



Pathways for Tomorrow Initiative

REQUEST FOR PROPOSALS

2021

Strengthening and Sustaining the Capacities of Theological Schools to Prepare and Support Pastoral Leaders for Christian Churches

Lilly Endowment is pleased to announce the Pathways for Tomorrow Initiative to help theological schools strengthen and sustain their capacities to prepare and support pastoral leaders for Christian churches – primarily ordained pastoral leaders and secondarily congregational lay ministers.

Through this three-phase initiative, the Endowment seeks to assist theological schools in the United States and Canada accredited by the Association of Theological Schools (ATS) in efforts to do the following: 1) explore emerging challenges and opportunities facing their institutions as well as the Christian congregations that they serve, 2) gain clarity about their mission in light of these challenges and opportunities and in relationship to the leadership needs of their constituent churches, 3) assess the effectiveness of their educational strategies and financial operations for preparing and supporting pastors and congregational lay ministers, and 4) design and implement plans to launch new and/or strengthen current projects to address their key challenges and opportunities and to make their institutions more educationally effective and financially viable for the continued preparation and support of pastors and congregational lay ministers into the future. The Endowment has allocated \$87.5 million for the initiative.

The Pathways for Tomorrow Initiative will have three phases:

PHASE 1 - Each eligible ATS-accredited theological school is invited to submit a letter requesting a grant of **up to \$50,000** for institutional assessment and strategic planning activities for the purposes stated above. This phase of the initiative is **noncompetitive**. The Endowment intends to award a grant to each school that submits a letter of request, as well as the required accompanying materials, under the Phase 1 application guidelines described below. Theological schools may submit their letters and application materials by one of the following deadlines: **February 15, March 1 and March 15, 2021**. The Endowment anticipates announcing grant awards approximately three weeks after each deadline.

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PHASE 2 - In a **competitive** second phase, each eligible ATS-accredited theological school may apply for a grant of **up to \$1 million** to implement a plan to strengthen its educational and financial capacities to prepare and support pastors and congregational lay ministers for the long term. The Endowment anticipates awarding up to 50 implementation grants on a competitive basis. Implementation proposals are due **August 2, 2021**. The Endowment anticipates announcing grant awards in December 2021.

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PHASE 3 - In a **competitive** third phase, each eligible ATS-accredited theological school may submit a concept paper for a large-scale project to develop a new and/or enhance a current collaborative endeavor that would 1) strengthen the educational and financial capacities of the collaborating institutions to prepare and support pastors and congregational lay ministers for the long term and 2) offer a compelling and sustainable strategy or model of theological education that, if successful, could be adopted by other schools. The Endowment anticipates inviting selected theological schools to develop their concepts and submit proposals for grants of **up to \$5 million** to implement their collaborative endeavors. The Endowment has allocated \$25 million to support the third phase of the initiative. Concept papers are due **November 1, 2021**. The Endowment anticipates inviting in December 2021 selected theological schools to prepare full Phase 3 proposals, which will be due in **March 2022**. Full application guidelines will be sent to the invited schools at that time.

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The rationale, objectives, eligibility, selection criteria and application guidelines for each phase of the initiative are described more fully within this RFP.

Background: Preparing and supporting leaders for Christian churches

One of Lilly Endowment's key objectives in its grantmaking in religion is to enhance the vitality of Christian congregations. The Endowment seeks to advance this objective first and foremost by supporting efforts to strengthen the leadership of congregations, focusing primarily on enhancing the leadership capacities of ordained pastors and secondarily on equipping lay ministers with the skills to conduct pastoral ministries in their local churches. Theological schools have long played a central role in preparing leaders for churches and remain at the heart of the Endowment's efforts to advance this objective. As institutions of higher learning, theological schools carry the primary responsibility in many denominations and ecclesial networks for educating ministerial candidates to serve as pastoral leaders in congregations and for providing working pastors with opportunities for ongoing professional development. In recent years, many schools also have played increasingly important roles in educating lay ministers and have expanded their programs to provide these ministers the knowledge and skills needed to lead their congregations effectively. While the Endowment recognizes that theological schools are important centers of research and learning and values the multiple roles that they play in enriching the vitality of Christian traditions, it is especially appreciative of their critical work to prepare and support pastors and lay ministers who shape and guide the ministries of local churches.

