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# Introduction to the Focus Section: 2013 Catholic Higher Education Collaborative (CHEC) Conference on Catholic School Financing

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## **Introduction to the Focus Section: 2013 Catholic Higher Education Collaborative (CHEC) Conference on Catholic School Financing**

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**I**n September 2013, the University of Notre Dame hosted a conference on Catholic School Financing, the sixth in a series of annual conferences sponsored by the Catholic Higher Education Collaborative (CHEC). The conference series, which focused on themes of urgent significance to elementary and secondary Catholic schools, emerged following a historic gathering in October 2007 at the Carnegie Foundation for the Advancement of Teaching in Palo Alto, California. The conference at Notre Dame was the last of the six meetings planned following the gathering at Carnegie. As such, in this article, we will not only reflect on the central theme of the 2013 conference, but also review what has transpired since the Carnegie Conversation in 2007: the progress made in addressing specific goals articulated at the Carnegie meeting and future directions for growing and strengthening the field of Catholic education.

### **The Carnegie Conversation: History and Influence**

The formal title of the Carnegie Conversation, as it came to be known, was “Building a Movement and Strengthening a Field: The Revitalization of American Catholic Education.” The focus on building a field of Catholic education was identified by Professor Lee Shulman, then president of the Carnegie Foundation. While leading an external review of Notre Dame’s Alliance for Catholic Education, Shulman observed that the capacity of universities to support K-12 Catholic schools depended on their ability to develop and invigorate a field of Catholic education. Although the more than 200 Catholic colleges and universities in the United States represent powerful assets for the Church, studies revealed an overarching level of disengagement from K-12 Catholic schools and suggested that, as a collective, Catholic institutions of higher education can and should do more to serve the needs

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of Catholic elementary and secondary schools. In order to address this disconnect between Catholic K-12 and higher education, Shulman generously offered to host a national conversation involving approximately 50 stakeholders from higher education, diocesan and other Catholic school systems, the National Catholic Education Association, and members of the philanthropic community.

The conference at Carnegie galvanized a conversation that expanded to include many more voices and institutions during the next seven years. Since 2009, 12 different Catholic colleges and universities, individually or in collaboration, have hosted an annual conference on a theme of particular importance to elementary and secondary Catholic education. The themes and host institutions are listed below. Each conference has been documented in a Focus Section in this journal. Links to the issues containing the related Focus Sections are also included in the list below:

January 2009

**Catholic Schools and the Immigrant Church: Lessons from the Past and a Bridge to the Future**

*Loyola Marymount University and the University of San Francisco*

[Volume 13, Issue 3](#)

October 2009

**Developing and Sustaining Leaders for Catholic Schools: How Can Catholic Higher Education Help?**

*Loyola University Chicago*

[Volume 14, Issue 1](#)

October 2010

**Catholic Schools: Schools of Academic Excellence**

*Boston College and Fordham University*

[Volume 15, Issue 1](#)

October 2011

**Catholic Identity in Catholic Schools**

*The Catholic University of America*

[Volume 16, Issue 1](#)

October 2012

**Facilitating Effective Structures and Governance**

*The Greater Milwaukee Catholic Education Consortium: Marquette University, Alverno College, Cardinal Stritch University, Marian University, and Mount Mary College*

[Volume 17, Issue 1](#)

September 2013

**Catholic School Financing**

*University of Notre Dame*

[Volume 18, Issue 1](#)

Attendance at each conference averaged 75-100 participants, including representatives from various institutions of higher education and the philanthropic sector, diocesan staff, and school leaders from local elementary and secondary schools. K-12 educators were included in the conferences through affiliations with the National Catholic Educational Association. These annual conferences have succeeded in generating engagement among scholars and in encouraging Catholic colleges and universities to invest in purposeful and collaborative responses to the challenges confronting Catholic schools on local and national levels.

