GOVERNMENT AID TO PRIVATE CHURCH-RELATED
COLLEGES IN IOWA AND ITS RELATIONSHIP
TO FINANCING

An abstract of a Dissertation by
Calvin V. French
August 1978
Drake University
Advisor: Dr. Charles Rowley

The problem. During the past quarter-century, federal and
state funds have been made available to private colleges, many of which
are church-related. The problem studied was: the historical and legal
basis on which governmental funds can be used to aid church-related
colleges in light of the doctrine of separation of church and state, the
amount of funds received from federal construction loans and grants and
from the Iowa Tuition Grant program, and the relationship these funds
had to financing in five selected Iowa church-related colleges.

Procedure. A review of literature was made regarding the
historical and philosophical rationale for government involvement in
education including a study of Supreme Court decisions establishing a
basis on which public funds could be used to support church-related in­
stitutions. Five Iowa church-related colleges were selected from which
data were collected through survey sheets, questionnaires, and direct
interviews. Data requested included information concerning federal
construction loans and grants for physical plant improvement between
the years 1951 and 1976 and information regarding direct student aid
received as a result of the Iowa Tuition Grant Program.

Findings. Historically, both the state and federal governments
have been deeply involved in aid to higher education. Guidelines es­
tablished by the Supreme Court have permitted financial aid to flow to
private church-related colleges as well as to the tax supported public
institutions. The data indicated the following:

1. Four of the five colleges in this study had elected to partici­
cipate in federal programs involving construction grants and loans.
2. Between 1951 and 1976, 39 buildings had been constructed,
remodeled, or improved with the use of federal funds on four of the
five college campuses in the study.

3. Out of a total expenditure of $20,016,455, 70.1 per cent ($14,033,508) came from federal construction grants or loans.

4. All five colleges participated in the Iowa Tuition Grant program.

5. During the eight years since the Iowa Tuition Grant Program was initiated, 10,241 students enrolled in the five selected colleges received Iowa Tuition Grants.

6. Between 1969 and 1976 the five colleges in this study received $10,269,357 from the Iowa Tuition Grant program which amounted to 7.5 per cent of the total operating budgets for the years in question.

Conclusions.

1. In spite of the principle of separation of church and state, federal and state financial aid to church-related colleges is permissible if legal guidelines are followed.

2. Physical plants of four of the five colleges in the study were directly benefited by the receipt of federal funds. Physical plant assets increased in net worth by $14,000,000 as a result of federal aid.

3. The Iowa Tuition Grant program supported the five selected private institutions by making available a steadily increasing amount of funds for the operation of the colleges. For the last year in this study, 1976, the totals ranged between 3.4 per cent and 18.0 per cent of the total operating budgets.

Recommendations.

1. It is recommended that federal and state assistance to private church-related colleges be continued in some form.

2. Further study should be made that would investigate the advantages of private church-related education and whether the dual system should be preserved.

3. Further study is needed to determine whether the receipt of federal construction grants and loans, with accompanying use restrictions affected the colleges in terms of what was taught and how it was taught.

4. Research is needed to determine if federally financed construction affected student enrollment and college selection.
GOVERNMENT AID TO PRIVATE CHURCH-RELATED
COLLEGES IN IOWA AND ITS RELATIONSHIP
TO FINANCING

A Dissertation
Presented to
The School of Graduate Studies
Drake University

In Partial Fulfillment
of the Requirements for the Degree
Doctor of Education

by
Calvin V. French
August 1978
GOVERNMENT AID TO PRIVATE CHURCH-RELATED COLLEGES IN IOWA AND ITS RELATIONSHIP TO FINANCING

by

Calvin V. French

Approved by Committee:

Dr. Charles D. Rowley
Chairman

Dr. Richard H. Lampshire

Dr. Richard D. Brooks

Dr. Howard W. Traxler

Dr. Lewis J. McNurlan

Dr. Earle L. Canfield
Dean of the School of Graduate Studies
# Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table of Contents</td>
<td>iii</td>
</tr>
<tr>
<td>List of Tables</td>
<td>v</td>
</tr>
<tr>
<td>List of Figures</td>
<td>vii</td>
</tr>
<tr>
<td>Chapter</td>
<td></td>
</tr>
<tr>
<td>1. Introduction</td>
<td></td>
</tr>
<tr>
<td>Rationale</td>
<td>1</td>
</tr>
<tr>
<td>Statement of the Problem</td>
<td>2</td>
</tr>
<tr>
<td>Questions to be Answered</td>
<td>2</td>
</tr>
<tr>
<td>Limitations</td>
<td>3</td>
</tr>
<tr>
<td>Sample</td>
<td>3</td>
</tr>
<tr>
<td>Research and Methodology</td>
<td>4</td>
</tr>
<tr>
<td>Organization of the Study</td>
<td>6</td>
</tr>
<tr>
<td>Definition of Terms</td>
<td>6</td>
</tr>
<tr>
<td>2. Establishment of the Private and Church-Related Colleges</td>
<td>7</td>
</tr>
<tr>
<td>3. Religious Heritage in Education</td>
<td>28</td>
</tr>
<tr>
<td>4. Selected Constitutional Issues: Separation of Church and State</td>
<td>43</td>
</tr>
</tbody>
</table>

iii
### Chapter

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. <strong>FEDERAL LEGISLATION: PHYSICAL PLANT DEVELOPMENT</strong></td>
<td>65</td>
</tr>
<tr>
<td>6. <strong>STATE LEGISLATION: THE IOWA TUITION GRANT</strong></td>
<td>87</td>
</tr>
<tr>
<td>7. <strong>SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS</strong></td>
<td>102</td>
</tr>
<tr>
<td><strong>BIBLIOGRAPHY</strong></td>
<td>107</td>
</tr>
</tbody>
</table>

### APPENDICES

<table>
<thead>
<tr>
<th>Appendix</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. <strong>CHRONOLOGICAL SUMMARY OF PRINCIPAL FEDERAL LEGISLATION AFFECTING EDUCATION FROM 1787 TO 1968</strong></td>
<td>114</td>
</tr>
<tr>
<td>B. <strong>LOANS AND GRANTS SURVEY SHEET</strong></td>
<td>119</td>
</tr>
<tr>
<td>C. <strong>ENROLLMENT SURVEY SHEET</strong></td>
<td>121</td>
</tr>
<tr>
<td>D. <strong>OPERATING BUDGET SURVEY SHEET</strong></td>
<td>123</td>
</tr>
</tbody>
</table>
LIST OF TABLES

<table>
<thead>
<tr>
<th>Table</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Federal Funds Received by Buena Vista College for the Purpose of Construction of Buildings on the Campus</td>
<td>75</td>
</tr>
<tr>
<td>2. Federal Funds Received by Central College for the Purpose of Construction of Buildings on the Campus</td>
<td>79</td>
</tr>
<tr>
<td>3. Federal Funds Received by Graceland College for the Purpose of Construction of Buildings on the Campus</td>
<td>81</td>
</tr>
<tr>
<td>4. Federal Funds Received by Simpson College for the Purpose of Construction of Buildings on the Campus</td>
<td>83</td>
</tr>
<tr>
<td>5. Federal Funds Received by the Five Private Church-Related Colleges for the Purpose of Physical Plant Development between the years 1951-1976</td>
<td>86</td>
</tr>
<tr>
<td>6. Analysis of Iowa Tuition Grant Money Received by Buena Vista College between 1969 through 1976</td>
<td>92</td>
</tr>
<tr>
<td>7. Analysis of Iowa Tuition Grant Money Received by Central College between 1969 through 1976</td>
<td>94</td>
</tr>
<tr>
<td>8. Analysis of Iowa Tuition Grant Money Received by Graceland College between 1969 through 1976</td>
<td>96</td>
</tr>
<tr>
<td>9. Analysis of Iowa Tuition Grant Money Received by Loras College between 1969 through 1976</td>
<td>98</td>
</tr>
</tbody>
</table>
LIST OF TABLES
Continued

Table

10. Analysis of Iowa Tuition Grant Money Received by Simpson College between 1969 through 1976 ... 99

11. Combined Iowa Tuition Grant Funds Received by the Five Sample Colleges in the Study 1969-1976 101
# LIST OF FIGURES

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Construction Loans and Grants from Federal Sources for Years 1949-50 through 1974-75...</td>
<td>70</td>
</tr>
</tbody>
</table>
Chapter 1

RATIONALE

In Colonial America, education was largely in the hands of religious institutions and supported by public taxation. This was true of most grammar schools and colleges. Since the First Amendment to the Constitution was adopted, the accepted policy in the United States has been the separation of church and state and the result has been the emergence of a dual system of education—public and private—government sponsored, and the other largely church-affiliated, although not necessarily church-dominated. From the middle of the Nineteenth Century until the 1944 Service Man's Readjustment Act, private schools and colleges received scarcely any public funds. Recognition of advantages in the co-existence of the two systems has created a demand for reinterpretation of the church-state separation doctrine. Supreme Court cases in recent years\(^1\) have established guidelines whereby some federal funds can be used to aid private colleges without violating the Constitution. In light of this development, federal legislation has been enacted providing different forms of federal aid to private colleges.

Similarly, various states have provided funds for schools and colleges to be used for special programs. Most private colleges have been recipients of these funds.

Since private colleges must compete for students with government subsidized public colleges and universities, many are facing financial crises. The question may be asked as to whether or not continuing government aid is vital to the preservation of the dual system of higher education. Since the area most crucial to the survival of an institution of higher learning is finance, a study of recent financial aid programs, federal and state, and their influence on financing Iowa private colleges should be useful.

STATEMENT OF THE PROBLEM

The problem is to determine how public funds flow to private colleges and what effect these funds have on church-related colleges in Iowa.

QUESTIONS TO BE ANSWERED

In spite of programs of federal and state aid, the demise of the private church-related college is on the increase. The primary purpose of this study is to determine the relationship between federal and state aid and financing in the church-related college. To ascertain this relationship, the following questions had to be answered. First, what was the historical and legal basis for programs of federal and
state aid to private education in the United States? Secondly, what amount of federal funds had been received by selected Iowa colleges for improvement of physical facilities, and under what programs were these funds granted? Thirdly, what buildings or additions were built with the funds? Fourthly, how many students in the selected church-related colleges received funds from the Iowa Tuition Grant Program, and what was the total amount of funds received by them? Fifthly, what was the relationship of Tuition Grant monies to the total operating budgets of the selected church-related colleges?

LIMITATIONS

Between 1900 and 1945 aid to private colleges was virtually non-existent. The floodgates were opened with the Service Man's Re-adjustment Act, better known as the G.I. Bill, and although extensive student loan programs followed, this aspect of government aid was not considered in the present study. This study was limited to a consideration of benefits received as a result of federal loans and grants to institutions for physical plant development, and direct benefits presently being received through the Iowa Tuition Grant Program.

The study also considered only private, four-year, church-related colleges in Iowa.

SAMPLE

Five Iowa four-year liberal arts colleges were selected as
subjects of the study on the basis of religious diversity, geographic
placement and similarity in size. They are:

- Buena Vista
  Storm Lake, Iowa
  Presbyterian

- Central College
  Pella, Iowa
  Reformed Church

- Graceland College
  Lamoni, Iowa
  Reorganized Latter Day Saints

- Loras College
  Dubuque, Iowa
  Roman Catholic

- Simpson College
  Indianola, Iowa
  United Methodist

RESEARCH AND DESIGN METHODOLOGY

I. Historical Research:

1. Any historical research must necessarily rely heavily on
   secondary source material; thus the researcher has analyzed historical
   studies made by previous investigators.

2. Primary sources were:
   a. Legislative acts of the United States Congress and Iowa
      General Assembly and guideline booklets prepared as supplements to
      the laws. These booklets describe in detail how funds can be secured,
      how used, and what limitations and restrictions they carry.
   b. Reports of the Higher Education Facilities Commission
of the State of Iowa from the date of its inception to the present.

c. Supreme Court decisions because of the effect they have had on legislation and on the administration of funds.

II. Empirical Research:

The following steps were used in determining the relationship of federal and state aid received to the financing of private church-related colleges in Iowa.

1. A letter of introduction defining the research project and introducing the researcher was written by the President of the Iowa Association of Private Colleges and Universities and was sent to schools named in the sample.

2. A follow-up letter and survey sheet requesting information about buildings and additions erected from federal funds, the amount of federal funds used, and the legislative act under which funds were received were sent by the researcher to treasurers and/or business managers.

3. A follow-up letter and survey sheet regarding enrollment figures and the number of students utilizing the Iowa Tuition Grant Program were sent by the researcher to the directors of admissions.

4. Interviews were conducted with administrative officers at each of the selected colleges.

5. Data analysis included:

   a. A list of buildings which were constructed with federal funds and the amount of federal funds utilized by each institution.
b. An examination of the enrollment to discover the number of students receiving funds under the Iowa Tuition Grant Program.

6. Summary and conclusions were drawn from the data analysis.

ORGANIZATION OF THE STUDY

The study is organized in the following manner:

I. Introduction
II. Establishment of the Private and Church-Related Colleges
III. Religious Heritage in Education
IV. Selected Constitutional Issues: Separation of Church and State
V. Federal Legislation: Physical Plant Development
VI. State Legislation: Direct Student Aid
VII. Summary, Conclusions, and Recommendations

DEFINITION OF TERMS

Church-Related Colleges

Church-related colleges are those that have been established by religious denominations and which receive some support from the parent church.

Government Aid

Government aid refers to funds made available to non-public colleges from federal and state tax dollars.
Chapter 2

ESTABLISHMENT OF THE PRIVATE AND CHURCH-RELATED COLLEGES

The use of public funds for the aid and support of higher education has been a generally accepted fact of life. The propriety of such involvement, particularly by the federal government, has been debated, but, as a rule, not seriously questioned. Robert Andringa, minority staff director of the Committee on Education and Labor of the United States House of Representatives, stated the following point of view:

"The states have been given, under the Constitution primary responsibility for public education, and colleges should not look to the federal government to satisfy their basic needs."1 Roger Freeman of Stanford University disagrees. In discussing college finance, Freeman, whose books on financing the public schools attracted wide attention and favorable reviews, has written that the question whether we ought to have federal aid to education comes far too late, that we have long had it in large amounts, and that "the only appropriate subject for discussion . . . is how much of it we should have and in what form. Opposition

1 Robert C. Andringa, "The View From the Hill: Is Congress the Problem or the Solution?", Change, VIII (April, 1976), 26.
to federal aid [is] as unrealistic as a moral assault on the multiplication tables." Freeman says of education that it is America's largest "growth industry" and suggests that financing the growth of education is one of the more urgent public issues and inevitably enveloped in controversy. Freeman was primarily addressing the problem of finance for public institutions, but to some extent his statement can be applied to the companion question of government aid to private educational institutions as well. The following figures taken from the 1977 Report of the Carnegie Council on Policy Studies in Higher Education (hereafter referred to as the Carnegie Report) will illustrate this point. In 1976-1977 nearly twenty-four billion dollars were made available from state and federal tax revenues for public institutions of higher education and another four billion dollars were allowed in tax exemptions. During the same period, three and one half billion dollars were provided for the support of private institutions of higher learning and two and one half billion in tax exemptions.

In spite of lingering suspicion that governmental aid to church-related institutions is unconstitutional, public funds have found their way to these schools and colleges under various state and federal

---

1 Roger A. Freeman, Crisis in College Finance (Washington: The Institute for Social Science Research, 1965), pp. 139-40.

2 Ibid., p. v.

programs. Although the controversy continues, educators of national stature have been declaring both practical and ideological justifications for such support. For example, Robert M. Hutchins said at a University of Chicago conference in 1962 that he favored "federal aid to anybody who will do a sound educational job," and Hutchins specifically included aid to parochial schools.\footnote{Leo R. Ward in his book \textit{Federal Aid to Private Schools} names a number of educators who support Hutchins' point of view including such persons as Professor Francis W. Rogers of Harvard University and William Brickman, professor of the history of education at New York University.\footnote{\textit{Ibid.}}} These names are merely used to indicate that there are those who advocate government aid to private and church-related schools, particularly on the college level, and also to indicate that a problem does exist relative to the church-state controversy and financing of church-related colleges.

