

Fourth Annual Report of President Harold B. Graves Jr. to the Board of Trustees

FACING THE GIANT

September 23, 2009

Mr. Chairman, Dr. LeBron Fairbanks, Trustees and spouses, fellow cabinet members, distinguished faculty, faithful staff, students, and friends of Nazarene Bible College. It is a privilege to bring my fourth report as President of Nazarene Bible College.

The Gospel writer reminds us “From the fullness of his grace we have all received one blessing after another” (John 1:16, NIV).

I am most grateful for the love the Father has lavished on us and the blessing that we should be called children of God! (1 John 3:1, paraphrased).

I join the Psalmist in exclaiming, “GOD is magnificent; he can never be praised enough. There are no boundaries to his greatness” (Psalm 145:3, MSG).

It is in a spirit of gratitude and praise to our loving, merciful, and magnificent God that I bring this report to you.

The Bible tells us about a giant, who each morning and evening defiantly challenged the people of God with intimidation and insults. When the people of God heard the giant’s taunts they were terrified and lost hope. David, the shepherd boy, heard the taunts and tirade of the giant. When he heard the insults he said, “Who is this giant that he should defy the armies of the living God?” He approached the king and said, “Let no one lose heart on account of this Philistine; your servant will go and fight him. The king replied, “You are not able to go out against this Philistine and fight him; you are only a boy, and he has been a fighting man from his youth.” But David responded, “The LORD who delivered me from the paw of the lion and the paw of the bear will deliver me from the hand of this Philistine.” The king said to David, “Go, and the LORD be with you” (1 Samuel 17:26, 32-33, 37, NIV, paraphrased).

Then the king tried to put his armor on David, but David said, “I cannot be encumbered with someone else’s tools” (1 Samuel 17:38-40, paraphrased).

“Then he took his staff in his hand, chose five smooth stones from the stream, put them in the pouch of his shepherd’s bag and, with his sling in his hand, approached the giant. As he approached the giant, Goliath cried out, ‘Come here, and I’ll give your flesh to the birds of the air and the beasts of the field!’ David said to the Philistine, ‘You come against me with sword and spear and javelin, but I come against you in the name of the LORD Almighty, the God of the armies of Israel, whom you have defied. This day the LORD will hand you over to me. All those gathered here will know that it is not by sword or spear that the LORD saves; for the battle is the LORD’s, and he will give all of you into our hands.’ As the Philistine moved closer to attack

him, David ran quickly toward the battle line to meet him. Reaching into his bag and taking out a stone, he slung it and struck the Philistine on the forehead. The stone sank into his forehead, and he fell face down on the ground” (1 Samuel 17:40, 44-49).

In my annual report to the Board of Trustees, on February 26, 2009, I spoke of the challenges we were facing as a college. The 2008 audit of the college financial records exposed a disturbing trend of operational deficits and investment losses. The administration came face to face with a giant that would require immediate and long-range action.

We faced this giant by managing what we could control. The administration worked as a team to limit expenditures, make personnel cuts, and closely monitor the cash flow. Additionally, we convened a monthly conference call with the Board of Trustees Audit and Investment Committee to assess the progress we were making.

I remind you that we were three months into the fiscal year before implementing any changes to the budget. In February, I reported that we had made progress in controlling the operational budget, but the continuing investment losses, the distribution of unfunded scholarships, and depreciation expense remained a great concern. I stated that it would be most difficult to overcome these deficits in the 2009 budget year. The 2009 audit report confirmed these concerns.

We did our best to recover, but we could not overcome the deficits caused by investment losses, unfunded scholarships, depreciation, and contractual obligations.

As we faced this giant, we could have lost heart and hope. Instead, we committed to face the giant by using the resources available to us and prayerfully depending upon God. We took our sling, picked five smooth stones, and approached the giant.

THE STONE OF GROWTH

The first stone in our favor is the growth in enrollment. The fall enrollment numbers are very encouraging. We have 641 students enrolled in degree programs, which is the largest enrollment since 1978.

While the campus enrollment is down 26 from last fall, the online enrollment is up 64. Additionally, the Ministry Preparation Program has 375 students enrolled, which is an increase of 9 over last fall.