While it would be premature to say that a field of Catholic education now flourishes, we can point to some important steps taken in the seven years since Shulman issued his challenge. In response to Shulman's call, made during his Keynote address at the Carnegie Convening, for a robust field of Catholic education to be "outrageously interdisciplinary" (Shulman, 2008, p. 14), the annual conferences not only convened scholars of diverse departmental affiliation (from education and theology to business and law), but also sought to bridge the divide that too often separates university faculty from practitioners and school leaders. In response to his call to "develop mature networks of professional communication, collaboration, critique, and high quality review" (p. 14) we have succeeded in getting the American Educational Research Association (AERA) to approve a special interest group in Catholic education. Finally, in response to Shulman's question about where one might recruit to build "a powerful faculty in Catholic education" (p. 14), perhaps the most heartening development of the past decade is that more than 115 graduates of the 13 University Consortium for Catholic Education

(UCCE) programs have earned or will soon earn doctoral degrees—most commonly, but not exclusively, in education. It is encouraging to consider that these potential future faculty members, formed in UCCE programs, may use their experiences as K-12 teachers in under-resourced Catholic schools to inform their work in higher education. Indeed, this is perhaps the most hopeful sign for the future of the field of Catholic education.

### **The Conference on Catholic School Financing**

Catholic schools most often make the news when they close. In most cases, school closure has as its proximate cause critical financial problems, which are often linked to dwindling enrollment. With more than 1,000 Catholic schools closing in the past 10 years, the topic of Catholic school financing is both urgent and important. In many ways, it was fitting that the 2013 conference followed those that focused on immigration, leadership, academic quality, Catholic identity, and governance, for all of those themes contribute variously in different contexts to the financial status of Catholic schools, strong or weak. Though the contexts of widespread financial fragility are well known—challenges associated with the labor force flipping from religious to lay and the secularization of the Catholic population in the US being two of the most prominent—we also know that many successful outliers defy demography. Thriving inner-city parochial schools do exist! Such schools are successful, chiefly, because they have effective leaders at the helm of well-governed schools that flourish academically and build welcoming and deeply Catholic school cultures.

Rather than reviewing causes of the current financial crisis facing many Catholic schools, the conference at Notre Dame focused principally on challenges, opportunities, and solutions. The approach was, heeding Shulman's advice and in keeping with the spirit of prior conferences, decidedly multi-sector (higher education, K-12 education, philanthropy, politics) and interdisciplinary (representing such disciplines as education, law, business, economics, and political science). The conference was anchored in two different areas of opportunity to generate additional resources for Catholic schools—public funding and private benefaction—and in the oft-ignored but critical area of improving stewardship of schools' financial resources. In the following sections of this article, we provide a brief summary of each session in which panelists addressed these issues.

**Panel One: Public Funding Part I (The State of Play for Parental Choice)**

Long considered a fringe issue in the education policy landscape, publicly funded private school choice (often referred to as “parental choice”) is now firmly established in the mainstream of the growing reform movement to expand quality school options available to marginalized children. As of this publication, there are more than 300,000 children nationwide attending a private school of their parents’ choice through some form of public (state or federal) support. The growth in this sector has been dramatic of late; at least two new choice programs have been launched in each of the previous 10 years, and enrollment has increased by approximately 100% since 2007. The focus of this first panel was the rationale, state of play, and current research on parental choice nationally, with a particular focus on developing strategies for the Catholic higher education community to support the expansion and implementation of public programs that provide at-risk families with greater access to Catholic education.

John Schoenig, the Director of Teacher Formation and Education Policy for Notre Dame’s Alliance for Catholic Education, moderated this panel, which featured Scott Jensen, Senior Advisor for the American Federation for Children; Doug Tuthill, President of Florida’s Step Up for Students Scholarship Funding Organization; and Patrick Wolf, 21st Century Endowed Chair in School Choice at the University of Arkansas.

Jensen began with a thoughtful and provocative overview of the history and current landscape for publicly funded private school choice programs allowing marginalized families greater access to Catholic schools. In recent years, the concept of educational choice has matured dramatically, not only in terms of the amount of public support allocated to support private school choice, which now amounts to over \$1.2 billion annually, but also in the various types of programs available, which now include vouchers, tax credit scholarships, and the newly developed education savings accounts. In addition, Jensen noted, there appears to be growing bipartisan support for parental choice, as new coalitions have developed in states such as Florida and North Carolina.

