



Pathways for Tomorrow Initiative 2025

INDIVIDUAL SCHOOL GRANTS REQUEST FOR PROPOSALS

Lilly Endowment is pleased to announce a new round of the Pathways for Tomorrow Initiative (Pathways). The aim of this initiative is to help theological schools strengthen and sustain their institutional capacities to prepare and support pastoral leaders for Christian churches. These pastoral leaders include both ordained pastors and congregational lay ministers.

The Endowment invites eligible theological schools in the United States (including its territories) and Canada that are accredited by the Association of Theological Schools (ATS) and **that did not receive Phase 2 grants** in the first round of Pathways to apply for grants of **up to \$1 million each** to design and implement projects to strengthen their institutional financial and educational capacities to prepare and support pastoral leaders for the long term.

Through this second round of Pathways, the Endowment seeks to expand its support of eligible ATS-accredited theological schools and help them do the following:

1. Explore the leadership needs of Christian congregations as well as emerging challenges and opportunities facing their own institutions.
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 financial and educational strategies, as well as the long-term viability of their overall operations, for educating and supporting pastoral leaders.
4. Design and implement plans to launch individual school projects to address their key challenges and opportunities and to build their institutional capacities for their schools' continued preparation and support of pastors and congregational lay ministers into the future.

The Endowment is especially interested in supporting efforts that draw on the most promising insights emerging from projects funded in the first round of Pathways.

Eligible theological schools are invited to submit applications for funding through a two-phase process.

Phase 1: In a **non-competitive** first phase, eligible theological schools may request assessment and planning grants of **up to \$50,000 each** through the [Pathways coordination program](#), jointly hosted by ATS and In Trust, to engage in conversations with pastoral and congregational leaders in their religious constituencies and other stakeholders about the leadership needs of congregations, explore insights emerging from theological schools participating in the first round of Pathways, assess and design capacity-building projects to strengthen their financial operations and educational programs, and prepare proposals for Individual School Implementation Grants. **Applications for assessment and planning grants**

must be submitted either by December 19, 2024, or by January 31, 2025. The Endowment anticipates that notification of assessment and planning grant awards will be made through the Pathways coordination program within two to three weeks of each deadline.

Phase 2: In a **competitive** second phase, eligible theological schools may submit proposals for Individual School Implementation Grants of **up to \$1 million each** that may be used for up to a five-year period to execute their plans. **These proposals are due on or before May 15, 2025.**

The Endowment anticipates awarding **up to 50 Individual School Implementation Grants** and announcing funding decisions in the fall of 2025.

The background, eligibility, selection criteria and application guidelines for individual School Grants are discussed more fully below.

Background

Theological schools have long played a central role in preparing leaders for Christian churches. 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 expanded their programs to provide these ministers the knowledge and skills needed to lead their congregations effectively.

Lilly Endowment recognizes that 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 that their schools have little room for error.

To assist theological schools, the Endowment launched Pathways in 2020 to help them assess their operations and devise plans to strengthen their institutional financial and educational capacities to better serve and support their current and future students and the Christian congregations those students will lead. In 2021 and 2022, the Endowment awarded through Pathways Phase 2 grants of up to \$1 million each to 105 schools to support them as they designed and implemented projects to strengthen and sustain their capacities to prepare and support pastoral leaders.

Through this new Individual School Grants opportunity, the Endowment seeks to expand Pathways by providing similar support to additional theological schools to design and implement capacity-building projects. Building on the first round of the initiative, the Endowment is especially interested in aiding theological schools as they ask and respond to the following three sets of **guiding questions** about how to strengthen and sustain their important efforts to prepare and support pastoral leaders for Christian congregations into the future:

1. What are the current and future leadership needs of Christian churches? What kinds of pastoral leaders are needed by congregations today and will be needed in the future? 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 practices for preparing and supporting the kinds of pastoral leaders that Christian churches need today and will need in the future? What are the strengths and weaknesses of the school's financial practices to support its educational mission both now and into the future?
3. How can the theological school best address its key challenges and take advantage of new opportunities to build up its institutional capacities to strengthen and continue its efforts to prepare and support pastoral leaders? How can the school best use existing and/or obtain new resources (including faculty, facilities, finances etc.) to strengthen its operations? What would help secure the school's future?

