

# **Saving America's Urban Catholic Schools**

*A Guide for Donors*



*by Stephanie Saroki  
and Christopher Levenick*



PhilanthropyRoundtable

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BY

STEPHANIE SAROKI

AND

CHRISTOPHER LEVENICK



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The Catholic community here [in the United States] has in fact made education one of its highest priorities. This undertaking has not come without great sacrifice. Towering figures, like St. Elizabeth Ann Seton and other founders and foundresses, with great tenacity and foresight, laid the foundations of what is today a remarkable network of parochial schools contributing to the spiritual well-being of the Church and the nation. Some, like St. Katharine Drexel, devoted their lives to educating those whom others had neglected—in her case, African Americans and Native Americans. Countless dedicated religious sisters, brothers, and priests, together with selfless parents have, through Catholic schools, helped generations of immigrants to rise from poverty and take their place in mainstream society.

This sacrifice continues today. It is an outstanding apostolate of hope, seeking to address the material, intellectual, and spiritual needs of over three million children and students. It also provides a highly commendable opportunity for the entire Catholic community to contribute generously to the financial needs of our institutions. Their long-term sustainability must be assured. Indeed, everything possible must be done, in cooperation with the wider community, to ensure that they are accessible to people of all social and economic strata.

*Pope Benedict XVI, Address at the Catholic University of America, 2008.*

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## LETTER FROM THE PHILANTHROPY ROUNDTABLE

The Philanthropy Roundtable is delighted to publish this guidebook on how philanthropists can best support inner-city Catholic schools.

The Roundtable is committed to helping donors achieve dramatic breakthroughs in the improvement of K–12 education. We back reform efforts for public district schools, public charter schools, and independent and religious private schools. When it comes to raising academic achievement among all American children, especially low-income and minority children, we are committed to whatever works. For that reason, the Roundtable commissioned this guidebook on donor-led efforts to revive the nation's urban Catholic schools.

Catholic schools have offered generations of Americans a superb education at minimal cost. These schools, renowned for their insistence on academic excellence and moral formation, have long been committed to helping every child achieve his or her God-given potential. Today, however, Catholic schools nationwide—and especially in the inner cities—face a series of escalating challenges that continue to threaten their future viability. Some labor under a financially unsustainable business model; others have allowed educational quality to decay. If these schools are to continue their mission of providing high-quality educational options for the families that need them most, urban Catholic schools will need strategic philanthropic support from donors of all faiths.

The Philanthropy Roundtable gratefully acknowledges the generous support of the William E. Simon Foundation for making this guidebook possible.

The Philanthropy Roundtable hosts solicitation-free meetings around the country, where donors can exchange ideas, strategies, and best practices. We also offer customized private seminars, at no charge, for donors who are thinking through how they can make the greatest difference in their giving. Please contact us at 202.822.8333 or at [main@PhilanthropyRoundtable.org](mailto:main@PhilanthropyRoundtable.org) if you would like further information.

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Marshall Allen conducted many of the original interviews and drafted an initial version of the manuscript. His insights and encouragement have been invaluable to the project, particularly in its early, formative phases. Thanks are also owed to Evan Sparks of the Roundtable, who with the diligent assistance of Amanda Murphy, Adrienne Fritsch, Joseph Boyne, and Erin Montgomery deftly copy-edited and fact-checked the manuscript. The guidebook also draws upon themes and programs profiled in two outstanding recent publications: *Who Will Save America's Urban Catholic Schools?*, edited by Scott W. Hamilton (Thomas B. Fordham Institute, 2008), and *Preserving a Critical National Asset*, edited by Andrew Smarick (White House Domestic Policy Council, 2008).

More importantly, however, this guidebook relies upon the firsthand expertise of leading grantmakers and educators, many of whom graciously shared their time and knowledge through interviews, site visits, and panel discussions. In particular, we would like to thank Kevin Allodi, the faculty and students at Annunciation Catholic School in Denver, Jennifer Beltramo, Letitia (“Tish”) Biddle, Rob Birdsell, Phil Brach, Chris Broughton, Terry Brown, Timothy Busch, Patrick Byrne, Bishop Frank Caggiano, Peter Calder, Bill Campbell, Thomas Carroll, Russell L. Carson, B. J. Cassin, Bill Cooper, Anthony D’Agostino, Louis Ebling, Katie Everett, Chester E. Finn Jr., Peter Flanigan, Kim Flaville, the Thomas B. Fordham Institute, Katie Freddoso, Howard Fuller, Jack Griffin, Amy Gross, Joshua Hale, Scott W. Hamilton, Frank Hanna III, Christine Healey deVaul, John Harpole, Caren Howley, Mary Ellen Hrutka, Barbara Hyde, Suzanne Kaszynski, Ed Kirby, Bruce Kovner, Thomas Larkin, Leo E. Linbeck III, Peter Lynch, Josephine Mandeville, Jim McCarthy, Mary McDonald, Gregory McGinity, Dan McKinley, Sheila Mulcahy, Bill Oberndorf, Jane O’Connell, Jim O’Connor, the National Catholic Educational Association, Sr. Marie Pappas C.R., Nathan Pera III, Stephen A. Perla, James Piereson, Yossi Prager, Neil Quinly, Brendan Quinn, Alberto Rocha, Darla Romfo, Mary Claire Ryan, Pat Ryan Jr., John Saeman, Martin Scanlan, Dan Schmidt, Mary Schmidt,

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Special thanks are owed to the William E. Simon Foundation and to the Simon family for their generous support of this guidebook and of urban Catholic education.

## CHAPTER I

# The Crisis in Inner-City Catholic Education

In America's inner-city schools, sometimes it's the simplest things that stand out. Quiet, orderly classrooms. Eye contact. Good manners.

At **Annunciation Catholic School** in downtown Denver, a young girl recently greeted a visitor to her classroom. She looked him in the eye, extended her hand, and politely said: "My name is Angélica. Welcome to Annunciation's seventh grade."

In a middle-class suburb, the exchange may have been unremarkable. But in an area where children are constantly exposed to violence, broken homes, and a disturbing range of social pathologies, Angélica's politely extended hand seemed almost startling.

Angélica's good manners did not come about by accident, and her courtesy is not an isolated case. They are the result of a centuries-old pedagogy, a disciplined approach to education that places moral formation alongside rigorous academic expectations.

In violent neighborhoods, Catholic schools are instruments of peace. In what can seem like a confused culture, they offer places of order. Students at Catholic schools often face challenges to academic success—single-parent homes, or parents who are under-educated, impoverished, or non-native speakers of English—yet research consistently shows that they outperform their peers in public schools. Many people may write off inner-city children, but Catholic schools cherish them as children of God and encourage them to reach their full potential as human beings.

### Scale of the Crisis

Yet for all their good work, Catholic schools—across the nation generally, and in inner cities specifically—face major challenges. Consider the trendlines evident in data gathered by the **National Catholic Educational Association (NCEA)**. In the 1960s, 5.5 million American children attended almost 13,000 Catholic schools across the country. By 1990, there were roughly 2.5 million students in 8,719 schools. In 2008–09, fewer than 2.2 million American students attended 7,248 Catholic schools. (Please see Figure 1.)

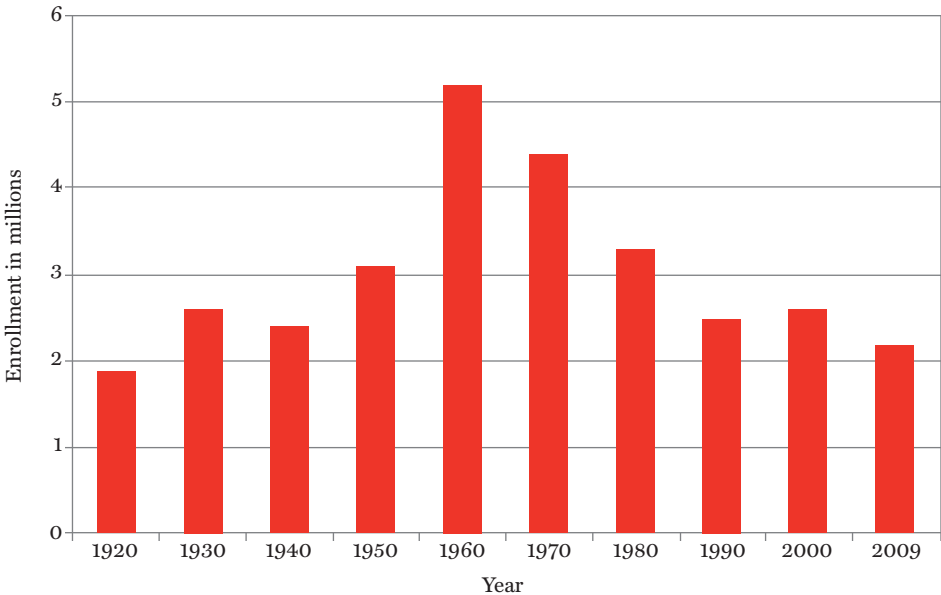


Figure 1: Catholic School Enrollment

Those numbers indicate an absolute enrollment decline of over 50 percent. Adjusting for population growth, the relative decline is even steeper. According to Georgetown University’s **Center for Applied Research in the Apostolate (CARA)**, the Catholic population of the United States in 1965 was approximately 45.6 million. By 2008, it was roughly 64.1 million. The Catholic population in the United States has grown considerably, but Catholic schools from coast to coast are closing.

Enrollment declines have forced widespread school closures. In 2008–09, 31 new Catholic schools opened their doors—but 162 Catholic schools were consolidated or closed. Since 2000, 1,429 Catholic schools have been shuttered. Hardest hit by the closures were elementary schools in urban areas. In the first decade of the 21st century, some 460,500 students—roughly 17.4 percent of the nation’s Catholic school population—have been affected by the closures of Catholic schools.

Certainly, the crisis in Catholic education is of concern to Catholics—but it has wider implications for America’s public schools, as well. As the nation’s largest provider of private schooling, Catholic schools have saved American taxpayers billions upon billions of dollars. Take, for instance, the city of Chicago, which spends

more than \$10,000 annually to educate each elementary school student and more than \$13,000 to educate each high school student. A recent NCEA report points out that, by removing more than 96,000 students from the public school system in the 2007–08 school year, Catholic schools in the Chicago area alone saved taxpayers over \$1 billion annually. Indeed, research conducted by the **Thomas B. Fordham Institute** (not affiliated with Fordham University) shows that the recent closures of Catholic schools have cost taxpayers an additional \$20 billion annually.

Among those hardest hit by the crisis are low-income Hispanic families. Nearly 40 percent of American Catholics—25 million people altogether—are Hispanic, and about 20 percent of American Hispanics live under the poverty line. While 75 percent of Hispanics in the United States are Catholic, a mere 3 percent of Hispanic families send their children to Catholic schools—schools that are ready, eager, and willing to help.

Worse, the crisis in Catholic education is underway at precisely the moment when the nation's public schools are struggling to serve Hispanics. The 2007 National Assessment of Educational Progress (or NAEP, often referred to as the “Nation's Report Card”) reported that 50 percent of Hispanic fourth grade students scored “below basic” in reading. Only 59 percent of Hispanic girls—and *less than half* (48 percent) of all Hispanic boys—graduate from high school. At the very moment when many marginalized immigrant families need them most, Catholic schools are shutting their doors.

Across America, donors of all religious backgrounds—or no religious background at all—are working to help save inner-city Catholic schools. Take retired hedge fund manager Robert W. Wilson. Wilson recently gave \$22.5 million to the Archdiocese of New York to fund scholarships for students in the inner city. As Wilson explained to *Portfolio.com*, “I’m not even Roman Catholic—I’m an atheist. But I think Roman Catholic schools give a better education to their students than public schools do. The whole Roman Catholic structure around the country has been shrinking. . . . That’s appalling. I am, in a small way, trying to reverse that in the city of New York.”

## An Introduction to the Organization of the Catholic Church

This guidebook is intended to be useful to Catholic and non-Catholic donors alike. Since it is intended for donors of all religious backgrounds, it may be helpful to explain some basic terms and concepts about the Catholic Church, insofar as they relate to Catholic primary and secondary education.

The Catholic Church consists of religious and laity. The religious consist of “those who have received the sacrament of Holy Orders and those who belong to a religious state approved by the Church,” while the laity is comprised of the remainder of the faithful (*Catechism of the Catholic Church*, §897). Examples of the ordained religious include cardinals, bishops, priests, deacons, monks, friars, and nuns.

There are two basic types of religious: diocesan and ordered. When most people think of the Catholic religious, they think of diocesan priests—the pastors at the local church. The following hierarchy exists among diocesan religious:

- A **priest** provides pastoral leadership for a **parish**. A parish is a geographically determined administrative unit that centers on a local church. A parish may have several priests, whose duties are educational, ministerial, and sacramental. (The chief pastor at a parish is sometimes granted the honorific title **monsignor**.) As of 2008, the most recent year for which the **United States Conference of Catholic Bishops (USCCB)** has statistics, the average parish consisted of roughly 3,250 members, living in about 1,300 households. There are approximately 19,000 Catholic parishes in the United States.
- A **bishop** provides pastoral leadership for a **diocese**. A diocese is a geographically determined administrative unit which consists of multiple parishes. (A bishop may be assisted by another, subordinate bishop—or, in large dioceses, bishops—known as an **auxiliary bishop**.) There can be considerable range in the size of a diocese, from the Diocese of Brooklyn (responsible for almost 1.6 million Catholics) to the Diocese of Juneau, Alaska (responsible for just over 5,000 Catholics). There are 150 dioceses in the United States.

- An **archbishop** provides pastoral leadership for an **archdiocese**. An archdiocese is an administrative unit that is usually, but not always, geographically determined. (For example, there is an Archdiocese of the Military Services USA, which ministers to American Catholic military and diplomatic personnel worldwide.) An archdiocese differs from a diocese by virtue of its larger size or its greater historical significance. Nevertheless, the administrative entities are distinct, and archbishops usually do not have direct authority over bishops. Sometimes an archdiocese is headed by a **cardinal**, an honorific bestowed by the Pope that (usually, but not always) allows the recipient to vote in a papal conclave. Archdioceses also vary in size, from the Archdiocese of Los Angeles (responsible for 4.2 million Catholics) to the Archdiocese of Anchorage (responsible for 32,000 Catholics). There are 35 archdioceses in the United States.

In addition to the diocesan structure, there are roughly 300 special **religious orders**. These religious orders (known as “Institutes of Consecrated Life” in Catholic canon law) have unique missions, hierarchies, and spiritualities. All nuns, as well as a significant number of priests, monks, and friars, belong to religious orders. While they work in coordination with local bishops, they usually report to their own superiors, who in turn report directly to the Pope. Examples of religious orders include the Jesuits, the Benedictines, and the Franciscans (or, more formally, the Society of Jesus, the Order of St. Benedict, and the Order of Friars Minor).

According to the USCCB, as of 2008 (the most recent year for which statistics are available), there were 41,406 priests in the United States: 28,067 diocesan priests and 13,339 religious-order priests. (There were also 5,040 brothers, or male members of religious orders who entered religious life but did not become priests.) In addition, there were 63,032 nuns in the United States.

## Causes of the Crisis

Row upon row of empty coat hooks—hundreds of them—line the walls of Boston's **St. Columbkille School**. Even on the coldest days of winter, jackets and bags hang from only a few of the hooks. And this when the school's enrollment recently climbed to about 400, after two nearby Catholic schools in the working-class neighborhood were folded into St. Columbkille.

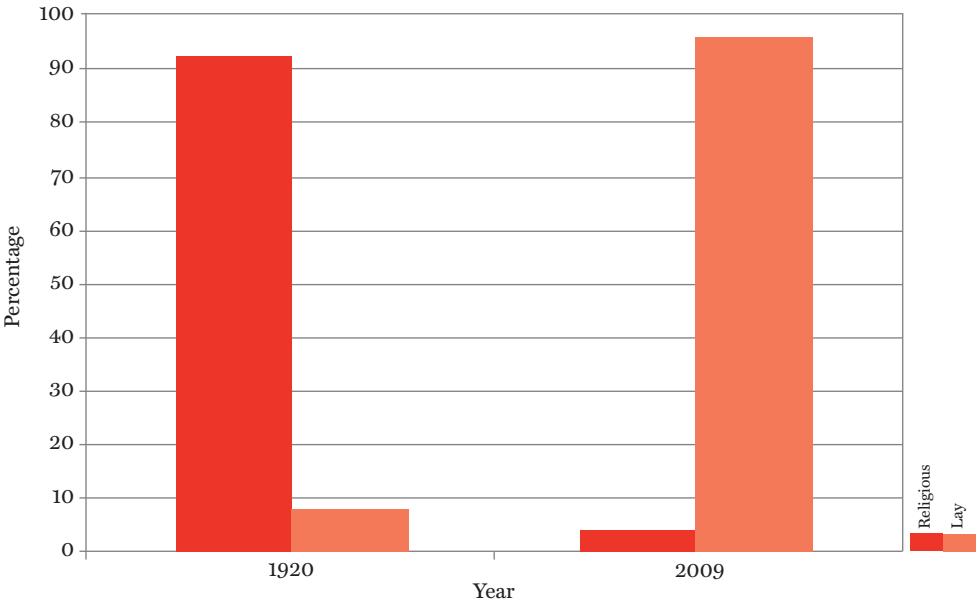
In the 1950s, there were twice as many coat hooks at St. Columbkille—and they were all full. At the time, some 1,800 students attended the school. Since then, however, the neighborhood has changed. A generation or two ago, the parish consisted of Irish- and Italian-American Catholics, most of whom wanted their children to go to parochial schools. Today, the neighborhood is populated by more recent immigrants—Haitian, Hispanic, Russian, and Vietnamese. At the same time, the cost of running St. Columbkille has increased dramatically. The school was founded in 1901, and was staffed by more than 30 Sisters of St. Joseph. These days, few nuns are to be found on campus.\*

St. Columbkille is representative of the major trends driving the decline of Catholic schools. Above all else, the two major drivers are declining vocations and shifting demographics.

- *Declining vocations.* Throughout the latter half of the 20th century, the Catholic Church has witnessed a precipitous drop in the number of religious vocations to the ordained life. Research from the NCEA indicates that, since 1960, the percentage of Catholic school staff who are priests, brothers, or nuns has dropped from 96 percent to 4 percent. Although lay teachers at Catholic schools are generally paid less than their public school counterparts, they nevertheless are much more expensive than the priests, brothers, monks, friars, and nuns—essentially, volunteer labor—who once staffed the schools. The vocations crisis has rendered the traditional business model for Catholic schools inoperative; personnel costs are simply too high to sustain it. (Please see Figure 2.)

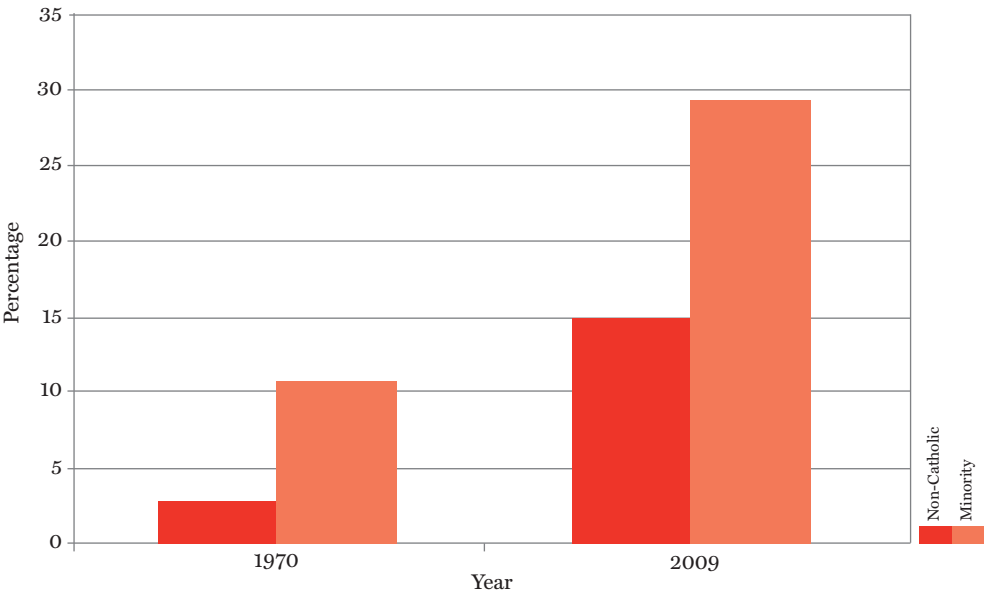
\* For a fuller account of the crisis at St. Columbkille, please see *Who Will Save America's Urban Catholic Schools?*, edited by Scott Hamilton (Fordham Institute, 2008), from which this description is drawn. See also Chapter VI, "Rethinking Governance," for further information on the donor-led initiative to save St. Columbkille.





**Figure 2: Percentage of Religious and Lay Staff at Catholic Schools: 1920 and 2009**

- *Shifting demographics.* Catholic churches are parochial. Individual churches serve a given area, which is determined by the diocese. Catholics within those boundaries are expected (and sometimes required) to belong to the parish in which they live. Problems can occur, however, when populations shift, as they have in America’s inner cities. When inner cities were home to large populations of ethnic Catholics (predominantly Irish, Italian, German, and Slavic), it made sense to build towering cathedrals and massive schools. Now, after those populations have moved to the suburbs, the churches and schools have remained—often in neighborhoods that no longer have a significant Catholic population. “When our forebears came to this country as immigrants,” observes Auxiliary Bishop Frank J. Caggiano of the Diocese of Brooklyn, “they came as an ethnic group, and their faith was deeply intertwined with their neighborhood and its church. Parochialism was a great strength of the church. What was once a strength, however, has now become a liability.” (Please see Figure 3.)



**Figure 3: The New Face of Catholic Schools**

While declining vocations and shifting demographics are the two major causes of the crisis in inner-city Catholic schools, they are not the only ones. Other factors include:

- **Cost.** In addition to expanded human capital costs, the facilities at many inner-city Catholic schools have substantial legacy costs. (According to studies conducted by NCEA and CARA, the average Catholic elementary school operating today was established in 1936, with more than half of these institutions operating in facilities built before 1950 and 17 percent built before 1900.) With so many aging facilities, Catholic schools often face high operating expenses—and frequently a need for wholesale renovation. Worse, many inner-city parishes have other competing pressures on their budgets, especially for social services, and often lack wealthy parishioners who can help underwrite the costs.
- **Calcification.** Like many large institutions that were created long ago, American Catholic school systems have calcified systems and habits that often fail to capitalize on current best practices. In order to meet the challenges of the 21st century, these systems require a massive influx of energetic and innovative leadership.

- *Competition.* With public charter schools opening in many inner cities, many parents are finding real—and sometimes quite attractive—alternatives to failing district schools. And, since some inner-city charter schools emphasize rigorous standards, character development, and personal responsibility, they are moving into a market niche once occupied solely by Catholic and other religious schools.
- *Consistency.* The performance of inner-city Catholic schools can be inconsistent. There are outstanding schools that do heroic work in inner cities across America, but there are also schools languishing under poor leadership and teaching that is warm-hearted but not up to high academic standards. As good as America's urban Catholic schools have historically been, too many of them are not living up to their reputation.
- *Credibility.* The sexual abuse scandals involving Catholic priests have deeply wounded the church's reputation. Moreover, now obligated to pay large financial settlements to the victims of abuse, church resources have been especially strained.
- *Confusion.* Those seeking to help restore Catholic education have different motivations. Some view the effort as pre-eminently one of the Christian formation of children, in the context of solid academics. Others seek first and foremost to provide opportunity through education to the at-risk students who need it most. Neither motivation is wrong, per se, but the differing motivations may lead to differing priorities.

Taken together, these causes have converged to create a crisis which Peter Meyer, former news editor of *Life* magazine, describes as “everything but a plague of locusts.”

### Implications of the Crisis

The decline of inner-city Catholic schools is a problem for Catholics. It is also a problem for the inner cities. Indeed, it is a problem for the entire country. Anyone concerned about the future of American primary and secondary education should be concerned about the fate of America's Catholic schools.

“The numbers don’t lie,” says J. Peter Simon, co-founder of the William E. Simon & Sons investment firm and co-chairman of the **William E. Simon Foundation**. “Catholic education is diminishing. I’m devoutly Catholic and I love Catholic schools. But my attraction to Catholic education is that it’s the best deal in town. I’m interested in urban education because that is where the most underserved kids are—and that’s where a lot of the Catholic schools are.”

Take the Catholic schools in the Archdiocese of New York, where the Simon Foundation is located. With over 83,000 students, it is one of the largest private school systems in the country. Students attending its elementary schools consistently out-perform New York City public school students in the state’s fourth and eighth grade math

### A Short History of Catholic Schools in America

Long before the United States had public schools—indeed, long before there was a United States—there were Catholic schools. The first Catholic school in what is today the United States was opened in 1606. Franciscan friars from Spain established the school near present-day St. Augustine, Florida. Over the course of the next two centuries, Catholic schools spread steadily across the North American continent.

- In 1677, English Jesuits founded a preparatory school in Newton, Maryland.
- In 1718, French Franciscans opened a school for boys in New Orleans.
- In 1727, Ursuline nuns from France established a school for girls in New Orleans.
- In the 1770s, Spanish Franciscans built a chain of missions along the Camino Real in California, in part to educate Native American children.
- In 1782, Philadelphia’s St. Joseph’s Church founded St. Mary’s School, the first parochial school in the United States.
- In 1789, Bishop John Carroll opened Georgetown College, America’s first Catholic institution of higher learning.
- In 1810, Elizabeth Ann Seton (who was, after her death, the first native-born citizen of the United States to be canonized) opened St. Joseph’s Academy and Free School, the nation’s first tuition-free Catholic school.

and English language arts tests. The success of New York's Catholic schools, however, is not unique. It is part of a national pattern.

Moreover, years after they finish school, graduates of inner-city Catholic schools are still reaping the benefits of their education. Minority students in Catholic schools—controlling for income and family background—are 42 percent more likely to graduate from high school than their peer group in public schools. Moreover, once they get into college, they thrive. As Derek Neal of the University of Chicago has demonstrated, inner-city minority students who attended a Catholic high school are a staggering *two and a half times* more likely to obtain a college degree than their peers who attended a public high school.

In the early 19th century, wave upon wave of Catholic immigration—at first, principally from Ireland and Germany—arrived in the United States. Often, these new immigrants felt that American public schools, many of which made heavy use of the King James Bible and other Protestant texts, were implicitly (and sometimes explicitly) anti-Catholic. Their sense of alienation led to a surge of new Catholic schools across the country.

The trend was further accelerated in 1852, when the First Plenary Council of Baltimore—the governing body of the Church in America at the time—urged every Catholic parish in the nation to establish its own school. In 1884, the Third Plenary Council of Baltimore made that recommendation a requirement. The Council decreed that parochial schools were an “absolute necessity” and pastors were obligated to establish them—preferably for free. “Parents,” the council instructed, “must send their children to such schools unless the bishop should judge the reason for sending them elsewhere to be sufficient.”

By 1900, the Catholic school system was thriving. At the turn of the century, the United States had 3,500 Catholic schools; by the end of the First World War, it had 6,500 schools educating 1.7 million students. Enrollment in Catholic schools peaked in the 1960s, with a total of 5.5 million students in Catholic elementary and high schools.

