



BAPTIST PRESS
News Service of the Southern Baptist Convention

NATIONAL OFFICE
460 James Robertson Parkway
Nashville, Tennessee 37219
Telephone (615) 244-2355
W. C. Fields, Director
Jim Newton, Assistant Director

BUREAUS

ATLANTA Walker L. Knight, Chief, 1350 Spring St., N.W., Atlanta, Ga. 30309, Telephone (404) 873-4041
DALLAS Billy Keith, Chief, 103 Baptist Building, Dallas, Texas 75201, Telephone (214) 741-1996
NASHVILLE (Baptist Sunday School Board) Lynn M. Davis, Jr., Chief, 127 Ninth Ave., N., Nashville, Tenn. 37203, Telephone (615) 254-1631
RICHMOND Jesse C. Fletcher, Chief, 3806 Monument Ave., Richmond, Va. 23230, Telephone (703) 353-0151
WASHINGTON W. Barry Garrett, Chief, 200 Maryland Ave., N.E., Washington, D.C. 20002, Telephone (202) 544-4226

JULY 2, 1971

**Supreme Court Asks State Court
To Reconsider College Bond Aid**

WASHINGTON (BP)--The United States Supreme Court, in a case involving the Baptist College of Charleston, asked the South Carolina Supreme Court to reconsider its earlier decision declaring the sale of tax-free revenue bonds for the Baptist school as constitutional.

The high court judges asked the South Carolina Supreme Court to reconsider the ruling based on guidelines set forth in decisions the court handed down a few days earlier involving government aid to private institutions.

In one opinion, the U.S. Supreme Court ruled that construction grants to church-related colleges do not violate the U.S. Constitution. In a second ruling, the high court limited the types of aid that are constitutional to private institutions because of "excessive entanglements between government and religion."

In Charleston, the president of the school, John Hamrick, said he considered the ruling to be very favorable to the college. Hamrick reasoned that if the U.S. Supreme Court would approve direct grants for building construction at church-related colleges, then surely loans would be all right.

Both the General Board of the South Carolina Baptist Convention and the full convention approved of the \$4 million bond issue by the school in a tax-free category and at a low interest rate.

Under the unique arrangement, the college agreed to deed to the state certain buildings and lands not otherwise encumbered with two stipulations--that the college be permitted to lease the property for 30 years at no charge, and at the end of the period to repurchase the property for \$1.00.

After the suit was filed to test the constitutionality of the proposed arrangement, the college obtained \$2 1/2 million in five year church and institutional bonds to finance building construction until the long-term tax-free bonds could refinance the buildings. The \$2 1/2 million in short-term bonds were due on the day following the Supreme Court ruling.

Two Charleston banks agreed to a 10-year loan to the college for \$2 1/2 million to pay off the short-term bonds until the court case is settled. The case now goes back to the South Carolina Supreme Court for reconsideration.

The lower courts in South Carolina had upheld the constitutionality of an act whereby the state budget and control board, acting as the state's Educational Facilities Authority, could issue and sell the tax free bonds for the Baptist College of Charleston.

Under the South Carolina law, which the state declared "is essential...for private institutions for higher education," the Baptist College of Charleston would be the beneficiary of bonds totalling \$3.5 million to refinance its outstanding indebtedness in construction of buildings and to build new facilities. None of the buildings financed under the program was for religious purposes, in keeping with guidelines set forth in the state's law.

The appellant in the case, Richard W. Hunt, identified as "a resident and a taxpayer," argued that in such a transaction between the state and a private institution, the state "would become involved in the affairs of the Baptist College in seeing that the buildings and facilities are not used for religious instruction and purposes."

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Hunt also said the state would hold title to the buildings and facilities and to a portion of the properties of the Baptist college campus. Such titles, he argued, would give the state "the right and duty from time to time to direct the operation and fix fees and charges for the use thereof when needed to secure the payment of the bonds."

The attorney for the state government argued that the act "merely provides banking services for a public purpose and any sectarian benefits which result therefrom are incidental."

The U.S. Supreme Court was not unanimous in refusing to hear the case. Justice Hugo L. Black and William O. Douglas were of the opinion that the high court should note "probable jurisdiction" and set a date for an oral hearing, but the majority voted to refer the case back to the state Supreme Court.

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Little Rock Church Pledges
\$250,000 To Baptist Colleges

7/2/71

LITTLE ROCK, Ark. (BP)--Immanuel Baptist Church here pledged to raise \$250,000, an amount equal to 52 per cent of its annual church budget, as part of a special fund campaign during the next three years for two Baptist colleges in Arkansas.