The theological schools that received grants in the first round of Pathways approached these questions in a variety of ways. In exploring the first set of questions, schools that received funding engaged in research and hosted 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. These conversations also provided valuable insights about what pastoral leaders in specific ministry contexts need in order to lead 21st century congregations well. Many working pastors highlighted the need for greater attention to the spiritual formation and character development of ministerial candidates and more experiential learning opportunities to cultivate pastoral wisdom and skills.

Many schools also examined the shifting demographics of Christianity in the United States and Canada (especially in their own geographic regions) and sought to establish or strengthen relationships with Christian communities whose pastors have had limited access to ATS-accredited theological education. Many schools also explored establishing or strengthening collaborations with other 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 Pathways-funded theological schools also pursued the second set of questions and conducted careful assessments of their educational programs and financial operations. The most productive conversations included senior administrators, faculty, staff, members of the schools' advisory or governing boards and other key stakeholders. These assessments often considered the quality of the schools' educational programs for preparing pastoral leaders as well as the long-term viability of financial models. Other key explorations included assessments of the actual cost per student in each of the schools' degree and non-degree offerings, analysis of the ways in which they deploy institutional resources to subsidize the costs of various programs (through staffing, facility costs, scholarships, etc.), evaluations about how well their various degree and non-degree offerings prepare pastoral leaders to meet the current pastoral leadership needs of congregations, and assessments of the schools' readiness to reach and prepare pastoral leaders from new religious constituencies (in terms of cost, format, curriculum, formation, contextualization, etc.).

The theological schools funded in the first round of Pathways used insights from exploring the first two sets of guiding questions to design and implement projects that provided promising responses to the third set of questions. These projects included:

- Making school financial operations more efficient and reducing the educational indebtedness of graduates.

- Developing and testing new financial approaches or educational innovations to increase revenues, improve their discount rate for students, lower the draw from their endowment funds and/or further reduce costs without negatively impacting the quality of their educational opportunities.
- Utilizing their property and facilities in new ways or even divesting property and/or embedding their operations within the facilities of another entity.
- Building or strengthening financially sustainable efforts to reach out to aspiring and current pastors in Christian communities with limited access to ATS-accredited theological education.
- Working with ecclesial and faith-based organizations to recruit a new generation of younger Christian leaders and help them discover and claim their vocations as pastoral leaders.

These examples of the activities of current Pathways grantees are intended to be illustrative only and not prescriptive or limiting. The Endowment recognizes that the disruptive trends within higher education and church life 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.

Whatever projects theological schools design in response to the three sets of guiding questions—including new educational programs—should not only be financially sustainable by the end of the grant period but also strengthen the school's institutional capacities to prepare and support pastoral leaders for the long term.

The Endowment encourages theological schools to involve a broad mix of institutional leaders in planning and implementing their proposed projects. These leaders should include the school's president or chief executive officer, dean, members of the advisory or governing board, faculty, key administrators and staff, as well as representatives from the school's constituencies, including pastors, congregational leaders, denominational representatives, consultants and other collaborating organizations.

The Endowment encourages theological schools to draw on the resources of the [Pathways for Tomorrow Coordination Program](#), a joint effort of the Association of Theological Schools and the In Trust Center for Theological Schools, as they assess their own financial operations and educational programs and explore promising approaches emerging on the landscape of theological education in connection with current Pathways grant projects and beyond.

Eligibility

Theological schools in the United States (including its territories) and Canada that are accredited by the Association of Theological Schools (ATS) and **that did not receive Phase 2 grants** in the first round of Pathways are eligible to submit applications for assessment and planning grants and for Individual School Implementation Grants 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)).