Theological schools, like other institutions of higher education, today find themselves in a period of rapid and profound change. The established educational strategies and financial structures that many theological schools have relied on for the last several decades are under severe strain. Many of the pressures faced by theological schools have been well documented, including recruiting students for ministry whose vocational aspirations often differ from those of previous generations; responding to the changing demographics of Christianity in the United States and Canada; making theological education more accessible by implementing new educational strategies and delivery systems; and keeping educational opportunities affordable by restructuring fundraising and financial operations. Presidents and deans report that their schools are working diligently to counter daunting pressures, but they note that their progress is often slow and their schools have little room for error. For more details, see **Appendix: Challenges and Opportunities Facing Theological Schools**.

In recent months, many theological school leaders have shared with the Endowment accounts about how the COVID-19 pandemic has amplified the pressures faced by their schools. They describe their schools' efforts to pivot quickly to adapt to their rapidly changing circumstances, especially by shifting to digital formats for teaching and learning and recalibrating expectations regarding enrollment, fundraising and other institutional matters. At the same time, the tragic killings of George Floyd, Breonna Taylor, Ahmaud Arbery and others and the disproportionately negative impact of the pandemic on communities of color have given many leaders an increased sense of urgency to address racial inequities and biases embedded in the historic structures of their institutions' educational strategies and financial operations, prompting hard questions about the financial accessibility of their programs for students of color and their schools' hiring and tenure review practices for faculty, among others.

Through the Pathways for Tomorrow Initiative, the Endowment seeks to help theological schools build on their current efforts to plan for their futures and to provide encouragement and support so they can take more robust steps forward to adapt their educational strategies and financial operations to address changes in higher education and church life. The Endowment is especially interested in aiding theological schools in asking and responding to the following three broad sets of questions about their efforts to prepare and support pastoral leaders for Christian congregations. These questions are based on recent conversations that the Endowment has had with theological school presidents and deans as well as pastors and other religious leaders:

1. What kinds of leaders are needed by Christian congregations today and in the future, and what is the role of the theological school in identifying, preparing and supporting these leaders?
2. What are the strengths and weaknesses of the theological school's educational strategies for preparing and supporting pastors and congregational lay ministers, and what kinds of creative educational innovations, including potential collaborations with other institutions, may enhance the school's capacities to carry forward this aspect of its mission?
3. What are the strengths and weaknesses of the theological school's current financial structure for sustaining its operations, and what kinds of new financial approaches or innovations, including potential collaborations with other institutions, may help to strengthen the school's financial capacities to sustain for the long term its efforts to prepare and support pastors and congregational lay ministers?

In pursuing the first set of questions, many theological schools may wish to engage in research and host consultations with pastors and congregational leaders to understand the changing patterns of congregational life and the impacts of these shifts for the leadership expectations and demands that congregations place on pastors today. In light of the shifting demographics of Christianity in the United States and Canada, some schools may wish to explore how to build on existing or establish new efforts to reach out to aspiring and current pastors in Christian communities with limited access to ATS-accredited theological education. Some schools also may consider if they should establish or strengthen collaborations with other schools and ecclesial and faith-based organizations to strengthen their efforts to recruit a new generation of younger Christian leaders and help them discover and claim their vocations as pastoral leaders.

The second set of questions about educational strategies may prompt explorations about the theological knowledge, skills and experiences, as well as spiritual formation and character development, that pastors and lay ministers need to lead congregations effectively. Theological schools may wish to strengthen current or test new educational and institutional strategies to prepare students to meet the changing leadership needs of Christian congregations. Some schools may desire to consider the composition of their faculty or the enhancement of faculty development opportunities to strengthen current teaching practices or to prepare faculty to implement educational innovations, which may include preparing faculty to teach students from emerging religious constituencies. They also may wish to consider reviewing and addressing any racial and other biases embedded in their historic educational approaches. Some schools

may decide to explore how they could draw on insights from other fields of higher education to enhance their educational strategies or develop or strengthen collaborations with other institutions to test ways to advance their educational missions.

The third set of questions about the theological school's financial structure may be the greatest challenge for many institutions. Most theological schools have taken steps to make their financial operations more efficient and to reduce the educational indebtedness of graduates. They may wish to build on these efforts and test new financial approaches or educational innovations that may help them increase revenues, improve their discount rate for students, lower the draw from their endowment funds and/or further reduce costs without negatively affecting the quality of their educational opportunities. Some schools may wish to consider implementing efforts to make theological education more affordable for low income students and more accessible for students from communities of color. Some schools also may desire to strengthen current or develop new collaborations with other theological schools and/or denominational judicatories, church agencies and other faith-based organizations to help achieve economies of scale and/or create innovative methods for financing the theological education of aspiring pastoral leaders.