Doug Tuthill discussed his work with Step Up for Students, a Florida-based scholarship funding organization which in 2013 raised more than \$300 million tax credit scholarships. Through these efforts, Step Up for Students helped place more than 60,000 students in the private school of their choice. Approximately 9,000 of these students chose to attend Catholic

schools. Tuthill emphasized the integral role that (arch)diocesan and school leaders play in the implementation of programs such as Step Up for Students, noting that schools and school systems that thoughtfully seek to take advantage of publicly funded choice programs not only see growth in enrollment, but ultimately enjoy improved academic quality and more vibrant school culture.

Patrick Wolf focused on the state of play for research on publicly funded private school choice. Approximately 25 years after the launch of the nation's first voucher program, the Milwaukee Parental Choice Program, created in 1990, the body of research on the impacts of such policies is still somewhat limited, although it continues to grow. Wolf shared a particularly compelling analysis outlining the findings of the 10 random assignment student achievement evaluations (which are considered "gold standard" methodologically) that have been conducted on choice programs since 1990. Nine of the 10 studies showed statistically significant gains for at least some subgroups participating in a choice program, and none showed a negative effect from such participation. Expanding the scope of inquiry to "silver standard" evaluations results in 11 out of 12 showing at least some subgroup gains and still none showing no negative effects. Expanding further, Wolf found that every rigorous, experimental, or nearly experimental study ever conducted on school choice programs resulted in a greater number of students showing positive or neutral results, but again no negative findings. Such results, claimed Wolf, would seem to undermine the claim made by some policy makers that choice programs have a negative effect on student achievement.

Wolf concluded his remarks by noting that the growth and successful implementation of parental choice will be increasingly dependent on an abundance of methodologically sophisticated research on such policies. He noted a general reluctance on the part of the higher education community engage in such analysis, suggesting that this was an area where conference participants and their institutions might consider taking a leadership role.

An edited transcript of these panel presentations is included in this Focus Section.

### **Panel Two: Public Funding Part II (Understanding Parental Choice Programs in Action)**

Having considered the origins and research on parental choice, the second panel examined themes related to the effective implementation of such programs. As was noted during the day's discussion, more than 40% of the

empty seats in Catholic schools nationally are found in states that already have a parental choice program, which seems to suggest an opportunity for Catholic schools to better capitalize on the opportunity.

Such was the focus of the day's second panel, which was again moderated by John Schoenig. He was joined by Christian Dallavis, Senior Director of Leadership Programs at the Alliance for Catholic Education; Kathleen Cepelka, Superintendent of Catholic Schools for the Archdiocese of Milwaukee; and Yvonne Schwab, Principal of St. James the Less Catholic School in the Diocese of Columbus, Ohio.

Dallavis discussed the work of the Notre Dame ACE Academies (NDAA), a network of Catholic elementary schools operated through a unique university-school partnership dedicated to expanding high performing school options for low-income families. At the time of the conference, NDAA included five schools (three in the Diocese of Tucson and two in the Diocese of St. Petersburg) serving approximately 1,100 students. The NDAA model is grounded in a vision of school transformation that focuses on three dimensions: academic quality, accessibility, and Catholic school culture. In each area, Notre Dame partners with the school to invest significant time and energy into building a framework for long-term success—a framework that includes on-site teaching and learning support, a governance structure involving a board of specified jurisdiction, aggressive participation in parental choice programs, and continuous coaching on developing vibrant and intentional Catholic school culture. The results to date have been impressive, with enrollment up significantly in both dioceses and student achievement on the rise as well. Perhaps the most notable success of the program can be seen in the academic performances of kindergarten students at St. John the Evangelist in Tucson, who are now doing math in the 86th percentile and reading in the 91st percentile.

Cepelka shared her perspective on the bright spots and challenges for Catholic schools in the Archdiocese of Milwaukee, which is home to the nation's oldest choice program. She discussed the remarkably high graduation rate posted by (arch)diocesan high school students participating in the voucher program, noting a point made earlier by Wolf that the research community has begun to focus on the primacy of student attainment over achievement in evaluating the success of particular policy interventions. In addition, she discussed the impressive work of the Greater Milwaukee Catholic Education Consortium (GMCEC), which served as co-host to the 2012



CHEC gathering, particularly as it attempts to create a coherent vision for “K-16 Catholic education” for archdiocesan families.