Selection Criteria for Individual School Implementation Grants

Eligible ATS-accredited theological schools may submit individual school implementation proposals for grants of **up to \$1 million each** that may be used for up to a five-year period to implement a project to strengthen their institutional financial and educational capacities to prepare and support pastoral leaders for the long term.

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

To help prepare these proposals, eligible theological schools may wish first to apply to the Pathways for Tomorrow Coordination Program for assessment and planning grants of up to \$50,000 each. ATS and In Trust administer the Endowment-funded Pathways Coordination Program collaboratively. Planning grants will be awarded through the Pathways coordination program on a non-competitive basis. These funds may be used by schools to explore insights emerging from theological schools that received grants in the first round of Pathways, host consultations with pastoral and congregational leaders, assess their own financial and educational operations, engage stakeholders within and beyond their schools, examine research on higher education, engage in consultation, design projects for their schools and prepare implementation proposals for Individual School Implementation Grants.

The Pathways for Tomorrow Coordination Program has developed a [portal](#) for schools to use in applying for these assessment and planning grants. Applying for and/or receiving an assessment and planning grant is not a prerequisite for being awarded an Individual School Implementation Grant. These funds are simply available to help schools offset the costs of their assessment and planning activities.

The Endowment encourages each theological school to be intentional and strategic in prioritizing the challenges and opportunities that it wishes to address through an Individual School Implementation Grant. Theological schools may use Individual School Implementation Grant funds to cover a range of expenses related to the implementation of their projects, including costs for activities to develop and test new financial practices for generating revenue and/or reducing expenses, deepen connections with churches and religious constituencies, strengthen the identification and recruitment of students, develop and test new educational strategies, develop strategies to cultivate and support aspiring and current pastors from constituencies with less access to ATS-accredited theological education, and reduce the costs of attendance for low income students, among others. Individual School Implementation 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 financial and/or educational challenges or opportunities the school faces as it seeks to strengthen its institutional capacities to prepare and support pastors and congregational lay ministers.
3. The proposed project's rationale, purpose, goals and design clearly align with Pathways' aim.

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 the work of the project will be self-sustaining over time and strengthen its overall operations.
6. The school presents a compelling case that the proposed project will strengthen its institutional capacities to prepare and support pastors and congregational lay ministers for the long term.

Application Guidelines for Individual School Implementation Grants

A complete proposal for an Individual School Implementation Grant must include the following:

Official Request Letter: This letter must be signed by the theological school's president or chief executive officer and the chair of its advisory or governing board and specify the amount requested.

Information Form: This form provides key information about the proposal and identifies information about the individuals responsible for the proposed project.

Executive Summary: This summary, which **should not exceed one page**, should describe 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.

Summary Budget: This is a **one-page document** that condenses the budget line items from the detailed Line Item Budget. The Summary Budget should be prepared after completing the Line Item Budget (see below).

Proposal Narrative: In this narrative, which **should not exceed 12 pages**, excluding the Executive Summary, Summary Budget, Timetable, Line Item Budget and Budget Narrative and other supporting and accompanying materials, the theological school should address 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 today and will be needed in the future? What is the school's role in preparing and supporting leaders for these churches?
2. **Assessment and Planning:** Provide a discussion of the theological school's planning and assessment activities. What are the most pressing challenges and/or opportunities (both financial and educational) that need to be addressed to strengthen and sustain the school's institutional capacities to prepare and support pastors and congregational lay ministers? Why do these challenges and/or opportunities need to be prioritized and addressed first? Please include key insights that have shaped the proposal, including feedback from constituencies, findings from research, economic analyses of the school's financial operations and other relevant information.
3. **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 the project strengthen the school's capacities to prepare and support pastors and congregational lay ministers into the future?

4. 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? How will school and project leaders cultivate buy-in and engagement with advisory or governing board members, faculty, administrators, staff and other potentially key constituencies for the project (pastoral leaders, denominational leaders, alumni, etc.)? 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.

5. Outcomes and Evaluation: Describe the project's intended outcomes and how the organization will measure progress towards those outcomes.

