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**Court To Weigh Tax Status
Of Racially Biased Schools**

WASHINGTON (BP)--The U.S. Supreme Court will decide if church-related schools which practice race discrimination on religious grounds are entitled to tax-exempt status.

Also at issue in a pair of cases accepted for review is whether donors may claim deductions for gifts to such institutions on their federal income tax forms.

The brief order agreeing to review the cases noted that *Bob Jones University v. U.S.* and *Goldsboro Christian Schools v. U.S.* will be consolidated. In something of an unusual twist, both the institutions and the federal government asked the justices to take on the difficult case.

Both schools have challenged the Internal Revenue Service's rule that because race discrimination violated accepted "public policy," tax exemption will be denied to private institutions, including those related to churches, which practice bias in their admissions policies.

Bob Jones University, the Greenville, S.C. fundamentalist institution which until 1971 excluded blacks altogether, has in recent years altered its policy to accommodate some black students. From 1971 to 1975, married black students were admitted, provided they were married to other blacks.

Beginning in 1975, unmarried blacks gained admission, but only if they agreed not to engage in interracial dating or to encourage others to violate the school's ban on interracial marriage or dating.

The school maintains its racial policies are based on its understanding of scripture.

The school's long battle with IRS began in 1970 when the IRS notified the school it would not thereafter enjoy tax exemption or deductibility of contributions.

After Bob Jones refused to alter its policies, IRS took action to strip the school of its tax exemption, a decision reached in January 1976, but applied retroactively to Dec. 1, 1970.

The school took IRS to U.S. District Court, where the IRS order was overturned. The Fourth Circuit Court of Appeals reversed the district court, holding that "the unquestioned First Amendment right to free religious belief and exercise does not carry with it a guarantee of any person's or corporation's entitlement to tax exempt status."

Bob Jones has argued that "all religious institutions in the United States are potentially threatened by a rule of law...which would cause the protective barrier of their tax exemption to be breached because of their failure to conform to 'public policy.'"

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In the instance of Goldsboro Christian Schools, established in 1963 by Second Baptist Church, Goldsboro, N.C., the controversy involves the institution's strictly enforced ban against all black students, a policy it says is based on the Bible. IRS has denied tax exemption to the school since its founding.

Goldsboro Christian Schools lost in federal district court and the Fourth Circuit Court of Appeals. The appeals court referred to the Goldsboro and Bob Jones cases as "identical twins."

While condemning both schools' racial policies, several religious groups have entered the case as "friends of the court" on behalf of Goldsboro and Bob Jones. Among them are the Christian Legal Society, the Mennonite Church, the National Association of Evangelicals, the Mormon Church and the Worldwide Church of God.

Asked if the Baptist Joint Committee on Public Affairs will enter the case, Executive Director James M. Dunn said his agency is faced with the "painful dilemma" of appearing to sanction discrimination if it sides with the schools.

"We don't want to appear for a moment to be giving aid and comfort to the clearly unscriptural and unethical policies of these two schools," Dunn elaborated, "but at the same time, we must face with genuine ambivalence the possibility of speaking to a church-state question of far-reaching significance."

Baptist Joint Committee general counsel John W. Baker said: "I deplore Bob Jones University's statement on human relations which, I believe, is based on a racist interpretation of the scriptures. I would not knowingly contribute one cent to support any racist institution. But I support Bob Jones University in its contention that the IRS cannot constitutionally deprive it of its tax exempt status because of its theology."

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'Powerline' Schedules
1,500th Radio Station

By Greg Warner

Baptist Press
10/15/81

FORT WORTH, Texas (BP)--"Powerline," the Southern Baptist Radio and Television Commission's contemporary radio program, has been scheduled on its 1,500th station, marking another milestone for the nation's most widely syndicated radio show.

In an industry where success usually is measured in advertising dollars and Arbitron ratings, "Powerline's" success is even more remarkable since it is broadcast free of charge.

"Powerline" was created in 1969 as one of the RTVC's first offerings to the secular broadcast market. The idea was to use songs from the popular charts to attract an audience and to insert short spiritual messages that related to the problems of young people.

The approach made "Powerline" acceptable to Top-40 or rock stations, which needed religious programming to fulfill public service obligations, but found few shows that fit their musical format.

"'Powerline' has done very well for us over the years," said John Gehron, program director for WLS-AM in Chicago, a 50,000-watt rock station which, in 1969, was the 100th station to schedule the show.

"It fits well with what we do," Gehron explained. "It is personality oriented and it's

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not overbearing. The key is balance. 'Powerline' is balanced well with comments and music."

"Powerline" also has found acceptance in small markets. "We think it is still one of the finest programs aired by our station," said a programmer at WWWR-AM, a 1,000-watt country and religious station in Russellville, Ala.

Perhaps even more importantly, the show has found acceptance among young people. Each year, about 8,000 listeners write to RTVC counselors for help with personal and spiritual problems, by far the most counseling mail any of the 12 commission radio programs receives.

"'Powerline' is popular with young people because it speaks to them where they are," said Claude Cox, RTVC marketing director and the show's first writer. "It is not overtly Christian. The gospel message is there, but it fits within the format of the station. That was the whole purpose, so that 'Powerline' didn't sound different when it came on. That way we wouldn't lose some audience."

Holding an audience has always been a challenge for religious programs on secular stations. Most broadcasters consider them a scourge to ratings. But "Powerline" has broken that tradition.

"It's pulled in ratings," WLS' Gehron said. "'Powerline' consistently shows up in Arbitron Diary, the survey of listening habits, used to compute audience ratings."