For a variety of reasons, total enrollment has fallen off significantly. But the mission of Catholic schools is the same today as it was 500 years ago: to provide students with a rigorous academic education, infused with moral formation and committed to the idea that all people can and should fulfill their God-given potential.

The success is coming at about half the cost of public schools. Recent data from the White House Domestic Policy Council suggests that the total cost for the average Catholic school is about \$4,895 per student—roughly 40 percent less than the average public school cost per student, which is \$8,325. “These schools are not just serving kids well,” says Karl Zinsmeister, the Domestic Policy Advisor under President George W. Bush. “A substantial proportion of them are rendering a huge national service by plugging away in very neglected neighborhoods where hardly any other social institutions work, including the public schools. It’s nothing short of heroic.”

Barbara Hyde agrees. Hyde is Episcopalian, but as president of the **Hyde Family Foundations** in Memphis, Tennessee, she

includes Catholic schools in the family’s grantmaking. Catholic schools, she explains, do a “fantastic job with at-risk children,” and, she notes, they often do it at a significantly reduced cost relative to public schools. “In Memphis,” Hyde says, “they averaged signifi-

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“The numbers don’t lie,” says  
J. Peter Simon. “Catholic  
education is diminishing.”

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cantly less than the per-pupil spending of Memphis city schools, even as they served the same population of at-risk, low-income children of color—yet they have achieved dramatic results.”

“When those schools go away they’re never replaced—they’re gone forever,” says William E. (“Bill”) Oberndorf, the managing director of SPO Partners and the former chairman of the Alliance for School Choice. “They are the backbone of independent schooling in the inner city, providing high-quality education, as they have for generations, to the kids who need it most. I happen to be Catholic, but I don’t believe we need these schools just because they provide a faith-based alternative. That’s not in my calculus at all. I just want poor kids to have access to a decent education.” Recent research bears out Oberndorf’s statement. If current trends continue, within two decades, most of the remaining 3,000 Catholic schools in America’s urban areas will close, leaving an estimated 900,000 children with few, if any, options beyond the failing public schools in their communities.

For some donors, the stakes appear even higher. Thoughtful and well-mannered, Frank Hanna is not much given to drama. He is the CEO of Hanna Capital and a prominent donor to Catholic charities. When he talks about education, however, he wants to be clear:

“We’re talking about the survival of civilization. If we fail, our children don’t become the adults that they should be and our civilization ceases to be what it ought to be. It’s as simple as that.”

### Light amid Darkness

The stakes are high. The challenges are complex. But the reform of inner-city Catholic education is underway—and private donors are playing a vital role. Across the nation, there are encouraging programs, points of light flickering like votive candles in a church:

- In 2000, venture capitalist Brendan J. (“B. J.”) Cassin and his wife, Isabel (“Bebe”), made a \$12 million commitment through the **Cassin Educational Initiative Foundation** to replicate the original Cristo Rey Jesuit High School in Chicago. The **Bill & Melinda Gates Foundation** followed in 2003 with a commitment of \$10 million for the expansion of the new **Cristo Rey Network**, and a subsequent investment in 2006 of \$6 million. Today, there are 24 Cristo Rey schools, together serving over 5,800 students.
- From a single middle school on the lower east side of Manhattan, a new model for urban Catholic education has emerged. In less than two decades, the **NativityMiguel Network of Schools** has seen explosive growth, and today consists of 64 schools serving 4,900 low-income students in 27 states and the District of Columbia.
- At the University of Notre Dame, the **Alliance for Catholic Education (ACE)** is sending a cadre of graduate students to teach in hard-pressed inner-city and rural Catholic schools. In many respects, ACE resembles **Teach For America (TFA)**. The most noticeable difference is that ACE participants live in a nurturing community of faith.
- In what’s been called the “Memphis Miracle,” the Diocese of Memphis has reopened nine previously shuttered elementary schools in the poorest sections of the inner city. The alliance between the city’s civic, business, and philanthropic leaders in support of the **Jubilee Catholic Schools** is a model for what could work elsewhere.

These signs of hope are encouraging, but they are insufficient to meet the scale of the crisis. If America is to continue its tradition of independent schools reaching out to needy students, then private philanthropists must find innovative ways to help the nation's inner-city Catholic schools achieve long-term financial sustainability with an ongoing culture of academic excellence. To help donors achieve these ends, The Philanthropy Roundtable commissioned this guidebook.



## CHAPTER II

### Six Strategic Priorities

When making grants or investments in this sector, donors want to focus their funding on activities and organizations that can make a long-term difference for the survival and continued success of inner-city Catholic education. How can donors target their resources to maximize their return on investment?

Rescuing urban Catholic schools—while ensuring that they continue to provide high-quality education for their students—will require addressing these six strategic priorities:

- **Funding Private Scholarships.** Perhaps the simplest and most common way to support inner-city Catholic schools is to fund private scholarships. For many inner-city families—especially families with more than one child—private school tuition is simply unaffordable. (According to the National Catholic Educational Association, tuition at Catholic elementary schools averages \$3,100 per year, and \$6,900 per year at Catholic high schools.) Scholarships provide these families with access to a high-quality education that they could not otherwise afford. Moreover, by funding private scholarships, donors have the opportunity to see immediate impact—not only on individual students, but also on the schools they attend. Private scholarships, which can be made contingent on year-to-year student performance, also provide donors with a tool for greater school-level accountability.
- **Creating Performance-Driven Schools.** If donors hope to preserve and expand Catholic education in America's inner cities, they will need to help restore and create significantly more schools that combine excellent academics with strong, sustainable business models. Achieving that goal involves two separate, but related, strategies. The first strategy involves building on existing capacity by turning around schools that are underperforming either academically or financially (or both). While inner-city Catholic schools are usually superior to their public school counterparts, many are not as strong as they

could—and should—be. Underperforming inner-city Catholic schools must therefore be turned around and made into viable, high-performing schools. Turnaround efforts involve re-setting high academic standards and ensuring that standardized test scores are evaluated, published, and compared to other schools; improving business practices and taking advantage of cost efficiencies, economies of scale, strategic capital investments, expert counsel from the business community, and alumni donor networks; creating a marketing mindset and reaching out to families who may not have otherwise considered Catholic education; and increasing transparency and helping the sector understand the constructive use of open and full accountability.

- **Developing and Replicating New School Models.** The second task for donors interested in growing the supply of great Catholic schools involves expanding capacity. Creative new models for inner-city Catholic education need to be conceived, developed, and implemented. These new school models must deliver excellent academic results and demonstrate sustained cost-effectiveness, and they should show real potential for growing to scale. Perhaps the most exciting recent development in urban Catholic education has been the emergence of two such school models: the NativityMiguel Network of Schools and the Cristo Rey Network.
- **Rethinking Governance.** In collaboration with bishops, pastors, educators, and laymen, private donors are exploring new governance models for struggling Catholic schools. They are working to turn parochial schools into private academies and creating consortia of schools. They are experimenting with diocesan takeovers and university partnerships. By proactively rethinking governance, they are helping to ensure that leadership is properly deployed, and that the separate gifts of clergy, educators, and Catholic lay leaders are all put to good use.

- **Addressing the Human Capital Challenge.** Until the 1960s, Catholic schools in the United States relied on what in many cases amounted to volunteer labor: priests, brothers, and (especially) nuns. With the subsequent decline in vocations to the religious life, however, that business model is no longer viable. The need for a new approach to ensuring that Catholic schools attract top-notch teachers and principals is urgent, especially in inner-city Catholic schools. Although Catholic schools continue to attract highly motivated staff, donors are ideally situated to help improve the way teachers and principals are recruited, trained, mentored, and compensated.
- **Changing Public Policy.** Catholic K–12 education is blessed, in a sense, by its absence from many of the policy debates that surround much of public education. Donors interested in inner-city Catholic schools should, however, be attentive to the importance of public policy. A robust parental choice environment—complete with tuition vouchers and tax credits—can make a decisive difference not only for low-income families, but also among many financially strapped inner-city Catholic schools. With the right public policies, states and cities will not only see higher-performing, lower-cost schools—they will also find real competition that spurs real change in their public schools.

## CHAPTER III

### Funding Private Scholarships

There are a variety of approaches to strengthening inner-city Catholic schools, but perhaps the most common method is to fund scholarships that enable needy students to attend them. Few inner-city families can afford tuition at Catholic schools, which, according to the National Catholic Educational Association, costs an average of \$3,100 per year for elementary school and \$6,900 per year for high school. Scholarships provide low-income families access to a private school education that they could not otherwise afford.

Scholarships are attractive philanthropic investments for a number of reasons. They offer donors the chance to have an immediate impact—not only on individual students, but also on the schools they attend. Scholarships similarly offer a measure of accountability, since they can be made contingent on student performance. And targeted scholarships—whether privately or publicly funded—are an essential element in creating genuine educational options for *all* Americans, regardless of background.

#### The Role of Scholarships

The **Bay Area Scholarships for Inner-city Children (BASIC) Fund** was co-founded by Jim McCarthy in 1998, who had retired after 35 years with Merrill Lynch. The BASIC Fund currently provides more than \$7 million per year in scholarships to approximately 5,000 children in about 300 schools across the San Francisco Bay area. Since 1998, the BASIC Fund has provided more than \$50 million in scholarships to over 14,000 children. A recent study by an outside consultant found that 90 percent of the students who received BASIC Fund scholarships graduated from high school, compared to about 50 percent of students in comparable public schools.

The BASIC Fund is a non-sectarian program. “Families can choose the school where they send their children,” notes McCarthy. “Since Catholic schools are often located in some of the poorest neighborhoods, a significant percentage of scholarships fund children at these schools.” The BASIC Fund awards partial scholarships, based entirely on need. To help ensure the family’s commitment to their children’s education, each family must also contribute a minimum of \$500 towards their children’s tuition. “It is a tremendous help to the families and the children,” McCarthy

says, “and it is also a significant benefit to the schools. For example, there are several schools with over 50 percent of the students receiving BASIC Fund scholarships. Without these funds, these schools would certainly struggle to survive.”

The BASIC Fund does not maintain an endowment. Instead, its scholarships are funded through four-year pledges made annually by donors. Fully 100 percent of the fund’s administrative costs are

covered by the board, ensuring all donated funds go directly to scholarships. Since its inception, the BASIC Fund has also had matching grants, further incentivizing philanthropic support. “Our story is very compelling,” McCarthy says. “Nobody can really argue against educating inner-city children, and

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Jim McCarthy says. “Nobody  
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educating inner-city children.”

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having matching gifts ensures that each dollar contributed becomes multiple dollars in scholarships.”

One of the BASIC Fund’s matching donors is the New York-based **Children’s Scholarship Fund (CSF)**. CSF was founded in 1998 by Theodore J. (“Ted”) Forstmann and the late John T. Walton. Forstmann is a financial innovator, the senior founding partner of Forstmann Little & Co., which pioneered the leveraged buy-out; among the acquisitions in his storied career are Gulfstream Aerospace, Dr Pepper, Topps, Community Health Systems, Ziff Davis, Yankee Candle, and 24 Hour Fitness. Walton, meanwhile, was a son of Wal-Mart founder Sam Walton and an early and enthusiastic backer of education reform efforts nationwide. Together, they formed CSF to provide tuition scholarships for low-income families to send their children to private and parochial schools for grades K–8.

Today, CSF funds almost 29,000 student scholarships nationwide. Since its inception, it has supported over 111,000 student scholarships, often in conjunction with regional affiliates. In the 2008–09 school year, it granted roughly \$27.8 million through partial-tuition assistance to low-income families to attend private schools. Including funds raised by its partner programs, the total value of CSF scholarships was \$43.5 million.

CSF supports students ecumenically; tuition assistance is provided at many private schools, Catholic and non-Catholic alike. Nevertheless, by virtue of their sheer numbers, Catholic schools

constitute a significant percentage of independent, non-public schools nationwide—and, consequently, a significant percentage of CSF's scholarships.

Darla Romfo, president of CSF, believes that helping with enrollment is a fundamental way to shore up urban Catholic schools. With an 85 percent retention rate, CSF's students are a consistent presence in individual schools. The scholarships not only make schools more financially viable, she notes, they also add new energy and life to the system. They give principals something new to market—to say nothing of a powerful lever for future fundraising efforts.

Some foundations use matching grants to increase scholarships and stimulate fundraising for schools. Not all of these foundations are Catholic. For instance, the Maryland-based **Harry & Jeanette Weinberg Foundation**—which tends to focus on supporting Jewish causes and charities—recently concluded a \$1.5 million, multi-year challenge grant to the Archdiocese of Baltimore that has brought hundreds of new students into the schools. Over the last three years, there have been 802 Weinberg Scholars—roughly equivalent to the population of four schools. Without the scholarships, 536 new students would not have been able to attend the schools. In addition, the Weinberg challenge grant has attracted \$1.8 million in new or increased donations in the last three years. “We are very pleased that we have been able to make this educational experience available to more children in the last three years,” says Donn Weinberg, vice president, trustee, and chairman-elect of the foundation.

Another such matching-funds program is the **Cardinal's Scholarship Program** in the Archdiocese of New York. These scholarships provide low-income public school families with tuition assistance so they may enroll their children in inner-city Catholic elementary schools. Since launching in summer 2005, the program has awarded roughly 7,000 partial-tuition scholarships; in 2007–08, the Cardinal's Scholarship Program provided \$11.2 million in scholarship assistance. What makes the program particularly attractive to donors is the fact that donations to the program are

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The Children's Scholarship Fund supports students ecumenically; tuition assistance is provided at many private schools, Catholic and non-Catholic alike.

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matched 2:1 by its funding partners, the Children's Scholarship Fund, the Archdiocesan **Inner-City Scholarship Fund**, and the **Endowment for Inner-City Education** (for further information on the Endowment for Inner-City Education, please see pp. 56–57).

### Scholarships and Parental Choice

Scholarships at private schools can also be strategically deployed to contribute to the larger parental choice movement. As a component of its education reform efforts, for instance, the **Eli and Edythe Broad**

**Foundation** funds scholarship assistance to low-income families who send their children to private schools in Los Angeles. As part of a larger, national education reform strategy, in 2004 the foundation awarded more than \$2 million to the **Southern California Children's Scholarship Fund (SCCSF)**, an affiliate of the national Children's Scholarship Fund.

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Scholarships at private schools can also be strategically deployed to contribute to the larger parental choice movement.

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Broad's challenge grant was highly leveraged. For every \$1 SCCSF raised for current scholarship students, Broad provided a \$1 match—and CSF added \$2 more. And for every \$1 SCCSF raised for new scholarships, Broad provided a 60¢ match—and CSF added 80¢ more. Broad also measured the scholarships' effect on student achievement.

Perhaps the greatest success among advocates of parental choice has been in Milwaukee, Wisconsin, where scholarships for private schools were crucial to the success of the city's pioneering voucher program. Today, the **Milwaukee Parental Choice Program** is a model for how to make public resources available to low-income families through educational vouchers. And it all started with a scholarship program.

In the late 1980s, Milwaukee's Catholic schools were consolidating—and closing—just as they are throughout the country today. The Archdiocese of Milwaukee approached Dan McKinley, who was then serving as the founding executive director of the **Milwaukee Archdiocesan Education Foundation**. McKinley got to work immediately. With the archdiocese, he began an effort to raise money to save Catholic schools. This work eventually evolved into the creation of the non-sectarian **Partners Advancing Values in Education (PAVE)**, a collaboration of some of the city's most

prominent businessmen. PAVE became a scholarship program that allowed some 4,500 children—from all religious backgrounds—to attend the schools of their choice. It proved there was a market for parental choice, allowed ailing private schools some breathing space to reorganize, and preserved a number of struggling schools until public funding (via vouchers) later became available.

Today, more than 20,200 low-income children benefit from the choice program at 127 private schools in Milwaukee. The vouchers have empowered low-income parents in Milwaukee and boosted enrollment at many schools, providing the necessary revenue stream to maintain operations. McKinley says the voucher program has been “absolutely essential” to education reform in both the private *and* public sectors. “It gives families a real chance to carry out how they want to educate their kids—either in a religious school that shares their values, a community school in their neighborhood, a Montessori school—the greatest range of options anywhere in the country,” McKinley says.

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Private scholarships are the simplest and most direct way to put vulnerable students in good schools.

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### Are Private Scholarships Sufficient?

Like many donors, Darla Romfo, president of CSF, insists that there will always be a need for private scholarships. After all, she points out, it is the simplest and most direct way to put vulnerable students in good schools. “Besides,” says another expert in the field, “it doesn’t require re-inventing the wheel. We know how it works, we know how it holds schools accountable for performance, and we know how it makes a huge difference in the lives of low-income and minority students in the inner city.”

Other donors, however, question whether private philanthropy can consistently raise the billions of dollars needed to sustain inner-city Catholic education. Take Leo Linbeck III. Linbeck sometimes likes to say, with a slight smile, that he was a disappointment to his teachers at St. Anne’s Catholic School and St. Thomas High School. If that were ever true, it no longer is. Today, Linbeck is the CEO of Aquinas Companies LLC, a Houston-based company that oversees seven enterprises with revenues of \$550 million in 2007. He also teaches highly rated courses on managing growth, critical thought,



and family business in the business schools at Stanford and Rice. All of which is to say, Linbeck is an expert at sizing up problems—and solving them. When it comes to private scholarships, though, he is hesitant. “To endow the entire, current population of students in Catholic schools would take at least \$100 billion,” he notes. Moreover, he adds, if Catholic education were suddenly available, tuition-free, it could create a surge in demand. “Two-thirds of the Catholic population is already in public schools.”

Peter Flanigan has long labored in the vineyard of Catholic education. A former Navy carrier pilot and a veteran leader in the securities industry, Flanigan is well known and widely respected for his tireless work on behalf of American urban Catholic education. (“The

patron saint of K–12 Catholic education in New York City,” fellow donor J. Peter Simon calls him, “and a hero of mine.”) In fact, much credit belongs to Flanigan for his pioneering work with funding private scholarships. In 1986, he launched **Student Sponsor Partners**, which provides privately funded scholar-

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“The long-term answer is that we must have tax credits or vouchers,” insists Peter Flanigan.

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ships to at-risk students in New York City, thereby allowing them to attend a high-quality, private high school. Each SSP student is then paired with his or her sponsor, who provides tuition assistance *and* serves as a role model and “academic coach” until graduation day. More than 5,500 students have benefited from a private or parochial secondary education as a result of Flanigan’s initiative.

When Flanigan speaks about private scholarships, he thus speaks with hard-earned authority. His conclusion: while private scholarships are important in the short term, the funds needed to sustain urban Catholic education may well be outside the reach of raising private scholarships. “The long-term answer is that we must have tax credits or vouchers,” insists Flanigan. “For inner-city Catholic schools to be viable in the long term, poor parents—who have chosen these schools for their children—must have government-funded support.” To that end, many donors working to provide scholarships to Catholic schools are engaged in efforts to reform public policy and secure vouchers or tax credits for families hoping to send their children to private schools. (Please see Chapter VIII: “Changing Public Policy.”)

## CHAPTER IV

### Creating Performance-Driven Schools

If donors hope to restore and expand Catholic education in America's inner cities, they will need to help create significantly more schools that combine excellent academics with strong business models. Achieving that goal involves two separate, but related, strategies: capitalizing on existing capacity (by turning around underperforming schools) and expanding new capacity (by building sustainable new models for replication).

The first strategy focuses on school turnaround efforts: donor-led interventions to restructure inner-city Catholic schools that are underperforming, either academically or financially. (For information on the second strategy, expanding new capacity, please see Chapter V: "Developing and Replicating New School Models.") Turnaround efforts involve re-setting high academic standards, to ensure that standardized test scores are published, evaluated, and compared to other schools; improving business practices, to take advantage of cost efficiencies and economies of scale; creating a marketing mindset, to reach out to families who may not otherwise consider Catholic education; and pushing the sector to understand that the older parochial school model, with its implicit faith in the church and reluctance to ask too many questions, must give way to a 21st-century mindset that welcomes transparency and accountability.

#### **Donor's Perspective:**

##### **"We Have Huge Infrastructure"**

We have huge infrastructure in all our urban locations. These are underutilized assets—seats that are just waiting to be filled. We have superintendents who can't get enough students in the school buildings. Schools are consolidating. They're closing one building after another and moving students to other buildings to make good use of existing capacity. We have the infrastructure. What we need are students.

*J. Peter Simon*

Co-chairman, William E. Simon Foundation

## Understanding the Traditional Parochial School Model

The traditional parochial school model worked quite well as recently as 50 years ago. It was endowed with a labor force that consisted primarily of well-trained and highly motivated educators: priests, brothers, and nuns. Their legendary insistence on high academic standards grew out of a belief that it was their vocation in life to help children achieve their God-given potential. These ordained and religious educators also provided parochial schools with a sturdy underlying business model—a business model predicated on cheap labor. With vows of poverty to honor (and without families to support), priests and nuns were relatively inexpensive. With low human capital costs, parishes could usually cover the expenses of their parochial schools—and nominal tuition could cover the rest. Filling seats was never a problem.

Today, new conditions make the traditional parochial school model increasingly problematic.

With inner-city churches teeming with white ethnic Catholics, students almost always came from parish families who never considered sending their children elsewhere. The idea of marketing Catholic schools would have struck most principals as peculiar.

Today, new conditions make that parochial school model increasingly problematic. Shifting demographics have led to declining enrollment, and urban Catholic schools have a mix of students whose families often do not belong to the parish where their children go to school. As the labor force has shifted from religious to lay teachers, salaries have had to adjust. Even though educators at Catholic schools, particularly in the inner cities, are underpaid relative to their public school counterparts, they often have families to support—and are thus more expensive than the priests and nuns they have replaced. External financial pressures, most notably from the Catholic clergy sex abuse scandals, have led to hundreds of millions of dollars in lawsuits. The result: depleted church coffers nationwide, and further exacerbation of the Church's financial situation. Meanwhile, public school reform efforts—especially among public charter schools—are increasingly competing with urban Catholic schools.

If donors intend to help turn around the already-existing-but-underperforming inner-city Catholic schools, they need to focus on three principal philanthropic interventions.

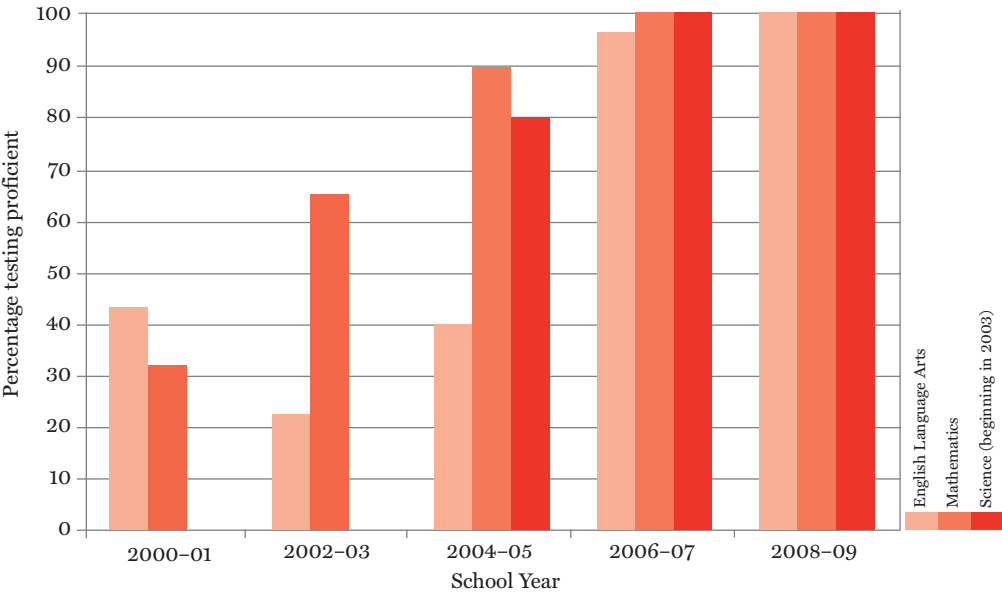
- First, donors should work to ensure that high academic standards are set—and met. The point is not to keep schools open for the sake of keeping them open. Urban Catholic education in the 21st century must be oriented toward giving low-income and minority families the opportunity to provide their children with an excellent education.
- Second, donors should help urban Catholic schools improve their business practices. The underlying business model for traditional parochial schools is not working. If these schools are to be sustainable enterprises, they will need to find cost efficiencies and leverage economies of scale wherever possible. They will need to be much more strategic about their capital investments, to seek expert counsel from the business world, to open new revenue streams through more effective alumni fundraising, and to market themselves to families, regardless of religion, who want their children to be held to high academic and moral standards.
- Third, donors must help inner-city Catholic schools improve their transparency and accountability practices. Donors should be able to see evidence of return on their investment—and schools should be held to account for student performance.

### Re-setting High Academic Standards

The greatest innovation needed in Catholic schooling today is actually a renovation: a return to the traditional, especially in terms of an insistence on academic rigor. For decades, Catholic schools were respected for their high standards—and for their ability to get students to meet them. (As Sr. Marie Pappas C.R., associate superintendent of schools for the Archdiocese of New York, puts it: “If it’s not excellent, it’s not Catholic.”) Too often, however, Catholic schools allow themselves to become complacent—“coasting,” as one donor puts it, “on their reputation.” If urban Catholic education is to make a comeback, it will need to re-commit itself to excellence across the board. Fortunately, a number of donors have recognized the problem, and are exploring ways to help.

#### *Mt. Carmel-Holy Rosary School*

If a school were eligible to receive Catholic sacraments, **Mt. Carmel-Holy Rosary School** would have received Last Rites. Twice.

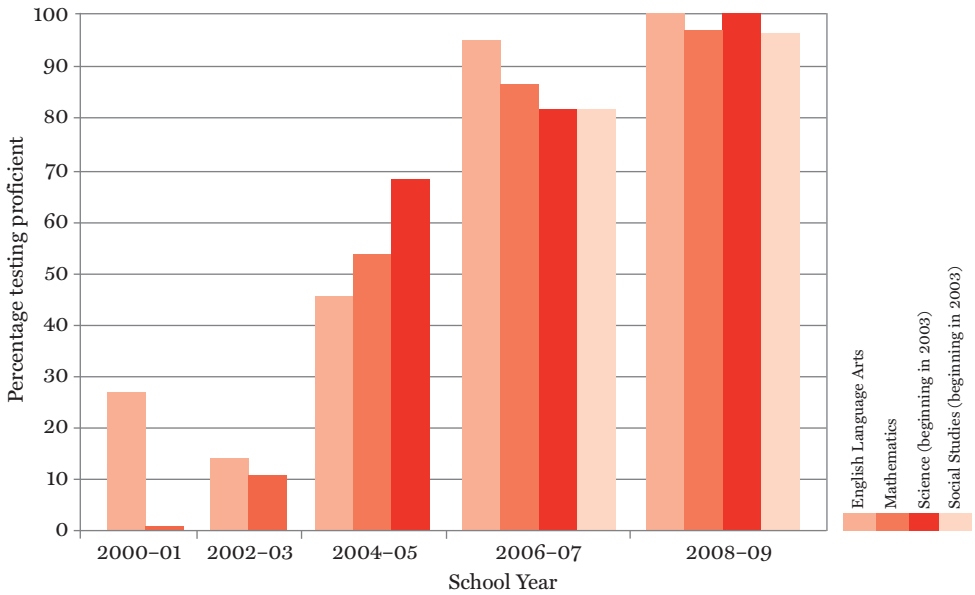


**Figure 4: New York State Standardized Test Scores, 4th Grade, Mt. Carmel-Holy Rosary School**

In 1998, Philip J. Purcell, then-chairman and CEO of Morgan Stanley, recognized that Mt. Carmel-Holy Rosary was a diamond in the rough. The school had a tremendous number of academic and physical plant needs, but Purcell saw its potential. He adopted the school through the Patrons Program, an adopt-a-school program dedicated to transforming schools like Mt. Carmel-Holy Rosary.

