click on the issues listed above.

strengthen the overall operation."

The principals also expressed the need for schools to be supported from the top levels of the church. One principal commented that "Funding for Adventist education is almost non-existent within the church structure. Every conference reports as part of its contributions to Adventist Education, all of the funds that are collected from parents and remitted to the conference treasury for payroll. The tuition funds should not be included in the accounting for Conference Support of education."

Finally, a number of principals agree with this respondent that they wanted thoughtful oversight: "Certain ones in the conference office intrude or overrule in areas where the expertise is not strong. They also eliminate some strong teaching candidates from the recruitment pool due to what might be rather superficial life-style accusations."

Conclusion

Good scores on the Politics Index were related to school reputation, qualified and engaged teachers, and to the principals' ability to hire and fire staff. These academy principals who responded to this survey valued good relationships with local pastors, wished to have more productive relationships with their school boards, and longed for strong, visionary, financially astute support from the conference/union that would help the whole school system meet current challenges effectively and with financial soundness.

Summary

How are NAD Adventist academies doing?[49] Enrollment is a serious problem for small schools, those located outside of an Adventist Center, and/or those with negative school reputations. AC schools and larger (>200) schools tend to be growing.

Funding is a particularly urgent need in light of the economic downturn. One principal said: "I feel that Adventist education today faces the most serious challenges we have ever faced. We are in danger of losing our system of schools. This sense of urgency needs to be communicated to the rest of the [Seventh-day Adventist] Church at large (not just in educational sectors). It seems that the world church is reluctant to restructure the current system or increase financial support for Education."

This survey found that factors related to better funding included having few constituent churches, positive politics, and operating within the planned budget. The principals identified general funding, staffing, student aid, and facility improvements as significant needs. They lamented that some parents do not see the value of Adventist education, when compared with its financial cost. The principals strongly supported the value of Adventist education and its importance as a church ministry. They recognized that maintaining good teachers is essential to creating good relationships with pastors, school boards, and conferences.

Principals wanted good relationships with pastors, in order to provide mutual support. They also desired well-trained and effective school boards, and conferences/unions that provided macro-level leadership to keep schools fiscally solvent and well-supported.

The principals' responses showed that they viewed Adventist schools as vitally important for the educating of spiritually attuned students. But they also revealed that enrollment, funding, and governance all affect a school's ability to achieve the broader mission of offering a quality Adventist education.[50]

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NOTES AND REFERENCES

1. Conducted in Fall 2010.
2. Since the time of the survey, at least one NAD Adventist academy has closed its doors.
3. An 86 percent response rate.
4. Go to http://alumniawards.org for more information.
5. No other survey results or outside data was used in calculating the results of this survey.
6. http://ccsr.uchicago.edu (2009).
7. All of the data was analyzed using SPSS.
8. These statements were generated in focus groups by AAF in 2009.
9. 66/83.
10. Only statistics that reached $p = .05$ or smaller were counted as statistically significant in this study.
11. $t(93) = 3.277$, $p = .001$.
12. $t(93) = 2.35$, $p = .02$.
13. $r(93) = 0.86$, $p = .00$.
14. $r(60) = 0.31$, $p = .02$.
15. $r(60) = 0.27$, $p = .04$.
16. $r(87) = 0.30$, $p = .01$.
17. 60/92. Although 93 principals responded to the survey, not every principal completed every question. The numbers shown in parentheses in the statistical tests and the denominators of the proportions indicate the number of principals responding to the question(s) being analyzed.
18. 74/85.
19. http://www.cognitivegenesis.org.
20. $t(92) = 1.58$, $p = .12$.
21. $t(71) = 1.80$, $p = .08$.
22. Cronbach's alpha = 0.94.
23. 41/73.
24. Cronbach's alpha = 0.78.
25. $r(50)= -.28$, $p= .05$.
26. $t(76)=.19$, $p=.85$.
27. $r(65) = .47$, $p = .00$.
28. Cronbach's alpha = .74.
29. $r(74) =.54$, $p =.00$.
30. $r(76) = 0.32$, $p = .01$.
31. $t(74) = 2.19$, $p = .03$.
32. $t(76) = .56$, $p = .58$.
33. $r(59) = 0.22$, $p = .09$.
34. 77/91.
35. 74/92.
36. $t(76) = 1.67$, $p = .10$.
37. $r(75) = .46$, $p = .00$.
38. Cronbach's alpha = 0.94.
39. $r(61) = .44$, $p = .00$.
40. Cronbach's alpha = 0.74.
41. $r(71)= .28$, $p = .02$.
42. $r(75) = .31$, $p = .01$.
43. 69/92.
44. 67/83.
45. 69/83 = 83 percent.
46. 60/83.
47. 43/84.
48. 54/85.
49. More research is needed for a better understanding of Adventist schools, including the perspectives of teachers, parents, and other stakeholders.
50. This article focused on reporting survey findings, not on providing recommendations for change. However, AAF and others are actively engaged in developing answers to the concerns mentioned by the principals in this survey.