



FADICA

**Managing Governance Change** in PreK-12 Catholic Schools



FADICA

FADICA is the leading philanthropic peer network serving as a catalyst for a vital Catholic Church, Catholic ministries, and the common good. We promote the growth and effectiveness of Catholic philanthropy inspired by the joy of the Gospel and the Catholic social tradition. FADICA supports its members through education, exchange, fellowship and faith, research, joint funding opportunities, and interaction with Catholic leadership.

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## Letter from FADICA



### *Dear Leaders and Supporters of our Catholic School Communities,*

Significant efforts to support the sustainability of our nation's Catholic schools have resulted in dramatic changes in school structure and operational management. The parish-based model that has served the Church and schools for generations has become more difficult to sustain, especially in economically-challenged areas. However, the opportunity and need for Catholic schools continues to grow. A recent national market research study revealed that 1 in 2 parents in the U.S. would consider a Catholic school when considering educational options for their child (FADICA, 2018, p.22).

In 2018, FADICA learned through its national and local partners in Catholic education of the strong desire and need for information and guidance on school governance changes. At the same time, FADICA members and other donors were also seeking tools and data to assist dioceses with governance change determination and implementation. We are deeply grateful for the philanthropic support of the members of FADICA and the Catholic School Philanthropy Working Group who sponsored this qualitative research in order to address these issues.

*Managing Governance Change in PreK-12 Catholic Schools* reveals common themes, concerns, and best practices identified through interviews with more than 65 leaders in eight dioceses of varying demographics. While there is no one model that will serve all schools and dioceses, the key findings and the Governance Change Cycle explained in this report can assist school leaders to make sound, data-informed decisions through a deliberative process – before a crisis develops.

Catholic education is a vital ministry of the Church. Our hope is that this research expands and supports that ministry, ensuring the highest quality Catholic education for as many students as possible.

This work is dynamic and ever-changing, and for that reason FADICA will continue to follow the innovations in governance and engage with Catholic education leaders. We welcome continued dialogue, input, and questions on this research and other critical topics in Catholic education.

Sincerely,

Alexia K. Kelley  
*President*

Alicia Bondanella Simon  
*Director of Membership & Catholic Education*

## Executive Summary

Since the 1960s, the number of Catholic elementary and secondary schools have decreased by more than 50% with a 65% decline in enrollment (NCEA, 2019). This trend has continued over the past ten years with nearly a 12% loss of schools and a 16% decrease in students. School and diocesan leaders have explored alternative approaches to governance to improve the long-term sustainability of their schools. School governance establishes the framework (policy, strategic priorities, mission) within which school administrators manage daily operations.

A majority of Catholic schools fall under the governance of a parish and the leadership of the pastor. Other models of school governance include inter-parish, diocesan, and private Catholic schools, as well as the more recent effort to group schools under a unified administration. The increasing utilization of boards has provided varying degrees of shared decision-making (collegiality) in governance. These boards range in authority from advisory, to limited jurisdiction, to fully-governing fiduciary boards.

Foundations and Donors Interested in Catholic Activities (FADICA), in its 2015 study, *Breathing New Life into Catholic Schools: An Exploration of Governance Models*, identified and described the structure and components of governance models in use in a variety of schools and dioceses along a four-quadrant matrix:

**Local-Executive:** Individual schools governed by a singular authority;

**Local-Collegial:** Individual schools governed partially or fully by a board;

**Central-Executive:** A group of schools governed by a singular authority;

**Central-Collegial:** A group of schools governed partially or fully by a board.

The *Breathing New Life* report concluded with a prompt for future research:

“...there is no one-size-fits-all approach or a single set of best practices in governance. Deciding on the right governing structure is a process of identifying the unique context and problems, devising an effective strategy, building support from the ecclesiastical and lay community, and adapting to challenges all along the way” (FADICA, 2015, p.19).

Drawing from the experience and insights of key Catholic school stakeholders from eight dioceses across the country, this study examined the change process in Catholic PreK-12 schools to guide leaders on determining when a change in governance is necessary, what alternative models are suitable for their contexts, and how best to manage the change process.

The study identified “imperatives” that can indicate when a governance change might be necessary. These include financial performance, enrollment, academic quality, leadership (both lay and clerical), and socio-economic justice. Participants also recommended that leaders consider the impact of generational change in American culture, parsing out poor leadership and ineffective governance, the nature of the school’s relationship with the parish and diocese, and the value and challenges of board development and management. To help guide the change process, school leaders are advised to:

- exercise judicious haste;
- emphasize mission over money;
- choose a proactive, strategic approach;
- attain and maintain great leaders;
- utilize data-informed decision-making;
- prepare for unintended consequences;
- customize solutions for diverse needs; and
- carefully consider the role of the pastor.

The study participants offered valuable insights into the strengths, inherent weaknesses, situational alignment, and leadership for each of the governance matrix quadrants.

The study confirmed that dioceses have a variety of options along the local vs. central and executive vs. collegial axis of the governance matrix to consider as a revision to or a replacement of the traditional parish model. Leaders may choose to continue a localized approach or move to a centralized approach under the diocese or a single administration for a cluster of schools. Similarly, leaders will deliberate the options for decision-making processes that range from the sole responsibility on one individual executive to a range of collegial approaches under a board.

Considering that the options are not fixed categories but continuums allows leaders to tailor the alternative model to their unique situation. Choosing the right balance on the local vs. central and executive vs. collegial continuums will take into account ownership, decision-making, school-parish partnerships, principal-pastor relationships, availability of competent board members, resources, and strong leaders. Dioceses are developing innovative governance models that are adaptive to their current local situations and responsive to changing conditions over time.

The best practices that have emerged from the research have informed the development of a Governance Change Cycle for the determination and management of a change in Catholic school governance with four main components:

**Assess the Context:** Leaders should gain an understanding of the external and internal factors that currently impact the school;

**Analyze the Data:** Leaders should continually assess future opportunities for the school, as well as potential threats by collecting and analyzing relevant data, and establishing metrics to monitor and track the school's performance;

**Determine the Model:** Leaders should understand the pros and cons of each category of governance models in order to choose a "best fit" model;

**Implement the Change:** Leaders should manage the transition to a new governance model by implementing

proven change management processes.

These insights from Catholic school leaders and stakeholders from across the country contribute to previous research by providing a more nuanced understanding of the dynamics of the process to revise or replace a traditional parish school model in a variety of situations. Successfully identifying a "best fit" governance model requires careful deliberation that takes into account an array of contextual factors, common difficulties, identified best practices, and important decision-making mechanisms. Committing to a quality deliberative process may be just as important as the governance model that is decided upon.

A "best fit" governance model is more likely to contribute positively to the vitality and sustainability of the school as evidenced by enhanced leadership, improved program quality, stabilized enrollment, sustainable revenue, and overall mission-effectiveness. The importance of context in determining the "best fit" model suggests that future research would do well to continue to track the progress (or lack of progress) of individual cases in order to understand how a governance change worked within each context.



**Successfully identifying a "best fit" governance model requires careful deliberation that takes into account an array of contextual factors...**

# Introduction

**D**uring the early 1960's, enrollment in U.S. Catholic schools reached its peak at more than 5.2 million students in nearly 13,000 schools across the nation. Since that time, Catholic elementary and secondary schools have faced a host of challenges which have resulted in a decrease in the number of schools by more than 50% to 6,289 in 2019, and a 65% decline in enrollment to 1.8 million students in 2019 (NCEA, 2020). Catholic school leaders have experimented with countless ways to reduce costs and increase revenue in order to improve the financial vitality of their schools. One approach school and diocesan leaders have taken is the exploration of alternative governance structures to improve the sustainability of their schools (Goldschmidt & Walsh, 2013). "Governance" refers to the articulation of mission, policy development, operational priorities, hiring, evaluation, and reporting that guide long-term sustainability as well as the daily operations of the school (Brown, 2010). For Catholic schools, governance provides *remote authority* through establishing the framework within which school administrators provide *direct authority* in managing daily operations.

A majority of Catholic schools fall under the ownership of a parish and thus are governed by the pastor. This traditional parish school model was established as the standard by the Third Plenary Council of Baltimore in 1884, when the American bishops made it an obligation for all pastors to develop a Catholic school for the parish (Brown, 2010). Catholic schools unrelated to a specific parish include diocesan schools (usually high schools) which fall more directly under the bishop's authority, private Catholic schools (typically sponsored by a religious congregation), and inter-parish schools, which may be sponsored by two or more parishes. The Catholic schools independent of parish ownership have utilized various models of governance and have co-existed with traditional parochial schools in dioceses nationwide for decades.

A key component of governance has been the use of boards to engage lay people in varying degrees of oversight. Trend data from the National Catholic Educational Association (NCEA; 2020) has identified an increase in the number of schools that utilize some type

of board, from 74% of all schools in 1994 to 85% in 2019. Catholic schools have employed three types of boards:

**Advisory Board.** Advisory boards may be authorized or requested to make recommendations, coordinate activities, raise funds, and help implement programs. Advisory boards have no power to make independent decisions, establish policies, or control the financial business of the institution. The pastor or principal ultimately determines what board recommendations will be accepted. A variation of an advisory board is a consultative board which operates with the additional mandate that the entity with final authority is required to consult with the board before making final decisions.