Schwab shared the story of St. James the Less: a narrative which serves as one of the most intriguing bright spots in the national movement to engage Latino families and children in Catholic schools. In 2004, St. James had 221 students enrolled and confronted a myriad of challenges, perhaps the most urgent of which was the need to respond thoughtfully to the changing demographics of the community it served. One year later, Ohio passed the Educational Choice Scholarship Program, a failing schools voucher initiative designed to serve at-risk children. Through bold and responsible stewardship and academic planning, Schwab helped lead a dramatic transformation, more than doubling the enrollment over the years to come. At the time of the 2013 CHEC conference, the school’s enrollment was 484 students, 429 of whom are supported by the voucher program. Moreover, Schwab led efforts to grow its population of Latino students from two students to 256 students over nine years. The key, explained Schwab, was a twofold approach: 1) the development of meaningful relationships within the Latino community to demonstrate the school’s value and the opportunity that the voucher presented; and 2) a relentless focus on demonstrating academic excellence amidst such dramatic enrollment growth.

### **Panel Three: Creative Approaches to Private Support**

Notwithstanding the impressive gains in school choice legislation in recent years, most (arch)dioceses and Catholic schools, including those in choice environments, need to find new and better ways to attract and steward private resources from various sources including the offertory collection, Catholic school alumni, and centralized endowments affiliated with (arch) dioceses. The third panel discussion, therefore, shifted from expanding public funding opportunities and responding more effectively where and when they are available to an exploration of different strategies under the theme “Creative Approaches to Private Support.”

Betsy Bohlen, the CFO of the Archdiocese of Chicago, moderated this panel. Panelists included Charles Zech, Professor of Economics and Director of the Center for Church Management and Business Ethics at Villanova University, who has published widely on the economics of religious institutions; Angela Kovalesky, Executive Director of the Catholic Alumni Partnership (CAP), an organization based in the Archdiocese of New York

that focuses on re-engaging graduates of Catholic elementary schools to support their alma maters; and Joseph Womac, Executive Director of the Specialty Family Foundation and former Executive Director the Fulcrum Foundation, which has raised more than \$65 million to provide support for Catholic schools in Seattle.

Recognizing the historic importance of the parish offertory collection in support of parochial schools, Zech amplified Bohlen's observation that costs have increased beyond the revenue generated by the Sunday offertory. He underscored a disturbing pattern, namely, that a typical Catholic household gives about 1.1-1.2% of their income to the Church, less than half the giving rate of the average Protestant household, which averages 2.4-2.5%. If Catholics matched the giving rates of other Christians, the Church in the United States would experience an increase of \$8 billion in revenue annually. Citing concerns by many pastors that younger Catholics tend to give at lower rates, Zech did suggest the importance of accountability and financial transparency, personal appeals from pastors to tap what he termed "the human need to give," and the opportunity to promote more strategic estate planning in order to animate greater participation and generosity on a grass roots level.

Womac echoed Zech's theme of the increasing importance of transparency in the contemporary philanthropic climate. Acknowledging that churches do not have to file tax form 990 or answer questions about conflicts of interest or whistleblower policies like other non-profits, Womac urged dioceses to remove those potential barriers to donors by conducting and publishing detailed audits. He argued that full financial disclosure helps to build the trust essential to obtain large gifts from wealthy benefactors and all types of foundations.

Although her organization has an entirely different, grassroots method compared to the large endowments such as Fulcrum, Kovalesky noted the importance of building and reconnecting relationships as the cornerstone of CAP's work. CAP has expanded to eight (arch)dioceses; their database has surpassed 170,000 Catholic elementary school graduates; and their work taps into the passion of most donors to give locally by linking them with the school that gave them the foundation for all future education.

#### **Panel Four: Building Strength in Financial Management at the Institutional Level**

While the first three panels focused on increasing resources through public and private avenues, the final panel explored the other side of the

equation by considering how Catholic schools might manage their operations and finances more efficiently and effectively. Compared to per-pupil spending in the public sector, Catholic schools have a reputation for efficient and economical use of resources, largely out of necessity. At the same time, there are widespread opportunities for growth in expertise and dissemination of best practices of financial management and business operations. John Eriksen of Leadership Capital and former Superintendent of Schools for the Diocese of Paterson moderated this panel discussion among Mary Ellen Fulton, Associate Dean of the Lynch School of Education at Boston College; Wayne Morse, Associate Director of School Strategic Planning, Archdiocese of Cincinnati; and Rev. Thomas Doyle, CSC, of the Alliance for Catholic Education.

