

A rapid transition at Luther Seminary

by [John Dart](#) in the [February 6, 2013](#) issue

Late last year Luther Seminary in St. Paul, Minnesota—the largest of eight seminaries in the Evangelical Lutheran Church in America—announced that its president and chief financial officer had resigned amid a \$4 million budget shortfall and a hefty drop in the value of the seminary’s endowment.

Richard Bliese, president of Luther Seminary since 2005, made no public statement about his resignation, which was announced in a December 10 news release. The same announcement said that Don Lewis, vice president of finance and administration, resigned in November.

A flurry of news reports failed to explain why the changes were urgent. School officials and an outside expert maintain that the seminary is on solid footing.

Statements from both Mark S. Hanson, presiding bishop of the Chicago-based ELCA, and James M. Lindus, chair of Luther’s board of directors, praised Bliese. Hanson lauded his faculty appointments and expansion of “distance-learning” classes, among other achievements. Lindus commended Bliese for an “aggressive strategic plan” for keeping the seminary enrollment relatively healthy and encouraging the loyalty of dedicated donors despite the slow U.S. economic recovery.

Yet Lindus said the seminary has lagged behind expectations in responding to trends experienced by many seminary campuses. “These challenges include deferred maintenance charges related to aging buildings” as well as a nationwide drop in seminary enrollment and the costs of delivering a wide variety of educational programs.

Enrollment at Luther is down from 822 about five years ago to 764 students this year, reported the Minneapolis *StarTribune*. Luther had an income in 2012 of \$23 million, while expenses were \$27 million. The market value of its endowment was \$65.4 million last June compared to \$76.8 million the year before, the newspaper said.

Like other historic Protestant churches, the ELCA has been steadily losing members, partly because of aging congregations. The ELCA's 2009 decision to permit openly gay clergy in committed partnerships to serve as pastors has also contributed to membership losses in the 4.2-million-member denomination.

Queried by the *Century* if Bliese was asked by the board of directors to resign, Lindus said in a brief e-mail interview January 11 that "after several discussions and prayer deliberation, it was a mutual decision." Lindus said Bliese resigned all connections to Luther Seminary, "was given a fair severance package" and was permitted to choose the timing of his resignation.

Behind the scenes, the Luther board had already been recruiting a new financial team by hiring an interim chief financial officer, William Frame, and an interim president, Richard J. Foss, whose appointment was announced December 14. Over the past two decades, Frame served as CFO for Pacific Lutheran University and president of Augsburg College in Minneapolis. Foss, a former ELCA bishop, has been on the staff at Luther Seminary since 2008.

Lindus, who is also a pastor, told the *Century* that Luther Seminary "is strong and confident going forward. Our board is united . . . and Richard Foss has a great team around him." Lindus predicted that the school "will emerge with a sustainable model for theological education."

A similar appraisal comes from Daniel Aleshire, executive director of the Association of Theological Schools. "This is a strong school, and it is seeking to respond quickly in ways that ensure its continued strength," Aleshire said in an e-mail. "There are weaker schools that are struggling to survive, which is not the case with Luther."

Overall, enrollment across all ATS schools has fallen about 1 percent every year since 2006. Higher education enrollments generally have declined in the most recent years, Aleshire said, "but I am not sure if theological education is part of a larger mix or not."

"The level of financial stress is not boiling like it was in 2008, when endowments dropped so dramatically, but it is a slow, steady burn in the schools, especially schools closely related to denominations experiencing financial stress—primarily mainline," said Aleshire.

Prior to his Luther presidency, Bliese was the seminary's dean of academic affairs and associate professor of missions from 2003 to 2005. In the 1980s he served as a minister in Zaire and Germany. Back in the U.S., Bliese earned two advanced degrees in the 1990s at the Luther School of Theology in Chicago.

MetroLutheran, a pan-Lutheran newspaper in the Twin Cities area, reported that Luther Seminary's interim appointees Foss and Frame have set out to resolve short-term fiscal issues.

"We are taking the transition very seriously," Foss told *MetroLutheran*. "What we do next matters more than what has happened before. Our faculty is discussing curriculum revision to meet the challenges of pastors for the future, not just for the past or present."