

Philadelphia breaks new ground on managing Catholic schools

Jerry Filteau | Sep. 10, 2012



In a major break from traditional Catholic school models, the Philadelphia archdiocese has turned over management of its high schools and special-needs elementary schools to a lay-run private foundation for at least the next five years.

The move, which does not change the Catholic character of the schools, affects some 16,000 students in the archdiocese.

Several commentators described the decision as a groundbreaking one that could affect Catholic elementary and secondary education across the nation within the next few years.

Charles Zech, founder and head of Philadelphia-based Villanova University's Center for the Study of Church Management, described the archdiocese's move as "an innovative approach to a problem that has the potential to drag every U.S. diocese down financially."

"Every diocese in the country is hurting" because of the growing cost of Catholic elementary and secondary education, he told *NCR*.

"The costs of providing Catholic education, especially at the high school level -- teacher's salaries, benefits, maintenance on old buildings, the need to have cutting-edge technology, etc. -- are far outpacing parents' ability to pay tuition and a diocese's ability to subsidize school costs," he said. "Similar concerns are on the horizon for parochial grade schools."

"It's clear that something has to be done," he added, "and every diocese in the country should be watching this closely" to see if it succeeds and might serve as a model.

Philadelphia Archbishop Charles Chaput announced the change at a news conference Aug. 21. He said effective Sept. 1, the recently formed Faith in the Future Foundation would take over management of all 17 Catholic high schools of the archdiocese and four schools that serve children with special needs.



He made the announcement at St. Hubert Catholic High School, which had

been slated for closure before new fundraising efforts brought a reversal of that decision. During the news conference, the archbishop signed the initial five-year management agreement with H. Edward Hanway, former chairman and CEO of Cigna and founder of Faith in the Future.

The new agreement "is unlike any agreement that a diocese has achieved with its lay leadership," Chaput said.

He said the shift of operational and strategic control to a predominantly lay board will "change the organizational structure for Catholic education, not its mission."

Hanway was a member of an archdiocesan blue-ribbon commission that in 2011 recommended closure or merger of a number of elementary schools in the archdiocese as well as the closing of four high schools. The commission later recommended forming a foundation to advance the role of Catholic education in the archdiocese, and Hanway was charged with heading the project.

By July 1, *The Philadelphia Inquirer* reported, the new foundation had already raised \$15 million of its \$100 million goal.

Hanway will serve as chairman of Faith in the Future's executive board of education and will serve as interim CEO of the foundation until a new CEO is hired.

The archdiocesan Office of Catholic Education will continue to focus on curriculum and standards; academic and spiritual development of students; co-curricular and extracurricular programming; and professional development of teachers. Under the new agreement, however, it will be an agency of the new foundation and will report chiefly to it.

The presidents and principals of the schools affected by the agreement will continue to report to the education office, and the teachers remain employees of the archdiocese.

Direct ownership of the schools themselves will remain with the archdiocese, with the exception of Roman Catholic High School. The school is operated by the archdiocese but the building continues to be owned by the Cahill Trust, established under the will of its founder, Thomas Cahill, who died in 1878.

Included are four special-needs schools for the hearing-impaired, the visually impaired, and for those with mental challenges.

The makeup of the foundation board will be announced later this fall. Hanway estimated it will have about 15 members, with the archbishop appointing a third of them.

Philadelphia Auxiliary Bishop Michael Fitzgerald, who oversees Catholic education for the archdiocese, will be a board member.

"The independence of the Catholic secondary system, with the schools of special education, was critical to our ability to more fully address the fundraising and enrollment needs of our schools," Hanway said. "With capacity available to educate an additional 15,000 students, we intend to grow."

Philadelphia, like other U.S. dioceses, has seen a steady decline in numbers in Catholic education.

In the past decade, according to the National Catholic Educational Association, total enrollment in U.S. Catholic elementary and secondary schools has dropped more than 25 percent to about 2 million in the past decade.

The total number of schools dropped from 8,114 in 2001-2002 to 6,841 last year, for an average loss of 127 schools a year over the past decade. Last year, 34 new schools opened, but 167 others closed or were consolidated.

Francis Butler, a consultant to Catholic philanthropies and recently retired president of FADICA (Foundations and Donors Interested in Catholic Activities), told *NCR* that the Philadelphia decision -- which he basically lauded -- is not as unique as initial news reports indicated because other dioceses have been taking innovative steps to bring their Catholic educational systems into the 21st century.

What is truly new in the Philadelphia archdiocese is that it has ceded managerial control of its Catholic high schools to a lay-led private foundation that is intentionally Catholic, Butler said.

He added that lay leadership already has "a good track record in Philadelphia," and he thought that the transfer of the schools' management to lay leadership would lead to more engagement of the families of students in the direction of the schools.

"People want a voice," he said. "Once families are able to have a voice, they can thrive."

Butler cited a number of dioceses that have taken similar steps to revitalize their schools, including Boston and Baltimore.

Butler said that the Bridgeport, Conn., diocese asked pastors to give up some of their canonical rights over parish elementary schools, forming a kind of diocesan consortium, independent of some parish controls, that could improve standards and communication.

Enrollment grew by 5 percent last year and 12 of the 38 Catholic schools in the diocese received federal recognition as blue ribbon schools, meaning they are in the top 10 percent of the nation's schools.

John Eriksen, director of the schools program for the National Leadership Roundtable on Church Management, told Catholic News Service that such arrangements required "courage and humility."

Eriksen said that until he took his new job in July, he had been superintendent of schools for the Paterson, N.J., diocese, which had a similar arrangement. "We saw some significant short-term gains. We saw some short-term pain as well," he noted, but "over time, it has worked better and better."

He said dioceses are trending to the model used by the Philadelphia archdiocese.

Villanova's Zech, an economist, said, "The fundraising, the foundation element, is crucial" to the future of Catholic education across the country.

"Every diocese has to think about innovative ways to raise money to support their high schools beyond merely tuition and diocesan subsidy," he said.

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