These examples are intended to be illustrative only and not prescriptive or limiting. The Endowment recognizes that the disruptive trends are affecting theological schools differently and that each school's theological commitments are embedded in its educational strategies and financial structures. Thus, the Endowment encourages schools to explore these and related questions about the preparation and support of leaders for congregations in ways that are appropriate for their ecclesial traditions, history, governance structure and educational mission.

The Endowment also encourages theological schools to draw on the resources of the Association of Theological Schools, In Trust Center for Theological Schools, and many recent projects focused on the future of theological education as they develop their plans to strengthen their educational and financial capacities for the future.

Through the Pathways for Tomorrow Initiative, the Endowment seeks to help theological schools take deliberate steps to accelerate their thoughtful planning for their futures - especially related to the preparation and support, primarily, of ordained pastoral leaders and, secondarily, of congregational lay ministers. While the COVID-19 pandemic has heightened a sense of urgency, many presidents and deans also have remarked that it has generated a greater openness to innovation in their schools. Moreover, as their schools take initial steps to plan for their futures, they acknowledge that there will not be a simple return to the status quo as their institutions and communities alike eventually recover from the pandemic. Rather, the recovery will present new possibilities for theological schools to adapt current and/or develop new educational strategies and financial structures needed to address their specific challenges and to enhance their institution's educational effectiveness and financial viability for the long term. This initiative is intended to help theological schools take advantage of this moment.

Eligibility, Selection Criteria and Application Guidelines

Eligibility and Selection Criteria:

Theological schools in the United States and Canada accredited by the Association of Theological Schools (ATS) are eligible to submit applications and concept papers in the Pathways for Tomorrow Initiative if they qualify as a tax-exempt public charity under Internal Revenue Code (Code) sections 501(c)(3) and 509(a)(1)(2), or (3) (other than organizations described in clause (i) or (ii) of Code section 4942(g)(4)(A)).

Theological schools may apply for grants in all three phases or choose to apply for funding only in specific phases. Participation in Phase 1 is not a prerequisite for submitting a proposal in Phase 2 or a concept paper in Phase 3. Moreover, a theological school may submit a proposal for an implementation grant in the second phase and a concept paper for a large-scale collaborative project in the third phase, whether or not they are participating in Phase 1. In many cases, however, a school may wish to submit a concept paper in the third phase that would build on a project proposed in the second phase.

Lilly Endowment recognizes that the disruptive trends in higher education, generally, and theological education, in particular, are affecting schools differently and encourages theological school leaders, when submitting applications in any or all of the three phases, to address the challenges and opportunities that are most pressing and urgent for their school as they work to prepare and support pastors and congregational lay ministers. The proposed activities should reflect their school's governance structure, ecclesial affiliation, faculty, student body, history and educational mission. It also is anticipated that grant-supported activities would likely involve a broad mix of institutional leaders, including the school's president or chief administrative officer, dean, members of the governing board, faculty and other senior administrators, as well as representatives from the school's constituencies, including pastors, congregational leaders, denominational representatives, consultants and other collaborating organizations.

Although collaboration with other institutions is not a requirement in the first two phases, theological schools may wish to work collaboratively with other schools and/or institutions in any or all of the phases of the initiative. In Phase 1 and Phase 2, two or more eligible ATS-accredited theological schools may submit applications to engage in some joint activities. Each theological school should apply for its own Phase 1 assessment and planning grant and/or Phase 2 implementation grant. The applications of each of the participating schools in the collaboration should identify the schools with which it is collaborating and describe the purpose of the joint activities, how grant funds would be expended and how the joint activities would be managed. During the adjudication process, the Endowment will review together the applications submitted by the participating schools for joint activities.

A theological school also may wish to work with other institutions, such as denominational judicatories, church agencies, colleges and universities or other faith-based organizations. Applications should identify the collaborating institutions and describe how the joint activities would be managed and the grant funds distributed among the collaborators.

In Phase 3, one theological school may submit a concept paper and serve as the lead grantee for a collaborative project. The concept paper should identify the other collaborating schools and/or institutions and describe clearly the proposed joint activities and how the grant funds would be managed and distributed among the collaborating institutions. A theological school may serve as the lead grantee in one concept paper, but also may be identified as a collaborating school in up to **two** additional concept papers submitted by other schools.

While the Endowment acknowledges and celebrates the multiple roles that theological schools play to support Christian churches and sustain the vitality of theological traditions, the Pathways for Tomorrow Initiative focuses specifically on strengthening and sustaining the capacities of theological schools to prepare and support pastoral leaders for Christian congregations - primarily ordained pastoral leaders and secondarily congregational lay ministers. This is the primary funding criterion for all applications under this initiative.

