



INSTITUTE OF SCHOOL & PARISH DEVELOPMENT

Bringing People, Process, and Ministry Together to Build the

Kingdom of God.

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Development Directions

Part II:

Creating New Sources of Revenue for Catholic Parishes and Schools: Specific Funding Strategies to Change the Age Old Model

by

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In last month's newsletter we began by stating, "The age-old model of trying to fund Catholic schools with tuition, subsidy, and fund-raisers is obsolete, ineffective and will cease to sustain our schools in the future."

We went on to say, "We must stop the downward spiral of raising tuition when the budget does not balance, or telling the Development Office to increase the Annual Fund with no strategies on how to make that happen, or adding more fund-raisers, or freezing teachers' salaries, or cutting out needed programs because they will throw off the budget."

We then offered seven suggestions that we referred to as Level One Focus:

1. Bishops and Catholic school leaders need to make a decision: Fully support Catholic schools and make them work using every possible resource OR let the strong survive.
2. Encourage Bishops to convene congresses, convocations, think-tanks in order to bring Catholic leaders together to solve the challenges we face in funding Catholic schools.
3. Make sure that Catholic schools are outstanding in all areas.
4. Catholic schools must build strong Faith Communities: the network that is touched by the mission of that Catholic school.
5. Catholic school leaders must engage every single Catholic family by personally interacting with them – understanding their needs, their gifts, their capabilities, and ways they wish to be involved.
6. Finance Councils must explore new frontiers.

7. ALL parishioners must be continually invited to witness the true value of a Catholic education and come to understand how Catholic schools are the greatest evangelizers of the Catholic faith to young people on a daily basis.

With the above said, we now move to what we call Level Two Focus: What are specific funding strategies that could vastly improve this Age Old Model?

Here at ISPD we view this approach very much like a menu of options. When my family goes into a cafeteria or attends a pot luck at the parish, we may not all like the same offerings; some appeal more to me than to my wife or to my daughter. Same thing here. Because of a Catholic school's history, culture, location, position in the community, budget demands, debt service, etc., each school will be different in terms of what will work, and what can be tried.

That being said, here at ISPD we believe that there are four sources that are equally responsible for the funding of Catholic schools – the family, the school, the parish and the diocese. With the age old model, the family is responsible for the following: paying tuition, paying fees, and supporting the fund-raisers. The school receives the tuition, gets subsidy of some kind (parish and/or state – possibly), runs the fundraising events and organizes the development efforts. Many parishes subsidize their schools – some with over 50% of their parish budget, and some (yet few) dioceses fund with investment income from an endowment for Catholic schools. All of this varies from diocese to diocese and even from deanery to deanery and school/parish to school/parish.

Our stand is that we must open wide the doors to new opportunities. We must call all Catholic leaders together, knock down some guarded kingdoms, and realize there are options, menus, choices, and chances that must be taken in order for Catholic schools to survive.

There is no silver bullet. We wish we could say that there was, but like one principal said recently, “You know, cost-based/needs-based tuition worked great in this neighboring diocese, but in our area, people hated it, so we just tabled it for now.” That is why it is so important to view the full menu, to realize that some of these items are new and will require a leap of faith. One thing we do know is what we have said for years, “The solutions that have gotten you to where you are today will not be the same solutions that will get you to where you want to be tomorrow.”

Let's look at each area and list the possibilities or the options of opportunities. Please understand with the four sources, there are a lot of crossover areas, and that is to be understood.

1. The Family

- Continue with the traditional model of tuition, fees and supporting fund-raisers. This will be open for those families who can afford to attend that Catholic school.

- Open the Catholic school to every Catholic family who wants to receive a Catholic education. Enter into a true partnership between the school and the family through one on one conversations and visits and determine what is feasible in terms of what gifts that family can bring/afford:
 - Gifts in kind
 - Gifts of professional service
 - Amount of money that can be afforded for that child or those children's education
 - Money they can raise through their own fund-raising efforts, after being educated on how to generate funds through workshops sponsored by the school
 - Invite to consider needs-based/cost-based tuition.

2. The School

- Generate money through tuition, subsidy and fund-raising events.
- Put in place a vibrant development/advancement effort that will concentrate on:
 - Annual Fund
 - Capital Campaign
 - Endowment Growth
 - Planned Gifts
 - Memorial Giving
 - Major Gifts
- Educate and promote needs-based/cost-based tuition.
- Explore the viability of selling bonds to generate revenue.

3. The Parish

- Offer subsidy to the Catholic school(s) based upon the number of students attending from that parish.
- Move to the Total Stewardship model where Catholic schools are made available for every Catholic family based upon the gifts (Prayer, Service, Finance) that the family offers to the parish. All gifts will have benchmarks that must be agreed upon by the family, the school and the parish. (Diocese of Wichita model)

4. The Diocese

- Study and, if available and feasible, offer vouchers for families.
- Continue to understand, research and make available state and federal subsidies and grants.
- Launch a diocesan-wide capital campaign to build an endowment fund for Catholic schools (Diocese of Fort Wayne/South Bend) and fund every year.
- Research and consider charter-type schools with diocesan affiliation.
- Establish a Catholic school foundation (Seeds of Hope in Archdiocese of Denver) that will raise money every year to fund Catholic schools.
- Explore the financial value of new governance through systems, collaboration and/or regionalization.

These are all options, and there is no “one size fits all.” But, these opportunities do

provide different ways of looking at the available resources and revenues for Catholic schools. Now, the reader can hopefully see the value of Bishops convening congresses and convocations in order to introduce these options (and more) and discuss new solutions to age old challenges. We do have many opportunities if we will only break down the barriers of mediocrity and explore. Now is the time to call people together – all four entities – and make some crucial decisions.

April 2010 Issue: Looking at new ways of funding our Catholic parishes