The "wall of separation" between the church and the state is a cherished ideal in American political philosophy. But the wall as conceived by Thomas Jefferson when he coined the phrase was probably never intended to be, nor is it now, solid. Supreme Court Justice William O. Douglas stated an historical fact as well as a philosophy when he wrote: "We are a religious people whose institutions presuppose

\begin{footnotesize}
\footnote{Leo R. Ward, \textit{Federal Aid to Private Schools} (Westminster, Md.: Newman Press, 1964), p. 3.}
\end{footnotesize}
a Supreme Being."¹ Religious references tend to permeate our national documents and traditions, and it is probably correct to assume that the separation required by the First Amendment to the United States Constitution is a matter of degree. The present practice of the government includes many aids to religion. The government provides chapels and chaplaincies for the armed forces and United States military academies, provides for worship in penal institutions, gives tax-exempt status to religious institutions and tax deductions for contributions to churches and church-related schools. The Hill-Burton Act provides government assistance to church-sponsored hospitals, orphanages, and homes for the aged. Chaplains to the Congress and to state legislatures open those sessions with prayer, and words referring to God and divine providence remain in the national mottos and anthems. Government assistance is available in many states to church-sponsored schools in the form of the school lunch program, auxiliary aids, textbooks, and transportation. The government pays tuition for Congressional pages to attend parochial schools if they so choose. Programs of federal and state aid to colleges and universities which are sponsored by or somehow affiliated with religious societies will be discussed at length in later chapters.

The fact is that the government is involved with religion in many ways, which would indicate that the wall as it presently exists

¹ Zorach v. Clauson, 343 U.S. 306 (1952) at 313.
operates as a limit to the kind and amount of aid which can be made available. These limits must be addressed in any serious study of government aid, whether from federal or state sources, and the financing of the church-related college.

The public-private duality is one of the outstanding characteristics of American higher education. Education in this country had its origins in religious-oriented institutions, and for many years the majority of schools and colleges were non-state and non-public. 1 This religious heritage in American education will be discussed in Chapter 3. And at the present, a significantly large number of church-sponsored schools and colleges still exist.

Because of their conviction that education is important in preserving democracy, the American people, on the whole, favor a quality education system of public schools and colleges. 2 Although education is not specifically mentioned in the United States Constitution, the "general welfare" clauses imply that public education should be advanced. 3 With the establishment of the state universities and the addition of the seventy-one land-grant colleges as a result of the Morrill

---


Act of 1862 (both of which have thrived and, since World War II, rapidly expanded), the American people have been presented with a dual system of higher education, public and private, each contributing in its peculiar way to the national welfare.

A related purpose of this study was to evaluate the contribution which private colleges have made to our educational system of higher learning. Some of those arguments which have been used to justify federal and state aid to private education, specifically to the church-related colleges, will be presented as an aid to understanding the issues.

The church-related institution plays an important part in higher education in terms of numbers alone. In the mid-1970s 9,215,000 students were enrolled in 2,738 colleges and universities in the United States. Of these institutions 1,008 are junior colleges, three-fourths of which are public. Four hundred forty-six (446) are public four-year institutions which include the state universities. More than half of all the institutions are private (1,528), and half of these (782) are church-related or controlled. Many if not most of these institutions have benefited from public funds; what relationship these funds may have to the financing—perhaps even survival—of these schools needs to be explored, as well as on what basis public support

---

1 F. Thomas Trotter, "One of our Colleges is Missing," Liberty, LXX (November-December, 1975), 10.
can be justified.

Dr. Edgar M. Carlson in his document on public policy and church-related education suggests that the interests and functions of the government and the church overlap, and if no church existed, the state would be pushed into the areas of human rights, welfare, social justice and order, and educational and religious liberty. Since they both exist and are involved in the same interests, he argues, church and state must learn not to be competitive, but supportive as they function together.¹ The church benefits the state in the following way:

... [it] encourages responsible citizenship and government service, contributes to the common judgment concerning what values and ideals should be reflected in public policies, champions civil and human rights, and generally stands guard against any invasion of human dignity and worth.²

On the other hand, the state benefits the church:

... The state protects and ensures religious liberty, assumes an attitude of 'wholesome neutrality' as between religious bodies, acknowledges that persons have rights which the state does not create, but which inhere in their being persons, and provides 'incidental benefits on a non-preferential basis in recognition of the church's civil services which are also of secular benefit to the community.'³

Although a majority of the college-educated American people are trained in government-sponsored colleges, a significant number of


²Ibid.

³Ibid.
people receive their education in private institutions, many of which are sponsored by religious organizations. F. Thomas Trotter, writing in Christian Century magazine, presents these generalizations:

As recently as the turn of the century, private institutions were the center of the college and university system in America. . . . At the close of the postwar period, the majority of our college and university graduates came from private, mostly church-related, institutions. Today, the constituencies have been reversed: 25 per cent of the graduates are from the private sector while a whopping 75 per cent receive their degrees from large public institutions. 1

The Report of the Carnegie Council on Policy Studies in Higher Education puts the enrollment figures in private institutions at 2,364,375, or roughly twenty-one per cent of the total number of students enrolled in both public and private institutions during 1976. 2

Because of rising costs and the present program of public assistance to government-sponsored state universities and colleges, causing a widening of the cost-differential, private schools are suffering greatly. Many are going out of existence, and others are in serious jeopardy. According to Trotter, between January 1, 1970, and September, 1974, seventy-one private colleges disappeared. Fifty colleges closed operations, fifteen merged with other institutions, and six converted to public ownership. 3 The Carnegie Report records that during the 1960s and early 1970s the private sector went through a difficult

1 Trotter, op. cit., p. 10.


3 Trotter, loc. cit.
time and those institutions which were able to hold their own did so partly due to increasing state and federal government responsiveness to the new need of the private sector for financial support. ¹

At its 1970 convention, the Lutheran Church in America called upon its Board of College Education and Church Vocations to explore present trends, problems and possibilities, including programs already developed in some states and other programs being considered at the state and national levels. In his report, Dr. Carlson, then Executive Director of the Minnesota Private College Council, warned that unless some rather fundamental changes were made in public policy, it was possible that private colleges would cease to exist altogether. ² Concern over the future of private higher education led to the preparation in recent years of other reports and studies relating to the question of public policy and private higher education. A number of these reports are listed in the 1977 Report of the Carnegie Council, previously cited, which has expressed a continuing interest in the welfare of the private sector of higher education. They include a volume of essays edited by David Breneman and Chester Finn of the Brookings Institution; a report by a special task force of the Education Commission of the States, chaired by Governor Otis R. Bowen of Indiana and summarized in Education Commission of the States (1977); the report by

²Carlson, op. cit., p. 7.
the Consortium on the Financing of Higher Education (1975); the report
of the New Jersey Commission on Financing Post-Secondary Education
(1976); and others. 1

has issued a number of other reports on the subject. In the preface to
its 1977 report, a summary of recent documents is given:

In *More Than Survival* (1975), we expressed concern for
the 'health of the private sector,' spoke of it as 'one of the
main sources of strength' of higher education, and regretted
that 'the rules of the game are now too often unfair to the
private sector.'

In *The Federal Role in Postsecondary Education* (1975),
we recommended an expansion of the State Student Incentive
Grant (SSIG) program of the federal government and pioneered
in proposing a federal program of tuition equalization grants.

In *Low or No Tuition* (1975a), we were concerned with the
tuition gap between private and public institutions.

In *The States and Higher Education* (1976), we set forth,
as one of our five major concerns, the preservation of the
private sector. We noted its great contributions to diversity
and to excellence. 2

The foregoing references are used to indicate that there is an
awareness that the financial situation of many private institutions of
higher education is precarious and various efforts have been made to
provide assistance. The effectiveness of federal and state programs
is yet to be seen, although the researchers responsible for the Carnegie
Report suggest that in 1976-1977, the private sector appears to be hold-
ing its own financially, but "with great variations among institutions

---

1 *The States and Higher Education*, *op. cit.*, p. x.

2 Ibid., p. ix.
and with a possible reduction in the quality of some facilities and some programs. "1

Arguments in favor of the rescue of the private sector are impressive. Dr. Carlson's document presents the social benefits accruing from private education. He suggests that because of their ideological and religious influence, church-related colleges provide more than their share of graduates who go into service-oriented professions and occupations, by providing an environment which encourages Christian dedication. These schools have also had particular success in the area of liberal arts and general education, according to Dr. Carlson, who also feels that statistics seem to indicate that the small colleges contribute disproportionately to the education of minorities, a particularly potent argument in light of the fact that problems of poverty and related issues of race and personal opportunity and crime resolve themselves in large measure into problems of education.2

Another argument relates to the cost of shifting private facilities to the public sector. For example, as a result of transferring the University of Chattanooga from private to public support, the state of Tennessee had to pay $3,052,000 to educate 2,300 students which

1 The States and Higher Education, op. cit., p. 2.

2 Carlson, op. cit., p. 13, 19.
had cost the tax-payer nothing in the previous year.\footnote{John S. Diekhoff and Ida Long Rogers, \textit{A Study of Private Higher Education in Tennessee} (Nashville: Tennessee Council of Private Colleges, 1970), p. 15.} Another state study reported 16,000 vacancies in private colleges and universities while at the same time three new universities were being built in the same state at public expense.\footnote{Carlson, \textit{op. cit.}, p. 11, n.}

The diversity argument suggests that the private sector reflects a rich variety of backgrounds, cultural traditions, values and ideals, and that these meaningful and valuable differences enrich the field of American higher education. This may be due partly to the fact that private institutions are free, as state-sponsored schools are not, to define their purposes and goals, and are free to choose means to achieve these goals.

Robert C. Andringa states yet another argument for the preservation of the private sector:

The battles between public and private institutions ... should yield to a unified defense of the need for a strong, competitive independent sector--not just for the well-known reasons of diversity, choice, smallness, and the rest, but because an indispensable private sector is the best protection against bureaucratic control by unsympathetic agencies.\footnote{Robert C. Andringa, \textit{op. cit.}, p. 30.}

The private schools are generally of modest size and are thus
able to provide direct contact between faculty and students in smaller classes. Because of their concern for general education, these schools have established a relatively good record in motivating students -- including minority and disadvantaged students -- to achievement. The freedom of the private school to take independent action often provides distinctive programs which cannot or will not be duplicated in the public sector. The resulting flexibility makes innovation possible for our changing times much more readily than in the public institutions. In recognition of the unique role which the private institutions of higher learning can play in the field of American education, Allen Cartter, chancellor of New York University, suggests that states must assume responsibility for planning the future growth of higher education within the context of all existing resources of the state.\(^1\) A recent study reports that twenty-seven states have state-wide coordinating committees or boards, many of which specifically include the private colleges in the concerns and powers of the agencies. There are consolidated governing boards in nineteen states, and in some areas the report shows widespread cooperation among private and public institutions.\(^2\) In the


\(^2\) Carlson, op. cit., p. 12.
words of Dr. Carlson, "the opportunity for students to choose between
a variety of institutions should be protected and encouraged." Un-
fortunately, many have to choose on the basis of cost and not on the
basis of educational programs.

These practical benefits which have just been mentioned are
inherent in the existence of private colleges and universities and have
value for the nation as a whole. There are other arguments beyond
these which go to the actual value of a religious-centered education
which should not be entirely ignored. Some of the reasoning behind
Roman Catholic preference for parochial school education is valid to a
large number of Americans of other faiths as well, and a great deal of
literature exists on the subject of religion and the nation's schools.
Joseph F. Costanzo, who presents the Roman Catholic point of view
in his book This Nation Under God, argues than an education totally
devoid of religion is not only defective, but bears within it a secular-
izing process as to the meaning of human existence which is harmful
to the individual and to society. He cites no less a figure than Thomas
Jefferson as holding the same point of view.

1 Carlson, op. cit., p. 19.


3 Ibid., p. 77.
The right of parents to choose a religious-oriented education for their children has been upheld by the Supreme Court of the United States in Pierce v. Society of Sisters,\(^1\) providing an alternative for those who believe as David Beggs and R. Bruce McQuigg propose in their study of America's Schools and Churches, that the public school unwittingly operates on an ideology of secular humanism which can never be a substitute for religion nor its equivalent.\(^2\) Costanzo points to the fact that the American republic is not strictly a secular state, historically or philosophically, that it was conceived "under God" with a religious view of human rights and the purpose of government itself.\(^3\) Such view is evident in our early history and is a vigorous tradition even to this day, as nearly every modern American president has affirmed in private or public utterances. Some of those utterances will be documented in Chapter 3 of this study. Since democracy is a system of ethical and moral values, goes the argument, these must be transmitted from generation to generation. Costanzo continues by suggesting that many of these values which we hold to be "self-evident," have their basis in religious thought and if the dissident or the non-believer

\(^{1}\)268 U.S. 510 (1925).


\(^{3}\)Costanzo, op. cit., p. 98.
demands that the educational process be insulated from religious values and references, "he brings about an establishment of his own ultimates ... which believers find offensive." ¹

If this position is not wholly acceptable to the majority, at least it must be recognized, and that minority which espouses a religious-centered education has every right to so choose, and this goes to the very heart of the right of free exercise of their religion. In this light, the existence of an alternative to secular education ensures the free exercise guaranteed by the First Amendment to the Constitution.

Dr. Carlson suggests an additional reason why private education in America is worthy of protection other than for certain educational benefits which may or may not obtain. The public-private way of providing public services, said Dr. Carlson, is a part of the American way of doing things. Although some countries have adopted the philosophy that only those things should be done under private control which cannot be done under public auspices, this is not generally considered the democratic way. He argues that this private-public dichotomy may be the distinctively American contribution to modern society. ²

The very existence of alternative systems has an invigorating effect on American education, according to Arthur A. North, Dean of

¹Ibid., pp. 20-22.

²Carlson, op. cit., p. 11.
the Graduate School of Fordham University, who believes that competition is itself an active stimulus to progress. In his opinion, the dichotomy ought to be preserved: "It has been an American belief, almost an American dogma, that fair and honest competition perfects the product and aids the consumer."¹ Although Dr. North does not confine this implication of benefit to higher education alone, he points out that state universities are perhaps better educational institutions "precisely because large private institutions exist. Both types of university have improved as a result of this competition."² In spite of federal and state aid to private institutions, the state colleges and universities have grown, have attracted better students, raised academic standards, and become recognized as leaders in the field of higher education.

In a 1971 White House Meeting of the President's Commission on School Finance and Panel on Non-public Education, President Nixon declared his views in favor of the two sectors. He felt that non-public schools of this nation should be continued and should receive public funds within the limits of the Constitution. He supported non-public schools at all levels as essential for the welfare of the United States to maintain a pattern of diversity. One member of the group which

² Ibid.
attended the White House meeting, William E. McManus, director of education for the Archdiocese of Chicago, quotes the President as saying that he was appalled by the very thought that there could be a monopoly of education either by the government or by a church.\footnote{William E. McManus, "Hopeful Signs in Contemporary School Law: An Educator's View," \textit{Proceedings--Seventh National Meeting of Diocesan Attorneys}, May 1971, p. 80.} He cited existing financial pressures on public schools as one valid reason to aid private education in its role of educating large numbers of American students.

Dr. North also advocates diversity in his attack on the argument that democratic unity requires universal education at the public institutions. In view of the pluralistic nature of society in this country, he argues, uniformity is neither required nor desirable. Our democracy must tolerate and cherish great diversity in race, religion, and national origins.\footnote{North, \textit{op. cit.}, p. 46.}

While unity is a desirable attribute, it does not follow that unity comes as a result of standardization of education. In striking down as unconstitutional an Oregon statute which would have required all children to attend a public school, the United States Supreme Court said: "The fundamental theory on which all governments in this union repose excludes any general power of the state to standardize its children by forcing them to accept instruction from public teachers..."
only. "Uniformity in any area of culture and human life is not necessary nor is it necessarily healthy. The strength, freedom, and greatness of our nation may proceed from the presence and contributions of the many: *E pluribus unum*, says Dr. North, should not be forgotten.

Thus to grant a monopoly to the government in the field of education would be to impoverish American culture, if one agrees with the arguments propounded by these educators, and would rob some people of service to the public welfare which in the minds of many has been particularly fruitful and rewarding. If the American dual system serves the public interest, gives some measure of protection to the free exercise of religious belief, and preserves a freedom of choice, it deserves our protection and aid.

President John F. Kennedy said in a special message to Congress: "Our progress as a nation . . . will require the maximum development of every young American's capacity. The human mind is our fundamental resource. A balanced federal program . . . must include equally determined measure to invest in human beings . . .

Our twin goals must be: a new standard of excellence in education—and the availability of such excellence to all who are willing and able

1 Pierce v. Society of Sisters, *op. cit.*, at 553.

2 North, *op. cit.*, p. 47.
Along these same lines Freeman Butts has said: "A free society knows its surest foundation rests on the liberal education of the people available freely and equally to all from the elementary to the highest university." The practical application of the educational system and philosophy of former years was to provide some education for all, and much education for a favored few. The democratic educational goal differs. It is necessary to provide as much education as possible for all to maintain freedom in an industrial society, and to keep society from being managed and controlled by relatively few. This ideal is evident in the tradition of public support of education.