**Board of Limited Jurisdiction.** A board of limited jurisdiction has the authority to make final decisions related to a limited set of issues, with the remaining issues resting with the executive entity. Boards of limited or specified jurisdiction have dramatically different areas of influence, depending on the needs and judgment of the authorizing entity and the exact interpretation of their by-laws.

**Fiduciary Board.** A fiduciary board has complete governing authority and does not share that authority with any other entity. The school's recognition as "Catholic" remains under the purview of the local ordinary (usually the diocesan bishop) who permits it to operate as a ministry in the diocese. Fiduciary boards are fully responsible for the success or failure of the institution.

Over the past twenty years, innovative variations of governance models as a revision to the traditional parish school model have emerged in an effort to better address the challenges for Catholic schools. As a philanthropic network committed to supporting a vibrant Catholic church and its ministries, Foundations and Donors Interested in Catholic Activities (FADICA) has invested in research to support philanthropic initiatives such as those that ensure the sustainability of Catholic schools across the United States. In 2014, FADICA began a study of innovative Catholic school governance models that are reshaping or replacing the traditional parochial school model. The results of the study were presented in the

Figure 1. Matrix of Catholic School Governance Models

publication, *Breathing New Life into Catholic Schools: An Exploration of Governance Models*, which gave school leaders and stakeholders an unprecedented, concise overview of the governance systems in use across the United States (FADICA, 2015).

The report identified and explained the structure and components of governance models in use in a variety of schools and dioceses. It divided these models into a four-quadrant matrix (Figure 1) characterized by the type of leadership exercised:

**Local-Executive:**

Individual schools governed by a singular authority (e.g., parochial schools);

**Local-Collegial:** Individual schools governed partially or fully by a local board that has been delegated a degree of authority (e.g., inter-parish schools);

**Central-Executive:** A group of schools governed by a singular authority (e.g., diocesan-owned schools);

**Central-Collegial:** A group of schools governed partially or fully by a board (e.g., independent schools).

The use of a matrix to understand governance offered a valuable insight into this complex concept. By showing that governance is not limited to fixed types, the report demonstrated how governance models fall along a continuum of related dimensions (FADICA, 2015). Thus, a continuum shows that dioceses have a number of options to tailor their governance model to their location. Rather than choosing among set categories, school and diocesan leaders can have more creative discussions about

finding the right balance between executive vs. collegial or local vs. central governance to best fit their specific needs.

FADICA’s (2015) research was well received by many bishops, superintendents, and other leaders in Catholic education. Its clear categories to characterize the kinds of governance in use allowed stakeholders to compare and contrast the various elements of the models and understand how they have been implemented. An unpublished follow-up survey conducted by FADICA in 2017 revealed that the governance models had continued to evolve by identifying eighteen different types of governance programs including several new models, and reported that two of the original programs in the 2015 report had ceased to exist. These facts indicate the ongoing need for innovation, flexibility and adaptability in governance models as dioceses continue to respond to the significant widespread challenges besetting Catholic schools.





## Study Purpose and Methods

The *Breathing New Life* report concluded with a prompt for future research, stating:

...there is no one-size-fits-all approach or a single set of best practices in governance. Deciding on the right governing structure is a process of identifying the unique context and problems, devising an effective strategy, building support from the ecclesiastical and lay community, and adapting to challenges all along the way. (FADICA, 2015, p.19)

This study responds to that prompt by examining the change process in Catholic PreK-12 schools in the United States in order to provide better information to leaders regarding:

- when change is necessary;
- what alternative models are suitable for particular contexts; and
- how best to manage the change process.

Utilizing best practice qualitative research methods, the researchers conducted sixty-eight interviews with key Catholic school stakeholders across eight dioceses, all of which had experience with changing governance models and structures. The dioceses varied by region, size, and percentage of Catholics of the total population. Participants included six bishops or auxiliary bishops, eleven superintendents, six directors of groups of schools, twelve principals, seven pastors of parish schools, five members of Catholic school boards, eight individuals associated with Catholic school philanthropy, a bishop's selected delegate, and a vicar general. An additional focus group of superintendents, business executives, and a former principal further examined the applicability of the findings of the study. Consistent with standard research approaches, the respondents participated under the condition of anonymity to optimize their candor and to focus on national trends rather than specific dioceses or schools. For a more detailed description of the research methods, see Appendix A.

### RESEARCH QUESTIONS

1. When is a change in Catholic school governance necessary?
2. What alternative models are suitable for particular contexts?
3. What are the best practices for managing a change in governance?



## General Findings and Themes

The study yielded over 1,250 pages of transcripts and addressed hundreds of themes. This report presents the most comprehensive, salient, and relevant findings from the research. An analysis and interpretation of the findings led to the identification of core themes which provide an overview of the learnings about Catholic school governance during the project as a whole.

The core themes that surfaced from the research include: the respondents' varied perceptions of the traditional, parochial model for Catholic schools; recommendations for the imperative factors to consider for governance change decisions; the need for multiple governance models to replace or revise the traditional, parochial model; the impact of cultural change on Catholic schools; the respondents' perceptions on Catholic school closures, mergers and consolidations; perceptions on the relationships of pastors and principals, as well as parishes and schools; and the respondents' evaluation of board structures and concerns regarding their ability to build effective boards. The context for each theme is provided in the paragraphs that follow.

### ***Varied Perceptions of the Traditional Parochial Model***

The traditional parochial school is still widely accepted as the default model of governance for PreK-8 schools. Proponents of the traditional parochial model included most of the priests interviewed, yet only a minority of the bishops. Respondents consistently articulated the strengths of the parish-based school model which include:

- the role of a parish-based and parish-named institution in defining the identity of the civic community;
- the ability to attract and recruit parents and other relatives of students to liturgical functions and parish membership;

- the stability and welcoming presence in core urban areas with rapidly changing demographics;
- the ongoing connection with alumni to foster continued philanthropic interests.

While the parochial model's persistence over decades is a testament to its merit, respondents noted that aspects of the model are outdated. They elaborated on some of the weaknesses, including:

- frequent changes in leadership;
- narrow base for decision making;
- lack of transparency in operations;
- potential incompatibility between pastor and principal.

Leaders are experimenting with how to incorporate the strengths of the parochial model with alternative governance elements to offset the weaknesses of the traditional model. Newer governance models build on the parochial model with the addition of a board of limited jurisdiction, a special diocesan initiative, or a consolidation of several parochial schools in which pastors and principals collaborate with a coordinating organization or individual.



## ***Governance Decision Imperatives***

The research revealed a high level of agreement on four factors that cannot be avoided when making a determination about whether a change of governance is needed. The imperatives neither demand that a change be made nor that a specific governance model be adopted. All factors do not need to be in crisis in order to determine a governance change, and any single factor can signal the need for change if it poses an existential threat to the school.

**1. Financial performance of the school and enrollment management.** Financial performance and the management of sustainable enrollment are critical co-dependent factors that determine the operational effectiveness of a Catholic school. While financial performance relies heavily on enrollment tied to tuition revenue, the ability to sustain enrollment depends significantly on maintaining a tuition structure appropriate for each school's market. Participants shared several factors that contribute to either success or failure. Positive factors include: significant scholarship programs for children who could not otherwise afford Catholic schools; creative approaches to revenue sharing and subsidizing expenses among parishes in a diocese; professional marketing and fundraising resources; and governance change that infuses new talent, programs, and leadership into institutions previously at-risk. Negative aspects include: accelerated depopulation of sections of a city or diocese; bouts of poor parish or school leadership; natural disasters and/or community crises; and jealousy and resentment among “have” and “have not” parishes. All of the negative factors can contribute to a swift and disastrous collapse of the enrollment/funding equilibrium. The success of Catholic schools is not merely tied to money and full seats, but includes a clear vision for the future of schools as a whole, an inclusive and comprehensive sense of strategic direction, an effort to anticipate unforeseen contingencies, and a sense of resilience among clergy, principals, boards, and parents.

**2. The ability of leadership to sustain the school.** Strong consensus from the study group stressed that one of the most important factors in the success or failure of Catholic schools is the effectiveness of the

leadership provided by whatever model of governance is in effect at a school. Effective leaders can emerge in all governance models and the best leaders are successful, even in the face of obstacles such as bureaucracy, autocracy, occasional insensitivity, and financial constraint. The role of the individual school principal is of paramount importance. According to one superintendent, “...you cannot have a good school if you don't have a good principal.” The pastor of a Catholic parish may often have a canonical duty and a diocesan expectation to provide leadership to an affiliated school. However, demographic and cultural changes have complicated the role of the pastor. Dioceses are challenged by a “short bench” of available priests willing and able to lead Catholic schools. In addition, shortages in priest personnel result in work overloads for priests who provide sacramental service to two or more parishes, serve as hospital chaplains, engage in fundraising, and fulfill diocesan duties. The “ministry of presence” and financial oversight needed by schools are increasingly viewed as burdens to be endured, rather than opportunities for evangelization. To cultivate effective school leaders, some dioceses are providing additional training in educational administration and business management for both principals and pastors.

**3. The overall perceived quality of the school.** The majority of the respondents agreed that the quality of the school should be considered when determining whether a change in governance is necessary. All of those interviewed offered only broad generalities about the quality of the schools in their dioceses, suggesting that dioceses would do well to establish a “dashboard” of quality indicators to measure and report schools' performance, as well as track progress.