Despite Purcell’s efforts, the Archdiocese of New York slated Mt. Carmel-Holy Rosary for closure in early 2001. Enrollment declines had followed demographic shifts, as the last Italians left East Harlem and the community became predominantly African-American and Latino. Parents rallied against the planned closure. The Patrons Program stepped in. It recognized that the first order of business would have to be the formation of an advisory board. Patrick Landers, a highly seasoned investment banker, was named as its head. With the school administration, the advisory board succeeded in winning extra time to devise a viable turnaround strategy. The advisory board found a leader in Suzanne Kaszynski. In 2002, she was hired as principal.

A little over a year later, the archdiocese again announced plans to close Mt. Carmel-Holy Rosary. The school was given until March 5 to come up with \$125,000. On March 3, the *New York Times* ran a heart-



**Figure 5: New York State Standardized Test Scores, 8th Grade, Mt. Carmel-Holy Rosary School**

breaking story on the school's frantic series of bake sales and pledge drives, which had netted only about \$5,000. Frank Stanley, an investment manager in Tennessee, read the article. He FedExed a check for the balance—and saved the school. “This singular act inspired others to offer ongoing financial support,” says Kaszynski. “It ignited a fire in us, and helped us move beyond the triage mode we were in. From then on, we were committed to pushing the school to new academic heights.”

Stanley's intervention seemed providential to the families and faculty of Mt. Carmel-Holy Rosary. To fellow donors, it looks unbelievably prescient. Once relieved of the suffocating financial pressures, Kaszynski had the breathing room to enact an inspired series of academic reforms. She insisted on high standards and core curriculum mastery. She instituted an extended-day program, brought in one-on-one literacy and early childhood coaches, and introduced a wide variety of enrichment programs. In addition to new library, computer, and dance programs, she expanded the existing “Education through Music” program to include violin and percussion in addition to vocal music. She connected with Ten O’Clock Classics, which funds after-school violin instruction. Mt. Carmel-Holy Rosary violinists have performed at the Russian Tea Room, the Rainbow Room, and on PBS; eight of

its students have been accepted into Julliard's Music Advancement Program.

Moreover, Kaszynski worked to recruit and develop high-quality teachers who were committed to urban Catholic education, and created a weekly half-day teacher development workshop to ensure a constant self-improvement loop. All of her efforts were supported by the board, members of which separately funded the initiatives.

By early 2004, scores on the New York state standardized tests were reflecting these changes. Among fourth grade students, the percentage of students deemed proficient in math had climbed from 32 percent in 2000–01 to 79 percent in 2003–04; in English language arts, the percentage of proficient students had nudged up from 29 percent to 36 percent. Among eighth grade students, the percentage found proficient in math had risen from 0 percent in 2000–01 to 36 percent in 2003–04; in reading, from 27 percent to 55 percent.

Today, 100 percent of fourth graders and 97 percent of eighth graders test proficient in math. In English language arts, 100 percent of fourth graders and 100 percent of eighth graders are at grade level, with similar gains in science and social sciences. (Please see Figures 4 and 5.) These numbers are all the more impressive given the student body demographic. For the 2008–09 school year, 85 percent of students at Mt. Carmel-Holy Rosary were eligible for federal free or reduced-price meals. The student body was 61 percent African-American, 33 percent Hispanic—and 51 percent non-Catholic.

As a result, enrollment is climbing. In 2003–04, Mt. Carmel-Holy Rosary had 182 students. By 2008–09, it had a total of 275, and was tracking well on course to its target of 300 students. Parents still struggle to pay the annual tuition of \$3,100 (which is low against the cost-per-student of \$4,800), but are much more eager to make the necessary investment when they see the quality of the education offered. Private scholarships, too, are rising. Mt. Carmel-Holy Rosary has doubled the amount of Cardinal's Scholarship Program recipients from 59 to 120. The school is turning around. What once was lost, as it were, has now been found.

### *Center City Consortium*

John F. ("Jack") Griffin saw the problem. When he looked at inner-city Catholic schools in the nation's capital, he recognized a basic fact. Yes, the fundraising outlook was bleak. Yes, the facilities were in bad shape. Yes, the turnover among faculty and staff was far too high. But the most critical problem, he realized, was that the schools

were not serving their students. Unless they could improve academic performance—and fairly compensate the faculties to reduce turnover—the case for keeping them open became much less compelling. The first order of business, Griffin understood, was to support efforts to improve the academic performance of students.

Griffin knew he could help. He needed to find the right partner. He turned to the then-eight schools in the (now-defunct) **Center City Consortium** of Washington, D.C. The consortium was established in 1997, in response to the dire situation of archdiocesan schools in the most poverty-stricken areas of the city. Instead of shutting down these schools, the archdiocese, under the leadership of James Cardinal Hickey, decided to create a collaborative association that could enact the academic and financial changes necessary for survival. Starting in 2000—the year he established the Florida-based **Griffin Foundation** after 35 years in real estate development—Griffin became deeply engaged with the consortium, both through grants and through his six-year tenure as chairman of the board.

Griffin's support provided Mary Anne Stanton, the executive director of the consortium from 2000 until 2006, with the necessary space to implement a series of standards-based educational reforms. Stanton demanded quantifiable results. To that end, she based curriculum on the Open Court reading system (a phonics-based approach to reading instruction) and Saxon Math (a program developed by John Saxon that breaks mathematical concepts into small increments that are continually built on and expanded as coursework progresses). Students were tested every nine weeks to gauge how well they grasped each aspect of the material taught in class. Higher standards in turn improved job satisfaction among the schools' teachers. When Stanton arrived at the consortium in 2000, the annual teacher turnover rate was 50 percent. By 2005, annual turnover was 8 percent.

Most importantly, the academic performance of the students improved. Between 2000 and 2005, students at the consortium—56 percent of whom came from families below the poverty line—improved their performance on the TerraNova national standardized assessment. By 2005, four out of five Consortium students were at or above grade level in reading and math, according to TerraNova test results.

Welcome as it was for students and their parents, the academic turnaround was not enough to keep all of the schools open. “Besides,” says Jack Griffin, “it became clear that the Center City Consortium—a large-scale operation which had grown to 14 schools,



based on a costs-covered-by-tuition business model, in which parents could not afford a substantial portion of the tuition—simply was not viable in the long run. The growth from 8 to 14 schools was based on the hope that vouchers would be the solution, but they were not, and their future political viability was in question.”

In November 2007, plans were announced to convert 7 of the 14 schools in the consortium into public charter schools. (Please see pp. 61–65 for more information about converting Catholic schools into public charter schools.) Two of the remaining schools

### **Donor Spotlight:**

#### **Altman Foundation and Library Connections**

In order to improve the quality of urban Catholic schools, the **Altman Foundation** led an effort to focus on one area in particular: school libraries. A school library is an expense that many struggling Catholic schools can no longer afford. It's unfortunate, especially since libraries are known to encourage reading and foster intellectual curiosity among students. The Altman Foundation created **Library Connections** to address the problem.

Library Connections was a four-year program working with 32 urban Catholic schools in the Archdiocese of New York. It was dedicated to improving library collections, while also integrating library programming with classroom curricula and activities. The initiative sought to energize Catholic school library programs through the introduction of multimedia non-print resources (such as computer programs) with traditional print collections.

Library Connections continues to provide an online resource portal for the teachers, administrators, and librarians of the participating schools in order to foster cooperation and collaboration. The Library Connections online portal provides unit plans, handouts, resource budgets, and other materials for school leaders to maintain a sense of engagement between the classroom and the library.

According to Jane O'Connell, president of the Altman Foundation, supporting “good, solid, professional libraries” in urban Catholic schools has proven an effective way to improve not only the quality of education offered to students, but also to cultivate “a life-time habit of learning and reading for all Catholic school kids.”

were closed, with four of the remaining five schools reorganized as the **Consortium of Catholic Academies**—which continues Stanton’s work.

### *Ascension School*

Bill Cooper believes that the great strength of inner-city Catholic schools is their culture of academic results. But Cooper—the former chairman and CEO for TCF Financial Corporation, a \$16 billion bank in Minnesota—is wary of making too much of it. Too many people, he says, assume that Catholic schools are academically strong. Too often, he notes, they coast on an academic reputation that they may not be living up to. And far too frequently, he says, urban Catholic schools “do things in the same poor way as public schools.”

When Cooper got involved at Minneapolis’ **Ascension Catholic Grade School** in 1998, only 20 percent of the student body—which is comprised mostly of low-income, African-American students—was proficient in math and reading. He pushed for a back-to-basics approach in reading and math that worked through the Core Knowledge Sequence, a curriculum developed by the **Core Knowledge Foundation** and intended to provide elementary and middle school students with a solid, specific, sequenced, and shared set of knowledge. His goal: to create a curriculum that worked up from phonics-based reading and Saxon Math to skill mastery at every grade level, all while acquiring the elements of cultural literacy.

Today, 11 years later, 89 percent of Ascension students are proficient in math and 100 percent are proficient in reading. The school’s average scores are higher than the average of any individual school in the Minneapolis–St. Paul area and every district in the state. Ascension students are known for cleaning up against the competition at academic contests.

### **Improving Business Practices**

The traditional parochial school business model is no longer working. To turn around America’s existing stock of red-ink-bleeding urban Catholic schools, the sector will need to take advantage of cost efficiencies, think strategically about capital investments, access consulting services, and develop a marketing mindset.

### *Leveraging Economies of Scale*

The first strategy for improving the business practices of urban Catholic schools involves leveraging economies of scale. Under the traditional

business model, parochial schools were, by and large, independent of one another. Each school procured its own supplies, created its own administrative back office, and contracted its own service providers. Donors are increasingly looking for ways to leverage economies of scale and find cost efficiencies among inner-city Catholic schools.

A leader in the effort to discover and take advantage of cost efficiencies among Catholic schools is the **Mid-Atlantic Catholic Schools Consortium**. Formed in 2007, the consortium is composed of two archdioceses (Baltimore and Washington) and four dioceses

(Arlington, Virginia; Richmond, Virginia; Wheeling-Charleston, West Virginia; and Wilmington, Delaware). It consists of a total of 313 schools, which altogether educate some 110,000 students and employ approximately 10,000 faculty and staff. The consortium is governed by a 13-member board of directors (which includes the superintendents of Catholic

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To keep tuition minimal, costs must be kept low. It is a central goal of the Mid-Atlantic Catholic Schools Consortium.

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schools in the dioceses), and is advised by a leadership council comprised of lay educational, philanthropic, business, and community leaders. An executive director is tasked with strategic and operational leadership of the consortium. The consortium works to increase awareness of the value, availability, and affordability of Catholic education, and to offer leadership and professional development opportunities to member schools. It has developed an affordability strategy (i.e., obtain every public benefit available to its students and teachers), increased support from philanthropic communities, and advocated for parental choice initiatives and legislation that would benefit its member schools. It also works to complement these new resources with cost-effective and efficient procurement and business practices.

Executive director Mary Ellen Hrutka is the oldest of nine children—all of whom attended Catholic elementary school and none of whom paid any tuition. Her experience, receiving a top-notch education at minimal cost, is one she hopes to re-create for other families. To keep tuition minimal, however, costs must be kept low. It is a central goal of the consortium. By keeping costs under control, the consortium intends to ensure that quality Catholic schools remain affordable to any family who wants them. Central to

its cost-control strategy is leveraging economies of scale, finding efficiencies, and tapping the power of collective purchasing.

Take commercial procurement, for example. In fiscal year 2009, the Archdiocese of Washington created an energy cooperative that saved about \$1.2 million in the District of Columbia and neighboring counties in Maryland. “That’s not only savings in that year, but it also provides longer-term budget stability as well as protection against inevitable price increases,” Hrutka observes. “For our trash and recycling needs, we have an agreement where each parish and Catholic location can benefit from a master contract. It’s managed centrally, so there are no startup costs. Basically, we’re looking to obtain the lowest price for the best services, the best and most efficient purchasing experience, and a new revenue stream to benefit our schools.”

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The consortium takes advantage of its power as a collective buyer to secure high-quality, cost-efficient services and supplies.

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It is one example of a wider strategy. The consortium takes advantage of its power as a collective buyer to secure high-quality, cost-efficient services and supplies. It works to find procurement opportunities which capitalize on its shared buying power, to implement pilot programs within the consortium, to develop capacity for “back office” services, and to find discounts and rebates for volume purchases. In its effort to find discounts for bulk purchases, for example, the consortium currently works with a number of vendors—including U.S. Communities, Consolidated Green Works, CQI Associates, and AT Conference.

### *Managing Capital Investments*

For many Catholic schools, capital investments pose a perennial challenge. Aging facilities—which, in many inner cities, can date from the turn of the 20th century—require renovation or replacement, putting additional financial strains on already hard-pressed schools. To make matters worse, under the traditional business model, individual parochial schools are largely left to grapple with these problems on their own. Pastors and principals often lack the experience to make business-savvy decisions regarding their capital investments.

In response to the problem, some donors are exploring ways to help urban Catholic schools navigate capital investments. A leader

in the effort is PAVE, the scholarship fund that grew out of Milwaukee's historic voucher movement. In 2001, thanks to support from the **Lynde and Harry Bradley Foundation**, PAVE was certified as a Community Development Financial Institution (CDFI)—the first CDFI in the nation to focus exclusively on lending to urban schools. PAVE has created a revolving loan fund for urban Milwaukee schools, which it pairs with expert capital investment consultation services, for the benefit of the city's independent and charter school sectors.

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PAVE works extensively with urban school clients before lending them money for capital improvements.

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PAVE works extensively with urban school clients before lending them money for capital improvements. The partnership makes technical assistance grants for schools to hire expert consultants to review and refine investment decisions. Expert advice is

offered for strategic planning, facilities planning, financial planning, real estate services, architectural and engineering studies, and public relations and marketing. These consultation services are tailored to meet specific objectives and are intended to contribute real value to the school's progress toward its long-term goals. Consultants are selected through a collaborative process between PAVE and its school partner. Partnering schools are expected to cover 10 percent of the consultation fees. PAVE covers the remaining 90 percent.

Once project planning is complete, PAVE's status as a CDFI allows it to partner with commercial banks, insurance companies, and other lenders to cover two- to four-year commercial loans for construction-related debt. Because PAVE is a CDFI, it can offer partnering schools a markedly reduced interest rate, thereby saving the schools money in yearly debt service. Since 2001, PAVE has invested over \$16 million in expert technical assistance and low-interest loans to quality independent and charter schools across Milwaukee. Those investments have in turn leveraged over \$60 million in successful school expansion projects.

### *Funding Strategic Consulting*

Philanthropists have a great deal to offer, beyond the resources to make good charities great. They also have strategic advice, tactical insights, marketing savvy, and Rolodex connections, all of which can

prove equally beneficial to the charities they support. One example can be found in the **Greater Milwaukee Catholic Education Consortium (GMCEC)**.

GMCEC was launched in the summer of 2007. A key driver in its creation was John Stollenwerk, the former owner of the Allen-Edmonds Shoe Corporation. Stollenwerk sold the company in July 2006 for \$123 million. He had long been involved in supporting Catholic education—he, his wife, his five children, his grandchildren, as well as his parents and in-laws, all went to Catholic schools, from kindergarten through college. As with his shoes, he likes to say, Stollenwerk buys his own product.

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“We used to be firefighters,”  
says John Stollenwerk.

“Now we’re builders.”

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Stollenwerk convened the deans of education from the five Catholic colleges in Milwaukee. He asked them what they thought were the biggest challenges facing urban Catholic schools. They considered the problem, and proposed three essential strategic priorities: professional development for Catholic school teachers and leaders; strengthening of the Catholic mission and identity; and organizational effectiveness in areas such as fundraising, marketing, public relations, and governance. Stollenwerk convinced them to work together in a collaborative effort to revitalize Catholic education in the city, from pre-K through college. The deans agreed, and the consortium took shape.

With respect to strategic consulting, GMCEC assists Catholic schools in the archdiocese with operational issues. These include conducting surveys and research, developing data collection systems, and integrating financial and operational services to help schools become more efficient in managing their resources. The consortium also helps schools identify university experts in marketing research and messaging to assist in data gathering and implementation. GMCEC further offers university interdisciplinary experts to provide assistance and guidance both in leadership in moving programs forward or continuing assessment and performance measures used in districts and classrooms.

“We used to be firefighters,” says Stollenwerk. “Now we’re builders. We are now moving forward, looking forward, leveraging curriculum, technology, human capital, and purchasing power. We constantly review our performance on very specific metrics.” In fact, GMCEC is now offering its services to other independent, religious

schools. “Presently, we are in discussions to assist our Lutheran friends as well,” notes Stollenwerk. “We have a strong Lutheran Concordia University in Milwaukee as well as many Lutheran elementary and secondary schools facing the same challenges as our Catholic schools.”

Other donors, meanwhile, are exploring ways to integrate strategic planning and expertise into their grantmaking structure. It is an idea being explored by the **Big Shoulders Fund**, a nonprofit organization devoted to improving Catholic schools in urban Chicago. Drawing on a model from a similar, Manhattan-based patrons pro-

gram founded in 1987 by Peter Flanigan, the Big Shoulders Fund has created a patrons program that matches donors or corporations with individual schools in a way that involves much more than just cutting checks.

Patrons are asked to commit \$100,000 per year for three years, but are also expected to roll up their sleeves and get to work on improving the partner school in

whatever way possible. Joshua Hale, executive director of Big Shoulders Fund, tells patrons: “We don’t just want your funds. We want you to work with the school and develop a viable plan for its continued success. If we’re going to succeed, we need your time, talent, and treasure.” Currently there are 61 patrons, each applying his or her expertise to improving before- and after-school programs, curriculum, fundraising, marketing, and technology.

James J. O’Connor founded the Big Shoulders Fund with three partners. O’Connor headed Commonwealth Edison as CEO and chairman from 1980 until 1998. From his experience as a director on a wide range of corporate and nonprofit boards, O’Connor was acutely aware of the special skills that great board members can bring to an organization. He wanted to harness that talent in the service of Catholic schools—and the patrons program allowed him to do so. “We want an individual who will be involved with a school,” O’Connor says, “who will participate in a portion of fundraising and the patron’s advisory board, and who will bring others into the group with similar skills.”

O’Connor credits the patrons program as one of the primary reasons there have been no closures of Chicago Catholic schools in the past three years. Hale says that in schools with a patron the

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Recent studies have found that 82 percent of graduates from Catholic elementary schools would contribute to their schools if they were asked to do so.

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enrollment decline has been 2 percent, compared with a 6 percent decline in schools without patrons. “When a patron gets involved,” Hale says, “enrollment rises, finances get better, and the school attracts a better board—and more donors.”

### *Conducting Alumni Outreach*

Serious operational challenges confront many urban Catholic schools. As a result, many principals have been forced to concentrate on immediate problems, to the detriment of longer-term projects. This tendency has meant that one of the sector’s most promising revenue streams—namely, alumni contributions—has gone largely overlooked. It represents a serious missed opportunity. Recent studies have found that 82 percent of graduates from Catholic elementary schools would contribute to their school if they were asked to do so.

One philanthropist who spotted the opportunity is Robert W. Wilson. Wilson is a retired hedge fund manager and, with a recent \$22.5 million donation to the Archdiocese of New York, a guardian angel of Catholic schools. (Not that he would necessarily use those terms; Wilson is a self-described atheist, whose support for inner-city Catholic schools is inspired by the superior education they provide at-risk students.) Wilson helped launch the **Catholic Alumni Partnership (CAP)**, a new, privately funded effort to help struggling Catholic elementary schools reconnect with their alumni.

CAP aims to implement strong, sustainable annual fundraising programs for each of the 303 participating Catholic elementary schools. Alumni support is intended to be its foundation. The program is administered by the Archdiocese of New York and includes five dioceses (Bridgeport, Brooklyn, Buffalo, Norwich, and Rockville Center) and two archdioceses (Hartford and New York). The 303 schools involved in CAP serve more than 100,000 students. If the initiative succeeds—and, given the fundraising successes of many Catholic high schools and colleges, it may very well—it will open an important and much-needed new revenue stream for the schools.

### *Creating a Marketing Mindset*

Among its wide range of investments in public and private education, the William E. Simon Foundation provides grants to Catholic schools in the Archdiocese of Newark and Archdiocese of New York. In her tenure as vice president of the Simon Foundation, Sheila Mulcahy discovered time and again that Catholic school leaders just did not have a marketing mindset.



### New Strategic Consulting Nonprofits

Until fairly recently, there were limited consulting practices that specialized in serving urban Catholic schools. Of those in existence—Meitler Consultants and Catholic School Management are among the best known—most were for-profit entities. With increasing recognition of the need for stronger management and operational expertise, however, donors have launched several new non-profit organizations to provide key strategic consultation services.

- In 2005, the **National Leadership Roundtable on Church Management** was launched to promote excellence and best practices in the management, finances, and human resources development of the Catholic Church by greater incorporation of the expertise of the laity. The organization's board chair is Geoffrey T. Boisi, an investment banker who, at the age of 31, was the youngest person to be named a partner at Goldman Sachs; he has since founded his own company. As well as being a generous donor to Catholic causes, he has also been chairman of the board of the Jesuit-run Boston College. Among its notable achievements, the Leadership Roundtable took a forward role in providing the Archdiocese of New Orleans with free consulting services after Hurricane Katrina. The organization sent a team of experts led by a partner from McKinsey Consulting to help assess the challenges and develop ways for the schools of the archdiocese to pool resources and use their collective purchasing power more effectively. Ultimately, the archdiocese reopened 86 of its 106 (pre-hurricane) schools, including the 7 schools in the areas most devastated by the 2005 disaster. The Leadership Roundtable has also developed a school scorecard to measure academic progress, enrollment trends, and finances, and to provide a snapshot of the school's health.

- In 2007, the Alliance for Catholic Education (ACE) launched the **ACE Consulting Initiative**. The organization offers three areas of service. First, it provides strategic planning services, offering guidance to struggling Catholic schools as they review questions of marketing, finance, school survivability, and religious identity. Second, it evaluates whether or not dioceses are accessing their equitable share of federal dollars under the Elementary and Secondary Education Act (ESEA) and the Individuals with Disabilities Education Act (IDEA)—and provides technical assistance to dioceses that are not accessing all of the public funds to which they are entitled. Third, it offers professional development programs for principals-in-training at the ACE Leadership Program, held at the University of Notre Dame during the summer and remotely during the year, and through customized programs geared for specific dioceses.
- In 2009, **Seton Education Partners** launched as a nationwide effort to revive opportunities for disadvantaged children in America to receive a Catholic education that builds knowledge, character, and faith.\* The organization recently co-hosted a symposium with ACE on financing options for urban Catholic schools. The first of its case studies examines the conversion of seven inner-city Catholic schools in Washington, D.C., into public charter schools; it is the most comprehensive report on one archdiocese's effort to use the chartering mechanism to save a set of urban Catholic schools from closing. Seton is also working to incubate new models for urban Catholic education that are academically excellent and financially viable.

Apart from these new, nonprofit consulting groups, some philanthropists have found success hiring a consultant at a reduced rate from the business sector who is “Catholic-friendly” and understands the Catholic culture.

\* Full disclosure: Stephanie Saroki, the co-author of this guidebook, is a co-founder and general partner of Seton Education Partners.

For instance, in Jersey City, the foundation funded market research that revealed some promising opportunities for boosting enrollment numbers. Respondents generally considered Catholic schools superior to public schools, and many families thought they could afford the tuition. Supply was available, and there was latent demand. The only problem, the research found, was that most people could not name their neighborhood Catholic school. To address the problem, the foundation provided the schools with specialized marketing kits—including promotional posters and other professional marketing materials—as well as expert training on how to use them. Some school principals plastered their neighborhood with the materials, as intended. Others hung the posters

in their own classrooms. Good for morale, perhaps, but not exactly great marketing.

Others in the field have had similar experiences. Take the late James B. Peter, who passed away in October 2009. Peter received his M.D. from Saint Louis University School of Medicine and his Ph.D. in biochemistry from the

University of Minnesota. He served on the faculty of UCLA's School of Medicine before founding Specialty Laboratories, a high-tech clinical laboratory that produced and trademarked a number of original medical laboratory assays, including tests for HIV/AIDS, breast cancer, prostate cancer, leukemia, cardiovascular diseases, and neurological syndromes.

With his wife, Joan, Peter was the founder of the **Specialty Family Foundation**. In an effort to increase the sustainability of a consortium of 12 inner-city Los Angeles Catholic schools, the Specialty Family Foundation made a bet on the potential of marketing. The foundation started by funding a four-month, nationwide study to assess best practices in meeting the challenges of financially struggling Catholic schools, including projects underway in Chicago, Los Angeles, Memphis, New York, Bridgeport, Milwaukee, Denver, Wichita, and Washington, D.C.

The study found something revealing. The most successful initiatives for stemming school closures were those that funded professional marketing and development expertise. With the support of pastors and principals, several different programs increased student

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Supply was available, and there was latent demand. The only problem: most people couldn't name their neighborhood Catholic school.

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**Donor's Perspective:  
“A Clear and Beneficial Impact”**

In the spring of 2006, the board of directors at the Big Shoulders Fund came to a realization. Catholic elementary school principals simply did not have the time or training required to really focus on recruiting new students and families. These principals worked 10 to 12 hour days, handling everything from sick teachers to heating bills, professional development to archdiocesan compliance. It simply was not realistic, the committee decided, to believe that every principal was capable of successfully marketing their schools. In response, a number of patrons with the Big Shoulders Fund provided funding to hire young professionals to serve as marketing and development directors for a limited number of schools. Their goal: increase enrollment.

Big Shoulders' experience over the next three years clearly demonstrated that schools that invest meaningful time, treasure, and talent into recruiting are better able to maintain and build enrollment. During that time, elementary schools employing either a full- or part-time marketing director showed, on average, much better enrollment results than schools that had the school principal (or secretary) lead development.

To be sure, not every school that has employed a marketing and development director has had immediate success in building enrollment. School enrollment is still dependent on many factors—including academic quality and community socioeconomic circumstances—that are beyond the control of marketing professionals. Even in schools that have experienced enrollment declines while employing a marketing director, there is evidence that in many cases enrollment would have been even lower if not for the added attention and effort to recruit new families. Ultimately, in aggregate, there has been a clear and beneficial impact from investing resources in building enrollment.

There are currently 32 marketing and development directors employed in Big Shoulders Fund elementary schools. Program expansion is limited by finding funding for the positions and good candidates for the slots. So far, however, its demonstrated success is proving that, in order to remain viable, schools must be marketed with as much energy and commitment as any commercial enterprise.

*Joshua Hale*  
Executive director, Big Shoulders Fund

enrollment, community awareness, and support. Over and over, they seemed to turn around schools that were headed for closure.

The results of the study convinced the Specialty Family Foundation to provide grants of \$275,000 over three years to each of the schools. The grants program has funded 12 marketing and development directors charged with increasing both enrollment and funding at their schools. This three-year capacity-building pilot program is being rigorously evaluated, in anticipation that it may be replicable.