If one accepts the proposition that education must be promoted to the maximum extent, can the secular function of church-sponsored schools be divided from the religious? If so, how shall education be promoted so that like oil and water, the two do not mix? When considering the question of financing the church-related private colleges, it is necessary to decide how much the government can be involved. The answer will be found in those guidelines which have been established by the courts. Why this question should be given so much

---

1 Costanzo, op. cit., p. 223.

importance is the subject of the next chapter. It has to do with American heritage and religious freedom.
Chapter 3

RELIGIOUS HERITAGE IN EDUCATION

Whether for reasons of diversity or economics, if it is determined that the dual nature of the American system of higher education should be preserved, continuing financial aid from public funds will be necessary, according to authorities cited in the preceding chapter. How past and present programs of federal and state aid have affected church-related college financing, at least in the selected Iowa samples, will be discussed in succeeding chapters.

However, whatever programs of financial aid are to be forthcoming must be orchestrated so as to be compatible with the Constitution of the United States, which requires the separation of church and state. Any attempt to understand the principle of separation of church and state must be made with a full appreciation of the religious heritage which has been at the foundation of most of the social institutions, honored by their leaders, and devoutly believed in by a majority of the American people. This chapter will include a look at the nature of religious freedom as it developed in this country.

No matter what motives actually brought the colonists to these shores, the freedom to worship according to the dictates of
conscience was usually the one that was stated as most important. The Mayflower Compact, signed in November of 1620, contained the statement that the Plymouth colonists came to these shores to find freedom to worship God. However, once the colonists crossed the ocean, they were less willing to grant the same freedom to others. Many of the colonies became strong centers of one particular faith which was honored by favored privileges for the faithful and often supported by local taxes and donations of land. Those who dissented were driven out or punished in some other manner. At one period only the colonies of Delaware, Rhode Island and Pennsylvania did not confine civic privileges to membership in a particular church.\(^1\)

The Puritans of the Massachusetts colony zealously allowed only church members to vote, and the congregations themselves decided who could join the church. Maryland was another case in point. The colony was established by Lord Baltimore as a refuge for Catholics who were not allowed to hold office in some of the other colonies. Unfortunately, the era of tolerance in Maryland lasted only until 1685 when fearing that a Catholic-Indian pact meant a Protestant massacre, Protestants felt that suppression was their only chance of survival. Jews were allowed to hold office only in Rhode Island, New York, New

Jersey, and Virginia. Intolerance was more generally the rule than was religious liberty, and persecution was not uncommon.

However, there were many attempts to solve the problem which diversity had created. Roger Williams, who had openly advocated religious freedom and subsequently been expelled from Massachusetts as he had previously been driven from England, founded the colony of Rhode Island as a haven for dissenters. His philosophy embraced the church as only one of many social institutions, and not as a divine plan with a divine right to rule. Popular sovereignty, said Williams, was the foundation for government. The Code of Laws of the First General Assembly of Rhode Island provided for freedom of conscience. To quote the eminent American historian, George Bancroft, no persecution of any religious opinion was permitted, and heresy "was unharmed by law and orthodoxy unprotected by penal statutes." In Rhode Island, religious liberty had been established by the separation of church and state.

The first act of Religious Toleration had been passed by the Maryland Assembly in 1649 and contained these words: "No person . . . shall be in any way troubled . . . for his religion." This toleration was short-lived in Maryland, but it was a hopeful sign and

1 Alvin W. Johnson and Frank H. Yost, Separation of Church and State in the United States, (Minneapolis: University of Minnesota Press, 1948), p. 25.

2 Ibid., p. 2

3 Ibid., p. 3.
potent of better things to come.

Progress in the colonies toward a single nation and growth toward independence made religious toleration necessary. Twenty-two days before the Declaration of Independence was signed, the Virginia House of Burgesses adopted a Declaration of Rights saying:

"Religion . . . and the manner of discharging it, can be directed only by reason and conviction, not by force or violence; and therefore all men are equally entitled to the free exercise of religion according to the dictates of conscience." Further steps were taken to divorce religion from the state. Shortly after the signing of the Declaration of Independence, the Virginia General Assembly effectively dis-established the Episcopal Church, rejected payment of state funds to the Episcopal clergy, and disapproved ecclesiastical establishment or support of any kind as being prejudicial in favor of the Christian faith, and thus no equality at all. And in 1785 the Virginia Act for Establishing Religious Freedom, written by Thomas Jefferson, was passed in opposition to a measure which attempted to require tax support for not one, but for all denominations.

Although sectarian interests were paramount for a time, the demands of the infant nation for unity and equality required greater tolerance. Article Six of the United States Constitution provided that

---

1Ibid., p. 4.
no religious test could be required as a qualification for any office of public trust. However, this clause granted religious freedom only by way of a negative implication, and many states refused to ratify the Constitution until a more positive statement of liberty was guaranteed. Their demand was met in the Bill of Rights which was being prepared at the same time that the states were in the process of ratification.

The First Amendment stated: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof."

The new nation rightly interpreted this as assuring more than mere tolerance; religious liberty and equality now were protected political rights.

So religious freedom came with independence. The First Amendment is stated as a prohibition on only the federal government—"Congress shall make no law . . .," but the courts have established that by way of the Fourteenth Amendment, the prohibitions and guarantees in the Bill of Rights apply to the several states as well.¹

The constitutional guarantee amounts to this: Neither the United States Congress nor the state or territorial legislatures may pass any law 1) relating to the establishment of religion, 2) compelling support by taxation or otherwise of religious instruction, 3) by compelling attendance

at religious worship. 4) restraining the free exercise of religion according to the dictates of one's own conscience, 5) restraining the expression of religious belief. 1 The last two provisions concerning free exercise and expression are subject to the conditions that the public peace may not be disturbed, others obstructed, or the obligations of good citizenship violated. 2 These religious liberties have been the subject of judicial interpretation down to the present day, and an appreciation of them is vital to an understanding of government aid to education because of the limitations they place on the kind of involvement available to private and religious institutions.

The church had played an important role in education in colonial America as well as in politics. The principle of religious freedom now guaranteed in the national and in subsequent state constitutions was to have a profound effect on the educational system as it then existed.

In the days of the Roman Empire education had been considered a civil function, but in the Old World from which the colonists had so recently come, education was in the hands of the church and various church orders with few exceptions. 3 The prevailing attitude in this

1 Beggs and McQuigg, op. cit., p. 7; Johnson and Yost, op. cit., p. 14.

2 Johnson and Yost, op. cit., p. 13.

3 Ibid., p. 20.
New World was that education was the responsibility of the family and the church. The parish minister was in charge of the school, acted as its "superintendent", selected the teachers, and the subjects to be taught. If money were scarce, he was also the teacher. The school was sponsored and supported by the church and the subject matter was religious in orientation. The purpose of the colonial elementary school was to teach children to read the Bible and the catechism, and the purpose of the grammar schools and academies was to prepare ministers and lawyers. The colonists believed the Bible to be revelation and the source of truth and salvation. A Massachusetts act of 1642 provided that the purpose of its schools was to teach children to read and understand the principles of religion, the laws of the land, and "to engage in some suitable employment." In contrast to today's emphasis on the broad acquisition of knowledge, vocation-related skills, and the development of the child as an individual, education was regarded by most sects at that time as a necessary support of religion. The Massachusetts state constitution stated that its avowed purpose was to maintain public Protestant teachers of piety, religion and morality, and for the public institution of worship of God.

---

1 Beggs and McQuigg, op. cit., p. 7.  
2 Ibid., p. 41.  
3 Johnson and Yost, op. cit., p. 20.  
4 Beggs and McQuigg, op. cit., p. 40.
Public schools were sectarian, and so were the colleges. There were eight colleges established before the Revolutionary War, and most reflected specific denominations; all were liberal arts institutions. Six years after the settlement of Boston, in 1636, the city fathers voted six hundred pounds toward the erection of Harvard University, to be under Puritan auspices, and variously referred to as a "seminary," a "college," and as the "School of the Prophets," and the Latin grammar schools of Boston served as prep schools for Harvard College.

In Virginia, the College of William and Mary was established in 1693 under Anglican auspices and control, and the religious impulse was the chief motive in establishing Yale University, another Puritan institution "for publick employment both in Church and Civil State." Princeton was established as a Presbyterian college, King's College (now Columbia University) was Anglican, Brown University was Baptist, Rutgers was Dutch Reformed, and Dartmouth, originally called Moor's Indian Charity School, was founded for the purpose of educating and converting the Indians to Christianity. The first completely secularized university did not appear until the establishment of the University of Virginia in 1825. The University of Michigan followed in 1837.

1 Johnson and Yost, op. cit., p. 19.
2 Ibid.
3 Ibid., p. 29-30.
After the Union of the states, the Constitution prohibited the government from establishing a church, but it did not prevent the states from giving special recognition to particular denominations.  

One author says of colonial education that it was a peculiar blend of the public and private, classical and vocational, religious and secular. After the ratification of the Constitution and the Bill of Rights Thomas Jefferson made his famous interpretation of the religion clause as raising a wall of separation between church and state. However the separation principle at the time was not conceived as eliminating religious influence from government sponsored education, but eliminating sectarian instruction in response to the new religious freedom concept. Jefferson believed that the state must jealously guard against religious denominationalism, not against religious reference and inculcation. He is quoted as saying that a totally non religious education is a defective one. Jefferson was against sectarian favoritism but he favored religious studies, as may be seen in his carefully detailed accommodation


of religious studies in the establishment of the University of Virginia with its use of university facilities by various religious denominations, even those whose philosophies he disparaged in private correspondence. As Rector of the state university, his plan allowed each sect to establish a professorship of religion to provide instruction in their tenets offering easy access to lectures and the university library. He labored equally for the free exercise of religion in education as he had labored for equality of religious freedom for all creeds. This should be remembered in light of the fact that Jefferson is often quoted to support the proposition that religion should be totally divorced from education. The following are direct quotes: "Religion is the Alpha and Omega of the moral law." "Can the liberties of a nation be thought secure when we have removed their only firm basis, a conviction in the minds of the people that these liberties are the gifts of God?" Jefferson's "wall" of separation was not for the protection of education from religion, but from sectarian discrimination, and a protection of the free exercise principle.

There is no question as to the importance of religion in the minds of the nation's leaders. It is necessary to quote only a few.

---


3 Quoted by Costanzo, op. cit., p. 116.
George Washington said: "Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports... reason and experience both forbid us to expect that national morality can prevail in exclusion of religious principle."\(^1\)

John Adams listed the qualifications for presidential office in his First Inaugural Address: "... a love of science and letters and a wish to patronize every rational effort to encourage schools, colleges, universities, academies, and every institution for propagating knowledge, virtue, and religion among all classes of people, not only for their benign influence on the happiness of life in all its stages and classes, and society in all its forms, but as the only means of preserving our Constitution from its natural enemies..."\(^2\)

This concern for religious principles and influence in the life of the United States continues to the present day. In 1939 President Roosevelt said in his Annual Message to Congress:

Storms from abroad directly challenge three institutions indispensable to Americans, now as always. The first is religion. It is the source of the other two--democracy and international good faith. Religion, by teaching man his relationship to God, gives the individual a sense of his own dignity and teaches him to respect himself by respecting his neighbors... An ordering society which relegates religion, democracy and good faith

---

\(^1\)Quoted by Costanzo, Ibid., p. 114.

\(^2\)James D. Richardson, ed., Messages and Papers of the Presidents 1789-1897, I (New York: Bureau of National Literature, 1897) p. 221.
among the nations to the background can find no place within it for the ideals of the Prince of Peace. The United States rejects such an ordering, and retains its ancient faith.¹

Many, if not most leaders have voiced the same deep conviction as to the importance of religious faith in our heritage. These words of President Eisenhower are illustrative: "Without God there could be no American form of government nor an American way of life ... Thus the Founding Fathers saw it: and thus, with God's help, it will continue to be ... Each day we must ask that Almighty God will set and keep His protecting hand over us so that we may pass on to those who come after us the heritage of a free people, secure in their God-given rights and in full control of a government dedicated to the preservation of those rights."²

These statements indicate the deeply ingrained religious heritage which pervades political thought. They are used to emphasize the difficulty in attempting to separate religious beliefs from American institutions. Horace Mann, who is called the father of our public schools, although a crusader for non-sectarianism, favored religious instruction "to the extremest verge to which it can be carried without


²Costanzo, op. cit., p. 48.
invading those rights of conscience which are established by the laws of God and guaranteed to us by the constitution of the state. "1 He favored not one religious view, but moral teachings of truth, honesty, love and justice, advocating the use of the Bible as a reader if done without commenting on it. But while hostile to sectarian rivalry, hostility to religion in schools was to him unthinkable.

As late as 1951, the New York Board of Regents issued a statement advocating the use of religious exercises to help insure the American freedoms and way of life. The opening line in their "Statement on Moral and Spiritual Training in the Schools" said, "Belief in and dependence upon Almighty God was the very cornerstone upon which our Founding Fathers built." 2

Secularization of the nation's public schools was gradual. The expansion westward called for a less refined, less classical education; western schools were less concerned with the Bible and more concerned about mathematics and literature, with a new emphasis on the practical arts and sciences. There was less money available, less time, and fewer teachers, and formal schooling often had to take a back seat, and so theological instruction was a luxury they could not often afford. 3

---

1Ibid., p. 102; Beggs and McQuigg, op. cit., p. 43; Robert Ulich, "The Schools and Religion, The Historical Present," Foundations of American Education: Readings, op. cit., p. 239.

2Costanzo, op. cit., p. 89.

3Beggs and McQuigg, op. cit., p. 42.
There were changes in the East as well. To accommodate the mass migration into the East which was diluting the hitherto homogeneous communities, new skills were needed to assimilate the new Americans into the work force of industry and commerce. Material gain became of greater immediate concern than the "glories of the hereafter." Schisms in denominations brought about a proliferation of sects so that non-sectarianism was desirable in providing for a greater national unity, and to prevent perpetual division among the people, although there was great fear among the denominations that such would weaken the faith.

During the second hundred years of the Republic, American education was devoted to setting up and operating the republican form of government. Numerous groups were being molded into a nation. If the government was to endure, all would have to be educated and everyone would have to help pay for it. If the government was to control and support it, American education needed to be free of political and partisan prejudice. The common school, at least, had to embrace a non-sectarian religious outlook to promote free citizenship and loyalties. The result was that by about 1840, a separation of the churches and education had taken place, and school boards, often directly elected, became a kind of "fourth branch of government." The prevailing attitude was not necessarily less religious, though, and an attempt to find

---

1 Butts, op. cit., p. 273.
common religious doctrines and Biblical principles might have worked if America had remained exclusively Protestant. Within 150 years the schools of the nation had developed from church-sponsored to state-sponsored institutions, and the purpose of education was no longer the teaching of dogma, but the development of the whole man and a free citizen. ¹

With the origins of the American educational system deeply grounded in religion, it remained for the courts to chart the course between historical practice and the stated ideal. Education itself is not mentioned in the Constitution; the rights and powers of the government to provide for the education of its citizens arises from the General Welfare clause: "The Congress shall have Power to lay and collect Taxes . . . to pay the Debts and provide for the common Defence and general Welfare of the United States." ¹ The problem stems from the First Amendment clause concerning religion: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof." ² The clause is duo-partite. The "establishment" phrase prohibits governmental involvement in religion whereas the "free exercise" phrase prohibits the government from inhibiting its citizens from their own religious involvements, i.e. expression. There is some overlap and thus potential conflict between the two.

²U.S. Const. Amend. I.
Over the years the U.S. Supreme Court has struggled with an interpretation of the religion clause. While Jefferson is responsible for the metaphor which describes its effect as a "wall" of separation between church and state, neither he nor later jurists seem to have intended that the wall should be impregnable. The controversy continues, breaches have been made, and the question is far from settled. The court has, on several occasions, likened its precarious task to "walking a tightrope." The legal dilemma which has been created by court decisions in this century is that while religion may not be favored, it must not be disfavored.

Some of the litigation involves public schools on the primary and secondary level. However, it is submitted that the principles and guidelines established therein are pertinent to a study of government involvement in post-secondary private school education. In other words, what is the present situation? How far may the courts bend to protect the rights and desires of the citizens when religion is involved, and how much may the government be of aid in educational traditions resting on religious faith, morality and reverence? To interpret laws, statutes, and legal documents, lawyers often look to legislative intent. What did the framers intend when they wrote the religion clause? As has been

stated in Chapter 3, the probable intent was not to insulate government or its institutions from religious impulse or influence. The evidence seems to suggest that the clause was to insure religious liberty and avoid sectarian conflicts. But whatever the initial intent may have been, even if it were possible to ascertain, the basic freedoms protected therein transcend the limitations and circumstances of that particular time and place. Legislative intent is not necessarily controlling, and one must feel free to interpret the law in light of the present and apply it to today's needs. In its decisions on actual cases and controversies concerning the church and state issue, the Supreme Court has formulated various tests by which the legality of school policies and government action in school systems, public and church-related, may be judged. How these tests evolved and what they imply will be discussed next.