**4. The demands of socio-economic justice.** Some respondents explained that socio-economic justice is central to the mission of Catholic schools, an essential element of the entire enterprise. This is most evident in efforts across the country to preserve Catholic schools in economically and demographically impacted urban core areas, even when only a few students enrolled are from Catholic parishes.

One of the most important factors in the success or failure of Catholic schools is the effectiveness of the leadership...

## ***Multiplicity of Models***

The research confirmed that multiple models of governance are replacing the traditional, parochial model within dioceses, with each model chosen specifically to meet the needs of a school or system of schools. One bishop stated: “I have had a basic common-sense rule of thumb ... one size does not fit all; that you have to study the local culture, the local needs, the local demands, the trends, and devise a solution that fits this situation.” One diocese facilitates six different governance models simultaneously, each responding to specific challenges. Another diocese is almost completely governed by a single governance model and another is attempting a similar consolidation. While the dioceses that are embracing several models have the advantage of flexibility in adapting models to local needs, they are concerned about maintaining a consistent character and culture across their schools. The dioceses attempting to operate under a single model have more control, but struggle with conforming all schools to a model that may result in a loss of local inclusion, a dilution of local leadership on boards, and fatigue of staff and board members.

## ***Impact of Cultural Change***

One unanticipated theme that shared a strong consensus among respondents pertained to the degree to which changes in civic culture in the United States have affected school governance. Leaders expressed concern about their capacity to swim against the tide of a secular culture and social behaviors that challenge the ability to preserve the Catholic character in Catholic schools. Respondents recognized that cultural change demands a new approach to governing schools that stresses greater openness, diversity and inclusion.

## ***Closures, mergers, and consolidations***

Perhaps the most difficult issue for Catholic school leadership has been the closure and consolidation of many schools in recent decades. Consolidations can be nearly as difficult as closures due to “holy alliance” or “hostile takeover” dynamics of governance change. A

“holy alliance” can involve a non-controversial agreement among parties to close, merge, or consolidate floundering schools under a new form of governance, whereas, a “hostile takeover” represents a perceived unilateral and, ordinarily, disputed decision to close, merge, or consolidate schools. The respondents provided little to no agreement on the best way to close or consolidate schools, with limited suggestions for best practices to direct school closures and consolidations, other than the obvious need for planning, the collection of relevant and accurate data, and the application of compelling communication. A major threat to these situations is unintended consequences, which can undermine the needed support from clergy for planning and implementation, and from the lay community, who may question the Church leadership’s intentions and direction.



## ***Pastor-Principal Partnership***

The majority of current and former principals and pastors of schools proclaimed the importance of the relationship between pastor and principal for an effective and successful parish school. The success of the relationship is closely tied to a strong “partnership,” defined by a whole-hearted commitment to mutually respected, mutually productive and mutually beneficial relationships, as well as demonstrated “effectiveness” in the achievement of generally agreed-upon goals and objectives. The respondents who described their most successful and most fulfilling relationships constantly used the word “partnership” to describe their relationship with their colleague-leader, especially when the speaker was a principal describing her or his relationship with a pastor.

**As fewer schools rely singularly on the parish pastor for decision-making, it is critical that schools and dioceses understand the various governance models and the types of boards that may support each model.**

Other respondents, including many pastors, described their most successful endeavors by emphasizing the outcomes of the work more than the relationships with colleagues, and most often described the attitudes of their best principals as “committed” and “dedicated.”

No single governance model can assure that those involved in implementing the model will reflect the commitment, dedication, and true partnerships that the respondents reported. However, the belief in the importance of leadership and relationship, and the effective collaboration of pastors and principals should help in establishing bylaws and implementing policies, including those that guide the search and appointment processes for pastors and principals of Catholic schools. One Catholic school superintendent summarized well the task of observing best practice around parish-school relationships, even in a time of change: “...so there might be a governance change, but there still should be an organizational and cultural alliance between the parish and the school. And that has to be intentional.”

### ***Parish-School Relationships***

The study participants shared their observations regarding the relationship of bishops with pastors and parochial schools, noting that the choice and implementation of governance relies significantly on the bishop. These decisions are impacted by the degree to which the bishop is bound by canon law, the span of his administrative control, and the hierarchical structure of the diocese with respect to his clergy. In making decisions regarding governance, bishops often consider the relationship of the pastor to the parish school, the advice of a superintendent, a board or council, the politics of an advisory board of diocesan priests, and the human resource functions of placing and removing priests. The research revealed that while many bishops are taking great care to facilitate a mutually supportive relationship between pastors and schools, some

dioceses have endured less desirable situations that may have been avoided with planning.

A bishop assigned as the vicar of education in a diocese that had completed a major governance change commented on the impact on the relationship of the schools with the parishes, stating:

... what happened was there was a loss of affection for the parish schools, ... and so it became a kind of landlord/tenant relationship, and sometimes that also morphed into an adversarial relationship. We’ve really not addressed the problem that the new governance created, in the alienation of many pastors from Catholic education.

Another diocesan official overseeing a school remarked about the tension caused by a new governance model:

We have a bias towards... keeping the school local and connected and integrated with the parish, with [the diocese] sharing decision rights with the pastor. It’s a new model where you still have a little bit of horse-trading around decision rights, because if you push it a little too much, the pastors would all gang up on you.

### ***Evaluation of Various Board Structures***

As fewer schools rely singularly on the parish pastor for decision-making, it is critical that schools and dioceses understand the various governance models and the types of boards that may support each model. Study participants shared a general positive regard of the use of boards, but shared less consensus as to their actual value in practice. Board structures offer opportunities as well as potential threats to a school or school system, which vary by the type of board:

**Advisory Board.** Although many schools have benefited from committed and creative advisory boards, such boards are often criticized as “do nothing” or “window dressing” committees. Individuals who are likely to be the most helpful and active board members often disdain advisory boards because their ideas and opinions are not routinely accepted or put into motion.

**Board of Limited Jurisdiction.** While a board of limited jurisdiction has the authority to make final decisions related to a limited set of issues, the critical issue is the level at which the final authority is willing to share power and accept the wisdom and judgment of the board. Some schools have found boards of limited jurisdiction a helpful first step in moving away from the traditional parochial model, or a useful transition step toward full independence with a fiduciary board. However, a board of limited jurisdiction may be vulnerable to political bickering or a power struggle which may stymie its effectiveness.

**Fiduciary Board.** A fiduciary board has complete authority over a school with exception to its designation as a “Catholic” institution. These fully-governing boards are usually associated with schools that are independent from the diocese, which may be owned by a charitable organization, a sponsoring religious congregation, or established as an independent, private Catholic school. Fiduciary boards usually depend on the philanthropy of their members for a portion of the school’s non-tuition revenue, which may challenge the board’s ability to recruit individuals with significant wealth, influence and aptitude.

### ***Board Relations***

The creation of a board structure to support Catholic schools has generally been celebrated as an advance in governance. However, many schools are challenged with the difficulty of identifying and engaging individuals who have the necessary skills and resources to contribute as a board member, especially since many qualified candidates are either already committed to other boards or unable to commit the necessary time. In addition, schools must provide training in board governance to ensure members are well-informed on the issues that challenge contemporary schools, especially in core urban areas where schools may face difficult issues of mission, identity, curriculum, funding and enrollment. Furthermore, boards have failed in some cases due to overzealous, misinformed, or misplaced leadership.

The study identified eight guiding principles to assist in a successful transition to a new governance model.

### ***Exercise Judicious Haste***

Church and school leaders are advised to be proactive when contemplating governance change as a solution to their most pressing challenges. Frequently, the actual causes that necessitate change are not directly related to governance, but related to poor leadership and inadequate resources, which a governance change may not resolve. It is critical to determine the cause of school failure or ineffective performance, and whether or not a new model would alleviate the problems. Adequate planning and preparation can help avoid rushing from one failed approach to a new but inadequate one. When situations call for urgent actions, a transitional governance approach may allow for additional time to devise a plan and process that balances the interests of the diocese, the parish, and local community constituencies. As with any significant change, a change in school governance is likely to cause uncertainty and displacement, arouse objections, and require a significant investment of human and capital resources. Bishops and superintendents who embrace a strategic approach are encouraged to provide adequate time and institutional space to allow the new governance model to be accepted, implemented, and employed successfully by the institutions and individuals subject to it.

### ***Emphasize Mission over Money***

A change in governance should only be considered if the change enhances the fulfillment of mission, rather than focusing on saving money. The first question in considering a governance model should *not* be, “How much money can we save by changing governance?” Rather, the first question *should* be “Can a new governance system provide excellence in Catholic education better than the system which we currently have?” While it has been demonstrated that changes in governance in a Catholic school system can save considerable money due to economies of scale and increased efficiencies, the savings are usually not significant enough to dramatically improve the

It is imperative to anticipate and develop a plan for managing the potential for pastoral separation when moving away from the traditional parochial school model.



financial situation of the schools. A new governance model should only be pursued if it will enhance the school's capacity to fulfill its mission of evangelization and academic excellence, while taking into account the secondary benefits of enhanced leadership, sustainable finances, and increased accessibility.

