

# BGCT Executive Board OKs \$1 million loan to BUA

September 27, 2017

DALLAS—The Baptist General Convention of Texas Executive Board unanimously approved a \$1 million loan, a \$250,000 gift and a \$250,000 challenge grant to financially beleaguered Baptist University of the Americas.

“BUA is in a critical financial position,” BGCT Executive Director David Hardage said.

Information provided to the executive board indicated BUA has \$260,000 outstanding letters of credit, \$268,000 outstanding for building maintenance contracts and \$180,000 in past-due accounts payable and payroll taxes.

Both Van Christian, chair of the BUA board of trustees and pastor of First Baptist Church in Comanche, and [Abraham Jaquez](#), who has been on the job as BUA president about a month, emphasized the institution’s survival depended on assistance from the BGCT.

Christian, a former chair of the BGCT Executive Board, acknowledged the numerous times in its history BUA has appealed to the convention’s governing board for financial assistance.

“It is hard for me to stand before you this morning,” he said. “I understand BUA fatigue. ... But we need your help. The 10 months we were without a president almost destroyed us.”

[René Maciel resigned](#) effective Oct. 16 last year as BUA president to become community life pastor at First Woodway Baptist Church in Waco.

BUA's board of trustees elected [Jaquez](#) in July and he began work as BUA president Aug. 21.

During the interim between Maciel's departure and Jazquez's arrival, the school sustained a \$500,000 loss when a major donor withdrew support, and other significant contributors also decreased or suspended their gifts, Christian noted.

"BUA is donor-driven, not tuition-driven," he explained.

BUA intentionally has kept tuition low—currently \$265 an hour—to make Christian higher education available and affordable to students who would not otherwise be able to afford it, Jaquez noted.

However, the school will need to implement incremental increases in tuition over the next few years, while at the same time broadening and deepening its donor pool and expanding its scholarship endowment, he added.

Christian commended Jaquez for bringing to the trustees a detailed business plan with 90-day, six-month and 10-year goals and objectives. Jaquez also instituted an immediate hiring freeze and cost-cutting measures.

The loan to BUA approved by the BGCT Executive Board was modeled after a precedent set in the early 1980s, when Dallas Baptist College faced significant financial challenges, BGCT Treasurer and Chief Financial Officer Jill Larsen noted. At the time, a study committee recommended a loan and gift to the Dallas school with certain stipulations to create fund-raising incentives.

As approved by the board, the BGCT will make a \$1 million 10-year loan to BUA, available at no interest for five years and at 5 percent per year for five years. For each \$1 million BUA raises in endowment funds in the first

five years, the interest will be reduced by 1 percent.



Bill Skaar, pastor of First Baptist Church in Grand Prairie, raises a question about the loan for Baptist University of the Americas. (Photo / Jordan Parker)

The board's finance committee added to the original recommendation the \$250,000 outright gift to BUA to help with its immediate cash-flow crisis and the \$250,000 challenge grant to encourage financial development initiatives.

Funds for the loan and gifts are made available from the BGCT wills and trusts distributions reserve fund, which has a \$7.7 million investment value.

During discussion at the board meeting, several directors raised questions but echoed the same sentiments: "We need BUA."

Six out of 10 students at BUA are Hispanic, and about 60 percent of the Hispanic staff in Texas Baptist churches attended BUA. However, 28 countries—including many outside Latin America—are represented in the

school's student body.

"It's not just about Hispanics. It's about cross-cultural missions," said Rolando Aguirre of McAllen, president of the Hispanic Baptist Convention of Texas. "Let's give them a chance."

## **Board proposes 2018 budget**

In another major item of business, the BGCT Executive Board also approved a 2018 budget proposal that projects flat Cooperative Program receipts but a slight increase in funds available through investment income and other sources.

Messengers to the BGCT annual meeting Nov. 12-14 in Waco will vote on 2018 budget allocations of \$34.25 million, up \$250,000 from the current spending plan.

The 2018 budget proposal depends on \$29.6 million in Cooperative Program receipts from churches, equal to the amount in the 2017 budget. However, the recommended budget anticipates 4.65 million in investment income, compared to the projected \$4.4 million this year.

In addition, the 2017 budget includes more than \$2.8 million in additional revenue from the North American Mission Board, conference and booth fees, product sales and other miscellaneous sources.