Submitting to demands from many sources for universal education, the states gradually accepted the idea and provided for public school systems, first permitting the use of local tax, next encouraging it, and finally requiring local tax for their support. The Kalamazoo case in 1870 firmly established that tax funds could be used to support the public high school,¹ although the first compulsory attendance law

had been passed in 1852 in the state of Massachusetts. Although there are numerous instances in colonial America where public funds were used to support private education, the nineteenth century generally accepted the wall of separation philosophy that no public funds could be used for private school support. This changing relationship has been formalized primarily by court decision.

Since 1930 there have been some exceptions. The case of Pierce v. Society of Sisters has already been mentioned. In 1925 Pierce upheld the rights of parents to meet state school attendance laws by allowing children to attend approved non-public schools. The state had the right of inspection and supervision. In essence, Pierce granted the right of private schools to exist. The Oregon statute which insisted on public education for all normal children between the ages of eight and sixteen was held to be an unconstitutional denial of property rights. Pierce established the right of parents to direct the upbringing and education of their children, but reserved for the state the right to reasonably regulate schools, set up qualifications for teachers, and require certain studies essential to citizenship. But the state could not directly

1Ibid., p. 276.


or indirectly close the private schools.\(^1\)

In 1930 a decision was handed down by the Supreme Court which marked a departure from the strict separationist stance. In \textit{Cochran v. Louisiana}, the court upheld the right of the state to provide free textbooks in secular subjects to all school children within its borders whether attending public or non-public schools.\(^2\) The rationale of the court was that the benefit extended by the state was given to the child himself and not to the school, and since this was a welfare benefit clearly intended for all Louisiana children, it was not barred by the constitution. This "child benefit" theory was not accepted by all states, however.

Seventeen years later when the New Jersey legislature attempted to reimburse parents of Catholic school children for costs of busing to accredited parochial schools, opponents contested the legislation on the basis that it was an impermissible aid to sectarian religion, a misuse of public school funds, and an appropriation of public funds for private purposes. The Supreme Court upheld the New Jersey legislation in the case of \textit{Everson v. Board of Education}, as public welfare legislation


well within the province of the legislature. The "child-benefit" theory of Cochran was liberally applied. The state of New Jersey, said the court, can extend general state benefits to all citizens without regard to their religious beliefs. Moreover, such welfare cannot be singled out to benefit one class of persons on the basis of religious faith or its lack. The avowed purpose was a general program to help parents get their children safely and expeditiously to and from school, putting transportation of school children in the category of public services such as health and fire protection. Thus far more states have rejected Everson than have accepted it; but transportation is available to parochial children in twenty-two states. It might be well at this point to state that when the Supreme Court upholds a state statute as constitutional, similar acts are not mandated in all states. The states are free to legislate, and such legislation granting or denying aid will stand until contested in the courts. The general interpretation of the Everson case is that a state may grant similar benefits upon its citizens and that such legislation is not barred by the U. S. Constitution.

One important aspect of the Everson case has to do with the secular purpose of the legislation. The decision stated that conferring


an incidental and unintended benefit upon religion is not necessarily a violation of the First Amendment if the primary purpose is secular. ¹

The language of Everson is relied upon extensively by those who propose aid to church-related schools. This landmark decision came as a result of a very close vote; it was approved by a vote of five to four.

Justice Black, who wrote the majority opinion, insisted on a policy of "neutrality" as relating to believers and non-believers. Quoting Justice Black: "[The First Amendment] . . . does not require the state to be their adversary. State power is no more to be used so as to handicap religions than it is to favor them."²

McCollum v. Board of Education illustrates governmental involvement which was not permitted.³ By a vote of eight to one the court held an Illinois "released time" program of religious education unconstitutional relying on the Everson decision. The program, sponsored by a voluntary association of Jewish, Catholic, and some Protestant groups met in the school rooms and was aided by the taking of attendance by the public school teachers. This was held to be an impermissible use of the school building for dissemination of religious doctrine and an aid to religion by providing pupils for the classes through

¹Ibid., p. 97.

²Everson, at p. 63.

the use of the compulsory education machinery. There was not enough separation of church and state, according to the court, and the program violated the establishment clause. The court did not consider its decision to be hostile to religion, but merely recognized that to achieve their aims, both government and religion should be left free of the other within its respective sphere.

The 1952 decision in Zorach v. Clauson helped to clarify the McCollum position. A similar "released time" program was under consideration, but this time it was declared non-violative of the religion clause because religious instruction was held outside school property, and no element of coercion could be implied as all costs were paid by the participating organizations. The court here approved a measure of "cooperation" between the churches of New York City and public schools as an accommodation of the wishes of the parents to release children at a specific time. The "neutrality" test was applied in Zorach but given a new meaning. In his opinion Justice Douglas interpreted the free exercise clause as permitting the government to "accommodate" itself to the spiritual needs of the people as long as this free exercise did not interfere with the establishment clause. To "neutrality" was added benevolence, and "accommodation" was a new


principle. Part of his statement follows:

We are a religious people whose institutions presuppose a Supreme Being. We guarantee the freedom to worship as one chooses. We make room for as wide a variety of beliefs and creeds as the spiritual needs of a man deem necessary. We sponsor an attitude on the part of government that shows no partiality to any one group and that lets each flourish according to the zeal of its adherents and the appeal of its dogma. When the state encourages religious instruction or cooperates with religious authorities by adjusting the schedule of public events to sectarian needs, it follows the best of our traditions. For it then respects the religious nature of our people and accommodates the public service to their spiritual needs. To hold that it may not would be to find in the Constitution a requirement that the government show a callous indifference to religious groups. That would be preferring those who believe in no religion over those who do believe. Government may not finance religious groups nor undertake religious instruction nor blend secular and sectarian education nor use secular institutions to force one or some religion on any person. But we find no constitutional requirement which makes it necessary for government to be hostile to religion and throw its weight against efforts to widen the effective scope of religious influence. The government must be neutral when it comes to competition between sects. 1

A series of cases beginning in 1962 concerning religious exercises in the schools continued the trend toward the separation of church and state. In *Engel v. Vitale* the recitation of the New York Regent's Prayer, though purportedly non-sectarian and denominationally neutral, and even though pupils could be excused on the objection of the parents, was held to be an impermissible state-sponsored religious activity. 2 Of interest in this case is a footnote which suggests

---

1 Zorach, at p. 313-314.

that expressions of love for the United States by using historical
documents which refer to deity, or official anthems which mention
a Supreme Being were not disallowed, but an "official" prayer, com-
posed by the government, was prohibited by the establishment clause.

The Schempp case which followed Engel held that morning
Bible reading even with no comment and with objecting students ex-
cused, violated the establishment clause. Although Bible study for
literary and historic qualities was not barred when presented objec-
tively as a part of an educational program, Bible reading for religious
purposes was ruled a sectarian religious exercise. Schempp pro-
posed a two-part test for what might be permitted as opposed to
forbidden governmental involvement. 1 The first part of the test in-
volves the "purpose" of the legislative enactment as was mentioned
in Everson, and the second part related to its "primary effect." In
order to stand the strictures of the establishment clause according to
Schempp, "there must be a secular legislative purpose, and a primary
effect that neither advances nor inhibits religion."

In the case of Murray v. Curlett morning Bible reading and re-
citation of the Lord's Prayer were held to constitute an impermissible

1 School District of Abington Township v. Schempp, 374 U.S.
"religious ceremony." The court advocated a "wholesome neutrality" as to religious matters.

It should be noted that at this point the court has abandoned "sectarianism" as the salient point in the church-state controversy. William E. Griffiths states that in an attempt to define neutrality, even denominationally neutral morning exercises are being held as violating the establishment clause. Earlier efforts of the court attempted to extend rights to religious minorities in recognition of increasing religious heterogeneity in society by modifying school exercises to protect the rights of non-Protestant students, Catholics, Jews, and others. According to Griffiths the court is now turning its attention to protect the rights of non-Christians and non-believers, and religious observances which once had a legitimate place in the school curriculum are now being reserved to non-governmental agencies, the home, church, and to individual practice. Author David M. Cook states the position of the court in this way: "the state . . . is not entitled to require or permit religious observances or any other act which has the effect of giving sponsorship or affirmative approval to a particular religion or


2 Griffiths, op. cit., p. 220.

3 Ibid., p. 225.
The "accommodation" theory which was stated in Zorach was further extended in a case in which a Seventh Day Adventist was denied unemployment compensation because she would not accept suitable work if it required working on Saturday, her Sabbath. The Supreme Court held that the state of South Carolina violated the free exercise clause of the First Amendment by denying her the right to practice her religion. Mr. Justice Brennan said that the state could not exclude anyone from the benefits of public welfare legislation "because of their faith or lack of it" which was a quote from Everson. Justice Stewart in a concurring opinion stated that the free exercise clause "affirmatively requires the government to create an atmosphere of hospitality and accommodation to individual belief or disbelief. In short, I think our constitution commands the positive protection by government of religious freedom ... " Although Sherbert has nothing to do with education, the implications are important in analyzing the total church-state issue as interpreted by the courts and is useful to guide educators.


3 Ibid.

4 Sherbert, at p. 415-16.
This accommodation theory implies an affirmative position on the part of the state and its institutions, hospitality rather than hostility.

The court applied the "child-benefit" theory in upholding a New York law which required the lending of board-approved textbooks to all students including private school students, in the seventh through the twelfth grades. In Board of Education v. Allen, the court restated the Schempp test, that if there was a secular legislative purpose and a primary effect that neither advanced nor inhibited religion, the New York textbook law was non-violative of the establishment clause. In its decision the court recognized the valuable role which private education plays in raising the national levels of knowledge and competence. While it was admitted that religious schools pursue two goals, religious instruction and secular education, the purpose of the legislation in question was obviously to improve the quality of secular education for all New York children.

In 1970 the Supreme Court upheld the constitutionality of property tax exemption for property used exclusively for religious purposes, and in its decision attempted to clarify the First Amendment concept: "The First Amendment... does not say that in every and all respects there shall be a separation of church and state."?

---


Rigidity in the matter of strict neutrality, said the court, could well defeat the basic purpose of these provisions which is to insure that no religion be sponsored or favored, none commanded, and none inhibited. "1 Chief Justice Burger suggested in this case, Walz v. Tax Commissioner, that the neutrality principle should be a "benevolent neutrality" and that "no perfect or absolute separation is really possible." What is attempted by the religion clauses, suggests Burger, is to mark the boundaries of excessive entanglement. 2 This phrase, "excessive entanglement," became a guideline test for future cases.

"What may be proscribed is day-to-day administrative relations between church and state which results in governmental encroachment upon the autonomy of the churches." 3 Rejecting too narrow a course, the Walz decision allowed some "play in the joints" 4 to permit religious exercise to exist.

"Excessive entanglement" between the church and the state which violated the establishment clause was found in two of three interrelated cases heard by the Supreme Court in 1971. In Lemon v. Kurtzman the state of Pennsylvania had agreed by statute to purchase secular educational services from non-public schools by way of reimbursement for non-public schoolteachers' salaries, textbooks and

---

1 Ibid. 2 Ibid. 3 O'Brien and Vacca, op. cit., p. 49. 4 Ibid.
instructional materials used in secular subjects. Although some relationship between government and religious organizations would be inevitable, said the court, this degree of involvement would foster excessive entanglement. In *Earley v. DiCenso* the New Jersey legislature had attempted to provide salary supplements to teachers in non-public schools who would teach only courses taught in public schools, use the same materials, and agree not to teach religion. Stephen O'Brien and Richard S. Vacca discuss this case by suggesting that although the legislative purpose was to improve educational standards of these schools, the Catholic school systems were "an integral part of the religious mission of the Catholic church," and thus the Salary Supplement Act involved excessive entanglement between church and state in violation of the establishment clause. The problem according to the *Earley* case was that the kind of activity which would be required of the state under the act would amount to continuing surveillance and control. Unlike textbooks which are self-policing, said the court, teachers would have difficulty in totally separating the religious from the secular in such subjects as history even if the teacher had the best

---

of intentions. The court went on to say that such control and surveillance which would amount to a pervasive monitoring of the classroom by secular authorities presented precisely the dangers inherent in intimate and continuing relationship between the two and amounted to excessive entanglement. While noting the merit of church-related systems to our society, the court was attempting to draw lines for permissible involvement; New Jersey exceeded them in this statute.

*Tilton v. Richardson* is of particular importance to this study. It supposes a basic difference in governmental aid to religious-related schools at the college and university level and suggests that what may be impermissible to elementary and secondary schools may be permitted at the college level. The Federal Higher Educational Facilities Act of 1963 had been enacted; this act provided for construction grants for colleges and universities if the facilities were not used for sectarian instruction, religious worship, or in connection with a divinity school for a period of twenty years. In *Tilton v. Richardson*, the act was upheld on the basis that its purpose was secular, although the twenty-year limit was struck down. Opponents to the act argued that the "permeation" theory which was pronounced by the court in establishing the religious nature of parochial schools should apply to

---

1 Earley, at p. 627.

invalidate the act; while the court agreed that religion might "permeate" the atmosphere of parochial elementary and secondary schools so as to make impossible the separation of religion from secular education, the court rejected the contention that religion permeated education on the college level. Substantial differences were cited including the skepticism of college students, and the high degree of academic freedom existing and traditionally promoted by church-related colleges and universities. 

"Since religious indoctrination is not a substantial purpose or activity, there is less likelihood . . . that religion will permeate the area of secular education. This reduces the risk that government aid will in fact serve to support religious activities." 

The court also commented on the "non-ideological character of a building" and suggested that excessive entanglement is less likely in regard to a one-time single purpose construction grant. 

The Hunt v. McNair case is also pertinent to an understanding of the permeation theory. The case suggests that even though aid is earmarked for secular purposes, "when it flows to an institution in which religion is so pervasive that a substantial portion of its functions are subsumed in the religious mission," state aid has the

---

1 Ibid. at 687.

2 Ibid.

3 Ibid., at 688.
impermissible primary effect of advancing religion. 1

Further attempts in New York and Pennsylvania to provide aid to non-public primary and secondary schools were struck down by the Supreme Court in 1973. In order to relieve the staggering financial burden on parochial schools and in an attempt to equalize the educational opportunities for all young people, in both parochial and public schools, the state of New York provided for a tax credit on tuition payments. This plan tried to avoid the excessive entanglement problem and to separate the government from involvement in the affairs of the schools. The program provided for maintenance and repairs for schools, tuition reimbursement to parents, and tax credits or deductions to parents of non-public school children. The plan was challenged in the case of P. E.A.R.L. v. Nyquist. 2 Pennsylvania had a similar parent reimbursement act which was being tested in Sloan v. Lemon, 3 and in a third case, Levitt v. P. E.A.R.L. 4 (P. E.A.R.L. meaning the Committee for Public Education and Religious Liberty), a New York statute was challenged which provided reimbursement to non-public

1 Hunt v. McNair, 413 U.S. 734 (1973), at p. 743.


schools for what was called "mandated services," which included certain costs for testing and record keeping required by the state. All three statutes were rejected on the grounds that the "primary effect" was to aid religion because each statute furnished direct grants to the schools and contained no provisions for determining whether the grants would be used for secular or religious functions of the schools. Thus the potential remained that the money could be used for religious purposes. The court found no significance in the fact that in the case of parent reimbursement for tuition the money went to the parents and not to the schools.¹

In 1975 the Supreme Court handed down its decision in the case of Meek v. Pittenger which validated a Pennsylvania law providing for auxiliary services and loans of textbooks and validated the loan of some, but not all, instructional materials to church-related schools.² The statute was an attempt to compensate for a deficiency in the services being supplied to the children. The court held that such instructional equipment which from its nature was capable of being diverted to religious purposes could not be made available in violation of the establishment clause of the First Amendment. The court applied the "child-benefit" theory. Provisions for lending books free of charge benefited


the children and not the schools as required by the cases of Allen, Cochran, and Everson. However, the court held some services to be impermissible. "Excessive entanglement" would have been required of the state, said the court, to assure that certain materials did not advance the religious mission of the church-related schools; movie and slide-projectors could be used to show religious material, while science lab equipment could not. The purpose of the legislation as to these audio-visual materials was legitimate, but the effect was unconstitutio
tional.