### ***Choose a Proactive, Strategic Approach***

The first step toward enacting change in school governance is to embark on a strategic planning process that is comprehensive, inclusive, thoroughly researched, and competently conducted. Appropriate planning will provide the road map necessary to guide the change process. A strategic direction is often more important than a single act of planning. Staying focused on the strategic direction ensures that the initial goals and objectives are regularly reviewed, assessed, and subjected to critical inquiry for continued relevance and adequacy. Disciplined strategic thinking is encouraged for all schools, even those that are successful, to prevent or prepare for future challenges.

### ***Attain and Maintain Great Leaders***

When considering a governance change, it is important to consider the performance and relationship of the various leadership roles (principal, pastor, superintendent, bishop). Excellence in leadership is generally more impactful than a governance structure. Great leaders move schools forward regardless of the governance in effect. Great leaders execute their intentions and have the ability to pivot in response to obstacles. Participants shared the qualities of leadership that transcend by-laws, policies, and restrictions of any governance model, which include: the determination, courage, and persistence necessary to attain difficult, but necessary goals; the humility, integrity, and creativity to accept temporary failure and remain true to the mission; and the ability to reconcile opposing forces around a commonly sought outcome. Schools are advised to acquire a great leader, no matter how difficult, and develop a model which she or he can execute while pivoting around obstacles.

Diocesan leadership should take care not to attribute school failure to governance before accounting for leadership inadequacy, errors, or neglect at the local or operational level. Poor fiscal management, lack of oversight, and in extreme cases, financial abuse and deception can lead to severe financial shortfalls. Governance primarily focuses on mission and long-term systemic stability, while operational leadership manages day-to-day implementation. Both leadership shortfall and governance inadequacy may be jointly responsible for school failure.

### ***Utilize Data-Informed Decision-Making***

Gathering accurate, comprehensive data about the schools provides stakeholders objective benchmarks to guide governance decisions. Comparative data that deals with the school's financial position should be gathered, analyzed, and presented in relation to differing planning horizons and different levels of vulnerability. Accurate data can sometimes expose serious problems that can be resolved without a governance change. To support strategic direction-setting, the data should include leading, as well

as trailing, indicators of change. Leading indicators include census estimates, business and economic outlooks, birth and baptismal certificates, housing statistics, and local government and public school planning activities. Trailing indicators include data on demographic change, neighborhood stability, school enrollments and audit reports, etc. A leader in one system shared that he assists parishes and schools in formulating five-year projections by reviewing the past ten years of trend data: “Demographics don’t lie. Consider three basic factors that impact enrollment: ratios of baptisms to births, baptisms to kindergarten enrollment, and grade to grade retention.” Gathering and presenting relevant data can help leaders make informed decisions to avoid crisis and assure mission attainment.

### ***Prepare for Unintended Consequences***

As part of the strategic planning process, consideration should be given to identifying and planning for unforeseen consequences. Governance changes can unexpectedly impact the academic curriculum, class schedules, the relationship of pastors to the schools, competition among schools, etc. Significant difficulties with the implementation of new governance initiatives can often be prevented. Considering and planning for potential consequences of governance change can dictate the kinds of crisis management teams, communication plans, and remediation efforts which might be generally applicable to any truly unexpected events that may transpire.

### ***Customize Solutions for Diverse Needs***

There is no “one-size-fits-all” solution to governance that fits every school in every diocese all the time. The research demonstrated that it is better to fit the model to the realities of the local situation than to force the local system to adhere exactly to the structure of a new model. The benefit of a matrix continuum between local-central and executive-collegial dimensions affords schools and dioceses many options to adapt an alternative governance model to the available local needs, priorities, resources, and leadership.

### ***Consider the Role of the Pastor***

Under the Code of Canon Law (1985), the pastor serves as the “competent ecclesiastical authority” for a parish school, which forms the basis for the traditional, local-executive style of governance. However, this authority remains in collaboration with the diocesan bishop, “who clearly is the ‘competent authority’ in the diocese and who has wide powers of governance to oversee, override, or direct the governance and administrative role of pastors as competent authorities in their own right” (Brown, 2010, p. 472). When a bishop determines that a school’s governance model should be shifted to a collegial model where most or all of the governing authority is fulfilled by a board, the role of the pastor needs to be carefully considered and well-articulated. In many dioceses, governance changes have caused lingering dissatisfaction, complete separation from the Catholic school, or even outright resistance on the part of priests. While pastors in schools may have appreciated the relief of the burden of sustaining the school, they often felt regretful, or even offended, that they are not able or not allowed to remain in full control of their school. This was cited even when the pastor was included as a member of the governing board or in a second tier “member board” overseeing some aspects of the school. Pastoral separation is further exacerbated by the increase of primarily lay boards.

Many participants noted that successful efforts to maintain collaborative relationships among pastors and schools involved coordinating an agreement that clearly outlined the role and responsibilities for the priests within the schools. In some cases, a positive outcome resulted when the pastor extended or enhanced his “ministry of presence” for the benefit of the school. Alternatively, some pastors completely withdrew their association from the school and re-allocated school resources to other parish needs. It is imperative to anticipate and develop a plan for managing the potential for pastoral separation when moving away from the traditional parochial school model. Bishops may benefit from consulting with their peers who have enacted this type of governance change in order to be well prepared to manage the priest transitions.

# Considerations for Governance Models

This report builds upon FADICA's (2015) work in *Breathing New Life* by offering insights into the strengths and weaknesses of the types of governance models, suggestions as to how each type might be “aligned” for certain circumstances, and considerations for the qualities of leadership which might flourish within each model. Figure 2 elaborates the continuum of Catholic School governance models along the governance matrix.

## **Local-Executive**

The traditional, parochial model that continues to govern most Catholic elementary schools today is the most common example of a local-executive style of governance, with the parish pastor serving as the governing authority. Some schools in this category may utilize an advisory board, yet final authority for governance rests with the pastor as executive leader.

**Strengths:** With an effective leader, the parochial model may demonstrate efficiencies in the use of personnel and administrative and operational costs. The parochial model is embedded in local communities, provides identity, pride, and cultural character to neighborhoods, and allows parents and other stakeholders relatively easy and direct access to the leadership of the school.

**Weaknesses and Challenges:** While the parochial model has demonstrated resilience and success over time, it has inherent shortcomings, which have become increasingly obvious and difficult to manage. Bishops are seriously challenged in identifying a sufficient number of pastors who are capable and willing to lead parish-based schools, and even more challenged to match a priest to the specific needs of a school. The “short bench” of priests makes it increasingly challenging for pastors and principals to create an effective partnership. This becomes even more challenging when the school leadership does not reflect the broad and increasingly diverse population they serve, which is most evident in core urban areas.

The parochial model provides a very narrow base for leadership decision-making (which can become virtual autonomy for a strong-willed pastor or principal). A narrow executive approach leaves the school vulnerable

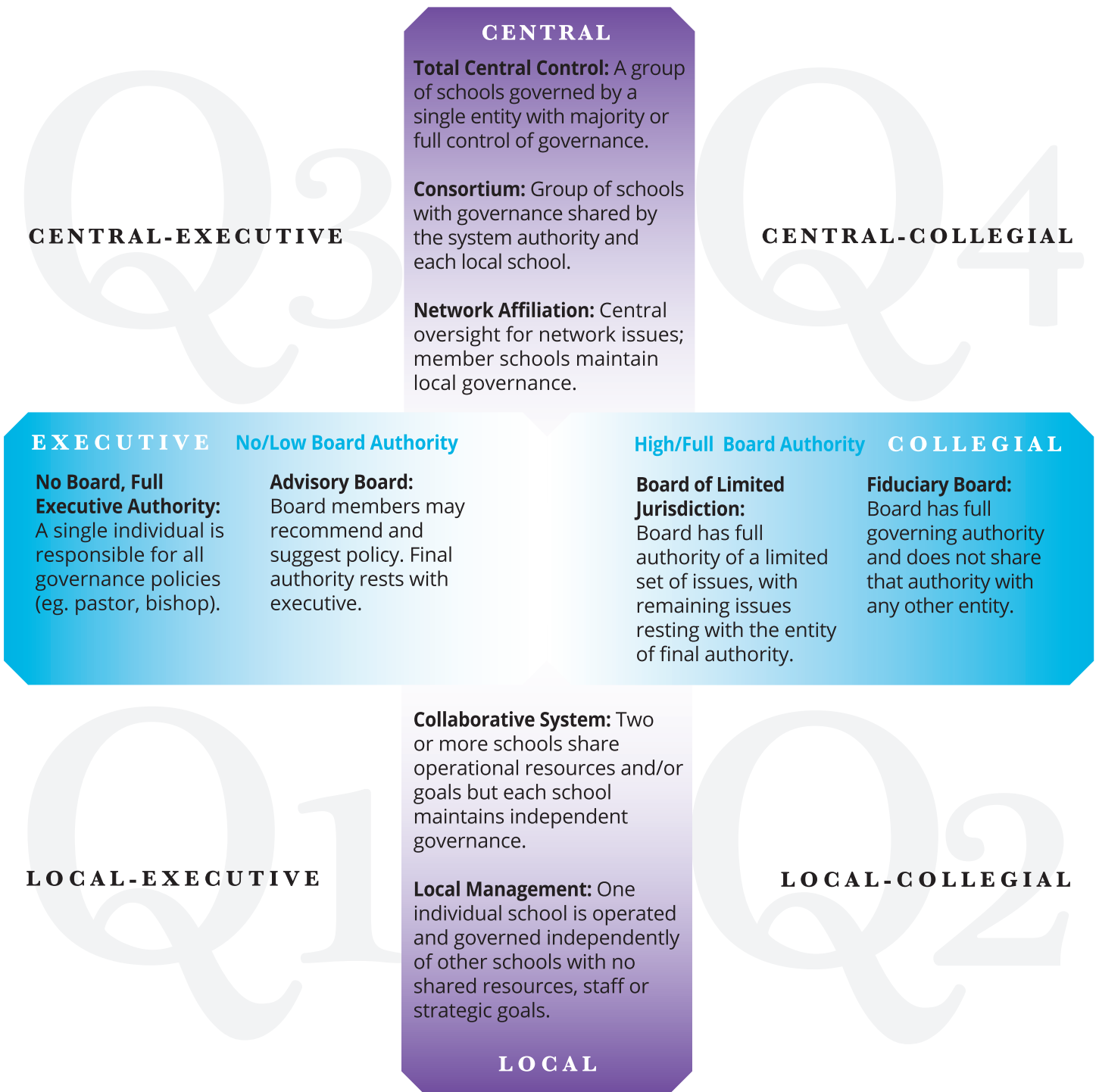
during leadership changes in the pastor or the principal. This approach also goes against the trend of parents increasingly expecting, and sometimes demanding, a greater voice in school direction and responsiveness to their concerns. They represent a considerable source of managerial and leadership expertise, which is often overlooked or neglected in an advisory board or other support group. Threats to sustainability necessitate that schools be managed like nonprofit organizations with high professional standards. A managerial role is often outside the realm of interest for pastors.