This is the third straight fall semester for record enrollment in degree programs since the college first offered the bachelor’s degree. The enrollment has increased from 505 in 2006-2007 to 641 in 2009-2010. The fall semester billable hours increased from 3,201 to 4,251 during that same time frame.

This fall we have 1,011 students enrolled in a program at Nazarene Bible College. This is the largest fall enrollment in the history of Nazarene Bible College.

We see no indicator that would hinder our optimism about the continued growth of NBC.

THE STONE OF PARTNERSHIPS

The second stone in our pocket is the partnerships we have cultivated. I recently read a book by Steven S. Little entitled, *Duck and Recover: The Embattled Business Owner's Guide to Survival and Growth*.

In the book, Little writes about the advantages of cultivating partnerships:

“As new opportunities present themselves in the form of market vacuums, one of the most obvious ways to take advantage of those opportunities is to partner with other organizations. Partnerships can create synergies or mitigate potential risks. Sometimes they can do both.”¹

Nazarene Bible College has been intentional in developing partnerships with other institutions and mission organizations. These partnerships have opened doors for us that were not available five years ago.

The Salvation Army has become a great partner to NBC. We have worked alongside them to develop courses for their officers. They were very much engaged in writing the curriculum for the courses their officers take. The first group of Salvation Army Officers received the Bachelor's of Arts in Ministry from NBC this year. We are also working with them in the development of a Youth Ministry Major and to put Salvation Army training in Spanish on dCourseWeb.

We have partnered with Olivet Nazarene University in the development of a Master of Arts in Pastoral Leadership. This will be their degree delivered on our online platform. It is designed for pastors currently in the practice of ministry and will be a seamless program for our graduates. ONU will pay a fee for using dCourseWeb and will share any profit 60% – 40% with us. This program has received full accreditation.

We have a similar arrangement with Trevecca Nazarene University. They are developing a Master of Arts in Organizational Leadership and will deliver it online through dCourseWeb.

Caribbean Nazarene College in Trinidad has been a partner with NBC for several years. CNC students take NBC online classes for a small fee. The student is enrolled at CNC and pays tuition to CNC. Two years ago, the government of Trinidad approached the religious leaders of their country and asked the churches to partner with the government in the building of schools. The

¹ Little, Steven S., *Duck and Recover: The Embattled Business Owner's Guide to Survival and Growth*, (Hoboken, New Jersey: John Wiley & Sons, Inc.) page 137

government will place a public school on church property and hire qualified church members to teach. The Church of the Nazarene saw this as a great opportunity. CNC did not have a program or degree to qualify their students to teach. Our Christian School Education Program, which is certified by the Association for Christian Schools International, met the needed requirements for CNC. So, CNC took our program, put it in their catalog, and started offering this degree online without having to add to their faculty.

Over the past couple of years, we have partnered with several Nazarene schools in Africa. This partnership includes providing online technology, training online instructors, and developing institutional websites.

Dr. Winnie Nhlengethwa, Rector and Principal (Nazarene College of Nursing) for the Nazarene Higher Education Consortium in Swaziland, recently participated in the Introduction to Online Teaching class and said:

"I appreciate the literature that was made available through this course. Now, I can safely say my attitude has been changed, and I appreciate what I have learned. I am in a position to lead NAHEC in the right direction. I cannot stop talking about its usefulness to my colleagues even at the national level. I would plead with NBC to help us begin implementing some of our courses online. I think this is what would improve the ministry in Swaziland and make it excel in quality."

The principal of Nazarene Theological College in South Africa, Rev. Mashangu Maluleka, expresses it this way:

"Before our partnership with Nazarene Bible College, Nazarene Theological College was a person who wanted to go to the USA without a Visa, or a driver who wanted to drive to the next city but had no gas. By sharing their online infrastructure and their electronic library with NTC, NBC provided a visa and gas to help us to be in a position to offer education and training beyond man made borders."