Another crucial case was decided in 1976. In Roemer v.
Board of Public Works the court upheld a Maryland statute which pro-
vided annual grants on an enrollment-based formula to accredited colle
ages, including those that were church-related. This is the first
time the court was faced with a program of regular support directly to institutions. The court based its decision on earlier theories and particularly upon the question of whether or not the colleges named in the lawsuit were "prevasively sectarian." In its decision the court looked to a full range of activities and relationships and determined

1Ibid.
3Edgar M. Carlson, The Future of Church-Related Higher Edu-
4Roemer v. Board of Public Works, loc. cit.
that they were not. Their logic focused on the issue of academic freedom. Even though there were required courses in religion, said the court, they were taught according to sound professional academic standards.\(^1\) Other considerations included hiring practices and the extent to which religious preference was a factor, including the apparent lack of discrimination against other faculty members, admission policies which recruited and admitted students without regard to religion even though a majority were of one religious faith, the general atmosphere and climate of the institution, and the fact that religious worship was voluntary.\(^2\)

The following summary of the general field of constitutional issues is from Edgar M. Carlson's recent book, *The Future of Church-Related Higher Education:*

1. Federal grants to non-sectarian institutions for educational purposes are constitutional.

2. Colleges do not become ineligible because they are related to or governed by religious bodies.

3. Required courses in religion do not constitute a barrier if they are taught according to the academic requirements of the subject and sound professional standards.

4. Requirements related to religious practice, such as mandatory chapel attendance would constitute a major barrier.

5. The criteria on which court decisions will rest are: (a) whether the legislation has a secular purpose, (b) whether its primary effect is to advance religion, and (c) whether it fosters excessive entanglement with religion.

\(^1\) Ibid.  \(^2\) Ibid.
6. Secular purpose can readily be established by proper language in the legislation enacted.

7. The issue of avoiding aid to religion requires proper safeguards in the legislation specifying that funds may not be used for specifically religious purposes.

8. The issue of excessive governmental entanglement with religion is still unclear, but it is reassuring that none of the colleges were disqualified [in the Maryland case] even though they had been chosen by the plaintiffs because they were considered to be most vulnerable. ¹

These chapters have dealt at length with what might be characterized as the theory of governmental involvement with the church-related institutions. It is necessary to also examine actual practice.

The following chapter will discuss federal programs as they relate to the private church-related college.

Chapter 5

FEDERAL LEGISLATION: PHYSICAL PLANT DEVELOPMENT

The major concern of this study is the support of private education in the United States as a direct or indirect result of governmental programs. Between 1787 and 1935 there is little evidence of federal legislation which aided private or church-related institutions. A sample listing of federal legislation affecting education, and identified by date of origin, will be found in Appendix A. Throughout most of the history of federal aid to higher education funds were granted directly to the states or to the public institutions through the states.¹

Beginning in 1935 there was a departure from this pattern. Two acts, the National Youth Administration Act and the G. I. Bill which followed in 1944, set the stage for massive federal involvement in programs that would affect private colleges.

In 1935 congress established the National Youth Administration which provided economic aid to youth who found themselves in the midst of a depression. During these eight years the federal government spent more than $93,000,000 in higher education for over 620,000

The nature of this particular program was such as to benefit private institutions. However, it was accomplished by dispensing the funds to the individuals themselves rather than to the institutions of higher learning. Professor Willis Rudy comments on the implications of this program:

This practice was nevertheless a departure in federal policy because the educational institutions, both private and public, disbursed these funds to the students and in most cases received the money back as payments for tuitions and other expenses.  

As is true in most large-scale programs, the exact results are difficult to measure. However, it would appear in retrospect that the National Youth Administration indirectly paved the way for perhaps the most influential educational act ever undertaken by the federal government—Public Law 346.

Public Law 346 was officially known as the Serviceman's Re-adjustment Act and popularly called the G.I. Bill. There are few events in social life that can truly be called unprecedented. But the G.I. Bill had no precedent in American higher education. It was a social experiment on a grand scale. Motivated by national concern over the returning veterans, the Seventy-Eighth Congress took appropriate action to set into motion the beginning of a revolution in education, and opened

---

1 Ibid.

the door to financial aid to private colleges.

Returning G.I.s could use their education rights at any college or school regardless of its denominational affiliation. The money received was an outright grant and although the payment technically went to the individual student, in actuality it went to the institution of higher learning, private or public. Homer Babbidge and Robert Rosenzweig point to the following figures:

During its lifetime, Public Law 346 supported almost 2½ million students in institutions of higher education...

The original G.I. Bill was followed by another to assist veterans of the Korean War. Under the Korean G.I. Bill, 1,166,000 students have attended college, bringing the total of students who have attended college with federal support to almost 3½ million. 1

The original G.I. Bill following World War II and the second G.I. Bill, Public Law 550, which followed the Korean War, together represent the largest scholarship grant to that point in the history of American education. Although there is no exact figure available, it is safe to assume that billions of federal dollars were spent educating millions of veterans attending public and private schools.

As the G.I.s began to invade the campuses a new problem developed--where to house them. The Congress followed the G.I. Bill legislation with the Surplus Property Act of 1944 which provided for the

---

donation or sale at large discounts of surplus military supplies and buildings to colleges "hard pressed by the sudden wave of veteran enrollments." In 1950 Congress passed a bill authorizing the Housing and Home Finance Agency under the College Housing Act to make long-term loans to private and public colleges for the erection of dormitories, and made available $300,000,000 for that purpose.

As a result of the College Housing Act of 1950, by 1962 more than $2,000,000,000 had been loaned to colleges and universities for the construction of dormitories or other revenue producing facilities. Because of this tremendous response and projections for greatly increasing enrollments, pressure was placed upon Congress to pass a new and more comprehensive act to assist public and private colleges in the construction of other types of buildings. The Morse-Green Bill, named after the former Senator and Representative from Oregon, was drafted in response to these demands and in 1963 it was passed under the name of the Higher Education Facilities Act of 1963, making available greatly expanded financial support.

This "bricks and mortar" act, as it was called, had as its purpose the assistance of the nation's institutions, by the construction

---

1 Brubacher, op. cit., p. 237.
2 Brubacher, loc. cit.
of needed classrooms, laboratories, and libraries to accommodate mounting student enrollments and to meet the demands for both skilled technicians and advanced graduate education.¹ The legislation was much broader in scope than the previous Housing and Home Finance Agency provisions under the College Housing Act of 1950. It effectively established graduate centers throughout the country, made fifty million dollars available for constructing junior and community colleges, provided for fifty-year loans carrying an interest of 3-5/8 per cent for classroom construction, and set aside funds to be used by four-year institutions, junior colleges, and technical institutions to build libraries and classrooms for instruction in science, language and mathematics.² And the bricks and mortar were available to church-related colleges as well.

Government loans and grants available under the two federal programs, the College Housing Act of 1950 and the Higher Education Facilities Act of 1963, became greatly desired commodities among most public and private colleges. Expenditures rose from ten million dollars in 1954 to more than one billion five-hundred million in the peak year of 1968.³ (Figure 1).

¹Ibid.
²Johns, loc. cit.
Figure 1

Construction loans and grants

$ Millions

For the years 1949-50 through 1959-60, data relate to plant-fund income of institutions from federal sources. [Carnegie Foundation for the Advancement of Teaching, The States and Higher Education (San Francisco: Jossey-Bass, 1976), p. 39].
As previous chapters have indicated, the principle of separation of church and state has been a barrier to governmental involvement with religion including direct support of church-affiliated educational institutions, with rare exceptions. In all other instances it appears that federal programs of involvement in or assistance to higher education have been reactions to pressing problems of national importance. When the federal government commenced the endowment of public institutions of higher education by setting aside public lands in the 1787 Northwest Ordinance, the statement was made that "Schools and the means of education shall forever be encouraged."¹ This statement of general purpose has been followed over the years, but primarily by enlisting and supporting state involvement. Federal legislation has been enacted only in response to national need or crisis—such as the depression, the needs of returning servicemen, and the resulting problems of their assimilation on the campuses. Another example was the passage of the National Defense Education Act of 1958 which encouraged the study of mathematics and the sciences as a reaction to Sputnik, the world's first space satellite launched by the Soviets. Furthermore, the courts have responded by indicating that resulting benefits accruing to private church-related colleges are not impermissible.

A glance at the sample list of federal legislation in Appendix A

¹Johns, op. cit., p. 386.
will indicate that public funds have been made available for numerous education-centered purposes. Many important federal aid programs have benefited both public and private colleges. However, those areas of major expenditures pertinent to this study have taken two forms, direct student aid and construction loans and grants for physical plant improvement. As previously stated, this study was confined to these two forms of aid—one state and the other federal—and to financial benefits accruing to sample Iowa schools. The federal programs which permitted construction loans and grants peaked in 1968, and have been declining since that time. In recent years the main thrust of both federal and state aid has been directed toward student grant and loan programs rather than aid to the institutions.

Since 1950 monumental sums of money have been funneled into the physical plants of public and private institutions of higher learning. It should be helpful to see what impact, if any, these programs have had on Iowa schools. How much federal money was received, from what specific programs, and what has been the result in the physical plants? In order to appreciate the effect of these programs, five private, church-related colleges were selected for further study.

As stated in Chapter 1, the five Iowa colleges selected for this study were private, four-year, liberal arts colleges, each one affiliated with a religious institution. Material used in this study was based on information gathered by the researcher from survey sheets
which appear in Appendices B, C, and D, and from interviews with college personnel. In each instance approval and assistance by the president was given. Additional statistical data came from the Iowa Higher Education Facilities Commission. The sample colleges were chosen for their similarity in size (less than 1,500 students), relative diversity of location, and similarity of purpose, that is, education in the liberal arts tradition in a Christian environment. ¹

The survey considered two aspects: Federal funds received from the United States Government for physical plant improvement, and student aid received from the Iowa Tuition Grant program. Direct student aid from the Iowa State Tuition Grant program is discussed in the next chapter. The survey requested information as to the type of funds, loan or grant, the amount received, the name of the program under which the funds were received, the date, type of building for which funds were sought, and the total cost of the building or improvement. (Appendix B). In some instances, 100 per cent of the total expenditure was received and in others, independent, non-governmental sources were also used in a single improvement project. In three instances, supplemental aid for a single project was forthcoming by way of Interest Subsidy Grants.

¹Three of the colleges in this study make this specific statement of purpose in their yearly catalogs. Simpson does not use the same words but implies the same purpose on page one of its 1977-78 catalog.
All five colleges responded to the survey; however, only four of the five had been recipients of construction loans or grants. One of the colleges, Loras of Dubuque, had elected not to take advantage of government aid, rejecting the use restrictions required as a prerequisite to the grant or loan.

The first of the sample colleges to be reported is Buena Vista, a Presbyterian college, of Storm Lake, Iowa. Situated in the northwest corner of the state, Buena Vista had a book value endowment of $912,073 at the end of 1976. During the years 1969 - 1976 enrollment averaged 746 students. Physical plant assets were listed at $7,403,081 minus physical plant indebtedness of $2,707,308 for a total physical plant net worth of $4,695,773.

Buena Vista reported that between 1956 and 1969 eleven buildings were either constructed or had major additions and improvements with the help of construction loans and grants from three different federal programs. (Table 1). Six dormitory additions and one Dormitory and Dining Hall Complex, (the Lage Center built in 1963), were constructed with loans totalling $2,215,000 from the Department of Housing and Urban Development. A greenhouse was constructed in 1966 with a grant from the National Science Foundation at a total cost

---

1 Iowa Higher Education Facilities Commission, Data Digest on Iowa Postsecondary Institutions--1976-77 (Des Moines: 1977), p. 216. (Mimeographed.) (This publication is hereafter referred to as Data Digest.)
Table 1

Federal Funds received by Buena Vista College for the purpose of Construction of Buildings on the Campus

<table>
<thead>
<tr>
<th>Type of Building</th>
<th>Year</th>
<th>Total Cost</th>
<th>Federal Funds Received</th>
<th>% of Bldg cost by Grants or Loans</th>
<th>Grant-Loan</th>
<th>Name of Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Science (Science Building)</td>
<td>1967</td>
<td>$912,000</td>
<td>$329,000</td>
<td>62.7</td>
<td>Loan</td>
<td>*HEFA</td>
</tr>
<tr>
<td>Dormitory (Smith Hall Renovation)</td>
<td>1969</td>
<td>400,000</td>
<td>256,670</td>
<td>64.2</td>
<td>Grant</td>
<td>*HEFA</td>
</tr>
<tr>
<td>Library (Ballou)</td>
<td>1965</td>
<td>330,000</td>
<td>101,072</td>
<td>30.6</td>
<td>Grant</td>
<td>*HEFA</td>
</tr>
<tr>
<td>Fieldhouse (Siebens)</td>
<td>1968</td>
<td>1,250,000</td>
<td>197,994</td>
<td>54.0</td>
<td>Grant</td>
<td>*HEFA</td>
</tr>
<tr>
<td>Dormitory Additions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Swope Hall North and South)</td>
<td>1963</td>
<td>500,000</td>
<td>500,000</td>
<td>100.0</td>
<td>Loan</td>
<td>**HUD</td>
</tr>
<tr>
<td>Dormitory Addition (White Hall)</td>
<td>1956</td>
<td>260,000</td>
<td>260,000</td>
<td>100.0</td>
<td>Loan</td>
<td>**HUD</td>
</tr>
<tr>
<td>Dormitory Addition (Pierce Hall)</td>
<td>1962</td>
<td>375,000</td>
<td>375,000</td>
<td>100.0</td>
<td>Loan</td>
<td>**HUD</td>
</tr>
<tr>
<td>Dormitory &amp; Dining Hall (Lage Center)</td>
<td>1963</td>
<td>370,000</td>
<td>370,000</td>
<td>100.0</td>
<td>Loan</td>
<td>**HUD</td>
</tr>
<tr>
<td>Dormitory Addition (White Hall)</td>
<td>1964</td>
<td>310,000</td>
<td>310,000</td>
<td>100.0</td>
<td>Loan</td>
<td>**HUD</td>
</tr>
<tr>
<td>Dormitory Addition (Pierce Hall)</td>
<td>1967</td>
<td>400,000</td>
<td>400,000</td>
<td>100.0</td>
<td>Loan</td>
<td>**HUD</td>
</tr>
<tr>
<td>Greenhouse</td>
<td>1966</td>
<td>13,360</td>
<td>13,360</td>
<td>100.0</td>
<td>Grant</td>
<td>***NSF</td>
</tr>
</tbody>
</table>

Totals                                   |      | $5,120,360 | $3,834,096             | 74.9                             |            |                 |

* Higher Education Facilities Act 1963   **Housing and Urban Development ***National Science Foundation
of $13,360. Only federal funds were used in this project.

With the help of the Higher Education Facilities Act (HEFA), four major buildings were added between 1965 and 1969. In 1965, the Ballou Library was built at a total cost of $330,000, $101,072 of which was a grant from the HEFA. In 1968, a fieldhouse facility, the Siebens Center, was constructed at a total cost of one and one-quarter million dollars, approximately $200,000 of which was granted and $478,000 loaned under the HEFA. In 1967, the Science Building was added at a cost of $912,000; $329,000 was loaned and $243,000 granted by the HEFA, and in 1969, Smith Hall dormitory was renovated, for which Buena Vista received a $256,610 grant to apply towards the total cost of $400,000.

To summarize, a total of seventeen buildings on the Buena Vista campus, eleven, or 64.7 per cent, involved the use of federal construction loans and grants. For those eleven buildings, $812,096 was received in outright grants and $3,022,000 was received in loans for a total of $3,834,096, or 74.9 per cent of the total amount of money spent in construction of all campus buildings during the years 1951-1976 (Table 1).

Central College of Pella has been affiliated with the Reformed Church in America since 1916. It was founded in 1853 by the Baptist denomination; however, the Baptists had another college just fifty miles away in Des Moines, so Central College was offered to the
Reformed Church. At the end of 1976, the book value of the Central College Endowment fund was $2,823,894 and physical plant assets amounted to $10,174,849 with an indebtedness of $3,749,361 for a total physical plant net worth of $6,425,488. The average enrollment for 1969-1976 was 1,251 students.

Between 1961 and 1972, Central College received a total of $3,207,000 in construction loans from the Department of Housing and Urban Development (HUD) for the construction of five major buildings and six additional Town House dormitories with total construction costs of $3,818,000. In addition, Central received grants for a new library. These loans and grants will be examined in greater detail.

In 1961, Central built the first of five dormitories or dormitory additions, one of which is a combination dormitory and student union. One hundred per cent of the total cost of these five buildings was received as loans from HUD. The first dormitory, Pietentol-Gaass, cost $400,000. Huffman Dormitory and Student Union cost $872,000 in 1966. Schalte, also built in 1966, cost $423,000 and in 1972, the Wing International Complex of six town-houses was constructed at a total cost of $625,000. In 1969, an extension to Schalte cost an additional $498,000.

In 1969, the Vermeer Physical Education Facility was erected

---

1 Data Digest, loc. cit.
at a reported cost of one million dollars. Three hundred eighty-nine thousand dollars ($389,000) or 38 per cent of that total was borrowed from HUD.

Central received a grant from HUD in 1971 of $500,000 toward the construction of the Geisler Learning Resource Center. This library facility is reported by Central to have cost $1,500,000. The college took advantage of an Interest Subsidy Grant from HEFA for interest payments on the balance of funds borrowed from private sources to finance the Resource Center. Under this program, an Interest Subsidy grant is for a period of 30 years. Since 1972, Central has received $29,554 annually and by the year 2002 will have received a total grant of $886,620 toward this project.