“When inner-city Catholic schools are promoted effectively, it increases enrollment and improves fundraising,” says John Saeman, founder and chairman of Medallion Enterprises, a Denver-based investment and management company, as well as a long-time investor in Denver’s Catholic schools. “We’ve got a wonderful story to tell, and we need to do it more forcefully. It would make a huge difference.”

### **Increasing Transparency and Accountability**

For a non-Catholic, Russell Carson has been extremely generous with Catholic schools. “The facetious reason,” Carson explains, “is that my wife, Judy, is Catholic. We’ve been married for 39 years. She made me do it.” The serious reason, he quickly adds, is simple. “It’s because Catholic inner-city schools work.”

Through the Endowment for Inner-City Education, which Carson co-founded and chairs, as well as through other, related organizations, the Carsons have provided more than \$40 million in funding to scholarship programs, capital repairs, and programmatic support to 105 inner-city Catholic schools in the Archdiocese of New York. Though he is generally pleased with the schools’ performance, Carson nevertheless admits he is sometimes frustrated by one recurring problem in many Catholic schools: the lack of accountability. “At the end of the day,” says Carson, “the adults have to be held accountable for what’s happening to kids in the school. If they do not meet standards, people should lose their jobs.”

To that end, Carson believes there is a crucial role for non-Catholic donors to Catholic schools: because they do not belong to the Catholic Church, non-Catholic donors can be less deferential to—and sometimes more honest with—church leaders. “One of the things that we have been able to do at the endowment is to inject some humility into the system,” notes Carson. “The archdiocesan system as a whole has 83,000 kids in it across 279 schools. There are 105 schools classified as inner-city—84 elementary schools, 21 high schools. For years, these schools were touting the fact that 99 percent

of their students graduated from high school and 95 percent or more went on to college. It did not seem plausible to me that 99 percent of the kids who started in Catholic high school were in fact graduating four years later. Sure enough, when we began to look more closely, the numbers proved closer to 80 percent—which is still, by the way, a fantastic statistic. And the 95 percent of graduates heading to college is, in fact, a legitimate number. But we as donors should continue to probe and ask for a high level of accountability from the system.”

Standardized tests play an important role in creating a sense of accountability through transparency. Many donors firmly believe that Catholic school students should take the same tests as public school students. Christine Healey deVaul, the head of the New Jersey-based International Education Foundation, says that parents deserve to compare “apples to apples.” Using the same standardized tests as public schools helps keep Catholic schools honest about the value they add to student achievement. Besides, she continues, if the schools compare themselves honestly and openly, they will find real marketing opportunities. High-performing inner-city Catholic schools have nothing to lose, and everything to gain, from letting their successes be known.

### **Resurrecting Closed Schools: Miracle in Memphis**

When all these elements come together—re-setting high academic standards, improving business practices, and increasing transparency and accountability—the end-result of a turnaround effort can be impressive. Perhaps the largest and most consequential turnaround effort to date has taken place in Memphis, Tennessee. Between 1999 and 2004, donors—both Catholic and non-Catholic—helped the Diocese of Memphis reopen a total of nine previously shuttered inner-city Catholic schools. Supporters of the effort regularly refer to it as the “Memphis Miracle.”

The effort started in July 1999. Bishop J. Terry Steib asked Mary C. McDonald, superintendent of schools, to develop and implement an ambitious strategic plan. The goal: to reopen nine shuttered Catholic schools in inner-city Memphis, some of which had been closed for over 50 years. As McDonald worked on the plan, she devised a new governance and infrastructure model, one that called for the closed parish schools located in the inner city to be reopened as diocesan schools. Under the new arrangement, the superintendent would serve as the chief executive officer of each school, with the principal acting as the chief operating officer.

### **Donors' Perspective: Six Ways to Assess Catholic Schools**

In conversations with donors active in this space, certain suggestions kept coming up over and over. Here are some of the principal ways that donors assess Catholic schools when considering a charitable investment.

1. **Assess leadership.** Are the leaders tired or energetic? Do they have a handle on the faculty? Do they set low standards or tolerate mediocre performance?
2. **Study enrollment trends.** If the neighborhood demographics have changed for good, it may not make sense to pour money into a school. If enrollment takes a temporary hit because a new charter school opened down the street, do school leaders keep in touch with the families to invite them to return?
3. **Analyze retention.** Pore over the data on scholarship students to see whether or not they stay at a school. Schools that are a revolving door for scholarship students may not be engendering trust with parents.
4. **Review test scores.** Good schools won't hide them. If a school won't tell you its students' test scores, why would you do business with it?
5. **Insist on measurable outcomes.** For high schools, look at graduation rates, SAT and ACT scores, AP passage rates, and college matriculation rates. For elementary schools, look at high school completion rates and standardized test scores, especially gains over time.
6. **Ensure that parents are held accountable.** Even students who receive scholarships usually pay some tuition, but does the school insist on collecting the payments from parents, or let lapsed payments slide?

Pastors would continue to provide spiritual leadership, overseeing the Catholic identity and ongoing spiritual formation of teachers.

Once the plan was sufficiently developed, McDonald approached members of the business and philanthropic communities to interest potential investors. The effort was kicked off with an initial \$10 million anonymous donation. All that was known was that the benefactor was not Catholic. An additional \$5 million was raised from other interested donors. After receiving the initial funding of \$15 million for renovation and scholarships, the program started with one school in August 1999.

Over the next four years, with additional funding in place, the **Jubilee Catholic Schools**—named for the Year of Jubilee proclaimed by Pope John Paul II in 2000—grew from that one to nine schools. All of the schools serve a student population whose families are at or below poverty level.

In 2003, the Jubilee initiative launched the **Catholic Memphis Urban Schools Trust (CMUST)** to assume responsibility of the financial oversight and budgets, as well as assist in ongoing development efforts. CMUST, according to McDonald, provides tuition assistance to families on a sliding scale, and helps the nine schools cover any operational deficits. It has its own, separate 501(c)(3) status, which was necessary to assure all investors that their contributions to the Jubilee schools were completely segregated from diocesan funds. Building an intermediary organization allows an expert, independent board to oversee fiscal management, reducing overhead and protecting funds from lawsuits that may be filed against the church.

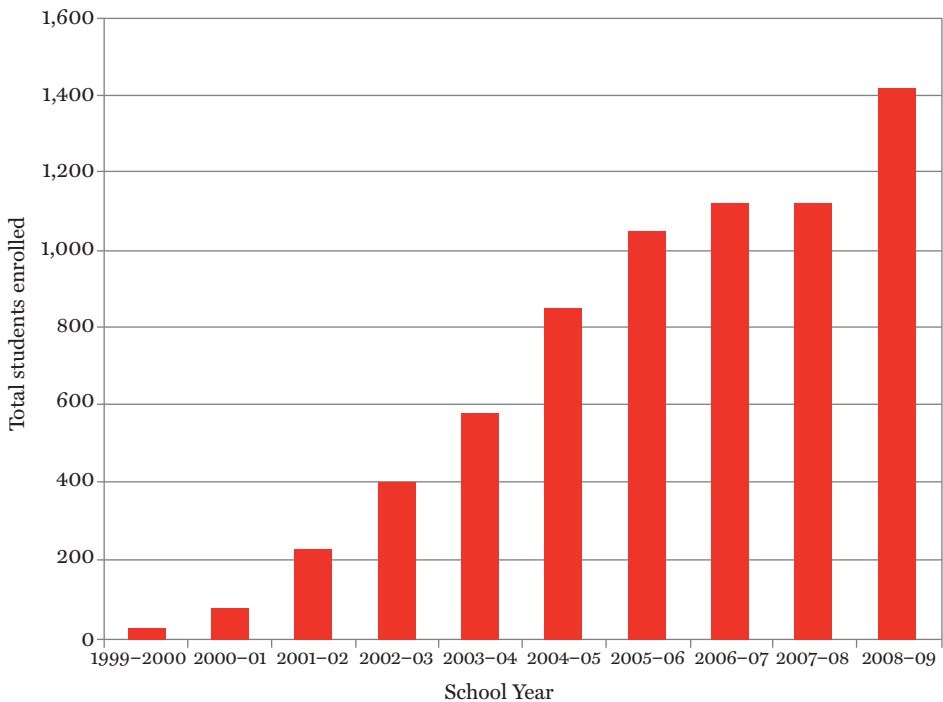
In Memphis, oversight for the ongoing operations component remains in the superintendent's office. Oversight for the financial component, meanwhile, resides with CMUST. To further ensure accountability, the program sought and received district accreditation in 2006 through the Southern Association of Colleges and Schools. This holds the academic program to a higher standard of third-party accountability, and ensures the continuous improvement of a quality academic program. Memphis was only the second diocese in the country to receive this accreditation.

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Building an intermediary organization allows an expert, independent board to oversee fiscal management, reducing overhead and protecting funds from lawsuits.

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**Figure 6: Jubilee Catholic Schools Enrollment**

The results have been, as some donors put it, miraculous. Enrollment continues to climb (please see Figure 6), and test scores are steadily improving.

The Hyde Family Foundations have long been key contributors to the effort, and their commitment to the Jubilee Catholic Schools included a \$5 million challenge grant in 2007. Barbara Hyde, president of the foundations, says she has seen “great commitment and talent among the leaders of the Jubilee schools.” Hyde and her husband, AutoZone founder J. R. (“Pitt”) Hyde, are not Catholic, but their charitable work takes a multi-sector and ecumenical approach to K-12 reform that focuses on school supply, demand, and governance. As part of its effort to increase supply—the number of opportunities for children to get a high-quality education—the Hyde Family Foundations have pushed for more accommodating charter school laws in Tennessee, supported public school reforms, and funded the Jubilee Schools effort.

Support for the Jubilee Schools also came from local business leaders, many of whom recognized that the city needs a highly educated workforce with solid moral character. Nathan Pera III, chairman and

CEO of Memphis-based Environmental Testing and Consulting of the Americas, says the Jubilee schools are effective because “they combine the hunger of children to learn and the hunger of donors to help; because they attract significant support from non-Catholic business leaders and philanthropists; and because of God’s good will.”

“If you want to re-open Catholic schools,” Pera continues, “you have to talk with practitioners in the trenches. You have to recruit a passionate, savvy, and mission-focused leader. You have to build a multicultural and religiously pluralistic coalition. You have to demand fiscal accountability. And, most of all, you have to make sure that the local bishop is completely—100 percent—supportive.”

### Converting Catholic Schools into Charter Schools: Oxymoron or Opportunity?

Despite intense turnaround efforts, many urban Catholic schools have not been able to survive. At the same time, a new, often competitive, opportunity has emerged: public charter schools. This new breed of public school is independently operated, exempt from many of the regulations and collective bargaining agreements that restrict traditional district schools, and responsible for producing student achievement results and adhering to a charter contract. Since the early 1990s, 39 states and the District of Columbia have passed charter school legislation, allowing educators and non-profit organizations to start new public schools. During the 2009–10 school year, according to the **National Alliance for Public Charter Schools**, more than 1.5 million students will attend over 4,900 charter schools.

While many charter schools have been launched and still operate in former parish school facilities, these lease arrangements have mostly been random, one-off deals. Washington, D.C., has recently become the exception; seven parochial schools were converted into charter schools there and opened in September 2008. In Miami, seven schools followed the same course.

Many Catholic leaders have been wary of the growing popularity of charter schools, concerned that they contribute to declining Catholic school enrollment. But, faced with financially unsustainable parochial schools, dioceses across the country are now considering—and wrestling with—whether to convert some financially struggling Catholic schools into non-sectarian public charter schools.

Because charter laws vary by state (and 10 states lack charter laws altogether), the options for “converting” an existing Catholic

(or other faith-based) school depend on the state's charter laws and educational code. For example, in some states, an existing private school must be closed for one full year before a new public charter school can be opened. Provisions regarding school ownership, operations, management, and curriculum vary by state. Some states (e.g., California, Virginia) require all teachers at charter schools to be certified, while others (e.g., Arizona, the District of Columbia) do not.

In his book, *Religious Charter Schools: Legalities and Practicalities*, Lawrence D. Weinberg raises a number of legal issues for consideration:

- A charter school cannot have religious criteria or preferences in its student admissions or staff hiring.
- Religious iconography is not generally permitted at a charter school, although it may be possible for a charter school to rent a facility with existing religious imagery.
- Prayer in school is permissible, but only if it is voluntary and student-initiated. Schools may provide students with a space to pray before or after school. Teachers, however, may not participate in these prayers.
- Charter schools may have dress codes or school uniforms.
- Charter schools may close for religious holidays as an accommodation to their students.
- In charter schools, no coursework may endorse the religion being taught. The curriculum can endorse morality generally or the culture inspired by a particular religion. But a charter school cannot teach as normative the tenets of a particular religion, nor can it infuse its curriculum with religious teaching.
- A charter school may rent space to an outside entity for the purpose of offering *voluntary* religious instruction after school. Students must not be required to take such courses. A charter school may arrange its schedule to allow students to participate in religious activities after school.

- Clergy may sit on the boards of charter schools, but there can be no requirement that the board include clergy or that board members profess a particular faith.

While complicated legal and operational issues would have to be addressed, it is clear that as newly converted public schools, they would no longer be Catholic. Public charter schools cannot offer religious instruction or spiritual formation during the publicly funded school day. They can, however, use public funding to keep their doors open—offering low-income and minority students a safe, functional learning environment, frequently in the absence of any viable alternative.

Compelling arguments can be made for and against the strategy of converting at-risk urban Catholic schools into public charter schools. Two views are presented on pp. 64–65.

### **Converting At-risk Catholic Schools into Charter Schools Is an *Oxymoron***

Those who argue against charter conversion make several points:

- Charter conversion would destroy the essential qualities that make Catholic schools successful. “I believe that Catholic spirituality is what makes excellence possible,” says Sr. Marie Pappas. “Personal excellence leads to performance excellence. It would be a serious omission to disregard the power of spirituality.” Catholics are not alone in this belief. Noted education historian Diane Ravitch has argued that “we should do everything possible to save Catholic schools,” but warned that converting them to charters “would be a mistake. What makes Catholic schools powerful is the deep religious belief that every child has a soul and is precious in the eyes of God. You cannot communicate that belief in a public school.”
- Adding more charter schools, especially ones that were formerly Catholic schools, will increase the competition that struggling Catholic schools already face. That in turn will accelerate the demise of more urban Catholic schools. Why? Because Catholic schools today—unlike Catholic schools even a generation ago—must charge tuition to cover their expenses. Inner-city families who want to send their children to Catholic schools often cannot afford the modest tuition, leading them to choose free-of-charge public charter schools.
- Private philanthropy, not government, can and should preserve Catholic schools as private institutions. Ravitch again: “You might have forgotten the Annenberg Challenge, \$500 million to improve public education. Where is it today? That \$500 million could have gone into an endowment that would have saved many of the Catholic schools that have closed in the last 10 years.”
- Converting to charter status risks over-regulation by government bureaucrats and political pressure by interest groups. Many of these schools would have their first encounter with the teachers’ unions.
- Conversion requires an extraordinary amount of work and expertise. Much could go wrong with botched conversion efforts, not only for Catholic education, but also for the charter school sector.

### **Converting At-risk Catholic Schools into Charter Schools Is an *Opportunity***

Those who argue for charter conversion make several points:

- If we stubbornly cling to the way we delivered urban Catholic education 50 years ago, there will soon be nothing to save. Absent a miraculous volume of charitable contributions or significant progress in expanding tax credits and vouchers, no other viable option currently exists to keep many struggling Catholic schools open. This reality demands that the charter option be discussed, explored, and even tested as one possible alternative to closing more Catholic schools.
- The need for academically strong, character-building schools serving the poor is both great and urgent. Existing efforts to improve district schools or build new, high-performing charter schools are neither sufficiently broad nor fast enough to meet the needs of children attending public schools today—let alone the estimated 900,000 children who are likely to lose their Catholic schools over the next two decades. As an alternative to closure, chartering at-risk Catholic schools would provide a safety net for children who would otherwise have few, if any, options beyond the failing public schools in their communities.
- The school would not be Catholic, but if combined with a strong catechetical program after school, many of the underlying goals of Catholic education could be achieved. With careful and creative attention to curriculum, staffing, technology, routines, and schedule, a secular school of virtue can receive public funding for the majority of the day (and meet the attendant legal restrictions) while also providing a strong, optional, and privately funded religious component can be offered separately after school. In this model, parents could elect to enroll their children in an after-school program that provides a thorough, effective, and age-appropriate religious education, while the publicly funded academic school day can have a strong character-building culture.
- The infusion of public dollars and the public accountability that follows will not only put at-risk schools on sound financial footing, but can be used to attract new talent, pay better salaries, and strengthen the schools academically as well.

## CHAPTER V

# Developing and Replicating New School Models

Donors intending to restore and expand Catholic education in America's inner cities must be attentive to supply. In addition to capitalizing on existing capacity by turning around underperforming schools, they need to work to expand new capacity by building sustainable new models. One donor who has studied the supply-side problem in urban Catholic education is Frank Hanna. His conclusion: "An even deeper crisis in Catholic schools is all the Catholic schools not being built in the first place. In Atlanta, Phoenix, and Denver, the Catholic population is exploding. We see some new schools being launched, but nowhere near what you would expect given the rising Catholic population, particularly in growing Hispanic communities."

To that end, creative new models for urban Catholic education need to be conceived, developed, and implemented. These new school models must deliver excellent academic results, demonstrate sustained cost-effectiveness, and show real potential for growing to scale. Perhaps the most exciting recent development in urban Catholic education has been the emergence of two such school models: the NativityMiguel Network of Schools and the Cristo Rey Network. Promising as these two networks are, however, they should mark the beginning, rather than the end, of the search for innovative new models for urban Catholic education.

### **Venture Philanthropy: B. J. Cassin and the Cassin Educational Initiative Foundation**

B. J. Cassin is a successful venture capitalist. After graduating from the College of the Holy Cross in 1955, Cassin spent five years in the Marine Corps. After his discharge, he held a number of positions in sales, marketing, and management. In 1969, Cassin co-founded Xidex Corporation, which achieved *Fortune* 500 status in 1987 with sales of \$752 million and 7,000 employees worldwide. A decade later, he left active management with Xidex and became a venture capital investor. Now, Cassin is the financial founder of over a dozen publicly traded companies. He has a knack for finding great ideas, investing in them early, and getting them to scale rapidly.

Cassin wanted to apply his business skills to the task of reviving urban Catholic education. His motivation was two-fold. To begin with, Cassin wanted to do something about the deplorable state of the nation's inner-city schools. "For years," he notes, "my wife and I have been concerned about inner-city education, and our solution was to help with scholarships. But we felt uncomfortable. We were helping tens of children, but we knew we were missing the leverage where we could help thousands of children." At the same time, Catholic education has long been a cause close to Cassin's heart: "I believe in Catholic education," he says. "I'm a product of it. It's what I know."

In July 2000, Cassin and his daughter Cate visited Chicago. They had heard about two promising urban Catholic schools on the near-southwest side of Chicago, in a predominantly Latino area that

suffered from the city's highest dropout rates. The first was a middle school run by the De La Salle Christian Brothers. The second was a high school run by the Jesuits. Each had a different approach to the challenges facing inner-city Catholic schools. Both were structured on models that seemed to have long-term transfor-

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"We were helping tens of children," says B. J. Cassin, "but we knew we were missing the leverage where we could help thousands of children."

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mative potential for making private Catholic education available to low-income families. Cassin was likewise impressed by each school's strong academics and robust sense of Catholic identity. He was so impressed, in fact, that he immediately decided to replicate and expand both schools—and the models on which they were based.

To achieve that goal, Cassin created the Cassin Educational Initiative Foundation of Menlo Park, California, in August 2000. The school that so impressed Cassin was **San Miguel Middle School** of Chicago, which was at the time already affiliated with a loose network of about 20 other schools. Cassin allocated \$10 million to seed new replication efforts and to formalize and strengthen their alliance into what later became known as the **NativityMiguel Network of Schools**. But the secondary school which so impressed Cassin, **Cristo Rey Jesuit High School**, did not belong to any kind of network. Cassin recognized that a well-designed school model, like that of Cristo Rey, could be taken to scale and its outstanding results could be delivered to more and more students. To that end, Cassin donated \$12 million to begin replication efforts through the **Cristo Rey Network**.



Cassin has been indispensable to the creation of the two new networks. In addition to the \$22 million he has contributed to the effort, during its early years he also dedicated 40 percent of his *time* to the schools, having served as chairman of the board of both networks. (“B. J.’s investment of capital started the network and its replication,” notes Robert Birdsell, president of the Cristo Rey Network. “But it was his time that made the replication a success.”) Moreover, Cassin’s commitment has caught the attention of other major funders. The Bill & Melinda Gates Foundation, for example, supplemented his investments in the Cristo Rey Network with \$9.9 million in May 2003 and \$6 million in November 2006. The Gates Foundation grants were designed to seed the creation of new schools. “We have a responsibility to provide high-quality educational options for all our youth,” said Tom Vander Ark, then-executive director of education for the Gates Foundation, at the announcement of the first grant. “Successful models like Cristo Rey Jesuit High School should be a part of the national discussion and local solution.”

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From the start, Cassin saw expanding capacity as his goal.

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From the start, Cassin saw expanding capacity as his goal. Scaling, however, was never intended to be an end unto itself. He wanted to scale the networks while maintaining their quality. Expansion efforts have therefore followed a three-part strategy. First, for every prospective school, a thorough feasibility study is commissioned. “I wanted the two networks to do what Wal-Mart does when it opens a store,” explains Cassin. “When Wal-Mart opens a new store, they find out where the demand is. Then they figure out where the store should be. Then they figure out the cash requirements to get the store opened.”

In 2000, Cassin approached Jeff Thielman about heading the Cassin Educational Initiative Foundation as its executive director. In that capacity, Cassin explained, Thielman would lead the implementation of the scaling effort. Thielman accepted. A Boston College-trained attorney who had served as a Jesuit International Volunteer in Tacna, Peru, Thielman had spent the three previous years at Cristo Rey Jesuit High School, where he had just completed a successful \$18 million fundraising effort. Thielman led the fieldwork research during the first rounds of feasibility studies.

Feasibility studies take 9 to 12 months, and are conducted by local teams, not consultants. If a feasibility study found that the proposed school was viable, Cassin provided startup funds to hire leadership teams. The seed money usually took the form of a three-year, \$150,000 startup grant for NativityMiguel schools or a three-year, \$500,000 grant for Cristo Rey schools. (Since 2006, however,

the Cassin Educational Initiative Foundation has ceased providing startup grants for NativityMiguel schools, choosing instead to focus on strengthening the schools already within the network.) It was not enough to cover all of the school's startup costs, but it was enough to attract the attention of

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"We are the most exclusive school in town," says Cassin.

"If you can afford the tuition, you don't qualify."

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other local donors who might want to partner with the school. Once the school was up and running, the third and final element of Cassin's strategy came into play: active involvement by the schools in their networks. The goal: replicating best practices.

The result of Cassin's investments has been a major expansion of new capacity in urban Catholic education. The two networks now educate nearly 10,000 students annually—and their numbers are steadily growing. And, as Cassin points out, they are serving the families who need them most. "These schools serve only the economically disadvantaged," says Cassin. "The schools themselves love to tell their local communities, 'We are the most exclusive school in town. If you can afford the tuition, you don't qualify.'"

### NativityMiguel Network

The NativityMiguel Network traces its origin to the Lower East Side of Manhattan. In 1948, the **Nativity Mission Center** opened to provide tutoring and social services to young people in the then predominantly Jewish neighborhood. As the community saw the arrival of waves of immigrants from Puerto Rico and the Dominican Republic, Jesuits at the center opened a middle school in 1971. (It was an unusual step for the Society of Jesus, which usually engages in secondary and higher education.) The middle school flourished, and by the 1980s, Catholic educators nationwide began to take notice.

By 1991, two new urban Catholic schools, both patterned on Nativity Mission Center, had opened: **Nativity Preparatory School**

of **Boston**, in the city's Jamaica Plain neighborhood, and **Gonzaga Middle School** within **St. Aloysius School** in Harlem. Six more Nativity-style schools opened in 1993, including the first De LaSalle Christian Brothers' **San Miguel School** in Providence, Rhode Island. In the early years, points out NativityMiguel Network executive director Mary Claire Ryan, it was "replication by observation, as there was no defined model at the time. Instead, sponsoring religious communities of men and women were compelled by their own missions to respond to great needs."

Further replications continued, with new schools opening across the country. In July 2006, the **Nativity Network of Schools** and the **Lasallian Association of Miguel Schools (LAMS)** merged to form the NativityMiguel Network of Schools. (The name NativityMiguel reflects the two religious orders which have contributed most to the growth of the network—the Jesuit-founded Nativity Middle School and the Lasallian-founded San Miguel Middle School.) The combined network allowed for a more efficient means of guiding and strengthening the growing network of schools. Nativity Mission Center is credited as the first school in the NativityMiguel Network.

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Today, the NativityMiguel Network consists of 64 schools and serves more than 4,900 students in 27 states and the District of Columbia.

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Today, the NativityMiguel Network consists of 64 schools (one fewer than in 2008–09) and serves more than 4,900 students in 27 states and the District of Columbia. The network consists principally of middle schools. (In the 2008–09 school year, only 10 of the 65 schools did not teach exclusively to students in grades five through eight.)

The network continues to grow at an impressive clip. Three new schools opened in 2008 alone: **Covenant Preparatory School**, in Hartford, Connecticut; **Serviam Girls Academy**, in Wilmington, Delaware; and **King of Glory Lutheran School**, in St. Louis, Missouri.

The inclusion of King of Glory—notably, a Lutheran, not a Catholic, school—points to a critical feature of the NativityMiguel network. NativityMiguel is a faith-based, but not exclusively Catholic, network of schools. To belong to the NativityMiguel Network, schools must subscribe to Nine Mission Effectiveness Standards, but are otherwise left with latitude for their own organization and operation.

**From the Shadows of the Stockyards:  
San Miguel Middle School, Chicago**

San Miguel Middle School began humbly. In 1995, in the dining room of a convent not far from the Chicago stockyards, 18 students became the first class at San Miguel. Today, San Miguel educates nearly 200 students on its two campuses in neighborhoods with some of the highest concentrations of poverty and crime in the city. The original San Miguel campus serves about 80 Latino students in the sixth through eighth grades, while the second campus, started in 2002 in the Austin neighborhood, educates about 110 African-American students in the fifth through eighth grades.

Every morning, teachers and administrators at both campuses gather at the front door and greet each child by name as they arrive, with a handshake and an encouraging comment. The children are growing up in some of Chicago's toughest neighborhoods, but the daily greeting lets them know that someone cares that they are in school.

"We want the worst of the worst," says Louis Ebling, a board member at San Miguel. "I don't mean that to sound derogatory, but we want the kids who are the most behind, the most at-risk, the biggest challenges—the kids who almost certainly will fail in society and get into a gang and be dead by 16. Those are the kids we want."

San Miguel takes these students, who enter multiple grade levels behind in their math and reading skills, and transforms them academically through an intensive course of instruction. Students attend class eight-and-a-half hours per day, every day, all year long, which adds up to 53 percent more instructional time than is required by the state of Illinois. They read in class for 80 minutes per day and complete an average of 100 books per year. There is one teacher for every 10 students, so every child receives individual attention. Assessment happens every day.

What unites them more than anything is a commitment to putting their faith into practice through service to the poor.