PHASE 1 Approval Criteria:

The first phase of the Pathways for Tomorrow Initiative is **noncompetitive**. Each eligible ATS-accredited theological school is invited to submit a letter of request for an assessment and planning grant of **up to \$50,000** in furtherance of the purposes of the initiative: 1) to explore emerging challenges and opportunities facing its institution as well as the congregations that it serves, 2) to gain clarity about its mission in light of these challenges and opportunities and in relationship to the leadership needs of its constituent churches, 3) to assess the effectiveness of its educational strategies and programs and financial operations for preparing and supporting pastors and congregational lay ministers, and 4) to prepare a plan to launch a new and/or strengthen a current project to address these challenges or opportunities and help to make its institution more educationally effective and financially viable for the continued preparation and support of pastors and congregational lay ministers into the future.

A theological school may use Phase 1 grant funds to support its assessment and planning activities, including: contracting with consultants and/or engaging in activities to analyze the school's educational strategies and/or financial operations, examining and prioritizing emerging educational and financial challenges and opportunities, and exploring potential strategies for addressing key challenges and opportunities. Schools also may use grant funds to establish or deepen relationships with churches, religious communities and faith-based organizations to help the schools understand more fully the leadership needs of congregations and to explore potential collaborative endeavors. Grant funds also may be used to prepare proposals to submit in the initiative's second phase and/or concept papers for the third phase. Grant funds may not be used for routine operating expenses, scholarships or endowments.

The Endowment intends to award an assessment and planning grant to each eligible ATS-accredited theological school that submits a letter of request, as well as the required accompanying materials, for the purposes stated above.

PHASE 1 Application Guidelines:

Each eligible ATS-accredited theological school may submit a brief letter (**not to exceed four pages**) requesting a grant for assessment and planning activities to advance the objectives

described above. The letter must be signed by the theological school's president or chief administrative officer (depending on the school's governance structure).

The letter of request should provide brief discussions of the following:

- the school's mission and key religious constituencies
- the school's most pressing challenges and/or most promising opportunities for preparing and supporting pastors and congregational lay ministers
- the activities that the school anticipates undertaking to explore emerging challenges and opportunities and to prioritize future actions

The letter must be accompanied by the following materials (**not included in the four-page limit**):

Grant budget and narrative: Provide a brief one-page budget indicating the anticipated use of assessment and planning grant funds. Include a brief narrative describing how the budget was calculated.

Exempt Status and Charity/Foundation Status Information Form: Please fill out and submit with the application the Exempt Status and Charity/Foundation Status Information form. The form may be found on the initiative's page of Lilly Endowment's website. It is used to verify the theological school's status as a charitable organization under applicable United States federal tax law.

Copy of Internal Revenue Service tax status determination letter: Please also submit a copy of the theological school's Internal Revenue Service (IRS) tax-exempt status determination letter. This letter provides official verification of the applicant's status as a Code section 501(c)(3) public charity. Please note: many denominationally related organizations may not have asked for or received such a letter from the IRS. If that is the case, determine whether the theological school is listed in a group exemption ruling for the denomination. If so, please attach evidence that the theological school is covered by the ruling (for example, by sending copies of the directory cover and the page on which the theological school is listed in the official directory of your denomination). No grants will be awarded until the proper tax status is confirmed.

Contact Information Form: Please fill out and submit with the application the Contact Information Form. The form may be found on the initiative's page of Lilly Endowment's website. This form provides contact information about key individuals who will be responsible for the assessment and planning grant.

PHASE 1 Submissions:

The letter requesting a Phase 1 assessment and planning grant, as well as the required accompanying materials, must be submitted through the **online submission form** (following the link under the Phase 1 section on the initiative's page of Lilly Endowment's website) as a single PDF. Theological schools may submit their letters and accompanying materials by one of the following deadlines: **February 15, March 1 and March 15, 2021**. The Endowment anticipates announcing grant awards approximately three weeks after each deadline.

PHASE 2 Selection Criteria:

The second phase of the Pathways for Tomorrow Initiative is **competitive**. Each eligible ATS-accredited theological school may apply for a grant of **up to \$1 million** that may be used for up to a five-year period to launch a new and/or enhance a current project to strengthen its educational and financial capacities to prepare and support pastors and congregational lay ministers for the long term. The Endowment intends to award up to 50 grants in Phase 2 on a competitive basis to the theological schools that submit the most compelling proposals.

The Endowment encourages each theological school to be intentional and selective in prioritizing the challenges and opportunities that it wishes to address. The school's proposed project to enhance its institutional capacities to carry forward its efforts to prepare and support pastors and congregational lay ministers should be appropriately focused and strategic.

