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Diocese of Scranton: A financial disaster

by Tom Gallagher

NCR Today

The sad legacy of Bishop Joseph Martino, Cardinal Justin Rigali and those mysterious others who appointed Bishop Martino to the Scranton diocese continues.

"The Diocese of Scranton will publish the full annual audited financial report in the Feb. 18 edition of its newspaper, *The Catholic Light*, but snippets of data released last week suggest it was another bleak year of deficits, despite rigorous attempts to stem the red ink.

Diocese officials met with members of the four regional school boards that run the Catholic schools in 11 counties to discuss how the financial situation may impact Catholic education, and issued a press release following that meeting. Numbers were grim.

Liabilities exceed assets by \$29.8 million. The diocese has \$15.2 million in non-performing loans, most of which are school related. There is another \$6 million in non-school-related delinquent parish assessments, and the school assessment levied on all parishes is projected to fall short by \$1.9 million this school year. The schools themselves have an operating loss of \$5.6 million during the last two years.

There's no way to compare until full data is released, but it sounds like the continuation of a financial struggle repeatedly laid out in prior financial statements around this time each year.

In the January 2009 *Catholic Light*, Bishop Joseph Martino announced a deficit of a bit more than \$7.1 million for the 2007-08 fiscal year. The diocese saw a \$4.8 million drop in investments thanks to the market downturn that year, and a \$1.2 million "extraordinary pension cost due to benefit

adjustment in the priest's plan.

In the February 2008 Catholic Light, Martino reported a \$3.7 million "provision for bad debts" in the 2006-07 fiscal year, and \$7.4 million in "additional unfunded cost" for pension and benefits for clergy and lay employees."

Martino retired Aug. 31 and Rigali, head of the Archdiocese of Philadelphia, is serving as apostolic administrator of Scranton until a successor is installed.

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