Students at NativityMiguel schools typically spend nine-and-a-half hours per day in class, and the average daily attendance at member schools is 97 percent. The school year is longer. Students wear uniforms. Class sizes are generally small, with relatively low teacher-to-student ratios. The schools average 17 students per grade in

Improvements in student academic performance are clear. According to TerraNova assessments, students who enter sixth grade three years behind in reading and two years behind in math graduate at grade level in both subjects. Nearly every San Miguel graduate enrolls in high school. And San Miguel students earn a bachelor's degree at a rate that is five times higher than the Chicago average for Latino students.

One of the most striking aspects of the school is the dedication of its staff. When the school opened, more than half of its teachers subsisted on only \$300 per month, plus room and board in a community house owned by the school. At the time, many of the teachers were retired educators or recent graduates of Catholic universities.

San Miguel's commitment to its students extends to high expectations from their parents. Parents are fined \$5 if they miss mandatory monthly conferences with teachers. It is a significant penalty for parents who are scraping by financially. "We've never had anyone miss more than one meeting," Ebling says. "The parent or caregiver gets acclimated with the meetings and they get involved with the child's education." San Miguel also keeps a full-time alumni director, who helps alumni find private scholarships for high school and tracks their progress through high school and college.

The downside of San Miguel is its operating costs. At about \$14,000, the per-pupil cost is lower than at other schools in the NativityMiguel network, but considerably higher than at other inner-city Catholic elementary schools. No parish or diocese is responsible for the school's finances, and the low-income families of its students cannot afford tuition. That leaves private donors to cover the costs.

The success of San Miguel has attracted the attention of leaders in the public school sector. It led then-Chicago Public Schools Superintendent Arne Duncan, now the U.S. Secretary of Education, to adopt the San Miguel model in the creation of two new public schools, one charter and one contract, called the **Catalyst Schools**.

schools teaching fifth through eighth grades, and 20 students per grade in schools teaching sixth through eighth grades. Many of the schools within the network have relied on volunteer teachers to help in the classroom, and many expect parents to contribute time and labor, as well. Academic and behavioral expectations are high.

In an effort to build on these achievements, the NativityMiguel Network of Schools has hired an organization to develop a survey

### **Quick Facts: NativityMiguel Schools**

*For the 2008–09 school year, the NativityMiguel Network of Schools:*

- Consisted of 65 schools in 27 states and the District of Columbia.
- Enrolled 4,921 students.
- Were sponsored by 22 Catholic religious orders (most notably by the Jesuits and the De La Salle Christian Brothers, each of which sponsored 16 schools).
- Had 21 all-male schools, 11 all-female schools, and 33 co-ed schools.
- Had an average school size of 76 students.

*For the 2008–09 school year, the student population of the NativityMiguel Network of Schools was:*

- 51 percent African-American.
- 37 percent Latino.
- 87 percent eligible for federal free or reduced-price meals.

and create a “dashboard” to evaluate schools with real-time data. Collecting data from schools to measure success is intended to strengthen the quality of education provided, the network’s image, and its ability to show funders the impact of the schools. The network also provides professional and leadership development for member schools, and guidance for its Graduate Support Program. “We are working to make sure that our standards stay high,” says Ryan, “that our educational model, focusing on the development of the whole child, keeps improving; and that our students have the best chance of developing into healthy, productive adults.”

NativityMiguel Network schools charge tuition but are not tuition-based. The average family at a NativityMiguel school pays only \$420 per student per year. For the families of these students, it is a significant amount of money—enough to give them a sense of “buying-in” to their children’s education. But tuition does not go very far toward defraying the average cost-per-student within the network: \$15,590.

Collectively, the NativityMiguel Network member schools raise over \$70 million annually. Individual donors and foundations provide network schools with, on average, 31 percent and 24

### Their Brother's Keeper:

#### A Partnership Model for NativityMiguel Schools

Schools within the NativityMiguel network enjoy a degree of freedom that allows them to experiment with a wide variety of different school models. In Washington, D.C., San Miguel School is taking advantage of that liberty. It has partnered with the much older—and much wealthier—**St. John's College High School**, in an effort to find a sustainable model for delivering high-quality Catholic education to low-income, Hispanic families.

When it comes to Catholic education, Brendan Quinn is a self-described lifer. Growing up in Washington, D.C., Quinn attended St. Ann's Academy at Tenley Circle for first through eighth grade, enrolled in St. John's College High School, and then went to the University of Notre Dame, where he graduated magna cum laude with a degree in economics. Quinn is now president and owner of Ernest Maier Block, the largest manufacturer of concrete masonry supplies in the greater Washington, D.C., area.

Over the years, Quinn has maintained his close ties with St. John's. He is such a loyal St. John's alumnus, in fact, that he has contributed \$75,000 over the next five years to **San Miguel School**, a half-mile down the road. In doing so, he is supporting his alma mater, low-income minority students, and an innovative new partnership model for NativityMiguel schools.

In 2000, a group of alumni and parents of current students from St. John's—an established, well-heeled college prep school—got together and raised the money to start San Miguel, a small middle school whose mission is to serve low-income Latino boys. The majority of San Miguel students are Hispanic, and all come from families with incomes well below the District's median. The move was inspired by the De La Salle Christian Brothers, who run St. John's and have founded over a dozen such middle schools all over the country.

What makes San Miguel unique is that it is the first of these middle schools to have been started by an existing Christian Brothers high school. In addition to ongoing financial support from alumni donations and loans from the St. John's budget, San Miguel students regularly go to the St. John's campus to use its labs and athletic facilities. High school students volunteer as tutors for the mid-

dle school, and over half of San Miguel's faculty are St. John's alumni. San Miguel tracks its alumni through high school, providing tutoring when necessary and reaching out in any way possible to help its alumni succeed.

One of the biggest—if less quantifiable—benefits to San Miguel students is the access they have to the St. John's parents and alumni network, which includes five billionaires and many millionaires. Mike Jones, a major contributor since its founding, did not attend St. John's but, as a parent of a student, became exposed to the San Miguel mission and has been committed to its success ever since.

San Miguel is an intensive, all-male middle school (sixth through eighth grades), with an extended school day and a longer school year. Its results so far have been dramatic. On average, students enter San Miguel two years behind grade level and graduate two years above grade level. Since its inception, all 40 of San Miguel's graduates have gone on to high schools (Catholic or public charter schools) that have specifically college-oriented missions. And it does all this on a budget of about \$600,000 per year, which breaks down to about \$11,000 per pupil. That cost is well under half of the per-student budget in the D.C. Public Schools, which, according to education researcher Andrew J. Coulson, was \$26,555 in 2008–09. San Miguel's budget is paid for mostly by donations from private donors and foundations, with the rest supplemented by school fundraisers, so that students can attend school for a nominal fee.

"This model epitomizes what Catholic schools are all about—serving the poor through education," Quinn says. "I always tell people that if they want to know what St. John's is about, they should go look at San Miguel. That's what we do, that's who we are."

Phil Brach, vice president of institutional advancement at St. John's, says that getting San Miguel off the ground has been mostly smooth sailing, but "this is an experimental model, so we're still figuring out some of the kinks." This year, St. John's had to register San

percent, respectively, of their revenue stream. Contributions also come from a variety of other sources, including special events (on average, 10 percent of revenue stream), board members (6 percent), corporations (6 percent), families of students (4 percent), sponsoring congregations (4 percent), and contributed services



Miguel as a 501(c)(3), in order to avoid confusion for potential donors. (“They would look at all the money in the St. John’s budget,” says Brach, “and ask, ‘Why are you applying for a grant?’”) And though some raised the concern that San Miguel might take donors away from St. John’s, Brach says that hasn’t been the case. “St. John’s is 160 years old and has some 12,000 alumni. For some of them, San Miguel is a more appealing investment because it is a more direct way of helping the poor. They may not have been giving to St. John’s before, and giving to San Miguel actually brings them back to being active members of the St. John’s community—so, if anything, it’s enhanced alumni-donor relations.”

As of this year, enrollment at San Miguel, which started seven years ago with just 19 students in three grades, has nearly tripled. In fact, the school has outgrown the basement of a Protestant church and recently purchased a new building that will allow it to expand to 90 students. Quinn is personally involved with the expansion plans. “This is a very hands-on investment for me. I’m going to meetings every week to see the progress we’re making, see how we can keep it going. I’ll be donating any supplies they need that I have through my business, and I’m calling my friends to help them with whatever I can’t provide. Nearly all of the contractors in this area are St. John’s alumni, so San Miguel’s new facility is getting a lot of discounted and donated labor and goods.”

Still, the expansion will mean increasing San Miguel’s annual budget to over \$1 million. There is also talk of starting a sister middle school for girls, which will require bigger fundraisers and an even greater commitment from St. John’s in order to ensure that low-income students can continue to receive a tuition-free Catholic education. But no matter what changes come, Quinn is unequivocal on one point: St. John’s is committed to helping San Miguel for the long term. “The needs might change, but St. John’s is going to be here to provide whatever San Miguel needs.”

(3 percent). The remaining 12 percent of revenue comes from sources such as facility rental, interest, and public funding. All in all, the NativityMiguel Network offers one of the most promising models yet devised for securing the future viability of inner-city Catholic elementary and middle schools.

### **Cristo Rey Network**

In 1996, a group of Jesuits in Chicago's gritty Lower West Side opened the doors of Cristo Rey Jesuit High School. The 79 sophomores and juniors who arrived were the first classes at the school. The surrounding neighborhoods of Pilsen and Little Village have historically been home to immigrants: first Irish and German, later Polish and Czech (hence the neighborhood's name, from the Czech town of Plzen). Today, the community is roughly 87 percent Hispanic, with many recent immigrants from Mexico and Central America. When Cristo Rey Jesuit High opened its doors, students mostly came from low-income Latino families for

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Cristo Rey's founders thought of a new funding mechanism for urban Catholic secondary education: a corporate work-study program.

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whom other private schools were not a financially realistic option. In the years since then, the school has continued to serve an overwhelmingly Hispanic, low-income population.

The Jesuits who conceived of the original school model had grappled with the most perplexing challenge facing urban Catholic education: How can we provide a high-

quality education to inner-city families who cannot afford the cost of tuition? They recognized the obvious solution: rely on long-term philanthropic support for day-to-day general operations. The problem, of course, is that such ventures are labor-intensive and highly precarious, exposed to disruptions in the revenue stream because of their heavy reliance on fundraising. As they worked through the problem, they thought of a new funding mechanism for urban Catholic secondary education. What they came up with was a corporate work-study program.

At the original campus, as well as at each replication, Cristo Rey students are required to take an entry-level office job through the Corporate Work Study Program. "These are real jobs," notes Cassin. "When we go to secure a job [through a corporate partner] and they say, 'We'll give them make-work and we'll call it a donation,' we turn them down. That's not a job. We don't accept that." Across the country, Cristo Rey Network schools have partnered with a wide variety of hospitals, universities, law firms, research labs, and private businesses to provide students with meaningful—and compensated—office work.

For these jobs, each student shares one full-time position with three other students. Together, the team of four students rotates so that each member works a full business day on a different day of the week; every fourth week, one member of the four-person team puts in a second day. The school transports the students to their job sites and oversees their performance in the position.

Crucially, students never miss class for work. The academic program is structured so that time at the office is integrated into the curriculum for each and every student. All Cristo Rey Network students have more instructional time than their local neighborhood schools. The emphasis on academic achievement has paid off. For the 2009–10 school year, 81 percent of the Cristo Rey Network’s class of 2008 was enrolled in college. To put that data in context, consider that 61 percent of all high school alumni are enrolled in higher education two years after graduation, and that for African-American and Hispanic students, the number is about 40 percent. In other words, graduates of the Cristo Rey Network schools are enrolling in and staying with higher education at twice the rate of their peers.

### **Quick Facts: Cristo Rey Network**

*For the 2009–10 school year, the Cristo Rey Network:*

- Consists of 24 schools in 18 states and the District of Columbia.
- Enrolls 5,892 students.
- Will earn over \$30 million in revenue from paid work-study contracts.

*For the 2009–10 school year, the student population within the Cristo Rey Network is:*

- 55 percent Latino.
- 34 percent African-American.
- Typically below the poverty line, with an average family income of \$35,581 per year.

Sponsoring corporate partners contract with the Corporate Work Study Program to fill full-time, entry-level jobs in their offices, so students are employees of the Corporate Work Study Program—not the sponsoring companies. The program handles all payroll, W-4, I-9, workers' compensation, and FICA paperwork. The program runs annually from Labor Day through the third week of June, and students assign their earnings to their Cristo Rey Network high school. For the 2009–10 school year, Cristo Rey Network students have approximately 1,400 work-study jobs. The average salary per job (a job that is shared by four students, that is) is just over \$25,000. These salaries cover approximately 65 percent of the cost of each student's education.

**Donor's Perspective:  
"Cristo Rey Is Magical"**

Cristo Rey is magical. What you see there is hope and optimism.

*Melinda Gates*  
Co-chair, Bill & Melinda Gates Foundation

Altogether Cristo Rey Network students will generate over \$30 million in revenue from paid work-study contracts for the 2009–10 school year. Although the funding model still relies on charitable contributions and tuition fees to cover the remaining 35 percent of a student's education, its partial self-funding mechanism makes Cristo Rey schools more sustainable in the long term. "In effect," notes Cassin, "the students created the equivalent of a \$535 million endowment." ("Our students," quips Robert Birdsell, president of the Cristo Rey Network, "are by far and away our biggest donor.") As important as the funding mechanism is, however, donors are quick to point out its psychological effects, as well.

"Just think of a freshman," says Cassin. "When a new Cristo Rey high school opens, it opens with a freshman class. You've got a couple dozen 14-year-olds who are now heading up to the 25th floor of a Boston law firm. These are real jobs: delivering mail, faxing, copying—basic office responsibilities. Many of these young men and women are going into downtown areas that they've never visited and they are relating to supervisors and, after a while, lawyers, accountants, what have you. For a lot of them, they begin to see the real-world relevance of their school work. 'So they're doing budgets,' they

will say. ‘Maybe that’s why we have to learn math. And they are writing lots of emails and reports. Maybe that’s what English class is all about.’ These jobs don’t just pay for their education. They introduce students to the world which education opens.”

Since Cassin and other donors committed to replicating the Cristo Rey model, that single class has been turned into a nationwide network of schools. For the 2009–10 school year, the network consists of 24 schools in 19 major cities with more than 900 faculty and staff serving more than 5,800 students.

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“In effect,” notes Cassin, “the students created the equivalent of a \$535 million endowment.”

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Throughout its 13 years of growth, the school’s underlying model has remained largely the same. Like NativityMiguel schools, Cristo Rey Network schools all subscribe to a set of core organizing principles—“Ten Standards of Effectiveness at Cristo Rey Schools.” Like NativityMiguel schools, Cristo Rey Network schools set high academic standards, promote spiritual formation, and require hard work from all of their students.

## Future Experiments

Both the NativityMiguel Network and the Cristo Rey Network offer promising new ways to think about Catholic education. They do not, however, exhaust all the possibilities. As donors work to expand the capacity of urban Catholic education, they will need to think creatively of new ways to build academically excellent, financially sustainable, and ready-to-scale networks of schools.

“There is not an ideal model for Catholic education, any more than there’s an ideal saint,” concludes Leo Linbeck. “The church has given us many models of sainthood. Some are hermits, some are people who are engaged in the world. The challenge that we consistently find for Catholic schooling is that too often people think there is a single, ideal model. That is a wonderful vision. But it’s like saying there is only one way to be a saint. What we need is to accept experimenting with different models of urban Catholic education. We have to figure out the things that can work and start to make an impact now.”

### What about Suburban Catholic Schools?

The focus of this guidebook is on *inner-city* Catholic schools, but many donors are also concerned about the fate of *suburban* Catholic schools. “Catholic schools are engaged, not only in imparting knowledge, but in forming character,” notes Frank Hanna. “That is their essence. It is what they do. Suburban kids need this character formation just as much as inner-city kids.”

Hanna has a long history of working with Catholic education. He believes the benefits of Catholic education need to be marketed to everyone. While many middle-class, suburban families might want to send their children to Catholic schools, Hanna notes, they do not qualify for financial aid and cannot afford the tuition. Succumbing to the temptation of academically competent suburban public schools, families lose out on the distinctive moral formation provided by Catholic schools.

To that end, Hanna has helped found two new schools to serve Atlanta’s middle-class Catholic population. In 1993, he joined a group of businessmen, educators, and lay leaders who established the **Pinecrest Academy** in Cumming, Georgia. The school set down its roots in a rented building with a single class of 29 students. Today, it flourishes, spread across a handsome 68-acre campus and offering middle-class families pre-K through 12th grade. Pinecrest’s success, along with a growing need for Catholic schools within the Atlanta city limits, inspired Hanna and others to repeat the effort. In 1996, he helped found the **Holy Spirit Preparatory School** in

northern Atlanta. Like Pinecrest, Holy Spirit makes pre-K through 12th grade Catholic education available to middle-class families.

Hanna is not alone in his efforts to make Catholic schooling available to middle-class families. Timothy Busch, an entrepreneur and philanthropist in Orange County, California, has taken on a similar effort for Golden State families. Busch and his wife, Steph, were frustrated by the declining number of strong educational options available to suburban Catholic families. That frustration led them to help create Laguna Niguel's **St. Anne School** in 1992.

The experience led the Busches to a more ambitious effort: the creation of a Catholic high school that would serve Orange County's Catholic population. In 2003, they tasted the fruit of their labor—the opening of **JSerra Catholic High School**, a \$110 million state-of-the-art school in the old Spanish mission city of San Juan Capistrano. The high school has grown rapidly, and now serves over 1,000 students perched on its lavishly landscaped, 40-acre campus. “Both of these schools are ‘private Roman Catholic schools,’” notes Busch. “They are recognized by the Ordinary for the Diocese of Orange as Catholic schools, but were founded and are operated by the laity. They are not on the balance sheet of the diocese.”

“Pope John Paul II said there is no greater investment we can make than to invest in the education of our children—*all* of our children—through Catholic schools,” concludes Hanna. “That is the advice I want to follow.”

## CHAPTER VI

### Rethinking Governance

In collaboration with bishops, pastors, educators, and laymen, private donors are exploring new ways to ensure that struggling Catholic schools receive proper oversight. In Brooklyn, New York, they have facilitated the transformation of parochial schools into private academies. In Camden, New Jersey, they have helped consolidate five separate schools under a single legal and administrative entity. In Bridgeport, Connecticut, they have made possible a diocesan takeover of parochial schools, as well as the subsequent creation of clearly defined lay advisory boards. And in Boston, Massachusetts, donors have supported a university takeover of a struggling urban Catholic school. By proactively rethinking governance, donors are helping preserve inner-city Catholic education.

#### Understanding the Traditional Parochial School Governance Model

For generations, most American Catholic schools were built with a parochial governance model. (This is not necessarily true of Catholic schools built by specific religious orders—Franciscan schools, for example, or Jesuit schools—which usually have different governance models.) In the parochial governance model, the parish priest is like a chairman of the board, removed from the school's day-to-day operations, but with overall responsibility for establishing broad objectives, approving budgets, overseeing fundraising, selecting senior staff, and answering to parish families for the school's performance. The school principal, meanwhile, is more like a CEO, with responsibility for day-to-day operations, including directing faculty, curricula, operations, maintenance, budgets, and social services.

The parochial governance model served American Catholic schools well for decades. Since most parishes had several priests, one priest could be designated to focus on the school and exercise thoughtful, strategic oversight. The families of the students usually belonged to the parish, and parish priests knew most—if not all—of the families through their pastoral work. Regular interaction with—and feedback from—parishioner families gave parish priests a sense of how well the school was serving the community. Since most principals and teachers were priests, brothers, or nuns, underperformers could be removed relatively easily. They were simply reassigned to other duties.



Today, however, the traditional parochial governance model is faltering. Declining numbers of vocations coupled with growing numbers of parishioners have put enormous competing time pressures on parish priests. Indeed, many parishes now have a single

priest, who is often overextended with other pastoral responsibilities. Insofar as the parish priest exercises oversight of the parochial school, he is often inadequately trained for the responsibility, if he is trained at all. Sometimes, he is totally disinclined to exercise even minimal oversight. At the same time, more

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Private donors are exploring new ways to ensure that struggling Catholic schools receive proper oversight.

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and more principals and teachers are drawn from the laity. They are often active and dedicated parishioners, with families to support, making it very awkward for a parish priest to recommend removing underperformers. In addition, fewer and fewer students are parishioners, thereby removing a critical feedback mechanism for parish priests.

If donors are to help revive Catholic schools in America, they will have to be attentive to issues of governance. Fortunately, in the last decade, a number of promising new developments have emerged.

### **From Parochial to Private: Brooklyn, New York**

In the Diocese of Brooklyn, Bishop Nicholas DiMarzio has initiated a diocesan-wide strategic planning process to ensure the long-term viability of Catholic schools. At the center of the strategic planning process is a simple idea: that parishes will relinquish formal control over parochial schools. Every Catholic school in the diocese will become a private, freestanding Catholic academy.

The idea for the plan emerged in 2005, when the diocese established a committee to oversee a diocesan-wide school strategic planning process. Between 1995 and 2005, enrollment in its schools had decreased by 29 percent—from 55,631 to 39,702 students. Parochial schools were operating at an average of 85 percent capacity. To reverse these trends, Auxiliary Bishop Frank Caggiano led an effort known as “Preserving the Vision,” which held dozens of consultation meetings in every region of the diocese before releasing its recommendations in January 2009.

Central among the initiative’s recommendations is a proposal to move all schools toward the adoption of a two-tiered governance

model. Under this new model, pastors of parishes aligned with an academy are members of a corporation with particular responsibility for the spiritual care of faculty, students, and families. At the same time, a board of directors composed of lay leaders with specific secular competencies is responsible for the fiscal oversight and governance of the new schools.

“For all those who form part of a school community,” explained Bishop Caggiano, “a spirit of co-responsibility demands that we face the challenges before us calmly and honestly. . . . Co-responsibility

is the foundation for the new, two-tier governance model that every Catholic elementary school will adopt over the next four years. This model envisions that competent lay women and men will be asked to offer their expertise and talents by serving as lay directors of a local Catholic elementary school. These

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“Co-responsibility is the foundation for the new, two-tier governance model,” says Brooklyn Auxiliary Bishop Frank Caggiano.

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lay directors, in a true spirit of co-responsibility, will assume fiduciary responsibility for limited aspects of a school’s governance, including its finances, enrollment, and efforts at recruitment and marketing. They will answer to the pastors of the area who will serve as ‘members’ of their school’s governance board, ensuring that our schools remain faithful to Catholic beliefs. When in place, lay directors will help lift much of the administrative burden that is now carried by our principals and pastors, allowing them to serve as the educational and spiritual leaders of their schools. These lay directors will serve with no financial compensation and will give witness, on a very practical level, [to] how the spirit of co-responsibility can help give new life and hope to our schools.”

By transforming parochial schools into private academies, the diocese is separating and clarifying pastoral, educational, and management roles. Thus the parish priest still oversees the spiritual needs of the school community and the religious education within the curriculum. The principal, meanwhile, is primarily responsible for maintaining high academic standards, and a lay board of directors brings its expertise to the oversight, fundraising, and strategic planning for the schools. The change in governance structure is intended to reflect the proper roles and gifts of priests, educators, and lay people.

“We are confident,” announced Caggiano, “that as a result of this process our schools will have more resources to ensure that children have greater access to Catholic education. Our schools will be better able to meet the diverse and changing needs of students and parents, and we will provide thriving Catholic schools that are better able to offer teachers and staff competitive compensation and benefits while remaining vibrant institutions for generations to come.”

### **Creating a Consortium: Camden, New Jersey**

In November 2008, the International Education Foundation led an effort to bring together five struggling inner-city Catholic elementary schools in Camden, New Jersey. The five schools within the partnership—Holy Name School (North Camden), Sacred Heart School (South Camden), St. Anthony of Padua School (in the Cramer Hill section of Camden), St. Joseph’s Pro-Cathedral School (East Camden), and St. Cecilia’s School (in Pennsauken)—serve approximately 1,000 students in what was named the most violent city in America in 2009. Today, those five schools are governed by a board of limited jurisdiction within the bishop’s church, the Cathedral of the Immaculate Conception. This entity is known as the **Catholic School Partnership**.

Governance for the new consortium comes from a 5-person management team and 12-person board of directors. The governance model is intended to bring focused professional support and proven education strategies to the schools, and to secure financing, either from private donors or available public funds. For example, the partnership is urging the New Jersey legislature to support a pilot bill that will fund scholarships for low-income students to attend the schools of their choice. Leaders of the consortium are also working to build an independent organization, the **Foundation for Camden’s Children**, to endow a fund that would provide private scholarships.

Christine Healey deVaul, who heads the **International Education Foundation**, serves as the founding board chair for the Catholic School Partnership. She recalls how it took several years for donors to bring the coalition to fruition. Their work started in June 2005, at an organizing summit with about 40 people from foundations and nonprofits who were all working to improve urban Catholic education throughout the country.

As they studied the problems confronting Camden, it became clear that the solution would involve creating a consortium of inner-city Catholic schools that was independent of the diocesan operations,

### **Donors' Perspective: "Start at the Top"**

Given how delicate changes in governance can be, donors have emphasized the importance of engaging early and often with Catholic clergy in such efforts. With a nationwide shortage of priests and nuns, it is becoming harder and harder to find qualified, engaged, and available religious leaders to take charge of Catholic schools. At the same time, ordained Catholic leaders are not always willing to cede control of the schools—even when they lack the necessary time or training to run them properly.

Dan McKinley, the president of PAVE, recently pushed to improve four inner-city Catholic schools in Milwaukee, suggesting they form a new board and hire an executive who could add 800 students by expanding the sites and building a new school. PAVE spent \$100,000 on consultants to design the plan, but in the end it failed because the local pastors were not willing to cede control of the schools. McKinley sighs. "They were more comfortable with the problems they knew than with the ones they didn't know."

Jim McCarthy, co-founder of the BASIC Fund in San Francisco, stresses the importance of proactively involving Catholic clergy. He believes that by "starting at the top"—ensuring the support of local bishops for reform efforts in their Catholic schools—donors can have more confidence that reforms will be carried out by pastors and priests. In some cases, however, garnering the support of the bishop is not enough. "In some dioceses, the bishop has already been delegating that responsibility to pastors," says McCarthy.

Gaining the cooperation of parish priests, some of whom see the schools as peripheral to their parish ministry, is therefore crucial. "I don't remember the last time I was in church where they even talked about, or had a special collection for the school," notes McCarthy. "Until we get parish priests more involved, I think we're going to have trouble saving Catholic schools."

endowed with a donor base beyond the Catholic Church, and able to provide scholarships for any qualified low-income child. Healey deVaul is quick to point out that the foundation takes a holistic approach, working with the diocese instead of trying to help the schools one at a time. “You could put a roof on an individual school,” she quips, “and the next thing you know it’s closed.”

Recognizing the importance of leadership from the bishop, Healey deVaul and the consortium presented themselves as a free consulting service for the diocese, capable of researching best practices

and offering specific suggestions for reforms. In addition to approving the coalition, the bishop also granted a “stay of execution,” to ensure that the consortium’s philanthropic efforts would not be undermined by school closings.