Theological schools may use Phase 2 grant funds to cover a range of expenses related to the implementation of their project, including costs for activities to deepen connections with churches and religious constituencies, strengthen the identification and recruitment of students, develop and test new educational strategies, develop and test new financial practices for generating revenue and/or reducing expenses, develop strategies to cultivate and support aspiring and current pastors in new religious constituencies with limited access to ATS-accredited theological education, reduce the costs of attendance for low income students, increase accessibility for students from communities of color, and engage in collaborative activities with other theological schools and organizations to strengthen educational opportunities and/or achieve economies of scale, among others. Grant funds may not be used for routine operating expenses, scholarships or endowments.

Funding decisions will be based in significant part on the extent to which proposals meet the following criteria:

1. The theological school demonstrates a clear understanding of the current and future leadership needs of Christian congregations in its religious constituencies
2. The proposed project holds significant promise to address strategic educational and/or financial challenges or opportunities the school faces as it seeks to strengthen its capacities to prepare and support pastors and congregational lay ministers
3. The proposed project's rationale, purpose, goals and design clearly align with the initiative's objectives
4. The project's outcomes and performance indicators to gauge the project's progress toward these outcomes are clearly articulated, realistic and compelling
5. The theological school demonstrates that it has the ability and commitment to sustain the project, if successful, into the future
6. The proposed project to assist the school in strengthening its institutional capacities to prepare and support pastors and congregational lay ministers for the long term is compelling

PHASE 2 Application Guidelines:

Each eligible ATS-accredited theological school may apply for a Phase 2 grant of **up to \$1 million** that may be used for up to a five-year period to advance the objectives described above. A complete proposal for a Phase 2 implementation grant must include the following:

- Official request letter
- Executive Summary (**not to exceed one page**)
- Proposal narrative (**not to exceed 12 pages**)
- Budget and budget narrative (see the instructions below)
- Accompanying materials
 - › Contact Information Form
 - › Exempt Status and Charity/Foundation Status Information Form (if not submitted previously with a letter of request for a grant in Phase 1)
 - › Copy of Internal Revenue Service tax status determination letter (if not submitted previously with a letter of request for a grant in Phase 1)
 - › Copy of current year operating budget
 - › Copy of annual financial statement
 - › Letter(s) of support (where applicable)

A fuller explanation of the required elements is below.

Official request letter: The proposal must be accompanied by an official letter requesting the grant signed by the theological school's president or chief administrative officer and the chair of its governing board.

Executive Summary: Provide a one-page executive summary that describes the theological school's proposed project and the strategies that the school seeks to employ to strengthen and sustain the institution's capacities to prepare and support pastors and congregational lay ministers.

Proposal narrative: The proposal narrative **should not exceed 12 pages** in length, excluding budget and accompanying materials, and provide the following:

1. **Rationale:** Provide a description of the rationale for the theological school's project. What is the theological school's core mission, and who are its primary religious constituencies? What kinds of leaders are needed by Christian congregations in the school's religious constituencies both today and in the future? What is the school's role in preparing and supporting leaders for these churches? What are the most pressing challenges and/or opportunities (both educational and financial) that need to be addressed to strengthen and sustain the school's capacities to prepare and support pastors and congregational lay ministers? Why do these challenges and/or opportunities need to be prioritized and addressed first? If the applicant received a Phase 1 grant, please include key

insights from the school's assessment and planning activities, including feedback from constituencies, findings from research, economic analyses of the school's financial operations and other relevant information.

2. **Project purpose and goals:** State the central purpose and specific goals of the proposed project. How will the project address the prioritized challenges and/or opportunities described in the rationale above? What is strategic about this purpose and these goals? How will it strengthen the school's capacities to prepare and support pastors and congregational lay ministers into the future?
3. **Project design:** Provide a detailed description of the theological school's project. What is the project's overall design, and what are its key activities? The description should include the identification of leaders who will be responsible for implementing project activities. It also should include a list of potential collaborating organizations that will assist with the project's implementation. The roles and responsibilities of collaborating organizations in the overall project should be stated.
4. **Outcomes and performance indicators:** Provide a specific description of the outcomes that the school hopes to achieve through the project as they relate to the school's educational strategies and its financial structure and operations. In addition, describe how the project will impact students, faculty and staff, the school's governing and/or advisory board and its relationships with congregations, church agencies and religious constituencies.

Provide also a discussion of the specific and concrete performance indicators that will be used to measure the project's progress toward these outcomes (e.g., increased student enrollment, improvement of the placement rate of graduates in congregations, increased fundraising, decreased draw on endowment, etc.). What is the timetable for achieving these outcomes and performance indicators?