- › Outcomes: Describe the desired outcomes the school hopes to achieve through the proposed project. What change does the school hope to see if the project is successful? What are the anticipated outcomes for aspiring and/or current pastoral leaders? For congregations? For the school's enrollment in various programs? For the school's revenues and long-term sustainability? For others?
- › Performance Indicators: Describe the specific performance indicators that will be used to measure the proposed project's progress toward the outcomes stated above. Organizations must include in their proposals a timetable for achieving these indicators.

Performance indicators should include quantitative and qualitative markers to gauge the project's progress toward its outcomes. For example, one of the proposed project's outcomes may be that "cost per headcount" in the MDiv program decreases by 20 percent (as a result of increasing enrollment, reducing underlying costs, or both). An accompanying performance indicator may be that "cost per headcount" in the MDiv decreases by four percent each year during a five-year grant period. A second example of a project outcome may be that 90 percent of master's level graduates indicate in a survey that their degree program prepared them well for the realities of ministry in their particular contexts. If 60 percent of students currently indicate this level of preparedness, then an accompanying performance indicator may be that this percentage will rise to at least 75 percent after the third year of the project. A third example of a project outcome may be that the school will be able to increase revenues and cut costs in such a way so as to decrease its endowment draw to four percent annually. If the current endowment draw is seven percent annually, then an accompanying performance indicator may be that this percentage will drop to a maximum of five percent by the third year of the project.

- › Evaluation Plan: Provide a plan for how the organization will evaluate the proposed project. How will the organization track the project's performance indicators? What qualitative and quantitative methods will the organization use in the evaluation process (e.g., interviews, focus groups, surveys)? Who is responsible for evaluation?

6. Communication: Include a communication plan that describes how the theological school intends to communicate, both internally and externally, what is accomplished and learned through the implementation of the project. With whom will the theological school seek to communicate what is learned?

7. **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?
8. **Sustainability and Continuation:** Describe how the project will strengthen the school's financial viability and its capacities to prepare and support pastoral leaders for the long term. To the extent relevant, how will this project become financially sustainable by the end of the grant period? What strategies (fundraising, revenue generation, cost cutting, etc.) will be employed to achieve this? Who will be in charge of these activities?

Timetable: Provide a high-level timetable of the proposed project's key activities, including evaluation (i.e., when specific performance indicators will be assessed to track progress towards outcomes), communication and sustainability activities.

Line Item 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 Guide for Budget Preparation, which can be found on the website for this initiative, in preparing the budget. 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.

Budget Narrative: A Budget Narrative should describe the calculations for each line item in the grant budget.

Theological School Data Form: This form is used to get a clearer sense of the theological school's enrollment in various programs, the number of ministerial candidates it educates, its total revenue, its operating surplus/deficit, and the balance of any endowment funds it may possess. These data will not be shared with other organizations or individuals for purposes unrelated to this initiative.

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.

Copy of Internal Revenue Service Tax Status Determination Letter: 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 that: 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.

Copy of Current Year Operating Budget: Submit a copy of the theological school's operating budget for the current year.

Annual Financial Statement: 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.

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.

Individual School Implementation Grant Proposal Checklist and Deadlines

Complete proposals for Individual School Implementation Grants must include the following elements:

- Official Request Letter
- Information Form
- Executive Summary (**not to exceed one page**)
- Summary Budget
- Proposal Narrative (**not to exceed 12 pages**)
- Timetable
- Line Item Budget
- Budget Narrative (**see instructions**)
- Theological School Data Form
- Exempt Status and Charity/Foundation Status Information Form
- Copy of Internal Revenue Service Tax Status Determination Letter
- Copy of Current Year Operating Budget
- Annual Financial Statement
- Letter(s) of Support (**where applicable**)

Proposals for implementation grants are due by May 15, 2025. Proposals and required materials for Individual School Implementation Grants must be submitted as a [single PDF](#) through the online application form available on the [Individual School Implementation Grant page](#) of Lilly Endowment's website. The Endowment anticipates announcing Individual School Implementation Grant awards in the fall of 2025.

Please direct inquiries to:

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