The changes in business management are already underway. Because the schools had previously been using pencils and papers to do their finances, Healey deVaul notes, a board finance committee member has been leading workshops on financial literacy for the pastors, principals, and business

managers. The five schools formed a collective purchasing group that now saves its members 35 percent on the purchase of school supplies; similar negotiations are underway to reduce expenses for utilities, maintenance, and teaching supplies. Eventually, the consortium intends to implement a consolidated budget and uniform budgeting process across the five schools.

The new governance model allows the five schools to take advantage of economies of scale in other ways, too. The partnership is working toward leveraging resources to provide more comprehensive extracurricular activities, including programs in foreign language, technology, music, and art, as well as extended day and extended year services and breakfast programs for students. It ensures that principals and teachers receive intensive professional development and coaching. And the partnership is working to widen financial support for its schools.

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The Camden governance model is intended to bring focused professional support and proven education strategies to the schools, and to secure financing, either from private donors or available public funds.

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## Diocesan Takeover: Bridgeport, Connecticut

Bishop William E. Lori has been instrumental in leading a two-pronged governance restructuring effort in the Diocese of Bridgeport, Connecticut. The first element was relatively straightforward. The schools most in danger of closing—six inner-city elementary schools in Bridgeport—were consolidated into a consortium, the **Cathedral Education Cluster**. The six schools had struggled for years to meet enrollment goals. Tuition kept them out of reach for many local families, and rising operating costs strained the finances of parishes that were already struggling to make ends meet.

In 2004, Lori issued a call to action. He enlisted the help of retired chief executives and fundraising specialists, who then recruited patrons for the schools or for school projects, like maintenance and library renovation. He met with pastors of various African-American churches and told them that their children were welcome in the Catholic schools. He advertised to Latino families on Spanish-language radio.

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In Bridgeport, all 33 of the schools moved from a parish-based governance model to a diocesan-based governance model.

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Once the schools were brought under the administrative umbrella of the Cathedral Education Cluster, it became simpler for principals to trade ideas—and, crucially, to share resources like books, laptops, teachers, and even math and literacy consultants. Enrollment at the six Bridgeport elementary schools has increased by 10 percent since 2004—to 1,399 this school year; 41 percent are non-Catholic, 30 percent are Hispanic, and 39 percent are African-American.

The second element of Lori's governance restructuring was perhaps even more consequential. It involved the remaining schools in the diocese, and moved all 33 of them from a parish-based governance model to a diocesan-based governance model. In essence, the diocese created a new, streamlined governance model, which it then instituted in each of its remaining schools.

To create this new governance model, Lori called upon lay Catholics to lend their expertise to the creation of advisory boards for every single school. The model precisely delineated responsibilities. Pastors, educators, and lay board members were asked to review, line by line, the "Manual for School Advisory Board Members," so that each party understood exactly what was (and is)

expected of it. School advisory boards are charged with the following responsibilities:

1. Participating in the strategic planning and goal-setting for finance, facilities, marketing, and development which should complement the curriculum and instructional strategic plan developed by the local school administration.
2. Receiving, reviewing, and, if necessary, revising the annual operating budget prepared by the local school administration, the principal, and the business manager. After review by the Diocesan Office for Education, recommending the annual operating budget to the Diocesan Schools Board for approval.
3. Overseeing school operations concerning students and facilities.
4. Establishing and maintaining effective marketing and development programs.

School advisory boards are required to have standing committees for strategic planning, finance, facilities, and marketing and development. Each board was capped at 13 members, at least 5 of whom should have expertise in the competencies assigned to the standing committees. In addition, the boards include the home school association president, the pastor, and the principal (as a non-voting member). The pastor retains responsibility for the spiritual and liturgical life of the school, while the principal is charged with implementing the board's objectives.

As a result of this governance restructuring, the Diocese of Bridgeport has established stricter oversight over its 39 schools, from Danbury and Brookfield in the north to Greenwich in the south. (Indeed, that tighter integration even extends to funding. Parishes now contribute 8 percent of their offertory collections to a general fund that is then divided among diocesan schools; the diocese then gives each school an additional \$12,000.) Under this streamlined governance system, the roles and responsibilities of pastors, educators, and directors are clearly articulated and widely understood, at every school throughout the diocese.

### University Partnership: Boston, Massachusetts

In October 2006, the St. Columbkille Parish in Brighton, Massachusetts, celebrated new life. The parish elementary school is the only remaining Catholic school in the Allston-Brighton area of Boston. (Please see Chapter I, “Introduction,” for more information on St. Columbkille.) The school entered into a new collaboration between Boston College, the Archdiocese of Boston, and St. Columbkille Parish. The partnership is predicated upon a promising new governance model for struggling Catholic parochial schools: university partnership.

St. Columbkille School is now governed by a board of members and a board of trustees comprising representatives from the Archdiocese of Boston, Boston College, St. Columbkille Parish, and the greater Boston community. Under the agreement, the board of trustees authorizes an audit of the school’s curriculum, faculty,

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St. Columbkille entered into a new collaboration among Boston College, the Archdiocese of Boston, and St. Columbkille Parish.

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finances, and facilities before creating a strategic plan to guide the school in the future. Boston College’s Lynch School of Education faculty work directly with St. Columbkille teachers on faculty and curriculum development, presenting new approaches to education and working to establish best practices in the classroom.

Indispensable to the revival of St. Columbkille School were Robert (“Bob”) Cotter and Elizabeth (“Betsy”) Cotter. Their financial support helped secure the school’s future. “It was an exciting day,” says Bob Cotter, who is a member of the board of trustees of Boston College and retired as president and COO of Starwood Hotels and Resorts Worldwide Inc. “After what had been troubled times for the school, this was a beautiful event.”

With their gift of \$1 million to Boston College, the Cotters have established the Richard J. and Eleanor T. Ferriter Endowed Fund for Catholic Education, named for Betsy’s parents. The fund helped establish the **Center for Catholic Education** at Boston College, which works to develop, evaluate, and disseminate best practices in urban Catholic education. Since St. Columbkille School was a pilot program for the Center for Catholic Education, the Cotters donated an additional \$100,000 to underwrite some of the initial investments being made at the school.



Those initial investments include new equipment and furnishings, as well as physical renovations to St. Columbkille. The Boston College faculty and St. Columbkille teachers are working together to introduce new curricula; Boston College students are teaching, tutoring, and volunteering in the classrooms; and St. Columbkille teachers are taking classes at Boston College, free of charge.

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St. Columbkille School is now governed by a board with representatives from the Archdiocese of Boston, Boston College, St. Columbkille Parish, and the greater Boston community.

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The chance to develop new models for the future of Catholic education was a key attraction for the Cotters. “Seeing the opportunity for what happens in St. Columbkille to be replicated in other schools across the country, we felt we could really put the gift to work in a way that has broad impact,” says Bob Cotter.

“We’re strong believers in education—in a public system, but also in a Catholic system. I think it’s B.C.’s role and our role, too, to see that the system keeps working,”

adds Betsy Cotter. “It was really fitting, because my aunt, who was a nun, taught at St. Columbkille, and my father went to another school in that neighborhood, St. Anthony’s, as a kid.”

The Cotters’ initiative could have national implications, points out Fr. William Leahy S.J., president of Boston College. According to the **Association of Catholic Colleges and Universities**, there are 245 Catholic institutions of higher learning that offer degrees for lay students. (More specifically, there are 201 Catholic colleges and universities, 28 free-standing seminaries that offer degrees for lay students, 9 Catholic universities and colleges with seminaries, and 7 single-purpose institutions of higher learning, such as free-standing law schools, medical schools, and nursing programs.) If each of those colleges and universities were to follow Boston College’s lead and take one or two struggling schools under its wing, it would substantially alleviate the crisis in urban Catholic education.

“We wanted to create a partnership that utilizes the resources of Boston College and its Lynch School of Education to assist a local, Catholic elementary school in need,” says Leahy. He adds that he hopes the partnership will help to create the best Catholic school in the Commonwealth, while establishing a model for Catholic universities nationwide to assist Catholic elementary schools. “Given

Boston College's longstanding outreach to St. Columbkille and the historic neighborhood ties between the schools, St. Columbkille School seemed an ideal fit."

## CHAPTER VII

### Addressing the Human Capital Challenge

Until the 1960s, Catholic schools in the United States relied on what in many cases amounted to volunteer labor: diocesan and ordered religious. With the subsequent decline in vocations to the religious life, however, a business model that depends so heavily on essentially free labor is no longer viable. Wealthier suburban Catholic schools may thrive in the new environment, but inner-city Catholic schools lack their tuition base and alumni networks. The need for a new approach to attracting and developing outstanding teachers and principals is therefore especially acute in inner-city Catholic schools.

#### Donor's Perspective: “Invest in People”

Facilities are important but they're not the key determinant to success. Somewhere between 70 to 80 percent of school operating costs are people. Once you've got the people problem solved, everything else falls into place.

*Leo Linbeck III*  
CEO, Aquinas Companies LLC

To be sure, urban Catholic schools continue to attract highly motivated staff. Nevertheless, according to Timothy McNiff, superintendent of schools for the Archdiocese of New York, the “success of Catholic education is rooted in recruiting and developing top-notch talent.” Donors are ideally situated to help achieve that goal, by improving the way teachers and principals are recruited, trained, mentored, and compensated.

#### Finding and Developing Teachers

Two years. As a Notre Dame graduate student, Jennifer Beltramo committed to teaching in a Catholic school in inner-city Los Angeles for two years. She was assigned to **Mother of Sorrows Catholic School** in south-central L.A. It was one of the most difficult experiences of her life. But after her two-year term ended, she chose not to leave the blighted neighborhood. She stayed. Now she serves as the school's principal.

Beltramo stands out at Mother of Sorrows. In a community of Latino immigrants, she is a young white woman from eastern Tennessee. She works in a neighborhood that has long been afflicted by crime, drugs, and violence. Yet Beltramo has begun to think of it as home. She does not consider her work at Mother of Sorrows a job. She thinks of it as a vocation. She considers herself a servant on a mission—in her case, leading a K–8 school with 207 low-income students—and her work at Mother of Sorrows is a tangible expression of her Catholic faith. In that sense, as the Fordham Institute's *Who Will Save America's Urban Catholic Schools?* explains, she is not too different from the generations of nuns she replaces.

Beltramo is an alumna of the **Alliance for Catholic Education (ACE)** at the University of Notre Dame. ACE was established in 1993 as a recruitment and training program that prepares and places recent college graduates in underserved urban and rural Catholic schools. A year later, it graduated its first cohort: 40 new teachers fanned out to 8 cities across the southeastern United States. By the 2008–09 school year, more than 1,000 teachers had gone through ACE, 75 percent of whom are still professionally involved in education. ACE is dedicated to an overriding goal: it plans to create a new generation of Catholic school educators who are highly effective teachers, role models for students, and totally committed to the task of strengthening and sustaining Catholic education among low-income and minority families.

#### **Quick Facts: Alliance for Catholic Education (ACE)**

In the 2008–09 school year, the Alliance for Catholic Education saw:

- 176 ACE teachers working in 112 Catholic schools.
- 31 ACE communities in 29 cities, located in 13 states and the District of Columbia.
- More than 1,000 ACE graduates, 75 percent of whom remain professionally involved in the field of education. Of those still in education, 75 percent continue to serve in Catholic schools.

ACE focuses on the professional and spiritual development of its teachers. ACE teachers spend two school years (August through May) teaching in under-resourced Catholic schools across the country and two summers (June through July) studying in the master of education program at Notre Dame. During the school year, they also take a limited number of distance learning–based classes which are intended to directly relate to their ongoing teaching experience. The teach-

ers receive a small stipend from the school—usually around \$1,000 per month—while the balance of their salary is paid by the school to Notre Dame to fund the program. They also receive health insurance, travel reimbursement, and an AmeriCorps educational award of \$4,725 from the Corporation for National and Community Service.

While teaching, participants live in small communities (usually consisting of four to seven members) and together share the many challenges and rewards of the first years of teaching. ACE participants are encouraged to develop their own religious spirituality in the context of community, and to share with one another the journey of becoming committed Catholic school teachers. ACE participants are called to grow together, to support one another, and to challenge each other as they develop personally, professionally, and spiritually.

Unlike secular teacher development programs, ACE is concerned with the spiritual formation of its participants. In so doing, it addresses a key concern of many Catholic parents, educators, and funders. “Transitioning away from ordained and consecrated educators is not just a matter of losing a highly educated, cost-effective staff,” explains Sr. Marie Pappas C.R. of the Archdiocese of New York. “It is a matter of losing spiritual men and women. They lived a life of spiritual discipline. It is this spirituality that made them qualitative human beings, persons of transcendence, of remarkable excellence, who were thus able to form students as qualitative human persons able to achieve the same standards of excellence.” By promoting a life of spiritual discipline among its participants, ACE hopes to re-capture the essential qualities that have contributed to the sector’s tradition of excellence.

Diocesan administrators and school principals regularly praise ACE teachers for their commitment to their students, devotion to the Church, and fresh perspective on old problems. “The gifts they bring for those two years are just amazing,” says Neil Quinly, elementary school supervisor for the Archdiocese of Los Angeles. “They bring such an energy with them—that pure belief in what they’re doing and in their service. They’re totally committed.”

Donors have responded to that passion. Take Thomas Larkin. Larkin believes in the value of Catholic education. A graduate of the University of Notre Dame, Larkin went on to help found the Trust

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The Alliance for Catholic Education was established in 1993 as a teacher recruitment and training program.

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Company of the West. His success has led him to a second career in philanthropy, where he and his wife, Margaret, seek to expand access to quality education for underserved children. As he surveyed the struggling public schools of Los Angeles, Larkin increasingly came to see the city's Catholic schools as the best immediate resource for low-income families who wanted their children to receive a good education. But Larkin soon came to appreciate that Catholic schools need fresh talent every bit as much as public schools. "The schools ACE serves are principally in the inner cities," says Larkin. "Those schools are getting great teachers at a great price. The program's success has led other universities to replicate it." Larkin is right. ACE has inspired 14 other Catholic colleges and universities to institute similar teacher recruitment, development, and placement programs for under-resourced Catholic schools. (For more information, please see the sidebar below.)

### **Pooling Efforts for Excellence**

The **University Consortium for Catholic Education (UCCE)** includes 15 teacher placement programs modeled after Notre Dame's ACE. With more than 1,000 alumni, ACE is the clear leader among the organizations. But other programs within the UCCE schools have produced an additional 500 new teachers. Today, the UCCE places more than 400 teachers annually in under-resourced Catholic schools in 53 dioceses. For more information, please visit the UCCE's website at [soe2.lmu.edu/ucce](http://soe2.lmu.edu/ucce).

One such UCCE program is the **Urban Catholic Teacher Corps (UCTC)**, which is now housed within Boston College's Center for Catholic Education. UCTC is a two-year post-graduate service program that offers new teachers an opportunity to gain classroom experience in the inner city under the guidance of experienced Catholic school teachers. The program recruits from a pool of newly certified teachers that includes graduates from Boston College and other institutions. It offers professional experience and spiritual development to young teachers interested in Catholic education, while providing the Archdiocese of Boston with a source of trained educators committed to urban Catholic schools.

UCTC members live together in community while teaching full time in Boston's urban Catholic schools. The communal arrangement reflects the spirituality of UCTC, which emphasizes service, simplicity, community, and fellowship. Corps members share a com-

munal house in the urban area of Dorchester, Massachusetts, where they support each other in their personal and professional lives. UCTC participants are full-time regular classroom teachers during the academic year, and they take classes during the summers (and, at times, during the fall and spring, as well).

Peter Lynch co-founded UCTC in 1997 to help address the acute human capital challenge among Boston's urban Catholic schools. Lynch is the vice chairman of Fidelity Management and Research, America's most successful mutual fund manager, as well as a major supporter of private scholarships to Boston-area Catholic schools. Two years after Lynch co-founded UCTC, he and his wife, Carolyn, furthered their commitment to Boston-area Catholic education with a contribution of more than \$10 million to the Boston College School of Education. In gratitude for that gift—which was then the largest individual gift ever made to the university—the education school was named in their honor in November 2000.

Lynch's father was an educator, a mathematics teacher at Boston College. So was the father of his wife. "Carolyn and I wanted to invest this money in the field to which our parents committed their professional lives," says Lynch of his support of Catholic education. "We know it will bring the greatest return on investment. Improvement in primary and secondary school education certainly isn't the only answer to our nation's complex problems, but it's one of the important answers."

Not all such teacher outreach efforts are in the UCCE. Patrick G. Ryan Jr. founded the **Inner-City Teaching Corps (ICTC)** in 1991, through the assistance of the Big Shoulders Fund, to recruit college graduates to teach in Chicago's inner-city schools. Ryan understands the importance of teachers from personal experience. He founded ICTC shortly after graduating from college, while working as a teacher on the west side of Chicago. He then became a gang narcotics police officer in Chicago, earned business and law degrees from Northwestern University, and co-founded and led Inciscent Technologies, America's fourth fastest-growing software company in *Inc.* magazine's 2008 rankings—all by the age of 40.

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The communal arrangement reflects the spirituality of the Urban Catholic Teacher Corps, which emphasizes service, simplicity, community, and fellowship.

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Ryan regards teacher recruitment as essential to the success of urban schools. Young teachers, properly trained, can be the lifeblood of a school, bringing an energy and enthusiasm that stimulates the campus. "One of the teaching profession's biggest mistakes is equating training in child development and pedagogy with intelligence and mastery of a subject," he says. "That's why we search for candidates who are intelligent high achievers with a demonstrated passion for service." Today, about three dozen teachers work for ICTC's Volunteer Teaching Corps (VTC), mostly in Catholic elementary schools. The VTC program in Chicago Catholic schools is committed to simple living, spirituality, and teaching as service.

ICTC also provides a path for mid-career professionals to enter the teaching ranks, and has provided training for more than 200

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"One of the teaching profession's biggest mistakes is equating training in child development and pedagogy with intelligence and mastery of a subject," says Patrick G. Ryan Jr.

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new teachers in Chicago's public, charter, and Catholic schools. ICTC stresses three fundamentals with its first-year teachers. According to Ryan, first and foremost is classroom management. He speaks from experience when he says "without basic order, it's impossible to teach." Second is teaching methods. "You want to enable new teachers to translate their natural passion and enthusiasm into effective practice," he adds. Finally, says Ryan, the first-

year teachers need to learn the basics of child development.

Ryan's mission is broader than Catholic schools—he's concerned about inner-city education in general. He notes that professional development must be an ongoing process, a philosophy that has long been a hallmark of ICTC. "For high-poverty urban schools," Ryan says, "preparing teachers is more of a journey than a destination." ICTC employs about 20 former principals and master teachers to serve as coaches who work with first-year teachers, staying in regular contact and advising them on their progress. The teacher-coaching program has been so successful that the Chicago Public Schools now contracts with the organization to work with its new teacher development efforts.



### **New Strategies for Teacher Development**

Not all donor-led efforts to cultivate human capital focus on new teacher recruitment and training. Many initiatives work with teachers already in the classrooms—finding ways to take good teachers and make them great. In October 2008, for example, the Connecticut-based **Louis Calder Foundation** committed to and paid the first installment of a three-year, \$436,500 grant to ACE to support a new initiative on Curriculum, Instruction, and Assessment (CI&A).

Calder's grant will help CI&A improve curriculum at Catholic schools nationwide by refining and scaling-up the web-based curriculum platform Curriki. Curriki is a free online environment that uses wiki technology to allow members—typically teachers, principals, and education experts—to create, develop, and distribute high-quality educational materials to anyone who needs them. ACE has piloted its CI&A initiative in two dioceses to date, providing curriculum development workshops for master teachers and principals in Memphis, Tennessee, and Pensacola, Florida.

In addition to facilitating the development of learning communities among teachers in each diocese through Curriki, ACE intends to use the Calder grant to cultivate virtual learning communities in Catholic schools and dioceses throughout the nation.

The key to this professional development model, according to Tom Doyle, director of the ACE master of education program and architect of CI&A, is “engaging master teachers, utilizing their talent, and elevating them to leadership roles on behalf of key issues—curriculum development and assessment.”

Curriki is not yet a proven platform, but it represents an innovative attempt to improve curriculum and instruction at inner-city Catholic schools.

## Finding and Developing Principals

Recent research has determined that principal quality is second only to teacher quality among in-school factors that drive student achievement. A great principal recruits, inspires, and motivates teachers and staff. In short, good principals make great philanthropic investments.

Unfortunately, there are not enough good principals to go around. “We have a leadership crisis in our Catholic schools right now,” says Fr. Louis DelFra CSC, director of pastoral life at ACE. “But the solutions

to that problem are sitting at this moment in the classrooms and dormitories of our country’s 200-plus Catholic colleges and universities.” The stakes, DelFra continues, are high. “Without recruiting them and forming them into talented and committed leadership for our class-

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“We have a leadership crisis in our Catholic schools right now,” says Fr. Louis DelFra.

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rooms and our principals’ offices, no amount of money, curriculum changes, development changes, or consulting plans will be effective over the long term.”

For that reason, ACE launched a Leadership Program in 2002. Since then, 152 Catholic school leaders have entered the program. Alumni and participants currently serve in 55 dioceses in 27 states and the District of Columbia, as well as Canada, Chile, and Australia. Nearly 100 percent of the program’s graduates remain in the field of Catholic education.

Like the teacher preparation program, the leadership program focuses on cultivating community and fostering spiritual growth. “We believe that Catholic school principals need to be spiritual leaders, as well as academic leaders and business leaders,” says DelFra. “We believe that we can’t form a spiritual leader in a secular program which only has an hour of reflection every other week. It’s got to be effectively integrated. Prospective principals need to pray together, they need to worship together, and they need to learn together.” This integrated course of leadership development has attracted the attention of funders. In 2008, the program was endowed by Mary Ann Remick of Rochester, Minnesota, and renamed the Mary Ann Remick Leadership Program.

Such recruitment, training, and development programs can be launched on a smaller scale and with a narrower focus by individual donors. In New York, for example, philanthropist Peter Flanigan of

UBS Securities and Student Sponsor Partners, with his son, Bob, has launched New York's **Principal Academy**. The Principal Academy has created a new model of principal development to provide strong leadership for inner-city Catholic schools in and around New York City.

Working in collaboration with the school superintendents of the Archdiocese of New York and the Diocese of Brooklyn, the Principal Academy combines two concurrent operating components. First, it offers an 18-month (three-semester) master's degree in educational leadership from a local university, with coursework customized to meet the needs of urban Catholic school principals. Second, it offers a paid, full-time internship as an assistant principal in an excellent Catholic K–8 school in New York City under the management and mentorship of a strong principal. The Principal Academy funds both components, the tuition for the master's in educational leadership, as well as most of the salary and benefits for each fellow's internship. The Principal Academy accepted an initial cohort of 10 fellows in August 2008, and recently accepted candidates for its second year.

Another such effort is underway in Philadelphia, but with an exclusive focus on the professional development (rather than recruitment) of Catholic school principals. Kim Flaville, vice president of programs for the Philadelphia-based **Connelly Foundation**, notes that, in her experience, the schools with the best leadership are the ones most likely to survive—even in the toughest circumstances.

For years, the Connelly Foundation has supported parish elementary schools through an annual \$2.5 million set of initiatives focused on private scholarships and curricular enhancement. But when Mary Rochford, the Archdiocese of Philadelphia's newly appointed superintendent of schools, called to discuss a Principals Leadership Academy, Connelly was quick to support the effort. Now in its second year, the leadership academy brings together 60 principals who spend a week during the summer being trained in educational leadership. Led by the **International Center for Leadership in Education**, the purpose of the program is to create change, raise expectations, and take action toward meeting the intellectual, emotional, and physical needs of students. Rochford bears the responsibility of ensuring that all students receive a rig-

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The schools with the best leadership are the ones most likely to survive—even in the toughest circumstances.

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orous and relevant Catholic education. “This effort,” she says, “is meant to keep things simple in profoundly challenging times, as we continue our movement to re-create our schools for the 21st century.”

The Connelly Foundation similarly granted \$25,000 to help launch the **Churchill Institute for Leadership and Development**

(**CHILD**), formerly known as the Gesu Institute. CHILD is working to improve the sustainability of inner-city schools, and in some cases helping officials confront sobering realities, through an innovative leadership development program. The institute began in June 2008, when a cohort of 18 Catholic schools partnered with CHILD for

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“There’s no future in throwing money at something that isn’t sustainable,” says Letitia

Biddle. “We don’t have a place for mediocrity.”

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a two-year training program. Working collaboratively with principals, heads of schools, pastors, curriculum directors, teachers, parent organizations, and community members, CHILD provides training in best practices to school leaders as they engage in achieving a sustainable future.

Letitia (“Tish”) Biddle, executive director of CHILD, says the schools each receive 40 hours of direct instruction in the first year of the program, followed by an additional 15 hours in the program’s second year. Biddle notes that one of the most valuable aspects of the program is that pastors and principals gain collegial support from other leadership schools; they do not have to struggle in isolation. “They can call a pastor from any other school in the county and discuss the best way to approach an issue,” says Biddle. Indeed, pastors and principals are required to work together and broaden their base of support by creating advisory boards or councils.

CHILD focuses on six inter-related components in its training: strategic planning, governance, advancement, finance and enrollment, curriculum, and professional development. Before CHILD, many of Philadelphia’s Catholic school leaders did not understand the finances of educating children, Biddle says, and they had not viewed running a school like running a business. “Most of our Catholic schools have existed for decades because of generous parish subsidies,” says Biddle. “Today, schools must know the *real* cost of educating a child and augment a reasonable parish subsidy with an active advancement program.”

CHILD emphasizes data-driven decision-making. In some cases, the stark, business-like assessment of a situation convinces school leaders to think seriously about the school's viability and sustainability. "Saving every school is neither practical nor warranted," says Biddle. "There's no future in throwing money at something that isn't sustainable. We don't have a place for mediocrity. With proper planning, schools can be consolidated in the least traumatizing way possible. No one wants to oversee sudden closures that result in angry parents and negative headlines."

## CHAPTER VIII

### Changing Public Policy

Catholic K–12 education is blessed, in a sense, by its distance from many of the policy debates that surround much of public education. Donors interested in inner-city Catholic schools should, however, be attentive to the importance of public policy. A robust parental choice environment—complete with tuition vouchers and tax credits—can make a decisive difference not only for low-income families, but also among many financially strapped inner-city Catholic schools. With the right public policies, states and school districts will not only see higher-performing, lower-cost schools—they will also find real competition, spurring real change, for their public schools.

#### The Promise and Pitfalls of Parental Choice

Several years ago, a priest in San Francisco delivered somber news to Bill Oberndorf. The Archdiocese was going to shut down yet another inner-city school. Thanks to the generosity of the Oberndorfs and a number of other community leaders, the school was able to remain open. “Today the school is a vibrant institution with a wonderful faculty and principal,” says Oberndorf. “Nevertheless, its future still remains uncertain, due to its being under-enrolled. Most low-income families still cannot afford even its modest level of tuition.”

The experience only strengthened Oberndorf’s conviction that donors need to think beyond the private scholarship programs and capital campaigns that have propped up struggling Catholic schools. Oberndorf is the founding chairman of the **Alliance for School Choice**, a national 501(c)(3) organization dedicated to providing parents a meaningful measure of choice in the education of their children and to advancing school choice in the policy arena. He resolutely believes that public funds should be used for children to attend the school of their choice, including Catholic schools. “Without vouchers and tax credits these schools will continue to close,” Oberndorf says. “There just isn’t the money to keep them open. The leverage you get from vouchers and tax credits is enormous.”