Please note that the outcomes and performance indicators may be qualitative or quantitative and that they must be specific and clearly articulated. The outcome and performance indicators described in the proposal will be given significant weight in the review of the theological school's application. Schools that submit proposals with vague, weak or unrealistic outcomes and performance indicators will not be favored in the selection process.

5. **Communication:** Include a communication plan that describes how the theological school intends to communicate what is learned through the implementation of the project. With whom will the applicant seek to communicate what is learned?
6. **Anticipated obstacles:** Describe any anticipated obstacles in implementing the project. What challenges does the theological school anticipate facing? What are key strategies for addressing these challenges? What initial or ongoing technical assistance will be needed to address anticipated challenges?
7. **Sustainability and continuation:** Discuss how institutional activities developed and/or enhanced through the project will be sustained into the future. How will new sources of

funding be cultivated to replace grant dollars? How will other institutional and intellectual resources be secured and deployed to sustain the momentum of this endeavor into the future? How will these development and fundraising activities be staffed and funded?

Budget and budget narrative: Please prepare a budget, budget summary (if necessary) and budget narrative for the activities described in the proposal narrative. **(Budget documents are not included in the 12-page limit for the proposal narrative above.)**

1. **Budget:** A detailed line-item budget should specify how grant funds will be used and should be submitted as a separate document. Please follow the **Phase 2 Guide for Budget Preparation** document in preparing the budget, which can be found on Lilly Endowment's website. Note that the budget categories are for illustrative purposes. The Endowment recommends that the applicant work closely with those responsible for accounting procedures and financial policies in the theological school to create a budget that aligns with those procedures and policies.
2. **Budget summary:** If the budget is more than one page, please prepare a one-page budget summary, condensing the line items into larger categories, according to the guide.
3. **Budget narrative:** A budget narrative should describe the calculations for each line item in the grant budget.

Accompanying materials: In addition to the proposal narrative and budget, a complete proposal must include the following materials. **(Not included in page limit.)**

1. **Contact Information Form:** This form includes information about the proposal and appropriate contact persons for the purposes indicated on the form
2. **Exempt Status and Charity/Foundation Status Information Form:** A completed form should be submitted with the proposal. This form is used to verify the theological school's tax status as a charitable organization under applicable United States federal tax laws. (Note - If this form was submitted by the school with a letter of request in Phase 1 of the initiative, it does not need to be resubmitted.)
3. **Copy of Internal Revenue Service tax status determination letter:** Please also submit a copy of the theological school's Internal Revenue Service (IRS) tax-exempt status determination letter. This letter provides official verification of the applicant's status as a Code section 501(c)(3) public charity. Please note: many denominationally related organizations may not have asked for or received such a letter from the IRS. If that is the case, determine whether the theological school is listed in a group exemption ruling for the denomination. If so, please attach evidence that the theological school is covered by the ruling (for example, by sending copies of the directory cover and the page on which the theological school is listed in the official directory of your denomination). No grants will be awarded until the proper tax status is confirmed. (Note that if this form was submitted by the theological school with a letter of request in Phase 1 of the initiative, it does not need to be resubmitted.)
4. **Copy of current year operating budget:** Please submit a copy of the theological school's operating budget for the current year.

5. **Annual financial statement:** Please submit a copy of the theological school's annual financial statement for the most recently completed fiscal year. The format of the financial statement should be consistent with that of the operating budget for the presented year and should show a comparison of actual to budgeted expenditures (if available). The annual financial statement may be from an internal review of accounts or from an outside agency or formal audit.
6. **Letter(s) of support (where applicable):** If the proposed project involves collaboration with other theological schools or organizations, letters of support from the leaders of the other schools or organizations should be submitted with the application.

PHASE 2 Submissions:

The deadline for submitting proposals for implementation grants is **August 2, 2021**. Applications must be submitted through the **online submission form** (following the link under the Phase 2 section on the initiative's page of Lilly Endowment's website) as a single PDF. The Endowment anticipates announcing implementation grant awards in December 2021.

PHASE 3 Selection Criteria:

The third phase of the Pathways for Tomorrow Initiative is **competitive**. Each eligible ATS-accredited theological school may submit a concept paper for a large-scale project to develop a new and/or enhance a current collaborative endeavor that would 1) strengthen the educational and financial capacities of the collaborating institutions to prepare and support pastors and congregational lay ministers and 2) offer a compelling and sustainable strategy or model of theological education that, if successful, could be adopted by other schools. The Endowment anticipates inviting selected theological schools to develop their concepts and submit proposals for grants of **up to \$5 million** to implement their collaborative endeavors.