Morse began the discussion by explaining that when he began his work in 2010, having come to his position in the Archdiocese of Cincinnati after many years in the corporate world, there was no standardized financial data from any of the schools. In response to his discovery that few principals had a high level of understanding of financial metrics or measures, Morse saw the value of a “quick-hitting” scorecard of eight key areas—enrollment being the most important—and developed a comparative rating system where each area was ranked on a 1 to 4 scale. Each school now receives annually an aggregate rating as well as a rating in each of the eight categories. This process serves as an early-warning system, giving more time for interventions to turn around worrisome trends before they become intractable problems. This process has been so successful that the Archdiocese is now expanding the analysis to academics and Catholic identity.

Fulton spoke of the transformational power of partnerships between universities and Catholic elementary and secondary schools, drawing from her experience as the Board Chair for St. Joseph Prep, a new Catholic high school formed through the successful merger of two financially strapped institutions with declining enrollments. Boston College has provided generous financial support to establish St. Joseph Prep; perhaps more importantly, however, BC has played a key role in engaging experts in finance and management to provide counsel and leadership for this new institution. Through her case study, Fulton demonstrated the practical value of universities broadening their support of Catholic education beyond the traditional provenance of schools of education—for example, by involving business and law schools in collaborative efforts to advance best practices in business operations.

Noting the high impact of his fellow panelists on Catholic schools, Doyle underscored the need for (arch)dioceses and schools to search for talented people with knowledge and experience in finances and management and to invite them to serve the mission, in some cases as paid employees and in others as “quality volunteers with longevity.” While acknowledging differences between Catholic colleges and universities and Catholic elementary and secondary schools, Doyle argued that there are many transferable lessons about governance, advancement, financial management, and operations. As Doyle noted, those who work in leadership of schools and dioceses must have the financial literacy to be able “to read the mission statement and the income statement side-by-side.”

Toward the end of his remarks, Doyle urged greater awareness that “Catholic education needs K-12 education and vice versa” for all levels to thrive. The long-term future of Catholic colleges and universities, especially as vibrant places where faith, worship, and service are taken seriously and permeate campus culture, is surely more promising to the extent that the United States has robust Catholic elementary and secondary schools. If nothing else, institutional self-interest ought to drive Catholic universities to study, develop, and disseminate innovative solutions to the serious financial challenges confronting so many of our nation’s Catholic schools and, more broadly, to undertake with continued energy the field-building efforts Shulman recommended.

Of course, there are more and better reasons than self-interest to form stronger university-school partnerships and to do this important work of building a field. Perhaps the most important animating principle behind the Catholic School Financing conference—and, indeed, all six conferences spawned by the Carnegie Conversation—is the increasingly visible and widely shared conviction that Catholic higher education represents a strength of the Church in the United States and, in keeping with the call in the US Conference of Catholic Bishops’ 2005 pastoral statement, *Renewing our Commitment to Catholic Elementary and Secondary Schools in the Third Millennium* (USCCB, 2005), has a deep responsibility to strengthen elementary and secondary Catholic education. This responsibility is driven by ecclesial, civic, and moral purposes. Catholic schools are good for the Church as instruments of evangelization and formation of a new generation of leaders committed to Gospel values. Catholic schools form active citizens who promote the common good at levels uncommon in other educational contexts. And in a country afflicted by inequities in educational opportunity, Catholic

schools not only educate students' minds and hearts, but have been shown to close the achievement and educational attainment gaps that afflict our society and to nurture children to develop more fully their God-given talents.

Over the past seven years, tens of millions of dollars have been invested in building and strengthening institutional commitments to Catholic education at the universities represented at the Carnegie conversation. The Catholic Higher Education Collaborative that emerged in its aftermath and sponsored the six conferences has evolved into a group called Catholic Higher Education Supporting Catholic Schools with dozens of affiliate members. Yet even as we celebrate such gains, we are reminded of the need for more and better scholarship, more and better formation programs, and more and better outreach to revitalize Catholic schools. How fitting, then, to reflect on Lee Shulman's keynote address, which opened this conference and in which he at once offers a wise admixture of solace and challenge for what we have done and what we have failed to do—as of yet.

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