Total funds received by Central College since 1961, including the full Interest Subsidy grant yet to be received, amount to $4,593,620, while the total expended for construction was $5,318,000. This means that 86.3 per cent of all construction costs during that period came from the federal government (Table 2).

Graceland College was established in 1895 by the Reorganized Church of Jesus Christ of Latter Day Saints, with headquarters in Independence, Missouri. Graceland's endowment is the smallest of the sample colleges with a 1976 book value of $584,921, and a physical plant net worth of $7,750,554. Physical plant assets amount to
## Table 2

Federal Funds received by Central College for the purpose of Construction of Buildings on the Campus

<table>
<thead>
<tr>
<th>Type of Building</th>
<th>Year</th>
<th>Total Cost</th>
<th>Federal Funds Received</th>
<th>% of Bldg Cost by Grants or Loans</th>
<th>Grant-Loan</th>
<th>Name of Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dormitory (Pietantol-Gaass)</td>
<td>1961</td>
<td>$ 400,000</td>
<td>$ 400,000</td>
<td>100.0</td>
<td>Loan</td>
<td><strong>HUD</strong></td>
</tr>
<tr>
<td>Dormitory and Student Union (Huffman)</td>
<td>1966</td>
<td>872,000</td>
<td>872,000</td>
<td>100.0</td>
<td>Loan</td>
<td><strong>HUD</strong></td>
</tr>
<tr>
<td>Dormitory (Schalte)</td>
<td>1966</td>
<td>723,000</td>
<td>423,000</td>
<td>100.0</td>
<td>Loan</td>
<td><strong>HUD</strong></td>
</tr>
<tr>
<td>Dormitory Addition (Schalte)</td>
<td>1969</td>
<td>498,000</td>
<td>498,000</td>
<td>100.0</td>
<td>Loan</td>
<td><strong>HUD</strong></td>
</tr>
<tr>
<td>Physical Education Building (Vermeer)</td>
<td>1969</td>
<td>1,000,000</td>
<td>389,000</td>
<td>38.9</td>
<td>Loan</td>
<td><strong>HUD</strong></td>
</tr>
<tr>
<td>Town Houses Dormitories - Six Different Locations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Wing International)</td>
<td>1972</td>
<td>625,000</td>
<td>625,000</td>
<td>100.0</td>
<td>Loan</td>
<td><strong>HUD</strong></td>
</tr>
<tr>
<td>Library (Giesler Resource Center)</td>
<td>1971</td>
<td>1,500,000</td>
<td>500,000</td>
<td>33.3</td>
<td>Grant</td>
<td><strong>HUD</strong></td>
</tr>
<tr>
<td>Library Interest Subsidy Grant (Giesler)</td>
<td>1972</td>
<td></td>
<td>886,620*</td>
<td></td>
<td>Grant</td>
<td>***HEFA</td>
</tr>
</tbody>
</table>

**Totals** $ 5,318,000 $ 4,593,620 86.3

*Interest Subsidy Grant is for a 30 year period. The annual amount received by Central since 1972 is $29,554. The above figure represents the total funds to be received by the year 2002.

** Housing and Urban Development
*** Higher Education Facilities Act 1963
$9,278,400 and physical plant indebtedness, $1,527,846. 1 Average student enrollment for the eight-year period was 1,237. Between 1965 and 1973, Graceland built six buildings at a total cost of $3,768,000, $2,064,770 of which was granted and $538,000 loaned from the federal government, or 69.1 per cent (Table 3). A breakdown of those figures follows.

The Frederick Madison Smith Library (total cost, $875,000) was constructed in 1965 utilizing a $361,258 grant from HUD. In 1968, the Closson Center, "one of the finest collegiate physical education centers in the nation"2 was built at a total cost of $1,359,000. Of that amount, $440,100 was granted and $538,000 was loaned under HEFA.

In 1971, Zimmerman Hall, formerly used as a physical education facility, was redesigned as a classroom building at a cost of $603,000; $209,762 in grant monies were received under HEFA. The college applied for and received another $157,040 from HEFA as an Interest Subsidy Grant to be paid to the college at the annual rate of $7,852 until the year 1992.

The last three projects were dormitory and apartment buildings. The largest, Tess Morgan Hall, was built with a grant from HUD of 100 per cent of the construction cost, $760,000. It was built in 1967.

1 Data Digest, loc. cit.
2 The Graceland College Bulletin, IV, No. 3 (October, 1974)
Table 3

Federal Funds received by Graceland College for the purpose of Construction of Buildings on the Campus

<table>
<thead>
<tr>
<th>Type of Building</th>
<th>Year</th>
<th>Total Cost</th>
<th>Federal Funds Received</th>
<th>Bldg Cost by Grants or Loans</th>
<th>Grant-Loan</th>
<th>Name of Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Library (Frederick M. Smith)</td>
<td>1965</td>
<td>$875,000</td>
<td>$361,258</td>
<td>41.3</td>
<td>Grant</td>
<td>**HUD</td>
</tr>
<tr>
<td>Physical Education Building</td>
<td>1968</td>
<td>1,359,000</td>
<td>440,100</td>
<td>538,000</td>
<td>71.9</td>
<td>***HEFA</td>
</tr>
<tr>
<td>(Closson Center)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Classroom Bldg (Zimmerman Hall)</td>
<td>1971</td>
<td>603,000</td>
<td>209,672</td>
<td>157,040*</td>
<td>60.8</td>
<td>***HEFA</td>
</tr>
<tr>
<td>Dormitory (Tess Morgan Hall)</td>
<td>1967</td>
<td>760,000</td>
<td>760,000</td>
<td>100.0</td>
<td>Grant</td>
<td>**HUD</td>
</tr>
<tr>
<td>Tower Apartments</td>
<td>1973</td>
<td>76,000</td>
<td>60,800</td>
<td>80.0</td>
<td>Grant</td>
<td>**HUD</td>
</tr>
<tr>
<td>Dormitory Apartments (Maple Arms)</td>
<td>1973</td>
<td>95,000</td>
<td>76,000</td>
<td>80.0</td>
<td>Grant</td>
<td>**HUD</td>
</tr>
<tr>
<td>**Totals</td>
<td></td>
<td>$3,768,000</td>
<td>$2,602,870</td>
<td>69.1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Interest Subsidy Grant is for a 20 year period. The annual amount received by Graceland since 1972 is $7,852. The above figure represents the total funds to be received by the year 1992.

** Housing and Urban Development

*** Higher Education Facilities Act 1963
In 1973, the Tower Apartments and the Maple Arms Dormitory Apartments were built at a cost of $76,000 and $95,000 respectively. HUD granted 80 per cent of the totals, or $60,800 and $76,000.

Simpson College, Indianola, was established by the Methodist Church in 1860. Simpson has an endowment of $4,322,793, and physical plant assets of $10,806,861 with an indebtedness of $3,048,474, for a physical plant net worth of $7,758,387.\(^1\) Average enrollment was 848 (Table 4).

Since 1953 Simpson has had a wide-spread program of physical plant improvement including dormitories, physical education facility, science building, fraternity buildings, and a performing arts center. Improvements have totaled $5,810,155, over half of which ($3,003,022) came as federal aid.

From 1953 until 1966, Simpson built dormitory facilities. Barker Hall cost $325,000 to build in 1953 for which the college borrowed $225,000 from HUD. In 1961, the Kresge Dormitory west wing and three fraternity projects amounted to an $875,000 expenditure, $800,000 of which was also borrowed from HUD. Five years later, Burton Hall, cost, $612,000, was built with another $600,000 loan from the same source.

In 1966 and 1967, Simpson built the Wallace Science building

\(^1\)Data Digest, loc. cit.
Table 4

Federal Funds received by Simpson College for the purpose of Construction of Buildings on the Campus

<table>
<thead>
<tr>
<th>Type of Building</th>
<th>Year</th>
<th>Total Cost</th>
<th>Federal Funds Received</th>
<th>% of Bldg Cost by Grants or Loans</th>
<th>Grant-Loan</th>
<th>Name of Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dormitory (Barker Hall)</td>
<td>1953</td>
<td>$ 325,000</td>
<td>$ 225,000</td>
<td>69.2</td>
<td>Loan</td>
<td>**HUD</td>
</tr>
<tr>
<td>Dormitory Addition and Three Fraternity Dormitory Projects (Kresge West Wing)</td>
<td>1961</td>
<td>875,000</td>
<td>800,000</td>
<td>91.4</td>
<td>Loan</td>
<td>**HUD</td>
</tr>
<tr>
<td>Dormitory (Burton Hall)</td>
<td>1966</td>
<td>612,000</td>
<td>600,000</td>
<td>98.0</td>
<td>Loan</td>
<td>**HUD</td>
</tr>
<tr>
<td>Science (Wallace Science Building)</td>
<td>1966</td>
<td>298,155</td>
<td>98,455</td>
<td>33.0</td>
<td>Grant</td>
<td>**HUD</td>
</tr>
<tr>
<td>Science (Wallace Science Building)</td>
<td>1967</td>
<td>125,000</td>
<td></td>
<td></td>
<td>Loan</td>
<td>***HEFA</td>
</tr>
<tr>
<td>Performing Arts Ctr (Blank Center)</td>
<td>1971</td>
<td>1,300,000</td>
<td>349,502</td>
<td>27.0</td>
<td>Grant</td>
<td>****HEW</td>
</tr>
<tr>
<td>Subsidy Grant to Theatre (Blank Ctr)</td>
<td>1970</td>
<td>350,000*</td>
<td></td>
<td></td>
<td>Grant</td>
<td>****HEW</td>
</tr>
<tr>
<td>Physical Education (Cowles)</td>
<td>1976</td>
<td>2,400,000</td>
<td>455,065</td>
<td>19.0</td>
<td>Grant</td>
<td>***HEFA</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td>$ 5,810,155</td>
<td>$ 3,003,022</td>
<td>51.7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Interest Subsidy Grant is for a 15 year period. The annual amount received by Simpson since 1971 is $11,666.00. The above figure represents the total funds to be received by the year 1986.

**Housing and Urban Development  ***Higher Education Facilities Act 1963  ****Health Education Welfare
with a $98,455 grant from HUD and a $125,000 loan from HEFA. Total cost of the building, $298,155.

Central Iowa has greatly benefited from the Blank Center for the Performing Arts which was built in 1971 at a cost of $1,300,000. Toward that total, Simpson received a grant of $349,502 from the Department of Health, Education and Welfare (HEW) and another $350,000 from HEW in Interest Subsidy Grants to be received at the rate of $11,666 annually until the year 1986.

The last building project to utilize federal funds, the Cowles Physical Education facility, cost $2,400,000. Of that amount, $455,065 was granted by HEFA.

Loras College was founded by the first Roman Catholic bishop of Dubuque in the year 1839. Largest of the five selected schools, Loras is also the most liberally endowed. An average of 1,295 students have attended Loras College over the last eight years, physical plant assets total $14,798,819, with debts of only $75,425, for a total physical plant worth of $14,723,394. Book value of Loras' endowment at the end of 1976 was $5,942,083. ¹

Sixteen buildings presently exist on the Loras campus, none of which were constructed with federal funds. Loras is unique among the selected schools in this respect. The college maintains a strong Catholic tradition and environment, and chose not to jeopardize this

¹Data Digest, loc. cit.
tradition with federal controls following as a consequence of accepting federal funds. Loras firmly guards its independence in this regard.

There are twenty-six private four-year colleges and universities in the state of Iowa, and three public universities. Of this number, four of the five colleges researched expended a total of $20,016,455 for the purpose of physical plant improvement during the years 1951 through 1976. Of that total, $14,033,508 came from federal programs of construction grants or loans for the benefit of higher education.

There are a total of one-hundred and twenty-one (121) buildings on the five campuses in the sample. Of this total, thirty-nine (39) have been constructed, remodeled, or improved by federal funds. Translated into percentages, 32.2 per cent of all buildings in the physical plants of the five colleges in this survey were built or improved with the use of federal construction grants and loans (Table 5).
Table 5

Federal Funds received by the five private church-related Colleges for the purpose of physical plant development between the years 1951-1976

<table>
<thead>
<tr>
<th>Name of College</th>
<th>Total Number of Buildings on Campus</th>
<th>Number of Buildings Involving Federal Funds</th>
<th>% of Total Buildings on Campus</th>
<th>Total Amt. of Building Expenditure</th>
<th>Amount of Federal Funds Toward the Total</th>
<th>% of Federal Funds Toward Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buena Vista College</td>
<td>17</td>
<td>11</td>
<td>64.7</td>
<td>$5,120,300</td>
<td>$3,834,096</td>
<td>74.9</td>
</tr>
<tr>
<td>Central College</td>
<td>40</td>
<td>13</td>
<td>32.5</td>
<td>5,318,000</td>
<td>4,593,620</td>
<td>86.3</td>
</tr>
<tr>
<td>Graceland College</td>
<td>24</td>
<td>6</td>
<td>25.0</td>
<td>3,768,000</td>
<td>2,602,770</td>
<td>69.1</td>
</tr>
<tr>
<td>Loras College</td>
<td>16</td>
<td>(Did not apply for any Federal money for construction during this period)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Simpson College</td>
<td>24</td>
<td>9</td>
<td>37.5</td>
<td>5,810,155</td>
<td>3,003,022</td>
<td>51.7</td>
</tr>
<tr>
<td>Totals</td>
<td>121</td>
<td>39</td>
<td>32.2</td>
<td>$20,016,455</td>
<td>$14,033,508</td>
<td>70.1</td>
</tr>
</tbody>
</table>
The Tenth Amendment of the United States Constitution indicates that all powers not specifically delegated to the federal government are reserved for the states. By implication, then, the power over education for the development and operation of the nation's schools has been left in the hands of the state governments, although the federal government has retained an interest which it has exercised in the manner discussed in the previous chapter.

The largest source of operating income for higher educational institutions, more than three times as much as from the federal government, \(^1\) comes from the local governments, primarily from the state. \(^2\) Fourteen per cent of all state revenues went to support higher education in 1974-1975. \(^3\)


\(^3\) Heyns, op. cit., p. 186.
Most of the income from state governments in higher education goes to the tax-supported colleges and universities; however, state-funded scholarship and grant programs are providing significant funds for private institutions as well. ¹ Allen Pfniister, in a recent report to the Lutheran Educational Conference of North America, comments that although the state governments have been subject to increasing demands from the tax-supported colleges and universities within their borders, they have also been sensitive to the needs of the private institutions and have moved in a "rather remarkable way" to provide assistance. ² The several states have, in recent years, provided direct aid to students in the form of scholarships and grants which can be used at private institutions.

The first comprehensive state program for residents to attend public or non-public institutions was probably developed in Maryland around 1825. New York established a similar program in 1913, Oregon in 1935, and then California in 1956. ³ In 1969, only nineteen states had provided student assistance programs; however, $199.9 million dollars

¹Pfniister, loc. cit.

²Pfniister, op. cit., p. 52.

were made available to 470,800 students. According to the National Association of State Scholarship Programs, fifty-six states and trust territories are expected to spend $746 million dollars during the 1977-1978 academic year, and more than 1,190,000 students will receive awards in some form. This represents a 14.5 per cent increase over the previous year. State governments seem to be increasing their commitments to students, and at the present, only Alaska does not have a student aid program, and only three states, Alabama, Delaware and South Carolina did not increase their appropriations for student aid in 1977.

The state of Iowa enacted a program of state scholarships and grants in 1965, becoming one of the twenty-two states which offered direct financial aid to students at that time. The State of Iowa Scholarship Program sought out Iowa's "most promising students," and on


2 Ibid.


4 Roark, "States Plan to Spend $746-Million on Aid to Students," loc. cit.

the basis of need, offered financial help to attend college. The scholarships could be used at the school of the student's choice, private or state supported.

In 1969, the sixty-third General Assembly of the Iowa legislature enacted the Iowa Tuition Grant Program designed to give low and middle income students access to Iowa's private colleges and universities. ¹

For the first year, $1,500,000 was appropriated and distributed to 2,166 students. Every year since 1969, the figures have grown. In 1976, $9,500,000 was appropriated by the legislature and 7,930 Iowa students received tuition grants which were used at all of Iowa's thirty eligible private colleges. ²

It is not easy to predict what impact the receipt of these funds is having on private colleges. In an effort to get a clearer view of the relationship these funds may be having to financing of the private, church-related colleges, some of the details of this program as they related to the five selected schools were examined.

Many of the figures used in this particular phase of the study are from the biennial reports of the Higher Education Facilities Commission of the State of Iowa. Some information came from the institutions

¹Ibid.

themselves as a result of a formal request and interviews with college personnel.