W. O. Vaught Jr., pastor of the church, is chairman of the statewide fund campaign to raise \$4 million for Ouachita Baptist University, Arkadelphia, and Southern Baptist College, Walnut Ridge, Ark.

Vaught and his committee had decided earlier to propose that each Baptist church in Arkansas with operating budgets over \$50,000 accept as campaign goal 20 per cent of the amount of their annual budget.

Instead of a goal of \$93,500, 20 per cent of the church's budget, Vaught and a group of the church's leaders proposed to the deacons that the goal be set at \$150,000.

"Pastor, that's not enough," one of the deacons said when the goal was presented for discussion to the deacons.

He proposed that the goal be set at \$250,000 "out of appreciation for our pastor, who heads this campaign; and because of the great need and worthy cause of our Baptist colleges; and also, in gratitude for God's rich blessings upon us."

The goal was unanimously adopted both by the deacons and the church in business conference.

The \$4 million fund campaign among Arkansas Baptist churches seeks to raise \$3 million for Ouachita Baptist University, and \$1 million for Southern Baptist College.

Just a week before the Immanuel Baptist Church's pledge was announced in the Arkansas Baptist Newsmagazine, trustees of Ouachita University authorized architects to proceed with plans for the first two units of a new building complex.

The action was taken after Ouachita President Daniel R. Grant gave an "encouraging report" indicating that \$272,024 had already been pledged to the school during a preliminary canvass of the university campus and the greater Arkadelphia area.

A new student center and classroom buildings would be the first step in the construction, with completion expected by 1974. The unit when completed would also include another classroom building and a fine arts building.

Ouachita trustees also voted to apply two-thirds of undesignated funds received in the campaign to building projects and campus improvement, and one-third to endowment, instructional improvement, and student financial assistance.

The year 1971 has been designated for special emphasis in the state convention for Southern Baptist College, Walnut Ridge, where the top priority need is an adequate auditorium, convention officials said.

**North Pole Church Burns
To Ground, Loss at \$250,000**

NORTH POLE, Alaska (BP)--First Baptist Church of North Pole burned to the ground here, with total losses estimated at about \$270,000.

The building was valued at \$250,000. Other losses included furniture and contents valued at \$150,000 and the pastor's personal library valued at \$4,000.

Just one week before the fire, the church had installed \$400 worth of new nursery furniture. One day before the fire, the church librarian and pastor's son were setting up a new church library.

Bill Duncan, president of the Alaska Baptist Convention, is pastor of the church. He and his family had gone on a picnic on the day of the fire, and learned of the tragedy on the radio.

Insurance may cover about a third of the cost of replacing the building, Duncan said. The auditorium was built in 1957 adjacent to a log building constructed in 1953.

The church had previously planned to construct a new building, and the day after the fire about 25 laymen worked at the new site.

The following day, Sunday, 212 persons gathered at the North Pole School for worship.

Duncan said he hopes the church can complete construction of the new building by Oct. 1 before winter sets in and the building season is over for another year.

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**OEO Grants More Funds
To Study Voucher Plan**

7/2/71

WASHINGTON (BP)--The Office of Economic Opportunity has announced additional funding for its controversial school voucher experiments. According to OEO Director, Frank Carlucci, funds totaling \$159,307 will be given to two school districts on the west coast to continue studying the feasibility of the voucher system.

The school district of Seattle, Wash., will receive \$106,542 for the second phase of its study of the program. Alum Rock, Calif., will get \$52,765 in additional funds.

The announcement of more grants for the tuition voucher experiment, by which parents could purchase their children's education in either private or public schools, came the same week that the U.S. Supreme Court ruled that certain aid to private and parochial schools is unconstitutional. Apparently the administration thinks the court's historic ruling does not affect the principles of the voucher plan.

A number of national educational and religious groups, including the Baptist Joint Committee on Public Affairs and the Southern Baptist Convention, have expressed opposition to the use of public funds to purchase tuition in private and parochial schools.

In addition to the possible violation of proper church-state relations, opponents of the voucher experiment say the program would threaten the public school system, encourage racial segregation and widen the gap between rich and poor families. OEO officials say their guidelines would prevent such abuses.

The OEO planners want to test the program in school districts with social, economic and racial variety and with some private as well as public schools. According to the proposals, the voucher experiment would run at least five years and will cost as much as \$6 million annually in federal funding. Present plans call for launching the program in September 1972.

The designers of the program claim that the voucher system would give parents a better choice between competing schools. This, they claim, would stimulate educational innovations and the establishment of wholly new schools.

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