Theological schools are encouraged to think imaginatively in preparing their concept papers for innovative large-scale collaborative projects. The potential projects described in the concept papers may involve multiple theological schools and/or other institutions, such as denominational judicatories, church agencies, colleges and universities, congregations and other faith-based organizations. They also should address the distinctive challenges or opportunities of the collaborating organizations and propose activities that are appropriate for their congregational and ecclesial constituencies, theological traditions and contexts. The concept papers may describe the development of new collaborations or the significant enhancement of collaborative endeavors already underway.

A concept paper should include a brief discussion of how the large-scale collaborative project would be governed. This would include the anticipated roles of the collaborating theological schools and/or other institutions, as well as a potential framework for how grant funds would be managed and distributed among the collaborators. Details of these aspects of the project would need to be set forth in a final proposal if invited.

Although theological schools may submit concept papers for wide-ranging endeavors, the Endowment encourages schools to consider proposing large-scale collaborative projects to accomplish some or all of the following objectives:

- Strengthening significantly the capacities of the theological school and collaborating organizations to identify, prepare and support the kinds of leaders Christian congregations need today and in the future
- Achieving economies of scale that would better enable the theological school and collaborating organizations to implement innovative educational strategies to improve the quality of theological teaching and extend the reach of their theological education programs
- Developing collaborative endeavors to reach out to aspiring and current pastoral leaders in Christian communities with limited access to ATS-accredited theological education opportunities
- Achieving economies of scale for the school and collaborating organizations that would reduce the administrative costs of their shared operations and/or generate more revenue to strengthen the participating institutions' financial capacities

- Developing collaborative financial endeavors to make theological education more affordable for low income students
- Developing collaborative educational and financial endeavors to make theological education more accessible for students from communities of color
- Achieving economies of scale through merger or consolidation that would enhance the participating schools' educational strategies and programs and financial capacities
- Testing and implementing new approaches for financing theological education by distributing the costs of educating and supporting pastoral leaders more widely among denominational bodies or ecclesial networks comprising theological schools, denominational judicatories, church agencies, congregations and other faith-based organizations

The Endowment will invite theological schools that submit the most promising and compelling concept papers to develop and submit proposals to implement their large-scale collaborative projects. Selection criteria will be focused especially on the promise of the proposed concept for enhancing and expanding the preparation and support of pastors and congregational lay ministers in ways that are financially sustainable for the long term. Other criteria will include the potential of the proposed concept for strengthening the collective educational and financial capacities of the collaborating organizations and for developing and strengthening innovative strategies and models of theological education that could be adopted by other schools and collaborating organizations for the continued preparation and support of pastors and congregational lay ministers into the future.

Each theological school may submit only one concept paper and serve as the lead grantee for the one proposed collaborative endeavor. The school, however, may be a collaborating organization in up to **two** additional concept papers submitted by other theological schools. For example, a theological school may submit a concept paper to work collaboratively with denominational agencies and/or other schools to develop a new approach for financing theological education and, at the same, be named as a collaborating organization in a concept paper submitted by another school to reduce administrative costs by forming a consortium of schools to share expenses for specific operations. The Endowment encourages theological schools to think carefully and strategically about the concepts that they propose as well as the number and kinds of other proposed large-scale projects that they would participate in as collaborating organizations.

The Endowment reserves the right to invite selected theological schools to submit proposals for amounts greater than \$5 million. These invitations would be extended only to support concepts with exceptionally high potential and/or to encourage theological schools that propose similar endeavors to combine their proposed projects into a broader collaboration.

PHASE 3 Application Guidelines:

Each eligible ATS-accredited theological school may submit a concept paper for a large-scale project to develop a new and/or enhance a current collaborative endeavor for the purposes stated above.

Phase 3 applications must include the following:

- Letter of submission
- Executive Summary (**not to exceed one page**)
- Description of concept (**not to exceed eight pages**)
- Contact information Form
- Letters of support from potential collaborating theological schools and other organizations

A fuller explanation of application elements is below.

Letter of submission: The application must include a letter of submission signed by the theological school's president or chief administrative officer and the chair of its governing board.

Executive Summary: Provide a one-page executive summary of the theological school's concept for a large-scale collaborative project to advance the purposes stated above. The summary should include: a brief statement of key challenges and opportunities facing the collaborating organizations specifically and theological education generally; a sketch of envisioned strategies to address these challenges or opportunities; and a description of potential outcomes for the collaborating organizations and the Christian churches that they serve. The executive summary should include a list of envisioned collaborators.