In 1969, when the Iowa Tuition Grant program was initiated, Buena Vista had 746 full-time students enrolled, 511 of whom were Iowa residents. Seventy-two of the Iowa students had been awarded Iowa tuition grants averaging $732 per student for a total of $52,740. This total amounted to only 2.7 per cent of the total operating budget for the college year. As for the student ratio, 14.1 per cent of the Iowa students enrolled had received grants, or 9.7 per cent of the total number of students enrolled in the college.

Between 1969 and 1976, the last year for which figures were available, there was a steady increase in the number of Iowa students enrolling at Buena Vista. The figure rose from 511 in 1969 to 805 in 1976. During the same time there was a steady decrease in non-Iowa students, the total number falling from 235 to 49 in 1976 (Table 6).

The number of Iowa tuition grants being used at Buena Vista increased from 72, or 9.7 per cent of the total enrollment in 1969 to 458, or 53.6 per cent of the total number of students enrolled at the college in 1976.

The amount of state money coming to the college as a result of this program showed a substantial increase in its ratio to the total budget. From 2.7 per cent of the total budget in 1969, the amount of funds received in 1976 constituted 18 per cent of the total budget. Of the five
Table 6

Analysis of Iowa Tuition Grant Money Received by Buena Vista College between 1969 through 1976

<table>
<thead>
<tr>
<th>Year</th>
<th>Full Time Under-Grads</th>
<th>Iowa</th>
<th>Non-Iowa</th>
<th>Number of Tuition Grants</th>
<th>% Iowa Enrollment with Grants</th>
<th>% Total Enrollment with Grants</th>
<th>Amount of Grants</th>
<th>Average per Student</th>
<th>Total Budget</th>
<th>% of Grant to Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1969</td>
<td>746</td>
<td>511</td>
<td>235</td>
<td>72</td>
<td>14.1</td>
<td>9.7</td>
<td>52,740</td>
<td>$732.50</td>
<td>$1,988,787</td>
<td>2.7</td>
</tr>
<tr>
<td>1970</td>
<td>759</td>
<td>606</td>
<td>153</td>
<td>167</td>
<td>27.6</td>
<td>22.0</td>
<td>147,295</td>
<td>882.00</td>
<td>2,100,245</td>
<td>7.0</td>
</tr>
<tr>
<td>1971</td>
<td>737</td>
<td>627</td>
<td>110</td>
<td>240</td>
<td>38.3</td>
<td>32.6</td>
<td>218,100</td>
<td>906.75</td>
<td>2,218,654</td>
<td>9.8</td>
</tr>
<tr>
<td>1972</td>
<td>690</td>
<td>607</td>
<td>83</td>
<td>259</td>
<td>42.7</td>
<td>37.5</td>
<td>229,235</td>
<td>885.08</td>
<td>2,309,687</td>
<td>9.9</td>
</tr>
<tr>
<td>1973</td>
<td>678</td>
<td>607</td>
<td>71</td>
<td>362</td>
<td>59.6</td>
<td>53.4</td>
<td>337,494</td>
<td>932.28</td>
<td>2,316,788</td>
<td>14.6</td>
</tr>
<tr>
<td>1974</td>
<td>716</td>
<td>645</td>
<td>71</td>
<td>362</td>
<td>56.1</td>
<td>50.6</td>
<td>343,094</td>
<td>947.78</td>
<td>2,382,559</td>
<td>14.4</td>
</tr>
<tr>
<td>1975</td>
<td>794</td>
<td>729</td>
<td>65</td>
<td>419</td>
<td>57.5</td>
<td>52.8</td>
<td>483,201</td>
<td>1,153.22</td>
<td>2,633,713</td>
<td>18.3</td>
</tr>
<tr>
<td>1976</td>
<td>854</td>
<td>805</td>
<td>49</td>
<td>458</td>
<td>56.9</td>
<td>53.6</td>
<td>542,649</td>
<td>1,184.82</td>
<td>3,022,590</td>
<td>18.0</td>
</tr>
<tr>
<td>Totals</td>
<td>5,974</td>
<td>5,137</td>
<td>837</td>
<td>2,339</td>
<td>45.5</td>
<td>39.2</td>
<td>$2,353,798</td>
<td>$1,006.33</td>
<td>$18,973,023</td>
<td>12.4</td>
</tr>
</tbody>
</table>

* Grants here limited only to those full time students receiving Iowa Tuition Grants.
schools in the sample, Buena Vista had the highest percentage of Iowa students and the greatest number of students who received the Iowa tuition grants. Only Loras, with nearly twice as many students received more tuition grant money. Buena Vista also had the highest ratio of money received compared to the operating budget, or an average of 12.4 per cent for the eight-year period. The second highest ratio was that of Central College with 9.8 per cent.

Central College figures showed a similar pattern. Enrollment rose from 1,259 in 1969 to 1,332 in 1976, with a steady increase in Iowa students and a decrease in non-Iowa students attending, although the decrease was not as sharp as at Buena Vista. Central had lost 115 non-Iowa students at the end of eight years (Table 7). The number of Central students receiving the Iowa tuition grants rose from 120 in 1969 to 485 in 1976 which, when translated into percentages, is 9.5 per cent of the total 1969 enrollment and 36.4 per cent of the 1976 enrollment. The amount of funds received by Central College in 1969 was only 4 per cent of the operating budget. At the end of eight years, funds received from the Iowa Tuition Grant program amounted to 13.6 per cent of the 1976 Central College budget.

Graceland College is unique in that it was the only institution of higher learning sponsored by the Reorganized Church of Jesus Christ of Latter Day Saints, its affiliated denomination. In the 1970s, the Church acquired a second institution, Park College in Kansas City,
Table 7

Analysis of Iowa Tuition Grant Money Received by Central College between 1969 through 1976

<table>
<thead>
<tr>
<th>Year</th>
<th>Full Time Under-Grads</th>
<th>Iowa</th>
<th>Non-Iowa</th>
<th>Number of Tuition Grants</th>
<th>% Iowa Enrollment with Grants</th>
<th>% Total Enrollment with Grants</th>
<th>Amount of Grants</th>
<th>Average per Student</th>
<th>Total Budget</th>
<th>% of Grant to Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1969</td>
<td>1,259</td>
<td>677</td>
<td>582</td>
<td>120</td>
<td>17.7</td>
<td>9.5</td>
<td>$91,958</td>
<td>$766.32</td>
<td>$2,282,409</td>
<td>4.0</td>
</tr>
<tr>
<td>1970</td>
<td>1,208</td>
<td>680</td>
<td>528</td>
<td>201</td>
<td>29.6</td>
<td>16.6</td>
<td>$199,851</td>
<td>$994.28</td>
<td>$2,656,124</td>
<td>7.5</td>
</tr>
<tr>
<td>1971</td>
<td>1,237</td>
<td>705</td>
<td>532</td>
<td>281</td>
<td>39.9</td>
<td>22.7</td>
<td>$255,023</td>
<td>$907.55</td>
<td>$2,878,354</td>
<td>8.9</td>
</tr>
<tr>
<td>1972</td>
<td>1,177</td>
<td>695</td>
<td>482</td>
<td>254</td>
<td>36.5</td>
<td>21.6</td>
<td>$229,235</td>
<td>$902.50</td>
<td>$3,057,219</td>
<td>7.5</td>
</tr>
<tr>
<td>1973</td>
<td>1,168</td>
<td>706</td>
<td>462</td>
<td>358</td>
<td>50.7</td>
<td>30.7</td>
<td>$328,297</td>
<td>$917.03</td>
<td>$3,143,738</td>
<td>10.4</td>
</tr>
<tr>
<td>1974</td>
<td>1,307</td>
<td>740</td>
<td>567</td>
<td>349</td>
<td>47.2</td>
<td>26.7</td>
<td>$330,000</td>
<td>$945.56</td>
<td>$3,523,706</td>
<td>9.4</td>
</tr>
<tr>
<td>1975</td>
<td>1,321</td>
<td>781</td>
<td>540</td>
<td>435</td>
<td>55.7</td>
<td>32.9</td>
<td>$505,508</td>
<td>$1,162.08</td>
<td>$3,868,145</td>
<td>13.1</td>
</tr>
<tr>
<td>1976</td>
<td>1,332</td>
<td>865</td>
<td>467</td>
<td>485</td>
<td>56.1</td>
<td>36.4</td>
<td>$573,913</td>
<td>$1,183.32</td>
<td>$4,210,465</td>
<td>13.6</td>
</tr>
<tr>
<td>Totals</td>
<td>10,009</td>
<td>5,849</td>
<td>4,160</td>
<td>2,483</td>
<td>42.5</td>
<td>24.8</td>
<td>$2,513,785</td>
<td>$1,012.40</td>
<td>$25,620,160</td>
<td>9.8</td>
</tr>
</tbody>
</table>

* Grants here limited only to those full time students receiving Iowa Tuition Grants.
Missouri. However, the traditional attraction of church-member students from all states and foreign countries can be attributed to the fact that for years, Graceland was the only Reorganized Latter Day Saint college in existence. Therefore, in one aspect at least, Graceland figures will reflect a somewhat different picture from that of the other schools in this study (Table 8).

For example, only 272 out of 1,178 students in 1969 came from Iowa. In 1976, that figure had changed very little. Two hundred and seventy-seven (277) students were from Iowa out of a total student enrollment of 1,248. For this reason the percentage of enrollment to receive Iowa tuition grants remained very low, the lowest in this study, going from 5.2 per cent in 1969 to 13.2 per cent in 1976 for an eight-year average of 9.0 per cent. However, the percentage of Iowa students at Graceland who received grants was comparable to the other four schools. Twenty-two and four-tenths (22.4) per cent of Iowa students at Graceland received Iowa tuition grants in 1969 and in 1976 the figure had increased to 59.6 per cent. The eight-year average of all Iowa students enrolled at Graceland receiving the tuition grant funds was 37.3 per cent.

The ratio of funds received to total operating budget was also very low, a fact that can be attributed to the relatively small enrollment of Iowa students. The figure increased from 1.5 per cent in 1969 to 3.4 per cent in 1976 with an average of 2.7 per cent for the eight years.
<table>
<thead>
<tr>
<th>Year</th>
<th>Full Time Under-Grads</th>
<th>Iowa</th>
<th>Non-Iowa</th>
<th>Number of Tuition Grants</th>
<th>% Iowa Enrollment with Grants</th>
<th>% Total Enrollment with Grants</th>
<th>Amount of Grants</th>
<th>Average per Student</th>
<th>Total Budget</th>
<th>% of Grant to Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1969</td>
<td>1,178</td>
<td>272</td>
<td>906</td>
<td>61</td>
<td>22.4</td>
<td>5.2</td>
<td>$ 31,710</td>
<td>$ 518.84</td>
<td>$ 2,072,864</td>
<td>1.5</td>
</tr>
<tr>
<td>1970</td>
<td>1,198</td>
<td>293</td>
<td>905</td>
<td>67</td>
<td>22.9</td>
<td>5.6</td>
<td>$ 50,998</td>
<td>761.16</td>
<td>3,258,807</td>
<td>1.6</td>
</tr>
<tr>
<td>1971</td>
<td>1,261</td>
<td>334</td>
<td>927</td>
<td>89</td>
<td>26.6</td>
<td>7.1</td>
<td>$ 75,150</td>
<td>844.38</td>
<td>3,669,031</td>
<td>2.0</td>
</tr>
<tr>
<td>1972</td>
<td>1,188</td>
<td>312</td>
<td>876</td>
<td>78</td>
<td>25.0</td>
<td>6.6</td>
<td>$ 71,379</td>
<td>915.12</td>
<td>3,858,936</td>
<td>1.8</td>
</tr>
<tr>
<td>1973</td>
<td>1,192</td>
<td>314</td>
<td>878</td>
<td>112</td>
<td>35.7</td>
<td>9.4</td>
<td>$ 99,565</td>
<td>888.97</td>
<td>4,154,040</td>
<td>2.4</td>
</tr>
<tr>
<td>1974</td>
<td>1,342</td>
<td>291</td>
<td>1,051</td>
<td>127</td>
<td>43.6</td>
<td>9.5</td>
<td>$ 118,200</td>
<td>930.71</td>
<td>4,264,330</td>
<td>2.8</td>
</tr>
<tr>
<td>1975</td>
<td>1,290</td>
<td>281</td>
<td>1,009</td>
<td>187</td>
<td>66.5</td>
<td>14.5</td>
<td>$ 217,935</td>
<td>1,165.43</td>
<td>5,194,068</td>
<td>4.2</td>
</tr>
<tr>
<td>1976</td>
<td>1,248</td>
<td>277</td>
<td>971</td>
<td>165</td>
<td>59.6</td>
<td>13.2</td>
<td>$ 190,657</td>
<td>1,155.49</td>
<td>5,624,258</td>
<td>3.4</td>
</tr>
<tr>
<td>Totals</td>
<td>9,897</td>
<td>2,374</td>
<td>7,523</td>
<td>886</td>
<td>37.3</td>
<td>9.0</td>
<td>$ 855,594</td>
<td>$ 965.68</td>
<td>$32,096,334</td>
<td>2.7</td>
</tr>
</tbody>
</table>

* Grants here limited only to those full time students receiving Iowa Tuition Grants.
In 1969, the Loras College enrollment was 1,427 students, 901 of whom were from Iowa. At that time, 162 or eighteen per cent of Iowa students attending Loras received grants, or 11.4 per cent of total Loras enrollment. The amount of funds received was $102,183 which was 2.5 per cent of the 1969 operating budget. Loras College enrollment has dropped slightly over the eight-year period, although the ratio of Iowa to non-Iowa students has remained about the same (Table 9).

In 1976, 1,256 students attended Loras College, 843 of whom were from Iowa. Of the Iowa students, 534 or 63.3 per cent received grants amounting to $626,457 which was 12.6 per cent of Loras' operating budget for the year.

Next to Graceland, Simpson had the largest non-Iowa student enrollment. Simpson also dropped slightly in enrollment, from nine hundred students in 1969 to 753 in 1976. From eighty tuition grant students in 1969, to 293 in 1976, Simpson's percentage of Iowa students receiving awards rose from 13.2 per cent to 50.6 per cent. Considering the figures as to total enrollment, 8.9 per cent of all students enrolled at Simpson in 1969 received Iowa Tuition Grants compared to 22.5 per cent in 1976. In the first year of the program, Simpson received $73,457 or 2.7 per cent of their budget as a result of the tuition grant, and in 1976 the figure had risen to $355,788 or 9.2 per cent (Table 10).