**Situational Alignment:** The default parochial model has a proven capacity to flourish with sound leadership and adequate resources. The model is most effective and sustainable in dioceses not suffering from an acute shortage of pastors, and in areas within a diocese not challenged by issues of extensive poverty, very low Catholic population, or chronic underfunding of existing parishes. The model is the most vulnerable to changes in community demographics, inadequate or incompetent financial management (both in the local school and/or in the diocesan offices), and to a lack of leadership transparency.

**Leadership Considerations:** The parochial model is best supported by pastors and principals who are willing and capable of working together in partnership. For the pastor, that includes practicing a “ministry of presence” in the school, a quality highly praised and greatly appreciated by the principals in the study. For the principals in this model, an effective partnership with the pastor relies on respect for the pastor's spiritual leadership and a shared openness to constructive suggestion. Since the school principal is primarily responsible for managing the day-to-day operations of the school, successful individuals in this role usually possess a proficient level of business acumen, with an acute attention to detail, initiative, and self-motivation. Transparent, clear communication between pastor and principal on matters of academics, enrollment, development, communications, and stakeholder management is essential. One pastor described his leadership as emulating “a ninja of emotional self-management,” and cited the importance of balancing inspiration, decisiveness, adaptability, and reliability.



Figure 2. Continuum of Catholic School Governance Models



## ***Local-Collegial***

Parochial schools that move to a local-collegial model require that the local pastor cedes certain responsibilities (not including spiritual duties) to a collegial body that may consist of laity or other clergy, as is often the case in an inter-parish school. Schools utilizing a local-collegial model may be governed by boards of limited jurisdiction or by fiduciary boards with complete governing authority over all aspects of school operations and with complete financial accountability.

**Strengths:** The local-collegial models allow for increased community involvement which provides the school the support of a diverse pool of talent and expertise as well as financial support from dedicated board members. The collaborative decision-making of a board reduces the burden of sole responsibility on any one individual, and allows for greater continuity during leadership transitions. Furthermore, a local-collegial model can provide some autonomy from regulations intended for a large variety of schools.

**Weaknesses and Challenges:** These models may be challenged by ambiguity in the role of the pastor and a limited capacity to recruit and train community members, parents, or clergy to serve on the board.

**Situational Alignment:** A local-collegial model could be a desirable choice for a school in an isolated or rural area in which a board of limited jurisdiction could maintain both the canonical status of the pastor and the school's association with the diocese. The local-collegial model could be used to convert independent schools previously operated by a religious congregation to diocesan schools. Finally, schools that serve a significant population of students in poverty (where tuition is not the revenue driver) could benefit from this model because their mission-focus could be attractive to board members and their networks.

**Leadership Considerations:** A local-collegial model makes substantial demands on the school's executive leadership, particularly when the model is employed for an elementary school. A pastor or principal

transitioning from a parochial model may not be adequately prepared for the expanded responsibilities. Local-collegial models require that the school leader sets the agenda for the board, manages the long-term strategic direction and the daily operations, and cultivate relationships with all stakeholders (faculty, parents, students, and alumni). These leaders must be broad-minded, energetic, self-motivated, and excel at delegation, personnel and programmatic assessment, and board management. If this model is an alternative to a parish model, it is advisable to define a clear role and facilitate a meaningful relationship with the pastor.

## ***Central-Executive***

The central-executive style is implemented by a single executive entity exercising governance authority over a group of schools, which could range from two schools to a diocesan-wide system of schools. The central executive authority may be supported by an advisory board or board of limited jurisdiction which would advise the leader on policy and assist with enrollment, fund development, and event planning and execution.

**Strengths:** The central-executive models provide flexibility in conforming a group of otherwise unrelated schools to single leadership and the opportunity to exercise speed and efficiency in establishing operations, while centrally affirming the schools' Catholic identity. These characteristics make for an excellent vehicle to salvage a group of schools struggling with similar deficiencies or for experimenting with new types of partnerships that can increase the efficiency and decrease the overhead for schools in a newly constituted consortium.

**Weaknesses and Challenges:** As much as the central-executive models parallel the local-executive model in providing flexibility to the chief executive officer, it is equally susceptible to a narrow decision base and lack of transparency in decision making. Furthermore, these models risk overwhelming the chief executive officer with low priority administrative matters and distracting the leader from executing strategic priorities.



**Situational Alignment:** The central-executive style of governance is particularly attractive to dioceses with a small population of Catholics and a relatively small number of schools. In such dioceses (or in regions of a large dioceses), the model allows the bishop (or an authorized superintendent) great breadth in which to practice delegation and subsidiarity in operating the schools. The model can save overhead and operating costs with a lean structure. The specter of a narrow, hierarchical, and predominantly male culture controlling the school system, however, is a threat that must be faced continuously and managed adroitly.

**Leadership Considerations:** This style of governance requires a leader who has the capacity to respond to urgent matters in a timely manner, while maintaining strategic direction. Ensuring executive and strategic oversight necessitates a leader who can build a well-trained, trusted staff and effectively delegate responsibilities to them.

### ***Central-Collegial***

The central-collegial governance models have been noted as the preferred replacement for the parochial model in a group of elementary schools. This style of governance typically utilizes a fiduciary board or a board of limited jurisdiction, which governs a central executive office, often owned by a non-profit organization operating independently within a diocese. This style offers two clear advantages over the local-executive: a solution to the “short bench” of pastors to lead parish schools, and the opportunity for capable, dedicated, and generous lay people to share in the governance of the schools.

**Strengths:** This style offers two clear advantages over the local-executive: a solution to the “short bench” of pastors to lead parish schools, and the opportunity for capable, dedicated, and generous lay people to share in the governance of the schools. Board members well-versed in school operations and management may add professional assistance to principals and pastors in solving some of the most intractable problems that their schools face. These boards can continue to include pastors as legitimate

partners in leadership, lessening the risk of alienating a pastor from the school.

In a society in which traditional cultural norms and historically established beliefs are constantly challenged, the central-collegial style seems best to fit contemporary culture, with its emphasis on shared decision-making, transparency in planning, operations, and accounting, and for diversity and inclusivity. Church and school leadership can connect the expanded presence and influence of superbly talented laypersons in the leadership and direction of Catholic schools on governing boards as an example of its efforts to become more “catholic.”

**Weaknesses and Challenges:** The central-collegial models require that leaders identify, recruit, train, and retain individuals with the requisite professional expertise, experience, and resources to support the institution as board members. Success in building a resourceful and effective board depends on the availability of competent individuals, alignment of the members’ professional background to the needs of the institution, and willingness and ability of some members to accept board leadership roles. “Board fatigue” can be an issue when the work is stressful and the time demands are protracted. Furthermore, board members with affluence and influence might be reluctant to have their recommendations or decisions subject to scrutiny by Church leaders who may not have equivalent credentials.

Shared decision-making can blur specific responsibility and accountability for serious errors or omissions. If everyone is in charge, it may seem that no one is in charge, and board decisions may be swayed by activist, ideological, or overpowering members. Thus,



these boards must follow best practices in creating a committee on membership tasked with ensuring that the board engages in self and group evaluation, program and policy assessment, and individual member participation and department.