"Powerline's" record of 1,500 stations is unmatched in the industry, Cox says, adding that the RTVC's second most popular program, "Country Crossroads," is now on 1,350 stations. Among secular syndicated programs, Casey Kasem's "American Top 40" is the largest, with 520 stations.

As it passes its milepoint, "Powerline" is changing. The show's traditional rock audience now has grown up, and the music and message will be aimed at a slightly older audience.

Serious problems, however, may lie in the future. Recently, the Federal Communications Commission moved to relieve broadcasters of their obligation to air public service time. Since the action, the number of stations cancelling RTVC programs has increased.

But "Powerline" has continued to climb. And, while it is too early to tell the long-range effect of deregulation, the program's gains during a major cancellation trend seem to indicate its strength.

WLS' Gehron thinks "Powerline" and other "quality" shows will weather the deregulation storm. "The bad shows that were getting a free ride because of public service obligations will be eliminated," he said, "but the good ones are going to survive. And that's as it should be."

Cox said if Gehron's attitude is "typical of other radio stations, deregulation is really a healthy thing. The fact that we are still on WLS and other top-notch stations is testimony that we have a good program."

Cox says it is increasingly hard to make "Powerline" work. Audiences have been sated by an overabundance of religious programming, he said, adding that programs of inferior quality often discolor the image of quality programming and weaken acceptance.

No one at the RTVC has given up on the future of radio ministries. While past success is

no guarantee, it does hint that Southern Baptist work in radio is far from over and 1,500 stations may not be the record for long.

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(BP) photo mailed to state Baptist newspapers by Radio and Television Commission.

Board Votes \$104 Million
Budget, Emphasizes Evangelism By Robert O'Brien

Baptist Press
10/15/81

RICHMOND, Va. (BP)—The Foreign Mission Board, meeting in annual session, approved its first \$100 million budget, emphasized escalation of world evangelism and church development and voted to upgrade an inadequate pension plan for Southern Baptist foreign missionaries.

The board also took steps to alter appointment requirements for missionaries and appointed 33 persons to mission service.

The \$104,828,054 budget for 1982 represents a \$14,379,688 or 15.9 percent increase over 1981. Its sources are \$41,171,054 expected from the Cooperative Program, \$50 million expected from the Lottie Moon Christmas Offering, \$6.7 million expected from investment income, \$3.7 million from special designations, \$2.5 million from previously unallocated funds and \$757,000 from miscellaneous income.

The budget provides a larger percentage increase to the overseas operating budget than to the home office budget, according to Parks. Work of missionaries in 95 countries will receive \$83,017,560, a 17.97 percent increase over 1981. The home office operating budget totals \$12,810,494, or 12.3 percent increase.

Another \$8 million, up \$1 million from 1981, will go to overseas capital needs, and \$1 million will cover special overseas contingencies.

The operating budget includes \$7,162,704 for worldwide evangelism and church development --an increase of nearly \$1.7 million over 1981.

The Foreign Mission Board appropriated an additional \$500,000 for major cities evangelism and a number of partnership evangelism projects involving churches and conventions in the States and overseas.

The budget includes an increase of nearly \$1.2 million over 1981 to improve an inadequate and, in some ways, inequitable pension plan for missionaries around the world.

The increase brings the board's 1982 contribution for the missionary pension plan to nearly \$3.2 million. After another significant increase is implemented in the 1983 budget, the board anticipates only routine maintenance increases thereafter, according to Carl W. Johnson, board treasurer.

In a separate action, the board voted to bring the overseas missionary staff into full participation in pension plans administered by the SBC Annuity Board. Details of the plans will be reported for final approval at the FMB December meeting.

The board also budgeted \$500,000, including a \$347,000 increase, for life insurance coverage for missionary families. A career or associate missionary couple, now eligible for only \$30,000 in life insurance through the board's group, will be eligible for \$90,000. A single career or associate missionary's benefit will increase from \$10,000 to \$30,000.

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Other steps taken to help missionaries in the battle against inflation included allocation of some \$70,000 to provide a "13th check" for the third year to emeritus missionary pensioners. Next year, with new pension provisions in effect, no "13th check" will be needed, Johnson said.

Two other appropriations from current funds, in addition to the budget, include a \$2 million appropriation to purchase about 35 missionary residences and \$325,000 for completion of the unfinished third floor in the newest wing of the board's building in Richmond.

The purchase of the homes, now rented, is "a step to ease the impact of the rent on the operating budget," according to Charles Bryan, vice president for overseas operations. The purchase will free up about \$250,000 a year paid in rental charges and make that amount available to mission needs.

In its endeavor to seek missionary personnel needed around the world, especially in evangelism and church planting, the board made several alterations in requirements for missionary personnel. They include expanding the maximum age for career missionaries from 39 to 45. Missionary associates may be appointed between the ages of 35 and 60.

The board also made changes which will evaluate competency of candidates for field evangelism and church planting positions not only in terms of education but also in practical experience in ministry, according to board leaders.

Although the board still will seek persons with a master of divinity degree and two or more years' experience, it will allow appointment of career field evangelists and church planters with a master of religious education degree and five or more years of pastoral experience. Other changes also will allow some adjustments in educational requirements of missionary associates seeking field evangelism and church planting positions who have five or more years of pastoral experience.

The board stipulated that the new requirements are considered minimal for evangelism and church planting roles and that many assignments may call for additional qualifications and prerequisites.

In other developments, the board heard a report that ground will be broken in May 1982 for its proposed \$8.6 million orientation center near Richmond.

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(BP) photo mailed to state Baptist newspapers by Richmond bureau of Baptist Press.

CORRECTION: In BP mailed 10/13/81, in story "\$1 Million In World Hunger Funds Allocated," please change graph seven to read...previously unallocated...instead of previously allocated.

Thanks,

Baptist Press