So, the proposed 2017 operating budget will total \$37,135,129, compared to this year's goal of \$36,638,274.

The board also approved continued division of undesignated receipts from affiliated churches, with 79 percent allocated for the BGCT and 21 percent for worldwide causes. Each church determines the recipient or recipients of its worldwide giving. The board proposal approves \$1,161,000 for Texas worldwide missions initiatives and partnerships, compared to \$1.3 million

in 2017.

## **In other business, the board:**

- Elected as chair Dennis Young, pastor of Missouri City Baptist Church in Houston, and as vice chair Craig Christina, pastor of Shiloh Terrace Baptist Church in Dallas.
- Authorized the sale of the Baptist Student Ministry facility at the University of Texas at Austin for \$8.7 million to a developer. The BSM subsequently will purchase up to 14,000 square feet of property in the building constructed on that site. The BGCT will pay closing costs, lease temporary space, and finish out and furnish the purchased space at a cost not to exceed \$2.1 million. At the completion of the project, about \$3.8 million in proceeds will be invested in a board-designated endowment to benefit Baptist Student Ministry.
- Approved \$350,000 of investment income from the J.K. Wadley Mission Fund for church starts and \$100,000 of current income from the same fund for campus missionary interns in 2018.
- Recommended a change in relationship between the convention and [Baptist Community Services of Amarillo](#). Messengers to the BGCT annual meeting will be asked to allow Baptist Community Services to change from an affiliated institution to a relationship with the convention by special agreement that allows the foundation greater flexibility in developing programs and electing its directors.
- Approved changes to the certificate of formation for Dallas Baptist University to bring its language in line with other governing documents.
- Amended policies to reflect changes to the BGCT Executive Board organizational structure.
- Amended a request granting the Korean Baptist Fellowship of

Texas status as a recognized fellowship of the BGCT until the fellowship asks for recognition and a BGCT review affirms its eligibility. The fellowship previously had requested recognition but withdrew the request after a change in its elected leadership.

- Agreed to enlist the services of the Weaver & Tidwell accounting firm to conduct the 2017 financial audit at an estimated cost of \$49,500.
- Approved the purchase of new church relationship management software.

## **The board also filled vacancies on councils, commissions and coordinating teams by electing:**

- Betty Booth from First Baptist Church in Tyler and Jimmy Garcia from First Baptist Church in Duncanville to the Baptist Distinctives Council.
- Bob Page from River Pointe Community Baptist Church in Richmond, Texas, and Todd Combee from New Bethesda Baptist Church in Mechanicsville, Va., to the Chaplain Endorsement Council.
- Brenda Rincones from Mighty Fortress Church in San Antonio, Delcia Chisholm from Coastal Bend Fellowship in Kingsville, Elmo Johnson from Rose of Sharon Baptist Church in Houston and Daniel “Tiny” Dominguez from Community Heights Baptist Church in Lubbock to the Christian Life Commission.
- Darin Wood from First Baptist Church in Midland and Tedye Schuehler from Victory Life Church in Lubbock to the Evangelism Strategic Planning Council.
- Irma Alvarado from First Baptist Church in Donna, Oliver Martinez

from Iglesia Bautista Getsemani in Fort Worth and Rafael Muñoz from Erez Church in Terrell to the Hispanic Education Initiative Council.

- Dan Turner from Park Cities Baptist Church in Dallas, Laura Edmondson from First Baptist Church in Saginaw, Joe Fields from New Beginnings Baptist Church in Lewisville, Harold Davidson from The Cowboy Church of Corsicana and Patti Jones from South Oaks Baptist Church in Arlington to the Missions Funding Council.
- Terry Henderson from First Baptist Church in Sachse, state disaster relief director for Texas Baptist Men, to the Missions Mobilization Coordinating Team.
- Dean Dickens from South Garland Baptist Church in Garland, Bill Brian from First Baptist Church in Amarillo, Malcolm Watson from First Baptist Church in Lindale, Pat Hyde from First Baptist Church in Kenedy, Bob Moore from First Baptist Church in Hamlin, Jim Newman from First Baptist Church in Frisco, David Lake from South Springs Baptist Church in Tyler and JoAnn Botts from First Baptist Church in Plano to the Texas Baptist Missions Foundation Council.
- Craig Curry from First Baptist Church in Plano and Larry Parsley from Valley Ranch Baptist Church in Coppel to the Theological Education Council.