The newly appointed Africa Regional Director, Dr. Filamao Chambo, summarized the partnership between Nazarene Bible College and Africa by saying:

"The NBC Partnership with Africa Region has provided our faculty and students with access to online resources and exposed them to the online learning and delivery system of education and learning methods. This prepares them to be efficient in the use of technology and equips them as members of the scholarly network of the 21st Century. Education providers in Africa see the merits of the partnership and are looking for ways to maximize our collaboration with NBC and provide online learning to an even broader number of learners. This partnership is helping the Africa Church by equipping men and women to minister in a world that desperately needs to come to faith in Jesus Christ."

We are currently partnering with Faculdade Nazarena do Brasil, the Nazarene College in Brazil, to deliver online ministerial education in Portuguese. They have a dream of providing ministerial training for all of the Portuguese speaking countries in the world.

Recently, Perlita dela Peret, Principal of South Pacific Nazarene Theological College - Micronesia, spent two days on our campus learning the basic functions of the NBC online program dCourseWeb. Principal Peret commented:

“My two days of going through the system from an administrator's point of view were very helpful. You have such a supportive team in the office. Their willingness to help me was clearly a manifestation of their servant attitude. I am really grateful that I could have access to such a support group. I have seen what the Global Church is like with the way you and your team are working with me.”

SPNTC – Micronesia wants to expand their program to include online education as an avenue for training pastors in the region who cannot easily attend classes at one of SPNTC’s five branch locations. Currently, each pastor must fly to Guam at a cost of approximately \$600 to participate in the MCOS classes. This will provide a tremendous savings to the South Pacific Church of the Nazarene Districts. This online ministerial training program will enable the South Pacific Nazarene Theological College to train more pastors, more quickly, and more thoroughly - for a fraction of the cost.

Nazarene Bible College recently secured the status of being a Service-Members Opportunities College (SOC) and a GoArmyEd college.

SOC is an association of colleges that ensures service members are given sufficient educational opportunities. One of the key factors related to being a SOC college is to help those in the service continue their education during times when they are frequently transferred. With both face-to-face and online classes, a person in the military can continue to take NBC classes and complete a college degree no matter where they are serving in the world.

GoArmyEd provides a way for those on active duty to request Tuition Assistance online for any face-to-face or online class. Being a nationally and regionally accredited college that is military friendly enables NBC to have this status. Other factors that make this especially valuable to those in the military are the unique programs that NBC offers.

We are discovering that many people in the military are interested in getting a Bible college education. We are very pleased to be able to serve those in the military who are providing such a valuable service to all of us.

The Church Residency Partnership provides qualifying students with an in-depth exposure to practical ministry experiences that will enable the student to receive academic credit toward a Bachelor of Arts in Ministry degree. The experiences are to emphasize the student’s ministry gifts and strengths, provide instruction in areas new to his/her experience, and supplement the education received in previous classes. It is expected that the Residency will be near the completion of one’s degree program and will provide additional field experience in the chosen

area of ministry. This partnership between NBC and the local church came to us through the heart and vision of Pastor Mark Fuller and the Grove City, Ohio, Church of the Nazarene pastoral staff.

Nazarene Bible College is committed to cultivating partnerships with other institutions and organizations, which open new opportunities and markets to fulfill our mission, and to serve the Church more effectively and efficiently.

THE STONE OF INNOVATION

The third stone in our pocket is innovation. Innovation has been in the DNA of Nazarene Bible College since its beginning.

The college was birthed by the Church of the Nazarene in 1967 as an innovative program to prepare adults for Christian ministry.

In 1983, the college developed a contextual educational program which focused on training multicultural ministerial students who could not attend a traditional college. This innovative program, now called the Alliance for Ministry Development, was the beginning of a new paradigm for the college. The reach of an NBC education was not limited to the Colorado Springs campus as extension sites sprung up across the country. By 1986-87 extension education centers, no longer limited to multicultural ministerial students, were offering NBC college credit given “on the spot” to students who had never been to the campus in Colorado Springs.

By 1999, the extension centers had become an accreditation liability for the college, and the decision was made to discontinue NBC credit “on the spot” in favor of a portfolio system for academic recognition. It is difficult to gather definitive data determining the impact extensions had on campus enrollment. However, we can conclude that extension education was the beginning of distance education for NBC.