**Situational Alignment:** The central-collegial style of governance is adaptable to almost any size of diocese and practically any demographic. It can accommodate several different kinds of boards and administrative structures simultaneously. Groups of schools within a diocese, or a diocese as a whole, can establish a central fiduciary board with full governing authority and reserve the ability to delegate some authority to subordinate boards of limited jurisdiction to address specified operations to a single school or group of schools. Observing subsidiarity, these models can allow local neighborhood or community strengths, opportunities, concerns or threats to be considered and managed at multiple levels and with a greater pool of intellectual, cultural, creative, and material resources. The combination of a diocesan board and individual school boards can also serve as a temporary mechanism for groups of schools or entire dioceses which are transitioning to a new governance model.

**Leadership Considerations:** With leadership primarily vested in board and committee chairs, the abilities and qualities of those responsible for determining the board's agenda, for staffing board activities, and for implementing board decisions can determine the success or failure of the board. The characteristics and skills that contribute to board success have been noted as: astutely defining issues appropriately for board consideration, creatively suggesting alternative paths for decision making, motivating a board to move decisively, and the ability to resist recommendations or decisions that are flawed, inappropriate, unethical, or illegal.

## *An Adaptive Approach to Governance*

The research confirms that there is not a prescribed solution that will serve as the successor to the traditional parish school model. Catholic school leaders continue to explore, experiment, and employ variations of the available models to fit the nature and needs of their schools. Rather than resorting to the historical fixed models on either end of the local-central or executive-collegial matrix, dioceses and schools are exploring a middle ground or a blend of these governance categories to form new models. A “both-and” rather than an “either-or” approach seems to maximize the creative potential to solve governance challenges. Dioceses are using different components simultaneously to find the right fit.

An adaptive approach that retains the best elements of the parochial model (e.g., pastor-principal partnership) and the benefits of collegial governance could offset the limitations of the parochial model through increased engagement and diversity in decision making, access to professional expertise for business operations, and the potential for enhanced revenue generation through board philanthropy. Balancing maximum local leadership and a two-tier board system (one diocesan fiduciary board and a small number of local boards of limited jurisdiction serving community units or associations of schools) may provide a flexible and desirable option for many dioceses afflicted by the challenges that have beset Catholic schools in the past.

The numerous governance options allow diocesan and school leaders to design their alternative model to be responsive to the evolving variables identified in this study: financial performance, enrollment, ability of the school leaders, perceived quality of the school, and the demands of socio-economic justice. In many dioceses faced with economic challenges, alternative models for business operations are also being considered and implemented with an infusion of philanthropic support.

An alternative model may also be amended over time as conditions evolve, including the option to return to the local-executive model of the parish school. Appendix B and Appendix C provide examples of alternative models for school governance and business operations.

## Summary and Recommendations

Governance practices will continue to evolve in response to the significant widespread challenges to the sustainability of Catholic schools in the United States. This study offers insights as to how Catholic school leaders can accurately determine when governance change is necessary, what alternative models can suit particular conditions, and how leaders can manage the change process.

### ***When is governance change necessary?***

The symptoms that often lead to ineffective performance and/or school failure should be monitored regularly in order to prevent a school from falling into crisis. These symptoms were identified in the research as the “imperatives” that should always be considered when determining the need for a change in Catholic school governance, including: financial performance, enrollment, academic quality, leadership (both lay and clerical), and socio-economic justice. The collection and analysis of data related to each of the imperatives can indicate when a governance change might be necessary. However, the actual causes of ineffective school performance may be related to poor leadership and/or inadequate resources which may not be resolved through a change in governance. Other factors that may influence the need to change governance include the varying nature of parish and diocesan relations with schools and the value and challenges of developing boards for Catholic schools.

Church and school leaders are advised to respond with strategic urgency when one or more of the imperatives present a threat to the sustainability of the school. Governance change requires a significant investment of human and capital resources along with adequate time and institutional space to successfully implement the change.

**The symptoms that often lead to ineffective performance and/or school failure should be monitored regularly to prevent a school from falling into crisis.**

### ***What alternative governance models are suitable for particular contexts?***

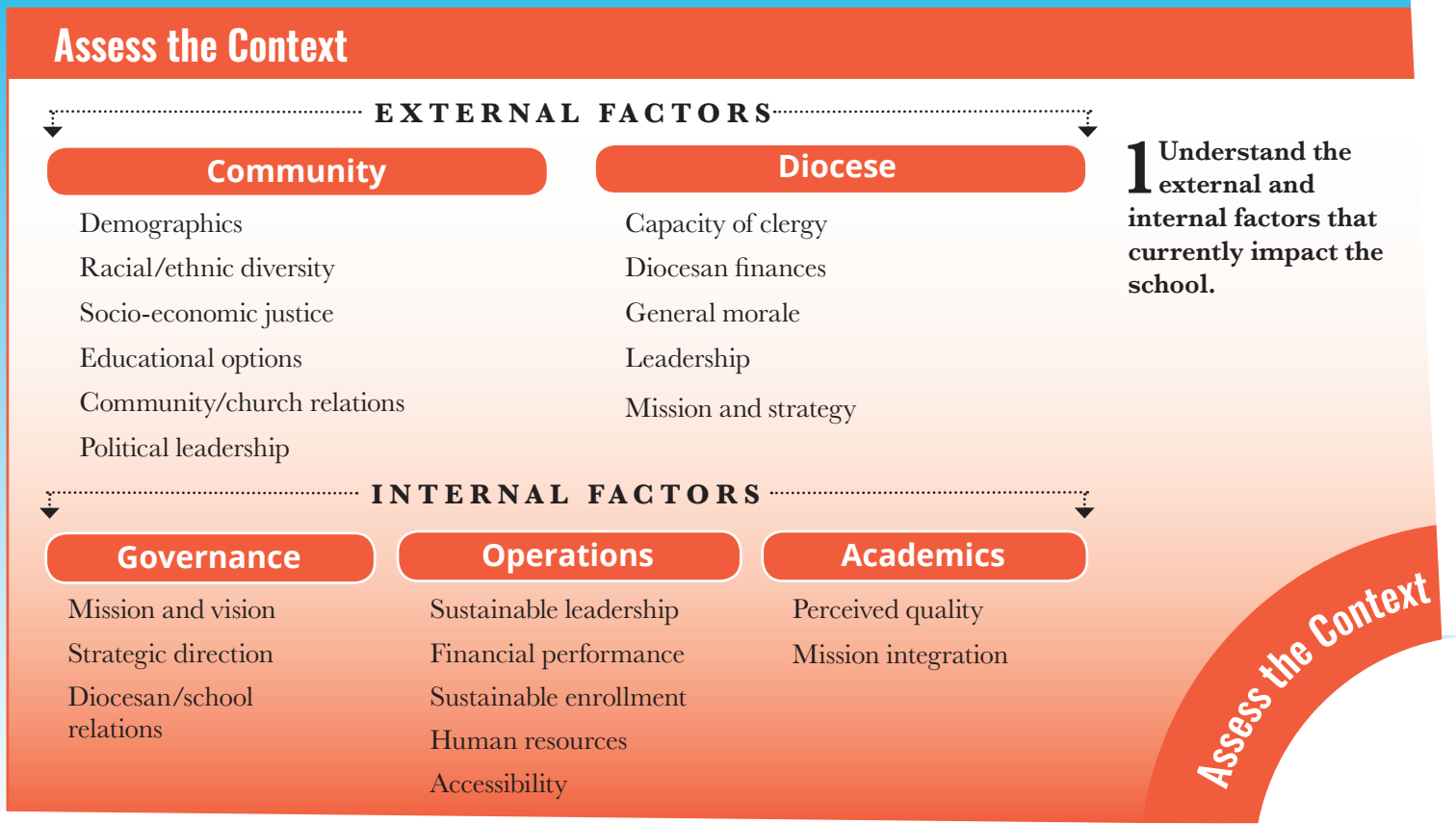
When leaders determine that a parish can no longer effectively support the traditional local-executive model of a parish school, diocesan and school leaders may explore alternative approaches to best fit the needs of the school or schools. This research study confirmed that dioceses have a variety of options along the local vs. central and executive vs. collegial dimensions of the governance matrix to consider as a revision to or a replacement of the traditional parish model. Leaders may prefer to continue a localized approach or might consider the benefits of a centralized approach under the diocese or a cluster of schools under a common administration. Similarly, leaders will deliberate the options for decision-making processes that range from the sole responsibility on one individual executive to introducing a collegial approach under some sort of board.

The options are not fixed categories but continuums that allow leaders to tailor the alternative model to their unique situation. Choosing the right balance on the local vs. central and executive vs. collegial continuums will take into account ownership of the school, decision-making processes, partnerships between the school and local parish, the relationship between the principal and pastor, the quality of leadership, availability of competent lay board members, available resources across a region, and so forth. Dioceses are developing innovative governance models that are adaptive to their current local situations and responsive to changing conditions over time.

Figure 3.

# Catholic School Governance Change Cycle

The determination and management of a change in governance may be guided by this process.



## Exercise Judicious Haste

- Identify critical issues and/or serious threats.
- Ensure appropriate leadership and resources are in place.
- Allow adequate time and institutional capacity to support change process.

## Establish Mission-Driven Vision

- Engage coalition of leaders to establish vision for the future.

## Develop Proactive, Strategic Process

- Identify needed changes in systems and structures to support vision.
- Engage key stakeholders to develop plan with tasks, timelines, deliverables.
- Utilize data to set benchmarks and feedback mechanisms.