To summarize, since the Iowa Tuition Grant Program was instituted in 1969, the five selected church-related colleges have received
Table 9

Analysis of Iowa Tuition Grant Money Received by Loras College 1969 through 1976

<table>
<thead>
<tr>
<th>Year</th>
<th>Full Time Under-Grads</th>
<th>Iowa</th>
<th>Non- Iowa</th>
<th>Number of Tuition Grants</th>
<th>% Iowa Enrollment with Grants</th>
<th>% Total Enrollment with Grants</th>
<th>Amount of Grants</th>
<th>Average per Student</th>
<th>Total Budget</th>
<th>% of Grant to Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1969</td>
<td>1,427</td>
<td>901</td>
<td>526</td>
<td>162</td>
<td>18.0</td>
<td>11.4</td>
<td>$ 102,183</td>
<td>$ 630.76</td>
<td>$ 4,049,355</td>
<td>2.5</td>
</tr>
<tr>
<td>1970</td>
<td>1,346</td>
<td>846</td>
<td>500</td>
<td>253</td>
<td>29.9</td>
<td>18.8</td>
<td>$ 197,313</td>
<td>779.89</td>
<td>$ 4,178,304</td>
<td>4.7</td>
</tr>
<tr>
<td>1971</td>
<td>1,315</td>
<td>848</td>
<td>467</td>
<td>333</td>
<td>39.3</td>
<td>25.3</td>
<td>$ 288,814</td>
<td>867.31</td>
<td>$ 4,144,352</td>
<td>7.0</td>
</tr>
<tr>
<td>1972</td>
<td>1,262</td>
<td>805</td>
<td>457</td>
<td>314</td>
<td>39.0</td>
<td>24.9</td>
<td>$ 274,160</td>
<td>873.12</td>
<td>$ 4,272,154</td>
<td>6.4</td>
</tr>
<tr>
<td>1973</td>
<td>1,253</td>
<td>832</td>
<td>421</td>
<td>423</td>
<td>50.8</td>
<td>33.8</td>
<td>$ 395,557</td>
<td>935.12</td>
<td>$ 4,041,913</td>
<td>9.8</td>
</tr>
<tr>
<td>1974</td>
<td>1,229</td>
<td>861</td>
<td>368</td>
<td>458</td>
<td>53.2</td>
<td>37.3</td>
<td>$ 429,096</td>
<td>936.90</td>
<td>$ 4,236,448</td>
<td>10.1</td>
</tr>
<tr>
<td>1975</td>
<td>1,272</td>
<td>875</td>
<td>397</td>
<td>529</td>
<td>60.5</td>
<td>41.6</td>
<td>$ 639,328</td>
<td>1,208.55</td>
<td>$ 4,527,724</td>
<td>14.1</td>
</tr>
<tr>
<td>1976</td>
<td>1,256</td>
<td>843</td>
<td>413</td>
<td>534</td>
<td>63.3</td>
<td>42.5</td>
<td>$ 626,457</td>
<td>1,173.14</td>
<td>$ 4,974,358</td>
<td>12.6</td>
</tr>
<tr>
<td>Totals</td>
<td>10,360</td>
<td>6,811</td>
<td>3,549</td>
<td>3,006</td>
<td>44.1</td>
<td>29.0</td>
<td>$2,952,908</td>
<td>$ 982.34</td>
<td>$34,424,608</td>
<td>8.6</td>
</tr>
</tbody>
</table>

* Grants here limited only to those full time students receiving Iowa Tuition Grants.
Table 10
Analysis of Iowa Tuition Grant Money Received by Simpson College 1969 through 1976

<table>
<thead>
<tr>
<th>Year</th>
<th>Full Time Under-Grads</th>
<th>Iowa</th>
<th>Non-Iowa</th>
<th>% Iowa Enrollment</th>
<th>% Total Enrollment</th>
<th>Amount of Grants</th>
<th>Average per Student</th>
<th>Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1969</td>
<td>900</td>
<td>606</td>
<td>294</td>
<td>13.2</td>
<td>8.9</td>
<td>$73,457</td>
<td>$918.21</td>
<td>$2,691,692</td>
</tr>
<tr>
<td>1970</td>
<td>964</td>
<td>683</td>
<td>281</td>
<td>19.5</td>
<td>13.8</td>
<td>$131,460</td>
<td>$888.42</td>
<td>$2,878,770</td>
</tr>
<tr>
<td>1971</td>
<td>957</td>
<td>741</td>
<td>216</td>
<td>23.6</td>
<td>18.3</td>
<td>$158,800</td>
<td>$907.43</td>
<td>$3,211,714</td>
</tr>
<tr>
<td>1972</td>
<td>857</td>
<td>661</td>
<td>196</td>
<td>22.4</td>
<td>17.3</td>
<td>$135,696</td>
<td>$923.62</td>
<td>$3,591,830</td>
</tr>
<tr>
<td>1973</td>
<td>847</td>
<td>636</td>
<td>211</td>
<td>35.4</td>
<td>26.6</td>
<td>$214,958</td>
<td>$955.37</td>
<td>$3,479,460</td>
</tr>
<tr>
<td>1974</td>
<td>755</td>
<td>556</td>
<td>199</td>
<td>36.1</td>
<td>26.6</td>
<td>$193,640</td>
<td>$963.38</td>
<td>$3,549,151</td>
</tr>
<tr>
<td>1975</td>
<td>751</td>
<td>550</td>
<td>201</td>
<td>49.5</td>
<td>36.2</td>
<td>$329,473</td>
<td>$1,211.29</td>
<td>$3,651,130</td>
</tr>
<tr>
<td>1976</td>
<td>753</td>
<td>579</td>
<td>174</td>
<td>50.6</td>
<td>38.9</td>
<td>$355,788</td>
<td>$1,214.29</td>
<td>$3,879,497</td>
</tr>
<tr>
<td>Totals</td>
<td>6,784</td>
<td>5,012</td>
<td>1,772</td>
<td>1,527</td>
<td>30.5</td>
<td>$1,593,272</td>
<td>$1,043.40</td>
<td>$26,933,244</td>
</tr>
</tbody>
</table>

*Grants here limited only to those full time students receiving Iowa Tuition Grants.*
more than ten million dollars ($10,269,357) in state aid (Table 11).
Slightly more than ten thousand students (10,241) have received Iowa
Tuition Grants averaging more than one thousand dollars per student
($1,002.77). Moreover, 40.7 per cent of all Iowa students enrolled in
the five colleges received Iowa tuition grants.

The total operating budgets for the five schools amounted to
more than 137 million dollars ($137,047,369) which means that Iowa
Tuition Grant funds accounted for 7.5 per cent of the aggregate budget
in these five church-related colleges.

The fact that Graceland has had a large non-Iowa enrollment,
the largest of any private college in Iowa with the exception of Drake
1
University, may slightly distort the picture presented in this survey
by depressing the five-college average. Even when this fact is taken
into consideration, the figures are impressive. Since 1969, the Iowa
Tuition Grant Program has become a significant source of income for
the five colleges in the study.

---

1 Iowa Higher Education Facilities Commission, Data Digest on
17. (Mimeoographed.)
<table>
<thead>
<tr>
<th></th>
<th>Full Time Undergrads</th>
<th>Iowa Non-Tuition Grants</th>
<th>&amp;% Iowa Enrollment with Grants</th>
<th>Total Amount of Grants</th>
<th>Average per Grant</th>
<th>Total Budget</th>
<th>% of Grants to Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buena Vista</td>
<td>5,974</td>
<td>5,137</td>
<td>837</td>
<td>2,339</td>
<td>45.5</td>
<td>$2,353,798</td>
<td>$1,006.33</td>
</tr>
<tr>
<td>Central</td>
<td>10,009</td>
<td>5,849</td>
<td>4,160</td>
<td>2,483</td>
<td>42.5</td>
<td>$2,513,785</td>
<td>1,012.90</td>
</tr>
<tr>
<td>Grace-land</td>
<td>9,897</td>
<td>2,374</td>
<td>7,523</td>
<td>886</td>
<td>37.3</td>
<td>855,594</td>
<td>965.68</td>
</tr>
<tr>
<td>Loras</td>
<td>10,360</td>
<td>6,811</td>
<td>3,549</td>
<td>3,006</td>
<td>44.1</td>
<td>2,952,908</td>
<td>982.34</td>
</tr>
<tr>
<td>Simpson</td>
<td>6,784</td>
<td>5,012</td>
<td>1,772</td>
<td>1,527</td>
<td>30.5</td>
<td>1,593,272</td>
<td>1,043.40</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>43,024</strong></td>
<td><strong>25,183</strong></td>
<td><strong>17,841</strong></td>
<td><strong>10,241</strong></td>
<td><strong>40.7</strong></td>
<td><strong>$10,269,357</strong></td>
<td><strong>$1,002.77</strong></td>
</tr>
</tbody>
</table>

* Grants here limited only to those full time students receiving Iowa Tuition Grants.
Chapter 7

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

Since 1825, American higher education has been divided into two sectors, one public and tax supported, the other private and largely church-related. In recent years, because of rising costs and the ever widening tuition gap, private colleges found themselves in financial trouble, and to some extent, federal and state governments made an effort to assist through a variety of programs. As a result, there has been a growing dependency among private institutions on federal and state funds. This study has dealt with the historical, philosophical and practical aspects of state and federal aid to church-related colleges.

The problem was complicated by legal issues. Because of the principle of the separation of church and state it was necessary for the courts to establish guidelines whereby government involvement and support of church-related colleges could be permitted.

Between 1950 and 1976 the federal government poured huge sums of money into construction on the college campuses. Private church-related colleges took advantage of the programs. Subsequently the states became deeply involved in programs which gave financial aid directly to students and which could be used at private institutions. It was the
purpose of this study to select five private church-related colleges in Iowa to examine what effect, if any, these programs had on their finances.

In light of the church and state issue it was necessary to do historical research in order to better appreciate how federal and state governments could make available such large amounts of money to institutions which were church-related. The procedure was to review historical literature and Supreme Court decisions which had a direct relationship to the church-state issue. With this base of understanding, the next step was to gather information directly related to the problem. Data were gathered from the selected colleges by direct research, interviews, and examination of their statistical reports. The findings which appear in this study reflect the historical and statistical information gathered as a result of the research. The conclusions which follow were based on the information which has been presented.

The first conclusion that can be drawn is that the wall of separation between church and state is not impregnable. If the legal guidelines are followed, federal and state financial aid to church-related colleges is permissible. In the case of the selected Iowa colleges, $24,272,865 flowed to the institutions as a result of student aid and construction loans and grants between 1953 and 1976.

The second conclusion is that physical plants of the four participating colleges were directly benefited by the receipt of federal funds. From 1953 to 1976 physical plant assets increased in net worth by
fourteen million dollars as a result of federal construction loans and grants. The study showed that out of 121 buildings on the five campuses, 39, or roughly one-third involved the use of federal funds, and 70.1 percent of the twenty million dollar total cost came from federal sources. How much of this construction would have been done had federal money not been available is difficult to estimate. But this much is apparent. Federal construction loans and grants made possible physical plant improvements of significant proportions on the campuses.

A third conclusion is that the Iowa Tuition Grant program supported these five private institutions by making funds available for the operation of the colleges. Furthermore, the funds made available steadily increased between 1969 and 1976 accounting for a substantial portion of their total income. For the five colleges in the study, the number of students on the program rose from 495 in 1969 to 1,935 in 1976, and the amount of money flowing to the colleges from the Iowa Tuition Grant program increased from $352,048 to $2,289,464, a 650 per cent increase. In 1969 the percentage of funds received amounted to only 2.6 per cent of the operating budgets, but in 1976 that figure had grown to 10.5 per cent for the five-college average. For the eight-year period $10,269,000 came directly from the state to the five colleges, which represented 7.5 per cent of the total operating budgets. One of the colleges received as high as 18 per cent of its 1976 operating budget from the Iowa Tuition Grant program. The figures are impressive.
Recommendation one:

It is recommended that state and federal assistance to private church-related colleges be continued.

Recommendation two:

It is recommended that a further study be made that would investigate the advantages of private church-related education and whether these advantages are significant enough to warrant the preservation of the dual system. As a part of this study it would also be appropriate to test the benefits of diversity as well as the assumption that the existence of both private and public institutions stimulates and improves the quality of each. If such research finds that the dual system should be preserved, federal and state assistance will need to be made available in ways that would protect the traditional autonomy of the private institution.

Recommendation three:

It is recommended that further study be made to determine whether the receipt of federal construction grants and loans with the accompanying use restrictions affected the colleges in terms of what was taught and how it was taught. If research indicates a measurable effect in this regard, the question should be asked whether or not it would be feasible to provide funds for construction without restrictions.

Recommendation four:

It is recommended that further study be made as to whether
improvements on the campuses as a result of federal construction programs affected enrollment. At each of the four colleges which accepted federal construction assistance, at least one facility costing in excess of one million dollars and in some cases two such facilities had been added to the campus with the use of federal funds. Did the new library or fieldhouse or center for the Performing Arts influence a student's choice? Improved facilities undoubtedly make possible expanded programs which in turn may attract students. This possibility exists and should be studied.

The private sector of higher education has been a distinctive and distinguished part of the American educational system. In order to continue to play their important role, the private church-related colleges will need future financial support in some form from federal and state sources. Past and present programs of support have been beneficial. Although further study is recommended and modifications may be necessary, federal and state aid to private church-related colleges should continue.
BIBLIOGRAPHY
BIBLIOGRAPHY

Books


Legal Documents

U. S. Constitution, Article I, Section 8.

……….. Amendment I.


Tilton v. Richardson, 403 U.S. 672 (1971).


Journals and Periodicals

Andringa, Robert C. "The View from the Hill: Is Congress the Problem or the Solution?" Change, VIII (April, 1976), 26-30.

Graceland College Bulletin, IX, No. 3 (October, 1974), 1-62.


Skelly, Joseph G. "'Meek v. Pittenger' Will it Precipitate a Solution?" Proceedings--Tenth National Meeting of Diocesan Attorneys, May 1974, pp. 36-44.

APPENDICES
APPENDIX A

CHRONOLOGICAL SUMMARY OF PRINCIPAL FEDERAL LEGISLATION AFFECTING EDUCATION FROM 1787 TO 1968
1787 Commencement of endowment of public institutions of higher education with public lands—Northwest Ordinance: "Schools and the means of education shall forever be encouraged."

1802 Establishment of the first federal institution of higher education—Military Academy at West Point.

1862 The first Morrill Act—initiated federal policy of aid to states for agricultural and industrial education through land grants for colleges.

1867 Federal Department of Education established by Congress; later the Office of Education.

1874 Introduction of the principle of federal-state matching of funds for education.

1887 Hatch Act—encouraged scientific investigation in agriculture.

1890 The Second Morrill Act—introduction of federal grants of money for college instruction in specified areas of learning.

1914 Smith-Lever Act—matching of funds for agricultural and home economics instruction.

1917 The Smith-Hughes Act—began policy of promoting vocational education below college level through assistance with teachers' salaries.

1919 Federal surplus property available to educational institutions.


1933 Civilian Conservation Corps—provided vocational education.

1935 National Youth Administration—employment for college students.

1935 Bankhead-Jones Act—increased support for land-grant colleges.


1941 Lanham Act—provided educational assistance for schools in communities affected by the federal government's activities.
1943 Vocational Rehabilitation Act--aid for disabled veterans.

1944 The Servicemen's Readjustment Act--G.I. Bill, educational aid for veterans.

1944 Surplus Property Act--government surplus given to educational institutions.

1946 National School Lunch--gave funds and food to public and non-public schools; school milk program added in 1954.

1946 George-Barden Act--extended Smith-Hughes Act by increasing appropriation.

1949 Federal Property and Administrative Services Act--surplus property disposal for educational, health, and civil defense purposes.

1950 The National Science Foundation Act--promoted progress in science through scholarships and fellowships in fields of science.

1950 The Housing Act--low interest rates for loans to institutions of higher learning for building of housing facilities.

1950 Federal Impact Laws (P. L. 815 and P. L 874)--extended the Lanham Act of 1941; provided assistance to communities affected by activities of the federal government for construction and operation of schools.

1952 National Science Foundation--fellowship program.

1954 Cooperative Research Act--authorized the Office of Education to conduct cooperative research with colleges, universities, and state educational agencies.

1956 Library Services Act--grants for improvement of library facilities.

1958 The National Defense Education Act--provided for graduate fellowships in science, mathematics, foreign languages, counseling and guidance, educational technology.

1958 Fogarty-McGovern Act--federal grants to train teachers of mentally retarded children.
1961  Area Redevelopment Act--training of persons in redevelopment areas.

1961  Peace Corps Act--supplied teachers and technicians to underdeveloped nations.

1963  Health Professions Educational Assistance Act--construction of facilities and student loans.

1963  Mental Retardation Facilities and Community Mental Health Centers Construction Act--training of teachers and demonstration projects.

1963  Higher Education Facilities Act of 1963--grants to all colleges, public and private, for improvement of facilities.


1964  The Civil Rights Act of 1964--desegregation of the schools enforced and assisted.


1964  Amendments to National Defense Education Act--extended and expanded to include areas of English, reading, history, and geography.

1965  Elementary and Secondary Education Act--federal grants to states for allocation to school districts with low income families.

1965  National Foundation for the Arts and Humanities--foundation to support humanities and the arts through grants.


1967  Education Professions Development Act--to coordinate, broaden and strengthen programs for the training and improvement of educational personnel.
1968 Higher Education Amendments of 1968—extended and improved four major education acts and authorized six new programs.

1968 Handicapped Children's Assistance Act—federal effort to help handicapped children at pre-school level.  

APPENDIX B

LOANS AND GRANTS SURVEY SHEET
NAME OF COLLEGE

List on this sheet the Loans and Grants Received for Building Facilities on the above Campus

Type of Building

Total Cost of Construction

Type of Government Aid

Loan or Grant

Date Received

Program Under Which Money Was Given

Project Number

Amount of Money Received by the College

Year Money Received

Interest Subsidy Grants

If you have received any Interest Subsidy Grants, please list below the following information:

a. Project Number

b. Date of Agreement

c. Identify the Building Project Involved

d. Year

e. Interest Rate and Annual Grant Amount

f. The Government Program Under which the Grant was allocated to the College
APPENDIX C

ENROLLMENT SURVEY SHEET

<table>
<thead>
<tr>
<th>Year</th>
<th>Full-Time Student Under-Graduates</th>
<th>Iowa</th>
<th>Non-Iowa</th>
</tr>
</thead>
<tbody>
<tr>
<td>1969</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1971</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1972</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1973</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1974</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1975</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1976</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
APPENDIX D

OPERATING BUDGET SURVEY SHEET
COLLEGE  

OPERATING BUDGETS  
1969  
1970  
1971  
1972  
1973  
1974  
1975  
1976  

THE NUMBER OF BUILDINGS PRESENTLY IN USE ON CAMPUS  

HOW MANY OF THE BUILDINGS LISTED IN THE ABOVE FIGURE HAVE RECEIVED FEDERAL GRANTS OR LOANS TO ASSIST IN THEIR REMODELING OR CONSTRUCTION  