In 1998, NBC launched online education. This innovative program filled the gap left by the decision to limit extension education to a portfolio system and continued a distance education paradigm for the college. Things are quite different today from our humble beginnings in 1998. We now have students from all 50 states and numerous countries around the world enrolled in degree programs.

Innovation has been a key factor in our growth as an institution. Today NBC has arguably the most innovative and progressive online program in the Bible college movement. Our technology and programmers are second to none. We are able to help others because we are the developers and owners of dCourseWeb, the NBC online platform. Today, 11 international and 20 USA colleges, universities, and organizations use dCourseWeb for online education.

THE STONE OF NO DEBT

The fourth stone in our pocket is the college is free of debt. In 2007, the college paid off all debt making us a debt-free campus. Certainly we continue to face financial challenges. Like most colleges we are still recovering from the economic meltdown that undermined even the strongest of institutions of higher education.

The single most damaging aspect of the 2009 audit is the amount of increased liability we have incurred in the defined benefit pension. This is something we had limited control over since we have no control over market losses.

The Audit and Investment Committee has been working with Dr. Don Walter, Director of Pensions and Benefits USA, in addressing the direction of the NBC Defined Benefit Plan and determining the best course of action for this plan. We are most grateful for the work of Dr. Walter and his commitment to advise the college during this transition.

We received word in August that our funding from the denomination would be reduced by \$165,027 or 14.4%. We had previously been notified that we would not receive any capital money from the denomination. Typically this amounted to \$165,000 annually. This means the denomination has cut our funding by \$330,027 or 24.63% this year.

Our budget assumptions were very close to the actual reductions, and we have this decrease accounted for in the budget.

We have accounted for depreciation, and we did not increase salaries for administrators, faculty, and staff for the 2009-2010 fiscal year.

We were able to distribute funded scholarships to 122 students this academic year. We did not allocate any unfunded scholarships.

While we cannot predict, with any degree of certainty, what our investments will do this year, we will respond to the budget with due diligence and efficiency.

The debt-free position of the college enables us to move forward with confidence that we have hope and a future.

THE STONE OF MISSION

The fifth stone in our pocket is our mission. Our mission is clear – we are an undergraduate, professional school of ministry committed to academic and practical programs designed to educate students for service and leadership in a diverse world.

We are a Bible college. The primary mission of a Bible college is to train men and women for a life of Christian servant leadership. A Bible college education does not imply less in substance or significance. While the curriculum is purposeful for practice it is not intended to be inferior in

content or consequence. Our students receive an excellent education in preparation for a life of ministry and service to the church.

NBC has a distinguished and dedicated faculty who are scholars in their discipline and sincere in their devotion to Christ and the Church. Two of our faculty members, Dr. Dan Powers and Dr. Tom King, are writing books for the new Beacon Hill Commentary Set.

We have an impressive list of 120 plus adjunct faculty who teach for us on campus and online. This list is comprised of professors at sister universities, administrators, teachers, pastors, district superintendents, and missionaries.

The Church of the Nazarene has eight excellent regional liberal arts colleges and universities in the United States. The Church has one Bible College that is national in scope. We are the Bible College.

I am most proud of our students. They are the personification of our mission. I have asked three campus students Cheryl Hatcher, Michael Goff, and Jonathan Nells, to briefly share their NBC experience.

CONCLUSION

When David faced Goliath, he refused to be anybody but himself. He was comfortable being a shepherd boy. He would not wear Saul's armor or carry the king's weapons. He would face the giant with his staff and sling because he believed the LORD who delivered him in the past would deliver him from the hand of this giant. So, David took his staff, his sling in hand, his heart of faith, the five smooth stones, and faced the giant.

This I believe, Nazarene Bible College has what we need to face our giants. We know who we are, and we are comfortable with that. We know our strengths and our weaknesses. We believe that the God who delivered David will be with us as we face our giants, for the battle is the LORD's, and he will give us the victory.

I am most optimistic about the future of Nazarene Bible College. The need for and the reach of NBC has never been greater.

Respectfully submitted,



Harold B. Graves Jr.
President