### Expert's Perspective:

#### Are Vouchers for Religious Schools Constitutional?

In 2002, the U.S. Supreme Court cleared federal obstacles to school choice when it upheld a Cleveland voucher program (*Zelman v. Simmons-Harris*). The court said the program “was enacted for the valid secular purpose of providing educational assistance to poor children in a demonstrably failing public school system.” The court added that the program “is one of true private choice” that is “neutral in all respects towards religion,” because it provides tuition aid valid at public or private schools of parents’ choosing, as well as tutoring for students who remain in public schools.

Far from creating incentives skewed to religious schools, the program “creates financial disincentives” in two ways, the court observed. First, nearby public schools receive two to three times the government assistance provided by the program to private schools (which may be secular or religious). Second, families also have a financial disincentive, “for they have to copay a portion of private school tuition,” whereas they pay nothing at public schools.

After the decision was handed down, one Cleveland mother with children in the program exulted, “The court today gave me and so many other parents equal justice we have never enjoyed before.”

Unfortunately, while the U.S. Constitution presents no barrier to well-designed voucher programs, many states long ago enacted their own legal obstacles to vouchers. The most prominent of these are so-called “Blaine Amendments”—named for James G. Blaine, a 19th-century politician who championed them—which state courts have sometimes used to strike down school choice efforts.

A majority of sitting U.S. Supreme Court justices, however, have raised concerns about the anti-Catholic bigotry that spawned such state laws. As Justice Clarence Thomas wrote for the court in a case involving federal aid to private schools, “hostility to aid to pervasively sectarian schools has a shameful pedigree that we do not hesitate to disavow.” Currently, public-interest law firms like the **Institute for Justice**, the **Becket Fund for Religious Liberty**, and others are working to knock down these barriers to “equal justice.”

*Scott Walter*

Senior fellow, Becket Fund for Religious Liberty

As the Alliance for School Choice makes clear, efforts to extend educational options to parents and students can take many forms. Examples include:

- *Opportunity scholarship programs* (also called vouchers) provide parents with scholarships to send their children to the schools of their choice. In some opportunity scholarship programs, eligibility is means-tested. In other scholarship programs, there is universal eligibility, but scholarships are determined based on household income and provided on a sliding scale.
- *Special needs scholarship programs* allow parents of children with special needs to receive vouchers to find and send their children to the schools of their choice.
- *Corporate scholarship tax credit programs* allow corporations to donate money to scholarship-granting organizations and receive tax credits for their contributions. Scholarship-granting organizations provide private school choice opportunities to low-income or otherwise disadvantaged children.
- *Individual scholarship tax credit programs* allow individuals to donate money to scholarship-granting organizations and receive tax credits for their contributions.

Educational choice has been advancing slowly but steadily. (“Slowly for sure,” quips one leading expert, who compares the incremental gains of parental choice with the much more aggressive growth of the charter school sector.) According to the Alliance for School Choice, as of September 2009, there were 18 private K–12 school choice programs in 11 states and the District of Columbia. More than 170,000 students now attend private schools through vouchers and tax credit scholarships. Voucher and tax credit programs can be found in Arizona, the District of Columbia, Florida, Georgia, Indiana, Iowa, Louisiana, Ohio, Pennsylvania, Rhode Island, Utah, and Wisconsin. (Please see Figure 7, “States with Targeted Parental Choice Programs.”)



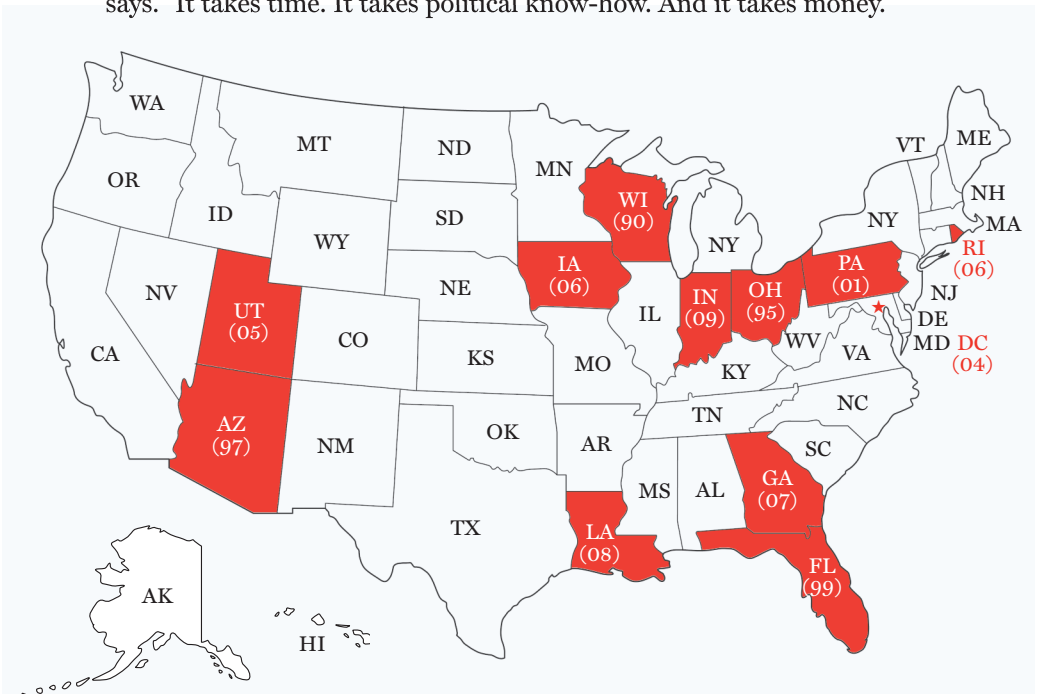
**Quick Facts: Parental Choice**

<i>12</i>	States (11 states plus the District of Columbia) with targeted school choice programs
<i>18</i>	Private K–12 school choice programs in 2008–09, of which: 9 are voucher programs (5 general, 4 special needs) 9 are scholarship tax credit programs (8 general, 1 special needs)
<i>171,332</i>	Students enrolled in private K–12 school choice programs, 2008–09 61,718 are in voucher programs (37,528 general, 24,190 special needs) 109,614 are in scholarship tax credit programs
<i>\$1,702</i>	Average value of tax credit scholarship, 2007–08
<i>\$6,190</i>	Average value of parental choice voucher, 2007–08
<i>\$661 million</i>	Public funds available, in total, for parental choice programs, 2008–09
<i>Wisconsin</i>	Home of the nation's oldest parental choice program (Milwaukee Parental Choice Program, established in 1990)
<i>Pennsylvania</i>	Home of the nation's largest parental choice program (43,764 students through the Educational Improvement Tax Credit, as of 2008–09)

*Source: Alliance for School Choice*

Encouraging as the growth of parental choice is, it nonetheless remains politically contentious. Established interests within the education sector, most notably the teachers' unions, currently enjoy a captive market: most parents have no option for their children other than their local public school. Public schools therefore reap their per-pupil payments whether they are performing well—or not. Vouchers and tax credits disrupt this captive market, shifting per-pupil education funding into the hands of parents by allowing them to send their children to the schools of their choice.

For that reason, many school districts, administrators, and teachers' unions are fully and completely opposed to the parental choice movement. Peter Flanigan, the founder of Student Sponsor Partners and long an advocate of parental choice, believes that if donors want to save Catholic schools, there is no alternative to investing in policy reform. "They have to get involved in that battle," he says. "It takes time. It takes political know-how. And it takes money."



**Figure 7: States with Targeted Parental Choice Programs (and Year of Enactment), as of October 2009**

Unfortunately, advocates of urban Catholic education have not been able to translate these promising results into broader policy changes. “There are some bright lights out there,” notes Ed Kirby, who leads the **Walton Family Foundation’s** parental choice efforts. “But what is unfortunate—and what’s a huge missed opportunity—is that there’s an utter lack of consistency on this question around the country.” Kirby adds that Catholic leaders nationally and in the states must aggressively and urgently find the will and resources to fight for public policies than enable their viability. “Catholic leaders and Catholic donors must dedicate themselves to supporting and joining the policy advocacy efforts of the parental choice movement,” he says. “Urgent and dramatic changes in public policy—allowing public education dollars to flow, appropriately, directly to parents—are arguable the most viable long-term solution to the fundamental problem—namely, cost structure—that is undermining urban Catholic schools.”

### Supporting National Advocacy Groups

A number of advocacy groups with national reach are engaged in the effort to protect and extend parental choice. Three leading organizations in the effort are the Alliance for School Choice, the **Black Alliance for Educational Options (BAEO)**, and the **Friedman Foundation for Educational Choice**. Among new entrants in the field, one stands out for its focus on Catholic schools: the Alliance for Catholic Education (ACE), with a task force dedicated to parental choice.

#### *Alliance for School Choice*

The Alliance for School Choice is a Washington, D.C.-based organization promoting school choice policies that give parents—especially those in low-income families—choices about where and how to educate their children. It was launched on the highly symbolic date of May 17, 2004—the 50th anniversary of the landmark decision in *Brown v. Board of Education*. Today, it supports a wide range of school choice initiatives, from vouchers or “opportunity scholarships” to tax credits. The Alliance for School Choice is a 501(c)(3) nonprofit chaired by Betsy DeVos, a Michigan-based education reform leader. DeVos also chairs a 501(c)(4) advocacy organization (previously called Advocates for School Choice) and a new 527 political organization, both of which are now named the **American Federation for Children**. The

### **Parental Choice: Proven Effectiveness**

Studies have consistently shown that parental choice accomplishes the immediate goal of empowering low-income children to go to strong schools. One leading expert, Patrick J. Wolf, offered testimony on the topic before the Texas legislature. In his remarks, Wolf surveyed the academic literature on parental choice. “The research evidence is compelling that school choice increases the educational attainment of program participants,” stated Wolf. “The effects are confirmed by dozens of reputable academic studies and are especially strong for minority and low-income students who transfer to Catholic schools. Wolf also noted that these beneficial effects were particularly pronounced among African-American students, citing “nine rigorous studies of six cities by six different research teams [that] have confirmed this important choice effect.”

In a competitive market, it also forces public schools to improve—or risk losing students (and funding) as parents begin sending their children to other schools. Stanford economist Caroline Hoxby studied three jurisdictions—Milwaukee, Arizona, and Michigan—that through parental choice initiatives have created a “fluid education marketplace” for a sustained period of time. Vouchers have existed in Milwaukee since 1990–91, and Arizona and Michigan have generous charter laws that, while not vouchers or tax credits, create schools of choice by allowing charter schools to be opened more easily and funded more equitably than in other states.

Hoxby compared the test scores of students in public district schools that faced competition from charter and voucher schools with those of students in public district schools that faced no such competition. The result? Scores in schools that faced competition improved by more *in every subject area* than did those in schools that faced no competition. “The long-term results found in my studies,” writes Hoxby, “seem to confirm that competition is in general good for the public schools.”

501(c)(4) organization works to advance parental choice legislation at the state and federal levels, while the new 527 organization works exclusively at the state level to elect pro-parental choice Democratic and Republican candidates for public office.

To achieve its objectives, the Alliance for School Choice rallies grassroots support for parental choice, promotes research on choice program effectiveness, and offers expert advice and testimony to media and policymakers. It also puts out several publications, including a quarterly magazine (*School Choice Activist*), a quarterly journal (*School Choice Digest*), and an annual *School Choice Yearbook*, which is a comprehensive index of school choice programs and initiatives nationwide. Although the Alliance does not limit its efforts to promoting Catholic schools, the pages of these publications brim with examples of at-risk students enjoying the benefits of Catholic schools accessed through parental choice programs.

### *Black Alliance for Educational Options*

The Black Alliance for Educational Options (BAEO) was founded in 2000 with a mission to empower parents to choose the right educational options and schools for their children, with a focus on

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BAEO educates African-American families about choices available to them.

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low-income and African-American families. It educates families about existing choices available to them—and, what is more, about attempts to limit their choices—and urges the expansion of school choice for these families.

BAEO has chapters in several jurisdictions and states that are infamous for poor educational outcomes: Georgia, Louisiana, Missouri, Ohio, Milwaukee, and Philadelphia. Recently, BAEO has facilitated the development of three high schools as part of the Bill & Melinda Gates Foundation's Small High School Initiative. Like the Alliance for School Choice, BAEO does not devote special attention to Catholic schools, but it considers them worthy recipients of voucher funds and suitable educational options for African-American families. An online directory of school choices co-created by a local affiliate of BAEO in Boston includes Catholic schools.

BAEO has received significant support from a range of national funders. Since 2003, BAEO has received over \$4.1 million from the Walton Family Foundation, \$4 million from the Bill & Melinda

Gates Foundation (as part of the foundation’s “small schools” initiative), and \$1.3 million from the Lynde and Harry Bradley Foundation. Other significant donors include the **Joyce Foundation**, the **Kern Family Foundation**, and the **Charles Stewart Mott Foundation**.

### *Friedman Foundation for Educational Choice*

The Indianapolis-based Friedman Foundation for Educational Choice was founded by the late Nobel Prize-winning economist Milton Friedman and his wife, Rose, in 1996 to advance a cause long dear to their hearts: educational choice for parents throughout the United States. As the Friedmans wrote in their 1980 treatise, *Free to Choose*, “One simple and effective way to assure parents greater freedom to choose, while at the same time retaining present sources of finance, is a voucher plan.”

Today, the Friedman Foundation works to secure its founders’ legacy by advancing a wide variety of projects. The foundation supports local activists seeking to bring school choice to their states by cultivating local movements (with assessment, leadership development, planning, and seed money), advancing pro-school choice policies once a movement is established (with bill-drafting assistance, community outreach, polling, and marketing), and protecting school choice measures once they are in place.

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“I think of the Friedman Foundation as the angel capital of the parental choice movement,” says Patrick Byrne.

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“I think of the Friedman Foundation as the angel capital in the parental choice movement,” says Patrick Byrne, chairman and CEO of Overstock.com and the chairman of the board of the Friedman Foundation. “The Friedman Foundation works very much at the grassroots level, conducting the necessary research and identifying the right people to back. They work in a very dollar-effective way. As much as I admire the funders of private scholarships, it is groups like the Friedman Foundation—and the grassroots organizations that they support—that are going to fundamentally change education for the better.”

To that end, the foundation regularly commissions research on choice programs throughout the country. It works with the **American Legislative Exchange Council (ALEC)**, the Alliance for

School Choice, and others to craft model legislation for states considering choice programs. It publishes a comprehensive annual guide (*The ABCs of School Choice*), a magazine (*School Choice Advocate*), and a newsletter (*Issues in Brief*). The Friedman Foundation is especially active online. Its website provides extensive information on existing parental choice programs, current legislation, and myths about school choice, and has embraced Web 2.0, with extensive material available on YouTube and Facebook.

***Alliance for Catholic Education: Initiative on Parental Choice***

The University of Notre Dame's ACE program has recognized the need for a cohesive, advocacy-based response to the challenges facing K-12 urban Catholic schools. In response to that need, it recently launched an initiative devoted to broadening the financial accessibility of Catholic schools.

**The Catholic Perspective on Parental Choice:  
A Principle of Social Justice**

"Parents have the right to found and support educational institutions. Public authorities must see to it that 'public subsidies are so allocated that parents are truly free to exercise this right without incurring unjust burdens. Parents should not have to sustain, directly or indirectly, extra charges which would deny or unjustly limit the exercise of this freedom' [Holy See, *Charter of the Rights of the Family*, art. 5b, Vatican Polyglot Press, Vatican City 1983, p. 11; cf. Second Vatican Ecumenical Council, *Dignitatis Humanae*, 5: AAS 58 (1966), 933]. The refusal to provide public economic support to non-public schools that need assistance and that render a service to civil society is to be considered an injustice. 'Whenever the State lays claim to an educational monopoly, it oversteps its rights and offends justice. . . . The State cannot without injustice merely tolerate so-called private schools. Such schools render a public service and therefore have a right to financial assistance.' [Congregation for the Doctrine of the Faith, *Instruction Libertatis Conscientia*, 94: AAS 79 (1987), 595-596]."

*Compendium of the Social Doctrine of the Church*  
Pontifical Council for Justice and Peace, 2004

The first of its initiatives is focused on working with ecclesial leaders on key policy questions and opportunities surrounding low-income families' access to quality K–12 Catholic schools. In partnership with the USCCB, the university recently launched a series of workshops for bishops and Catholic Conference State Directors to share best practices in financial accessibility, parental choice, and prudent cost structuring.

The second of its initiatives is designed to form a new generation of talented, knowledgeable, and dedicated leaders for the parental choice movement generally and K–12 Catholic education specifically. In summer 2009, ACE partnered with the Milwaukee choice coalition to facilitate an innovative two-week “Parental Choice” boot camp for interested Catholic school leaders. The experience brought participants together for an opening week of coursework on Notre Dame’s campus, with content focused on parental choice research, legislative design, and legal frameworks. Participants then spent a week in the trenches with the Milwaukee choice coalition, working with civic, diocesan, and philanthropic leaders on what it takes to build and protect a viable choice program.

### **Securing All Eligible State and Federal Funds**

Though Catholic schools are ineligible for certain forms of direct funding, students and teachers are already entitled to a variety of public resources under law. Too often, however, these resources are not accessed. Regional advocacy groups can, and have, worked to ensure that local school districts comply with the equitable participation requirements of both the No Child Left Behind (NCLB) Act and the Individuals with Disabilities Education Act (IDEA) to ensure that students and teachers receive the benefits for which they are eligible. They have also supported efforts to inform Catholic schools of their eligibility for supplemental educational services (e.g., federally funded tutoring) provided under NCLB.

Why does participation in these programs matter? Because, owing to constrained resources, many inner-city Catholic schools are unable to provide certain services that could be of enormous benefit to the families of their students. Public schools, even public schools serving similar demographics, are considerably less constrained in their ability to provide families with mental health care, legal aid, and food programs. If Catholic schools were able to make these services available, it would not only help the families themselves, but it could potentially lead to higher school enrollments.



Attentive to the issue, in March 2007 the Mid-Atlantic Catholic Schools Consortium launched a study: the Federal Programs Study Project. The program was intended to discover the extent to which Catholic schools within the consortium were missing out on federal funds available under NCLB. (The study did not examine overlooked funding under Title IA, Reading First, or English Language Learners.) The response to the survey was overwhelming; over 95 percent of principals polled provided feedback.

The consortium's investigation yielded five key findings. First, it found that Catholic schools were not receiving funds for which students, teachers, and parents were eligible. In the 2006–07 school year, for example, the 360 schools in the consortium failed to claim nearly \$1.1 million available to them. Second, it found that public

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The consortium found that Catholic schools were not receiving federal funds for which students, teachers, and parents were eligible.

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school districts were not ensuring that Catholic schools within their jurisdictions were made aware of program availability. Third, it found that Catholic schools were not consistently consulted regarding program design. Fourth, it found that the timing of services was inadequate, with many federal education program services not

beginning on time or not being received at all. Fifth and finally, it found program quality generally suboptimal, with fewer than 40 percent of programs being rated as “excellent.”

As a result of its study, the consortium initiated the Federal Dollars Program. The program works to determine the extent of Catholic school participation in NCLB programs and the amount of unused funds designated under NCLB for private schools. It also leads the effort to access unused federal funds for consortium schools and build diocesan-level capacity to identify, secure, and leverage federal benefits. In all, the federal dollars program is an excellent example of a Catholic regional advocacy group working to secure eligible public benefits for its constituent schools.

### **Funding Research**

Donors interested in supporting urban Catholic schools through targeted public policies often fund research to demonstrate the effectiveness of parental choice. Bruce Kovner, a hedge fund investor and strong advocate of school choice, has noted that “the way reform

takes place is a combination of practical action and the development of thinking and opinion.” The field is open. “There is a lot of received wisdom about schools, schooling, education, and choice,” he adds. “That means that we have to engage the intellectual process: case studies, quantitative analysis, newspaper and journal and magazine articles—all of that is tremendously useful.”

Many donors interested in funding research on parental choice have supported a range of national think tanks. For example, two think tanks that focus principally on education reform are the Thomas B. Fordham Institute and the **Center for Education Reform**. Other national think tanks—like the **Manhattan Institute**, the **Hoover Institution**, and the **American Enterprise Institute**—make education reform a central component of their larger public policy work.

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“We have to engage the intellectual process: case studies, quantitative analysis, newspaper and journal and magazine articles,” says Bruce Kovner.

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There is also a critical niche in the funding ecosystem for state-based think tanks. “We believe these state think tanks play a critical role in producing the intellectual ammunition state legislators need to push for school choice,” says Gisèle Huff, executive director of the San Francisco-based **Jaquelin Hume Foundation**. “And make no mistake, education is a state matter—more than 90 percent of education funding is state-based.” Huff notes that the state-based think tanks “have the contacts on the ground and know their environments, so they can be in the forefront.” The Virginia-based **State Policy Network** maintains contacts with state-based, pro-parental choice think tanks across the country.

Finally, many donors support research into parental choice by funding academic scholarship in colleges and universities. Some support individual university-based scholars, like Paul Peterson at Harvard’s Kennedy School of Government or Caroline Hoxby at Stanford University. Others work through university-based organizations, like the **School Choice Demonstration Project**, an educational research project based in the Department of Education Reform at the University of Arkansas. The project is devoted to the evaluation of parental choice programs and other school reform efforts across the country, and is supported by a diverse set of funders, including the Bradley Foundation, the Joyce Foundation, the Kern Family

Foundation, the Walton Family Foundation, the **Annie E. Casey Foundation**, and the **Robertson Foundation**, as well as the U.S. Department of Education's Institute for Education Sciences.

### Case Study: Milwaukee

Milwaukee, home to the nation's longest-lived public voucher program, provides an interesting case study in how to create a system of schools of choice. It offers instructive lessons on what works—and what does not.

In 1987, Milwaukee was part of a nationwide trend: the closure or consolidation of the city's Catholic schools. The Archdiocese of Milwaukee engaged the help of some of the city's prominent Catholic business leaders to think strategically, raise funds—and save Milwaukee's Catholic schools. From that collaboration was born the Milwaukee Archdiocesan Education Foundation. The group's early efforts included collective marketing for Catholic schools in the city and a professional development program for teachers in urban Catholic schools.

In 1990, a historic voucher law was passed: the Milwaukee Parental Choice Program. The program provides state-funded tuition vouchers to low-income families whose children attend the Milwaukee Public Schools, allowing students to enroll in private schools in Milwaukee. At the time of its passage, it was the first large-scale publicly funded voucher program in the nation, but religious schools were not eligible to receive vouchers.

Motivated by concern for the state of the city's overall educational system and by a desire to give low-income students in Milwaukee greater access to strong educational opportunities, the leaders of the Milwaukee Archdiocesan Education Foundation formed Partners Advancing Values in Education in 1992.

With a new, non-sectarian mission, PAVE was able to partner with the Milwaukee-based Bradley Foundation to launch a private scholarship program that would demonstrate the market for educational choice. Throughout the 1990s, PAVE invested millions of dollars in scholarships that enabled low-income families to send their children to private schools throughout the city. It helped form a coalition that advocated the development of a government program that would offer state vouchers for low-income families to attend private schools in the city.

That coalition expanded the definition of educational choice in 1995, when it achieved a signal victory in the Wisconsin state

### **A Victory for Vouchers: St. Anthony School of Milwaukee**

At a time when Catholic schools are being shuttered across the country, Terry Brown is thinking about expansion. In 2008–09, he added a building to **St. Anthony School** of Milwaukee. With 1,040 students, it is now the largest Catholic K–8 school in the nation. Now Brown, the school’s president, is planning a 400-student high school expansion.

The Milwaukee Parental Choice Program, a voucher program that provides public funds for each low-income student who attends the school, has helped fund the St. Anthony expansion efforts. But the voucher program is not creating the same enrollment increase at many other Milwaukee Catholic schools. Despite the program, some of the city’s urban Catholic schools are losing students.

St. Anthony is different, in large part, because it embodies Brown’s no-nonsense mindset. Brown runs a school, but he looks more like a corporate executive—salt and pepper hair, a crisp suit, and polished dress shoes. He has an MBA. Before joining St. Anthony in 2002, he spent a dozen years working as a marketing specialist and then as an investment executive. Brown brings that sensibility to a school whose student body is 98 percent Hispanic, 95 percent of whom come from a non-English-speaking home and 99 percent of whom qualify for federal free and reduced lunch subsidies.

Brown notes that some Catholic leaders initially questioned why a K–8 school would need a president. A principal, they reasoned, should be able to handle all of the school’s tasks. But Brown insists that his school needs a president to oversee business matters. “The reality of the competitive market has yet to sink in among Catholic leaders nationwide,” says Brown, “and too many of them underestimate the competition they face from high-performing charter schools.” He refuses to accept the argument that enrollment is dropping in the city’s Catholic schools solely because there are not enough funds to attract parents. “In my business,” he says, “if people aren’t coming through your front door, it’s because you haven’t created a product people want.”

legislature: increasing the program’s voucher amount and making religious schools eligible. (In 1998, the Wisconsin Supreme Court upheld the legislation, allowing vouchers to be used in religious schools.) Today, more than 20,000 low-income children benefit

### **Vouchers Are Not Enough: Lessons from Milwaukee**

Today, in Milwaukee, Catholic schools are still closing down, even with a historic voucher program. Why? One often-ignored reason: lack of attention to building supply. Donors have become so heavily involved in preserving the legislation (a significant, costly, and ongoing struggle, to be sure) that they have inadvertently failed to invest in efforts to “prime the pump” of outstanding choice schools and fully take advantage of the voucher program.

The Archdiocese of Milwaukee has experienced a net loss of eight inner-city Catholic schools (from 42 schools in 1998–99 to 34 schools in 2008–09), and nearly 1,000 students (from 12,339 to 11,342 students). While many more schools would likely have closed without the voucher program, these trends have convinced many donors that they must strategically invest in jumpstarting the supply side when creating market opportunities where they did not previously exist. As the experience with charter schools over the past 18 years shows, good laws and public dollars do not by themselves create quality schools at scale. Donors should place a special emphasis on helping urban Catholic schools prosper in states with tax credits, vouchers, or other forms of public support that effectively relieve the financial strain on these schools.

from the choice program at 127 private and parochial schools throughout Milwaukee.

Nevertheless, despite their success in helping many families and students, vouchers have not been entirely successful in reversing declines among the city's Catholic schools. Some Catholic schools in Milwaukee continue to close their doors. Partly this is due to increased competition from a growing number of Lutheran schools. Partly it is due to a burgeoning charter school sector. Perhaps most importantly, though, it is due to the assumption that vouchers were a sufficient, rather than simply a necessary, means to revive Catholic schools. (Please see the sidebar above for further details.)

### Implementing Parental Choice *Right*: A Three-Tiered Strategy

As the Milwaukee case study shows, the goal for donors should not be simply to achieve parental choice. Rather, it should be to implement parental choice *right*. It must be a priority to help create a flourishing, competitive educational environment that will lead to elevated student performance across the board—not just in private religious schools, but in public charter schools and public district schools, too.

Such transformational change requires a three-tiered strategy. Donors first need to fund grassroots and grass tops organizations that create pressure for the implementation of a parental choice program. They then need to ensure that there is a sufficient supply of excellent choice schools. Finally, they need to defend their gains against the opposition that will inevitably arise.