Description of concept: In preparing the description of the concept for a Phase 3 collaborative project, which **should not exceed eight pages**, the applicant should do as follows:

1. **Mission and constituencies:** Provide a discussion of the theological school's mission and religious constituencies as well as the mission and religious constituencies of the collaborating organizations. What Christian communities do the collaborating organizations serve? What kinds of leaders are needed by Christian congregations in these communities both today and in the future? What is the role of the theological school and collaborating organizations in preparing and supporting pastors and congregational lay ministers to serve in these communities?
2. **Challenges and opportunities:** Discuss key challenges and opportunities facing the theological school and collaborating organizations. What are the most pressing challenges or opportunities related to preparing and supporting pastors and congregational lay ministers for Christian churches? What must the school reimagine (both educationally and financially) to address these challenges or opportunities? How are these challenges and opportunities related to the mission and work of the collaborating organizations? How are they related to theological education more generally?
3. **Strategies to address challenges and opportunities:** Describe the most promising strategies, both educational and financial, for addressing the institutional challenges or opportunities noted above. How will these strategies strengthen the school's capacities,

as well as those of the collaborating organizations, to prepare and support pastors and congregational lay ministers for Christian churches?

4. **Envisioned collaborators:** Provide a list of envisioned collaborators. What theological schools, congregations, church agencies or organizations would participate in developing and implementing these strategies? What roles would they play and what would be their general responsibilities?
5. **Potential request:** Provide an estimate of the anticipated funding needed to implement the large-scale collaborative project described in the concept paper.
6. **Project governance:** Provide a brief discussion about how the large-scale collaborative project would be governed. This would include the anticipated roles of the collaborating organizations as well as a potential framework for how grant funds would be managed and distributed among the collaborators.
7. **Potential impact on theological education:** Discuss the potential impact of the proposed project on the wider enterprise of theological education. How would the project create and/or enhance a replicable and sustainable model of or approach to theological education?

Contact information Form: Include information for the theological school's primary contact person for the project, including address, email and phone number.

Letters of support: Provide brief letters of support from potential collaborating organizations.

PHASE 3 Submissions:

The deadline for submitting concept papers is **November 1, 2021**. Concept papers must be submitted through the **online submission form** (following the link under the Phase 3 section on the initiative's page of Lilly Endowment's website) as a single PDF. The Endowment anticipates inviting in late December selected theological schools to prepare full proposals, which will be due in March 2022. Full application guidelines will be sent to the invited schools at that time.

Proposal Checklist and Deadlines

PHASE 1: Grants for Assessment and Planning

Complete requests for Phase 1 assessment and planning grants must include the following elements:

- Letter of request (**not to exceed four pages**)
- Grant budget and narrative
- Exempt Status and Charity/Foundation Status Information Form
- Copy of Internal Revenue Service tax status determination letter
- Contact Information Form

The letter requesting a Phase 1 assessment and planning grant, as well as the required accompanying materials, must be submitted through the **online submission form** (following the link under the Phase 1 section on the initiative's page of Lilly Endowment's website) as a single PDF. ATS-accredited theological schools must submit applications by one of the following deadlines: **February 15, March 1 and March 15**.

PHASE 2: Grants to Implement Projects

Complete proposals for Phase 2 implementation grants must include the following elements:

- Official request letter
- Executive Summary (**not to exceed one page**)
- Proposal narrative (**not to exceed 12 pages**)
- Budget and budget narrative (see instructions)
- Accompanying materials
 - Contact Information Form
 - Exempt Status and Charity/Foundation Status Information Form (if not submitted previously in Phase 1)
 - Copy of Internal Revenue Service tax status determination letter (if not submitted previously in Phase 1)
 - Copy of current year operating budget
 - Annual financial statement
 - Letter(s) of support (where applicable)

Proposals and required materials for Phase 2 implementation grants must be submitted by **August 2, 2021** through the **online submission form** (following the link under the Phase 2 section on the initiative's page of Lilly Endowment's website) as a single PDF.

PHASE 3: Concept Papers for Large-scale Collaborative Projects

Concept papers for Phase 3 large-scale collaborative projects must include the following elements:

- Letter of submission
- Executive Summary (**not to exceed one page**)
- Description of concept (**not to exceed eight pages**)
- Contact information Form
- Letters of support

Concept papers and required materials must be submitted by **November 1, 2021** through the **online submission form** (following the link under the Phase 3 section on the initiative's page of Lilly Endowment's website) as a single PDF.

Lilly Endowment Contact Information

Please direct inquiries to the following:

Christopher Coble, vice president for religion

Chanon Ross, program director, religion

Tito Madrazo, program director, religion

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