## Encourage Adoption

- Decrease resistance to change by preparing for unintended consequences.
- Foster the parish/school relationship and maintain engagement with pastor.
- Establish clear bylaws and policies for implementation.

## Implement the Change

**4** Manage the transition to a new model by implementing proven change management processes.

## Implement the Change

## Analyze the Data

**2** Continually assess future opportunities and potential threats. Monitor and track performance using dashboard indicators.

### DATA FORECASTING

#### Community

Census demographics  
Housing market sales & development  
School openings & closings

#### Diocese

Average household income  
Diocesan school enrollment  
Number of active clergy

#### Parish

Baptism rates  
Family registrations

### PERFORMANCE METRICS

#### Governance

Strategic assessment  
Leadership evaluation  
Board retention & recruitment

#### Operations

Performance reviews  
Financial audit  
Enrollment & retention  
Staff retention rates  
Accessibility

#### Academics

Accreditation/awards  
Standardized tests  
Graduation rates  
High school & college admission rates

Analyze the Data

Determine the Model

**3** Understand the pros and cons of each category of governance models and choose a model that best fits the context and needs of the school.

### SINGLE SCHOOL

#### Local-Executive

Governed by a singular authority  
May have an advisory board  
Most effective in areas with ample resources and strong leadership

#### Local-Collegial

Governed partially or fully by a board  
May be beneficial to schools in low-income areas

### MULTIPLE SCHOOLS

#### Central-Executive

Group of schools governed through a singular authority  
May be supported by an advisory board  
May be effective in dioceses with a small number of schools

#### Central-Collegial

Group of schools governed partially or fully by a board  
Effective and adaptable in most contexts  
May utilize two-tiered central and local boards

Determine the Model

## ***How should a change in Catholic school governance be managed?***

A number of best practices emerged from the research to inform a healthy change management process, including: the need for developing and employing a proactive, strategic outlook and planning; the critical need for accumulation of relevant data; and the development of custom solutions for diverse, unusual or even unique school needs. Other recommended best practices include: prioritizing mission over money in the decision process for school closure versus continued support; considering and preparing for unintended consequences of a proposed or planned governance change; and securing optimum leadership before new governance is planned or employed.

**Governance Change Cycle:** The best practices that have emerged from the research have informed the development of a four-step process for the determination and management of a change in Catholic school governance (see Figure 3):

**1. Assess the Context:** Leaders should gain an understanding of the external and internal factors that currently impact the school.

**2. Analyze the Data:** Leaders should continually assess future opportunities for the school, as well as potential threats by collecting and analyzing relevant data, and establishing metrics to monitor and track the school's performance.

**3. Determine the Model:** Leaders should understand the pros and cons of each category of governance models in order to choose a “best fit” model.

**4. Implement the Change:** Leaders should manage the transition to a new governance model by implementing proven change management processes.

This report summarizes insights from Catholic school leaders and stakeholders from across the country where schools have undergone governance changes. These “lessons learned” contribute to previous research by providing a more nuanced understanding of the dynamics

of the process to revise or replace a traditional parish school model in a variety of situations. Notably, this high-level synthesis generally aligns with leading strategic management research (Dess, Lumpkin, & Eisner, 2014; Drucker, 2018; Mintzberg, 1994) and best practices in nonprofit governance (BoardSource, 2010; Chait, Ryan, & Taylor, 2011; Renz, 2007) as well as John Kotter's (1995) seminal work in the area of change management which affirms and illuminates the best practices that emerge from the data in this study.

Successfully identifying a “best fit” governance model requires a careful examination that takes into account an array of contextual factors, common difficulties, identified best practices, and important decision-making mechanisms as presented in this report. Nearly as important as the selection of a governance model is the intentional, deliberative process which can assist local leaders to capitalize on internal strengths, compensate for unavoidable challenges, take advantage of opportunities and resources, ward off anticipated threats, and reduce the risks of mistakes. To assist this deliberation, the new research-based Governance Change Cycle can guide leaders through the critical steps to assess the context, analyze the data, determine the model, and implement the change.

## ***Conclusion***

Clearly, no single governance model meets the needs of all schools or dioceses. This report confirms a key conclusion from *Breathing New Life*: “Striking the right balance between executive/collegial or local/central governance allows many models to capitalize on the strengths of each aspect while avoiding the pitfalls of extremes” (FADICA, 2015, p.2). Thus, the alternative governance models being implemented across the country are not fixed types but a strategic balance between the four quadrants of the matrix, tailored to fit the unique needs and resources in the community surrounding and supporting the schools.

It is important that we continue to learn from the experiences of these efforts across the country. Ultimately, a “best fit” governance model is more likely to contribute



positively to the vitality and sustainability of the school as evidenced by enhanced leadership, improved program quality, stabilized enrollment, sustainable revenue, and overall mission-effectiveness. Given the importance of context in determining the “best fit” model suggests that future research would do well to continue to track the progress (or lack of progress) of individual cases in order to understand how a governance change worked within each context. Leaders would clearly benefit from a better understanding of what aspects of these governance changes impacted the schools (positively or negatively) over time.

Revising and replacing the traditional parish governance model will not solve all the challenges that Catholic schools face. All in all, the growing body of evidence suggests that a governance change, if deliberated carefully and developed properly, can assist a school or a group of schools in moving toward greater vitality and sustainability. ❧

## ***Recommendations for Further Inquiry***

The results of this national study have advanced the understanding of the ever-changing context of Catholic school governance. While this study served to clarify and affirm many key guidelines for managing change in Catholic school governance, the research also uncovered three areas of inquiry where additional information is needed in order to manage change successfully:

1. What best practices can help guide the closing or merger of Catholic schools?
2. What are the best practices for managing the changing role of a pastor as a result of a change in parochial school governance?
3. What set of metrics should leaders use to track school vitality and sustainability over time?

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## Appendix A. Methodology

### ***A Qualitative Approach***

Qualitative research is distinguished from quantitative research in that it focuses on observation rather than measurement, words rather than numbers, induction rather than deduction, interpreting meaning rather than proving an hypothesis, theory creation rather than theory testing. As a qualitative study, this project served to address *why* and *how* certain phenomena may occur, rather than *how often* and *when*, in order to provide description rather than prediction.

### ***Sampling and Data Collection***

For the first stage of data collection, eight dioceses from a variety of regions, including the eastern seaboard, the midwest and the far west of the United States were selected, based on demonstrated high levels of experience with changing governance modes and structures, as well as the likelihood of access to leaders (bishops, pastors, superintendents, board chairs, system directors, board members, and donors). The sites selected represented three very large dioceses, two large dioceses, two medium-sized dioceses and one small diocese. The population of Catholics in these dioceses ranged from two-and-a-half million to slightly less than one-half million, and the percentage of Catholics in the total population of these dioceses ranged from a low of 23% to a high of 52%. The number of Catholic schools in these dioceses ranged from a low of 37 to a high of 210, with a mean of 113 and a median of 112. The research team conducted 68 interviews with key stakeholders in Catholic education, including six bishops or auxiliary bishops, eleven superintendents, six system directors of groups of schools, twelve principals, seven pastors of parish schools, five members of Catholic school boards, eight individuals associated with Catholic school philanthropy, one bishop's selected delegate and one vicar general.

In addition to the intensive interviews conducted around the country, a focus group was held in a medium-sized Catholic diocese in a major southwestern city. There, the research team conducted a rich discussion with school

superintendents, business executives, and a former school principal to test the validity, reliability, and applicability of the preliminary findings with the propositions and research questions that guided their research.

### ***Collection***

Data was collected in two stages. Stage one consisted of conducting, recording and transcribing semi-structured phenomenological interviews (Kvale & Brinkmann, 2009) based on interview guides with a reflective approach on the knowledge sought and the interpersonal relation of the individual interview situation. In addition to asking focused close-ended questions, researchers explored the participants' understandings of exemplar critical incidents of governance in their school(s) and/or system(s). Stage two consisted of conducting a focus group to test, refine and finalize the findings that were produced during phase one.

### ***Analysis and Interpretation***

The research data was coded, counted, and summarized to produce a collection of "crunched" data which allowed the researchers to discover and link patterns and themes (LeCompte & Schensul, 1999).

The interpretative goal of the researchers was to take the results of analysis and establish the meaning of the "crunched" or summarized data. The analysis organized the data that was discovered, then the interpretation of data enabled researchers to answer the research questions in a reasonably valid and reliable manner (LeCompte & Schensul, 1999).

### ***Validity and Reporting***

This inquiry endeavored to utilize established guidelines to achieve generalizability, reliability, and validity of the interview findings, where reliability refers to the consistency of the results, and validity confirms that the study investigated according to its intended purpose.

## ***Interview Process***

The research team created six “interview guides” to ensure continuity and comparability in the interviews that they conducted with the sixty-eight persons interviewed. Each guide was developed for a specific stakeholder, including: bishop, diocesan school superintendent, school principal, pastor of a parish-sponsored Catholic school, school board member, and philanthropist.

A sample of the interview questions utilized for superintendents is provided below.