#### *Seed Grassroots Advocacy*

The first step in successfully implementing parental choice is to seed grassroots advocacy. Experience has shown, time and again, that low-income and minority parents must make their voices heard. It is one of the most effective ways to convince legislators to enact education reform. Coordinating these families should be a strategic priority of all donors interested in securing public support for private—including Catholic—schools.

Donors have proven themselves effective at seeding grassroots advocacy in the past. In Milwaukee, PAVE was able to rally parental support for the 1995 expansion of the city's voucher program. In Florida, business and civic leaders backed then-Gov. Jeb Bush's efforts to pass the A+ Opportunity Scholarship Program, which gives students attending a failing school the option of transferring to a private or public school that the state rates at a "C" level or higher.

Tampa businessman John Kirtley, for instance, played a key role in helping to pass Florida's Corporate Tax Credit Scholarship program in 2001, which now has 27,000 low-income children attending over 900 private schools at a cost of \$100 million annually. In addition, Florida grassroots activism helped create the McKay Scholarship program for students with disabilities. With a McKay Scholarship, any parent of a disabled Florida public school student who is dissatisfied with the student's progress may request a publicly funded scholarship to enroll in and attend a private school or choose another public school that better suits the child's needs.

Over 20,500 students took advantage of McKay Scholarships in the 2008–09 school year.

As these examples illustrate, in order for educational choice to become a reality, parents need to lead the way. Investing in efforts to gather, inform, coordinate, and support parents is an important task for reform-minded philanthropy.

### *Build the Supply of Excellent Schools of Choice*

After parental choice policies are in place, it is essential that donors work to ensure a robust supply of excellent private schools. It is a serious strategic error to believe that, once vouchers or tax credits are in place, the hard work is over. A parental choice program is of little use to parents faced with lousy choices. Donors interested in urban Catholic education must continue committing themselves to the hard task of keeping inner-city Catholic schools academically strong and financially sound. Achieving that goal involves making progress on many of the strategic priorities outlined earlier in this guidebook: turning around underperforming schools, developing and replicating new school models, creating performance-driven schools, and addressing the human capital challenge. At that point, the public investment in private schools will be deemed worthwhile.

### *Defend Gains against Opposition*

Finally, donors must be prepared to defend the gains they have made against the inevitable opposition they will engender. (As Clint Bolick, former president and general counsel for the Alliance for School Choice, has put it: “As *Star Wars* teaches, the Empire *always* strikes back.”) “Just look at the D.C. voucher program,” says Howard Fuller. “It’s in a heated battle to stay alive.” Fuller has long been a leader in the African-American community’s efforts to advance parental choice. He was the Superintendent of the Milwaukee Public Schools from 1991 to 1995, the key years of the city’s voucher effort, and today he serves as the founder and director of the **Institute for the Transformation of Learning** at Marquette University and the founder and board chair of BAEF. On the strength of his experience, Fuller likes to emphasize to donors that their efforts must include funding the political safeguards necessary to protect a parental choice program. “There are people who wake up every morning, intent on crushing school reform.”

For that reason, as they have at the state level, individuals have also made significant non-tax deductible contributions to national

**Donor's Perspective:****“What We Have Now Is a Dysfunctional Market.”**

As for private schools, what we have now is a dysfunctional market. The current market produces basically two kinds of private schools: at one end, high-cost, elite, full-tuition private schools, which serve primarily wealthy kids, and at the other end, subsidized religious schools (often Catholic schools), which do not charge full cost, and which generally serve low-income families. You don't really have a normally functioning market, producing services at all points in between those two ends of the spectrum. That's where educational choice comes in. With vouchers and tax credits, we can begin creating new opportunities—new supply—between the two ends of the spectrum.

*Patrick Byrne*

Chairman and CEO, Overstock.com, and chairman,  
Friedman Foundation for Educational Choice

political organizations. **All Children Matter (ACM)**—which is a 527 political organization—has since 2003 worked around the country to elect public officials, both Republican and Democratic, who support school choice initiatives. ACM is led by Betsy DeVos, an education reform leader (she spearheaded bipartisan efforts to lift Michigan's cap on charter schools) and former chairman of the Michigan Republican Party. ACM defines its mission as “working to change the political environment by standing up to [education sector] special interests to ensure that these children and their families will have a voice for school choice—and an equal opportunity for a quality education.”

A relatively new entrant in this space is **Democrats for Education Reform (DFER)**. DFER is a lobbying, funding, and advocacy group launched in 2007 that supports educational high standards, innovation, accountability, and choice. The organization is a 501(c)(4), allowing it to lobby nationally in support of reform-minded Democratic candidates and to advocate for legislation. Non-tax deductible contributions to DFER come from individuals like hedge fund investors William Ackman, R. Boykin Curry IV, Charles Ledley, John Petry, and Whitney Tilson.



### **The Future of Advocacy for Urban Catholic Education**

Today, no cohesive, national movement has been mobilized on behalf of urban Catholic education. True, the National Catholic Educational Association has long served as a professional education organization, and the **Council for American Private Education (CAPE)** advocates on behalf of private schools broadly. Nevertheless, advocacy on behalf of Catholic education is neither sufficiently unified nor proactive. Urban Catholic schools could benefit enormously from more favorable public policies, and public policy efforts that are better coordinated. This challenge presents serious donors with a real opportunity for philanthropic leadership.

## CHAPTER IX

### Catholic Identity

Philanthropists working to fund urban Catholic education share certain baseline interests. They are interested in providing an academically rigorous and character-building education to students who would not otherwise receive one. And they are interested in offering parents real and strong options for the education of their children.

But there is an additional dimension to funding urban Catholic education. That dimension concerns the specifically Catholic element of urban Catholic education. To what extent should donors be concerned with a school's Catholic identity? To what extent does it matter if students pray regularly, receive the sacraments, and are taught the catechism? To what extent does it matter if the school sees its mission as evangelizing the Catholic faith?

Donors can decide for themselves how important Catholic identity is to their funding—and should adjust their grantmaking accordingly. There is, after all, a wide range of opinions on the importance of Catholic identity. To some donors, it is essential. They are committed to the Catholic Church, and would rank the robustness of a school's Catholic identity above the rigor of its academic programs. To other donors, Catholic identity is all but irrelevant; they are only interested in the schools' instructional quality. Still other donors—Catholic and non-Catholic alike—think the question is entirely misplaced. These donors believe that it is impossible to separate Catholic identity from instructional quality because the former deeply nourishes the latter.

Where a donor falls on this spectrum of opinion might be expected to align with (a) whether or not a donor is Catholic, and, if the donor is Catholic, (b) how important Catholic identity is to his or her own life. Often, these are guiding considerations—but not always. Consider the following examples:

- One San Diego-based donor who has contributed millions of dollars to Catholic education believes that Catholic schools lacking a strong sense of Catholic identity should either be shut down or converted into public charter schools. “We have got to get back to basics,” he explains. “If a Catholic school does not have a deep-seated spiritual life, if it does not serve the church,

then why do it? We can—and should—support education for disadvantaged students in a number of other ways. But Catholic education is special, and it should mean something special, something more than academics.”

- When asked why Catholic parishes were subsidizing the tuition of non-Catholic families, the former archbishop of Washington, D.C., James Cardinal Hickey, famously replied: “We don’t educate them because *they* are Catholic. We educate them because *we* are Catholic.” That sensibility pervades inner-city Catholic education: that the education of disadvantaged children is a responsibility of the Catholic faith, a moral good in and of itself. From this point of view, even strongly committed Catholics may see the Catholic identity of their inner-city schools as a secondary consideration.
- Interestingly, there is compelling evidence that many non-Catholic parents want to send their children to distinctively Catholic schools. Patrick J. Wolf, a lead researcher with the School Choice Demonstration Project at the University of Arkansas Department of Education Reform, has extensively surveyed parents who have benefited from voucher programs. His study of parents in Washington, D.C., for instance, has found that although most of the elementary school students who enrolled in private schools through vouchers were Baptist, a majority of them enrolled in Catholic schools. None of the parents surveyed said that their child was excluded from a school because of his or her religious denomination. In fact, Wolf has found that parents in the District are “highly satisfied,” and view private religious schools as safer, better ordered, and more disciplined than other private schools.
- In May 2007, retired hedge fund manager Robert W. Wilson contributed \$22.5 million to the Catholic schools of the Cardinal’s Scholarship Program in the Archdiocese of New York. Wilson is a self-described atheist, so it is not surprising that to him, Catholic identity was at best an afterthought. As he explained to Bloomberg News, his contribution centered on educational quality: “It was a chance for a very modest amount of money to get kids out of a lousy school system and into a good school system.”

Every donor interested in supporting urban Catholic education should carefully weigh how important Catholic identity is to what he or she hopes to achieve. There are a wide variety of inner-city Catholic schools, and their sense of Catholic identity varies broadly. Donors should think hard before committing funds, find schools that match their priorities, and hold those schools accountable for the results they want to see.

## CHAPTER X

### Ten Great Ideas in Need of Funding

Donors nationwide—Catholic and non-Catholic alike—are joining the effort to revive America’s inner-city Catholic schools. There are a number of ideas with significant transformative potential that have yet to be funded. This chapter is intended to provide donors with actionable ideas for supporting and improving urban Catholic education, and to highlight some of the field’s most promising opportunities for targeted philanthropic innovation.

#### **Idea 1: Provide dioceses with good information about the benefits, drawbacks, and technical aspects of charter conversion options.**

Many Catholic leaders have been wary of the growing popularity of charter schools, concerned that they might draw away families who would otherwise choose Catholic schools. Indeed, across the country, some dioceses have even enacted policies that prohibit selling or leasing facilities to charter schools. Faced with financially unsustainable parochial schools, many diocesan leaders are now considering—and wrestling with—questions related to proactive and cooperative leases to charter school operators, and converting some existing parochial schools into non-sectarian charters.

Current economic conditions have given these questions special urgency. There is a pressing need for comprehensive, credible information on the benefits and drawbacks of charter conversion. Donors are ideally situated to fund such research. They can also help Catholic leaders sort through the not-insignificant technical aspects of converting Catholic schools into charter schools. Questions that such an initiative may explore include:

- Should some endangered urban Catholic schools be converted into public charter schools (like the seven Center City Consortium schools in Washington, D.C.)?
- Should vacant Catholic school facilities be leased to charter school operators?

- In either case, what kind of extracurricular religious activities, if any, can be provided to students (or faculty) of such schools? Is there a workable “wrap-around” model where a Catholic school converts to a charter school while an optional religious component that takes place after school is provided?
- What standards should be used to measure charter school operators as potential tenants? What should the terms of the leases be? What governance arrangements should be considered?
- What are the biggest risks to Catholic schools in converting or leasing to charter schools? What are the biggest advantages?

### **Idea 2: Create a venture fund to incubate new school models.**

Like most urban schools, public or private, the majority of Catholic schools are based on a school model that was designed to meet the needs of the 19th century. The *essential* features of this model—its insistence on strong academics and on high moral standards—remain attractive to many parents. But the *incidental* features of the model—from its scheduling to its staffing and financing—will have to adjust to 21st-century realities if Catholic schools are to continue serving urban students. New school models—models that retain what is essential and adapt what is incidental—are desperately needed.

The challenge, then, is to develop new school models that ensure academic quality and financial viability. Private philanthropy could fill a crucial niche by launching a seed fund that would underwrite the design, piloting, and replication of new urban Catholic school models. (Models for such a fund can be drawn from the charter school sector, where the **Charter School Growth Fund** and the **NewSchools Venture Fund** are leading venture philanthropies.) With a strategically managed seed fund, Cristo Rey and NativityMiguel could be joined by dozens of other innovative, dynamic, and growing “chains” of urban Catholic schools.

The seed fund could be structured with a staggered roll-out, with early work on new school models laying the foundation for a subsequent leadership training program like, for example, the **KIPP** Fisher Fellowship, a leadership program that trains participants to launch and lead new KIPP schools. Once the first-stage element had determined the most promising new models, this second-stage leadership program could help attract and train aspiring school founders to successfully replicate these models.

### Idea 3: Network Catholic school leaders and public school leaders to share what works and partner on school reform.

A number of urban public schools—both charter and district—are exploring solutions to some of the most challenging questions facing low-income and minority students. They are studying how to recruit, select, and train outstanding teachers and principals, how to use data to drive decision-making, and how to mobilize parents to catalyze policy reforms. Since many Catholic schools serve the same student demographic, it would benefit both sectors to connect more frequently to share best practices. Donors are well-positioned to convene and encourage these two sectors to work together—and can do so with relatively modest investments.

An example of this idea in action occurred recently in Memphis. One Memphis-based foundation provided funding for three urban school leaders to participate in the Weekend Warriors Series, a training program developed by Boston-based **Building Excellent Schools (BES)**. BES offers a set of programs and services designed to develop effective leadership in urban charter schools as an adjunct to its Building

Excellent Schools Fellowship. The Weekend Warriors Series consists of three-day training weekends, offered five times per year, that provide instruction on teacher development, data analysis, leadership communication, standards and assessment creation, lesson planning and execution, and the leadership, management, and evaluation of adults, among other critical elements of school design and education reform.

The Memphis-based foundation (which invests in district, charter, and faith-based schools) wanted to offer BES training to the founders of two new local faith-based schools. BES decided, for the first time, to include these private school founders among the charter school participants. Not only did the Memphis cohort benefit from the strong focus on practical tools that can be implemented immediately, but according to BES founder and executive director Linda Brown, the charter school participants benefitted greatly from the interaction with the faith-based cohort.

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It would benefit both the Catholic school sector and the public charter sector to connect more frequently to share best practices.

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#### Idea 4: Invest in performance-management tools.

There is a dire need for Catholic schools generally—and inner-city Catholic schools specifically—to invest in performance-management tools. The Catholic Church has historically been a great incubator of science and technology. Unfortunately, however, that tradition has not always carried over into the 21st century. Today, for instance, many diocesan school systems are still operating under time-consuming and inefficient pencil-and-paper bookkeeping systems. In the Archdiocese of New York, which serves 83,000 students, teachers do not have email addresses assigned to them, and only recently has the archdiocese added an online application to its website.

Many Catholic schools, especially Catholic schools that serve at-risk students, have not yet made the transition into a data-driven modern world. Public schools, meanwhile, are benefiting

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Many diocesan school systems still operate under time-consuming and inefficient pencil-and-paper bookkeeping systems.

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from the investments of philanthropies like the Bill & Melinda Gates Foundation and the **Michael & Susan Dell Foundation**. Forward-looking donors are helping schools harness technology to achieve better educational outcomes, improve home-school communication, and ensure financial viability. A key component of their technology investments has been

the provision of knowledge-management tools to public school systems. These new tools include back-office data management systems; wiki-based platforms to build and share best practices; and databases to gather, analyze, and apply test results. These knowledge-management tools are collectively helping urban public school districts transition from compliance- to performance-oriented systems. Catholic schools need similar support.

Catholic schools could likewise use help in the creation of high-tech reporting for comparative purposes. In recent years, parents have gained a great deal of valuable information about school performance through donor-led, web-based information clearinghouses like **GreatSchools.net**. Philanthropists can help urban Catholic schools report their data to GreatSchools.net and other similar sites. When schools get in the habit of publicly revealing their performance, they usually commit themselves to improvement. As the old saying goes: that which gets measured, gets done.



### Idea 5: Take ACE to scale.

In education, as in most other enterprises, people are *everything*. Because human capital is central to the future of urban Catholic schooling, donors should thoroughly examine existing programs to recruit and train teachers and principals. Perhaps the best-known teacher-recruitment program in American Catholic education is the Alliance for Catholic Education at Notre Dame. ACE has made impressive gains since its inception in 1994, but, as a recent report from the Thomas B. Fordham Institute notes, its efforts need to be multiplied tenfold and must engage many more Catholic (and non-Catholic) colleges and universities. ACE, in short, needs to grow to scale.

ACE (or perhaps a spin-off) should work with universities across the United States to aggressively recruit talented young men and women to teach in urban Catholic schools. This effort would

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In the effort to take ACE to scale, ACE can learn from the success of Teach For America.

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forge a special relationship with select dioceses that have made a serious commitment to serving disadvantaged children. It would also work extensively on both Catholic and non-Catholic campuses, in an effort to attract highly motivated people to work in urban Catholic schools.

In the effort to take ACE to scale, ACE can learn from the success of Teach For America, started by Wendy Kopp when she graduated from Princeton in 1989. Like ACE, TFA started small, with just 500 college graduates making a commitment to teach for two years in some of America's toughest schools. Today, however, TFA is one of the best recruiters of talent on college campuses, with more than 7,300 teachers serving as "corps members." It has perfected the art of recruiting new talent, and has developed a rigorous selection process that targets future leaders—people who will become school founders and principals, superintendents, policymakers, and education advocates. Moreover, TFA works to strategically cultivate its graduates to keep them in the field and place them in important education positions. Michelle Rhee, Chancellor of D.C. Public Schools, may be the best-known example of how TFA recruits and cultivates teachers with future leadership potential, but there are many others.

Like TFA, a scaled-up ACE would attract new talent into the sector, raise the status of those who commit to teaching in urban

Catholic schools, market the benefits of Catholic education, and build a strong network of social entrepreneurs committed to the long-term revitalization of Catholic schools. Unlike TFA, the scaled-up ACE would incorporate a vibrant faith-formation component for corps members.

Finally, the effort to develop human capital should not be limited to teachers and principals. The Catholic education sector needs strong teachers and principals with sound faith formation, to be sure, but it also needs highly skilled superintendents and network executives, as well as a force of reformers committed to achieving the policy changes that will lead to long-term viability.

**Idea 6: Mobilize the Catholic laity and other faith-based constituencies to press for public policies in support of religious schools.**

From the Knights of Columbus to the Legion of Mary, there are scores of established lay Catholic networks with millions of members across the United States. These fraternal societies of lay Catholics regularly meet for social, educational, and charitable purposes. They are committed to service, and are looking for ways to make a positive difference in the life of the church. Likewise, the alumni of Catholic schools—particularly the alumni of Catholic

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Networks of Catholic laity are an untapped resource for bold and necessary policy reforms.

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colleges and universities—are often active in the support of their alma maters. These networks of concerned Catholic laity are an untapped resource for bold and necessary policy reforms.

In ways small and large, these pre-existing networks of lay Catholics can be mobilized to advocate for policy reforms that would help religious schools generally, and urban Catholic schools specifically. Unfortunately, there has not yet been any sustained effort to network, educate, and mobilize these organizations. This is especially unfortunate, since the startup costs for an outreach effort could be relatively low. A strategic online outreach to these networks—through Facebook or other social networking sites—could educate lay Catholics about the need for tax credits, vouchers, and other public policy efforts to ensure the long-term viability of Catholic education.

“The American Catholic community must do a better job of articulating the value proposition of Catholic schools and, frankly, the conse-

quences to children, families, communities, and the nation of doing nothing or too little,” says Fr. Tim Scully, director of ACE. “Education is a key civil rights issue of our time, and access to high-quality Catholic schools can be a bridge to equity and fulfillment. Such a case, then, made on the national and local levels would go a long way to saving Catholic schools and to achieve a more just society. We need a *movement*—which engages Catholics and all people of good will—in support of Catholic schools from coast to coast. It is admittedly a daunting task to create a ‘program’ for something like this, but igniting the will and channeling the energies of Catholics and others committed to education reform toward Catholic school revitalization is central to our aims of sustaining and strengthening these sacred places serving civic purposes.”

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“We need a *movement*—which engages Catholics and all people of good will—in support of Catholic schools from coast to coast,” says Fr. Tim Scully.

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### **Idea 7: Leverage technology to achieve productivity gains.**

Though computers have been in K–12 classrooms for almost three decades now, they have not been employed to deliver educational content directly to students. Until now. Personalized learning innovations such as virtual charter schools, adaptive content, and game-based learning are challenging fundamental assumptions about the way students learn—and the systems that currently deliver education. Many donors are now exploring strategies to develop the tools, platforms, and schools of the future—and Catholic education can, and should, leverage these breakthroughs.

For instance, online schooling is gaining a foothold among homeschoolers, in instances where schools cannot offer their own advanced courses, or in specialized areas such as credit recovery for dropout students. The ultimate goal is that any computer with an internet connection will be able to provide quality (and increasingly personalized) instruction—to any child, at any time, anywhere in the country.

Launched in July 2009, **Catholic Schools K12 Virtual (CSK12)** is trying to do exactly that. CSK12 has developed a two-tiered model for online education, operating an online school, as well as a customizable “digital classroom” for schools that want to create their own web-based presence using their own teachers. Founded by Fr. George Puthusseril, this “bricks-and-clicks” solution

works in partnership with existing Catholic schools. The brick-and-mortar schools extend their reach and broaden their curriculum, without the added expense of staffing high-end, small class loads. “Using technology, we can bring high-quality Catholic education to every family in the country. It may not be practical to build Catholic schools everywhere, but with the technologies available today, we can bring the excellence of a Catholic education to any family who wants it,” says Puthusseril.

The goal of online learning has not been to shut down schools, but to use existing space and resources differently—and ultimately, to provide a better education at a lower cost. **Rocketship Education** in San Jose, California, where 73 percent of students are English language learners and 78 percent qualify for the federal meals program, implements a school model that blends online learning with traditional classroom instruction. Rocketship students spend one quarter of their instructional time online and the remainder in a traditional classroom setting. The “Learning Lab”—i.e., online—component is supervised not by teachers, but by hourly workers with strong classroom management skills, saving the school a full teacher per grade level and about \$500,000 annually. These savings allow Rocketship to devote more money to principal training, a program to individualize instruction, a 20 percent increase in teacher pay, academic deans for teacher mentoring, and new school construction. Rocketship also uses its online learning to collect valuable data about student performance. And the model is working: Rocketship was recently ranked the highest performing low-income elementary school in San Jose and Santa Clara County, and third in California.

Technology has the opportunity to change student learning productivity in an unprecedented way, and if applied creatively, could help usher a new era in urban Catholic education.

### **Idea 8: Create an incentive prize.**

Establish an incentive prize to encourage innovation. A number of nonprofit sectors have long used prizes to celebrate and reward truly excellent work. Examples include such household names as Nobel and MacArthur, but also include lesser-known but perhaps more consequential awards like Templeton, Simon, and Opus.

In recent years, a new model of prizes—the incentive prize—has re-emerged. Incentive prizes are specifically oriented toward achieving certain, pre-defined outcomes. Perhaps the best-known example

is the **X Prize**, which has become a leading model for leveraging public interest, entrepreneurship, and cross-disciplinary innovation to bring about breakthroughs in space, genomics, and automotive engineering. An incentive prize for Catholic school reform could have annual or biannual competitions for the most promising innovations for improving governance structures, academic programs, cost management, strategic marketing, and parishioner engagement.

### **Idea 9: Encourage vocations to Catholic religious life.**

A major driver of the crisis in Catholic primary and secondary education has been spiraling personnel costs. Unfortunately for Catholic schools, the costs associated with human capital are rising in ways that were not considered when most of the schools were built. Throughout the history of Catholic K–12 education, the basic underlying business model relied heavily on priests, brothers, and nuns: highly motivated, intelligent, and determined teachers and principals who were willing to work for little to no pay. With the

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Even today, there are some dioceses and orders that have had remarkable success with inspiring vocations to the religious life.

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sharp decline in the numbers of Catholic religious vocations, however, that business model is no longer operative. Teachers and principals at Catholic schools are paid less than their peers in public schools. Nevertheless, they often have families—and thus need higher salaries, unlike the ordained religious they replace.

One way for donors to support Catholic schools generally, and inner-city Catholic schools specifically, is to help arrest the downward trend in Catholic vocations, particularly among those religious orders and dioceses that place a special emphasis on teaching poor and marginalized children. (After all, the economic logic of the traditional parochial school model is still sound: with enough long-term, high-quality, quasi-volunteer teachers, school operating costs become much more manageable.) Even today, there are some dioceses and orders that have had remarkable success with inspiring vocations to the religious life. For instance, Darla Romfo points to the Dominican Sisters of Mary, Mother of the Eucharist, as a teaching order worth supporting because of its work in K–12 education. “The order is thriving,” says Romfo, “and they are doing amazing work in the classroom.”

Donors may consider helping bishops and religious leaders who have demonstrated the ability to inspire vocations—especially vocations with a mission to teaching in underserved communities—in the knowledge that such vocations ultimately work to the benefit of Catholics and non-Catholics alike.

**Idea 10: Incentivize tithing in support of Catholic schools.**

Tithing—or regularly donating a fixed percentage (usually 10 percent) of one's income to the church—is a long-established tradition among Catholics. But, like meatless Fridays and regular confession, tithing is a practice that has fallen off among American Catholics.

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The Diocese of Wichita offers a compelling case study of what can happen when efforts to promote tithing succeed.

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The decline of tithing has seriously affected Catholic schools, since Catholic schools have historically relied on parish funds to cover their operating expenses.

The Diocese of Wichita offers a compelling case study of what can happen when efforts to promote tithing succeed. Beginning in the

early 1960s, a series of inspirational leaders—first, Fr. Thomas McGread, later Bishop Eugene Gerber and Bishop Michael Jackels—called upon parishioners throughout the diocese to make stewardship a way of life. The Catholic laity of Wichita has responded overwhelmingly. As a result, the diocese's inner-city Catholic schools offer deeply discounted tuition to non-Catholic students. Perhaps more impressive, notes Bob Voboril, superintendent of diocesan schools, "because the entire diocese is committed to stewardship, parishes make every effort to make a Catholic education, from kindergarten through high school, available to active parishioners without charging tuition. As far as we know, the Diocese of Wichita is the only diocese in the United States where every child of active parishioners can attend Catholic grade [school] and high school without paying tuition."

Encouraging lay Catholics to achieve Wichita's level of stewardship will require truly inspiring leadership. Nevertheless, there may be an important role for private philanthropy. Donors may consider establishing a fund to match the dollar amount of any lay Catholic who tithes his or her income. Behavioral economists have studied match grants and consistently found that they encourage greater participation and larger contributions. People naturally want to

make the most of their charitable giving, and match grants offer an incentive to give more and give more consistently than people otherwise would. (Somewhat surprisingly, the research has found that increasing the match ratio—from 1:1 to 2:1 or even 3:1—does not seem to have any effect on either the rate of participation or the size of contributions.) What seems to matter most is the fact that there *is* a match, not the size of the match.

Of course, since such an effort would be unprecedented, the funders of a tithing-match grant may want to proceed cautiously and study results as they move forward. With a limited pilot program (capped either by number of participants or total match funds available), donors could study results and proceed on the basis of lessons learned from the initial match.

## CHAPTER XI

### Conclusion

Catholic schools have offered generations of Americans a superb education at minimal cost. For over two centuries, these schools have been built by local communities, sustained by small donations, and staffed by highly motivated men and women who dedicated their lives to serving generation after generation of working-class families. In doing so, Catholic schools have earned a reputation for academic quality and character development, and have been identified with a commitment to helping every child achieve what they regard as his or her God-given potential.

Today, however, Catholic schools nationwide—and especially in the inner cities—face a series of escalating challenges, which, taken together, threaten their future viability. If they are to continue their mission of providing high-quality educational options for the families that need them most, urban Catholic schools will need strategic philanthropic support from donors of all faiths.

No shortage of opportunities awaits such donors. The scale of the problem is daunting, but its magnitude also creates possibilities for bold philanthropic investment. Donors of all sizes and all faiths and in all regions of the country can offer invaluable support to an institution that has historically served the nation's children so well.

The history, scale, and competitive force of inner-city Catholic schools are far too important—for disadvantaged families and for our free society—to let slip away.



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