- Please describe a notable time when the governance of your schools worked well.
- Please describe a notable time when the governance of your schools did not work well.
- Please describe a notable time when you and others contemplated and/or attempted change in governance practices, approaches, and/or models in your schools.
- What do you think was your overall attitude toward school governance when you first assessed the status of the schools in the (arch) diocese? What influenced this attitude?
- Has your attitude about governance changed since you became superintendent? If so, please explain
- Are you satisfied with the governance approaches, practices or model (s) in use in your diocese now?
- Does a difference in the relative wealth of the parishes or other entities sponsoring individual schools exist here and have they affected your thinking about governance?
- Did such disparities strike you as an issue of distributive justice that you had to face and resolve?
- Was there widespread lack of quality in the diocese’s schools that might have contributed to the need for governance change?
- How important is school leadership in determining whether or not to pursue governance change?
- How important is enrollment in decisions concerning governance?
- How important is successful financial management in continuing or changing governance models?
- How important is the efficient use of shared resources been with respect to governance?
- Do you consider the parochial model of governance effective?
- Do you believe that there are inherent advantages of the single-parish local and executive model over alternative models?
- Do you believe that there are inherent advantages for models that include centralized control, collegial authority or both over the traditional model?
- How would your (arch)diocese select an alternative model of governance for one of your schools?
- Would your diocese be inclined to change the governance model for all schools or just for those especially challenged?
- How would you characterize your reporting relationship with the bishop? To what degree are you authorized to make governance related, strategic and operational decisions?
- Does your diocese have special training in school governance available to pastors, especially new, first-time pastors?
- Do school principals report to you or to the pastor of the parish? Is there any kind of shared authority between you and each individual pastor?
- Who is responsible for evaluating you?
- How are new leaders selected when an opening occurs?

## Appendix B. Examples of Alternative Governance and Operating Models

### ***Alternative Governance Models Currently Utilized in U.S. Catholic Schools***

Although most of the traditional, parochial elementary schools in the United States continue to employ a local-executive style of governance, new innovative models have been developed and tested in various dioceses. Some examples are provided below.

#### **LOCAL-COLLEGIAL MODELS**

**Brooklyn Academy Model**, Diocese of Brooklyn, <https://catholicschoolsbq.org/faq>

**Healey Education Foundation Schools**, Multiple dioceses, <https://healeyeducation.org>

#### **CENTRAL-EXECUTIVE MODELS**

**La Crosse School Systems**, Diocese of La Crosse, <https://diolc.org/schools>

**Chicago Turnaround Program**, Archdiocese of Chicago, <https://schools.archchicago.org>

#### **CENTRAL-COLLEGIAL MODELS**

**Ascension Catholic Academy**, Archdiocese of Saint Paul and Minneapolis, <https://acamn.org/about>

**Catholic Partnership Schools**, Diocese of Camden, <http://www.catholicpartnershipschools.org>

**Consortium of Catholic Academies**, Archdiocese of Washington, <https://catholicacademies.org>

**Cristo Rey Network**, Multiple dioceses, <https://www.cristoreynetwork.org>

**Drexel School System**, Diocese of San Jose, <https://www.drexel.dsj.org>

**Faith in the Future**, Archdiocese of Philadelphia, <http://faithinthefuture.com>

**Independence Mission Schools**, Archdiocese of Philadelphia, <https://independencemissionschools.org>

**Lumen Christi Academies**, Diocese of Oakland, <https://lumenchristiacademies.org>

**New York Regionalized Schools**, Archdiocese of New York, <https://catholicschoolsny.org>

**Notre Dame ACE Academies**, Multiple dioceses, <https://ace.nd.edu/academies>

**Seton Catholic Schools**, Archdiocese of Milwaukee, <https://www.setoncatholicschools.com>

**Sioux City Catholic Schools**, Diocese of Sioux City, <http://www.sccatholicschools.org>

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### ***Alternative Operating Models and School Management Organizations Currently Utilized in U.S. Catholic Schools***

The research on alternative governance models also revealed several alternative business models for operating private, independent schools or groups of schools in partnership with one or more dioceses. The success of these operational structures relies heavily on private philanthropic support. See Appendix C for additional discussion of two of these alternative operating models.

**Access Academies**, Archdiocese of St. Louis, <https://accessacademies.org>

**Big Shoulders**, Archdiocese of Chicago, <https://bigshouldersfund.org>

**Partnership Schools**, Archdiocese of New York, <http://www.partnershipnyc.org>

**Seton Education Partners** - Charter School Initiative, Archdiocese of New York, <https://www.setonpartners.org>

## Appendix C. Alternative Operating Models

In addition to the exploration and implementation of alternative forms of governance, many schools and systems of schools have adopted alternative business models, particularly in urban areas challenged by high rates of poverty.

### ***Nonprofit Ownership and/or Partnership***

Many dioceses have supported a transition of ownership or sponsorship for a school or a group of schools to a nonprofit organization. The nonprofit fulfills a significant role in the operational management of the finances and business affairs of the school(s) and often provides a significant amount of revenue through fundraising or grants. The amount of operational control varies by diocese, but in all cases the diocese maintains final authority over the mission and Catholic religious instruction provided by the school(s).

One diocese has partnered with a Catholic funder to provide operational control and the majority share of financial support for a significant number of the diocese's schools. The schools remain Catholic and under the control of the ordinary and his delegate(s), but high-level, strategic operational support is provided by staff of the partnering organization. The diocese maintains ownership of the school properties and remains the employer for all faculty and staff in the schools, and remains the final authority for religious instruction and Catholic mission. The diocese partners with the charitable organization to determine administrative leadership for each school.

This approach maintains the Catholic character of the schools and the students receive the same education and religious formation as the students at all other Catholic schools in the diocese. They enjoy the same presence and example of pastors and chaplains to the extent that the bishop can provide. A notable strength is the availability of substantial need-based funding for all students in these schools that reduces tuition to a nominal amount to ensure full enrollment, and reduces the demands on the pastor, parish, and diocese to fund the needs of the school.

### ***Charter School Operating Model***

In areas where a foundation or significant funding source is not available to “save” a Catholic school, some dioceses have collaborated with independent, publicly-funded charter schools to maintain an educational presence in communities where tuition fees are impossibly out of reach for families. Charter schools must adhere to all the rules of public schools, and refrain from promoting religion, both in the curriculum during normal school hours, and in the building. However, dioceses have coordinated efforts with some charter schools to provide religious education after normal school hours as part of a lease agreement for use of a school building that was formerly a Catholic school.

While the exterior of a former Catholic school that has transitioned to a charter school may appear the same, the interior of the school must clear their halls and walls of all religious art, statues and icons to refrain from promoting religion. Schools may offer a “values-based curriculum” and continue to offer small class sizes and personalized instruction from caring teachers, and may offer religion courses after normal school hours on a voluntary basis.

In one of the dioceses studied for this report, the diocese partnered with an independent charter school to provide tuition-free education to students in its community. The charter school provides the standard academic curriculum in a building owned by the diocese and leased to the school for a nominal amount. Catholic religious instruction is provided to its students after normal school hours on a voluntary basis.

The distinguishing characteristic of this approach is the nature of the relationship between the diocese and the school operator. The relationship benefits the school with its primary facilities and access to students, and benefits the diocese with the ability to provide publicly-funded education for Catholic and (non-Catholic) students with the option for voluntary religious education in the “after hours” program.

## Appendix D. Biographies

### ***Researchers***

#### **Francis M. Lazarus, Ph.D.**

Francis M. Lazarus, Ph.D. is president emeritus of the University of Dallas and principal of Bona Fortuna Consulting, LLC, which focuses on academic leadership, governance, and resource development primarily directed at institutions of higher education. Prior to his leadership experience with the University of Dallas, Dr. Lazarus served in the role of educator and as leader in numerous colleges and universities, including: the United States Military Academy, Salem College, Memphis State University, the University of Dayton, Marquette University, the University of San Diego, and Assumption College.

Dr. Lazarus earned a bachelor of arts degree from Canisius College, and master of arts and doctoral degrees in classics from Cornell University.

#### **J. Bart Morrison, D.M.**

J. Bart Morrison, D.M., currently serves as senior advisor to the president and associate professor of management for Assumption College. Dr. Morrison's academic research focuses on governance in nonprofit organizations.

Dr. Morrison previously served as dean and professor of management for the Graduate School of Business at the University of Charleston, following a 20-year career in nonprofit leadership in the areas of youth and family services, board development, and philanthropy.

Dr. Morrison earned a bachelor of arts degree in English from Fordham University, a master of education degree from Harvard University, and a doctor of management degree from Case Western Reserve University.

### ***Contributing Editor***

#### **Erik P. Goldschmidt, Ph.D., M.Div.**

Erik P. Goldschmidt, Ph.D., M.Div., is a licensed psychologist and Director of the Albert S. Foley Community Service Center at Spring Hill College. Dr. Goldschmidt previously served as the Director of the Church in the 21st Century Center at Boston College and facilitated strategic planning processes with Catholic schools, parishes, and dioceses across the country with the Institute for School and Parish Development. He began his career as a Catholic high school teacher through the University of Notre Dame's Alliance for Catholic Education.

Dr. Goldschmidt earned a bachelor of arts degree from the University of Notre Dame, a masters in the art of teaching degree from the University of Portland, a master of divinity from the University of Notre Dame, and a doctoral degree in counseling psychology from Boston College.

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