

JUNE 2015

GUIDELINES DOCUMENT

Catholic Schools Major Program Area

Revitalizing Catholic Schools



“No child should be denied his or her right to an education in faith, which in turn nurtures the soul of a nation.”

Pope Benedict XVI
April 17, 2008

Conrad N. Hilton
FOUNDATION

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Introduction

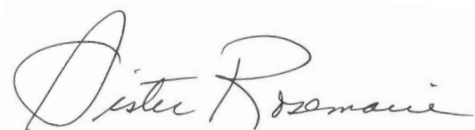
Founded by Catholic sisters to assist immigrants with the transition to American life, Catholic schools have offered generations of families an exceptional education at a relatively minimal cost. For over 150 years, Catholic schools have helped children from diverse backgrounds to realize their God-given potential.

Unfortunately, Catholic schools across the nation currently face internal and external challenges that threaten their sustainability. A decline in Catholic schools particularly impacts low-income urban communities, where these schools provide hope, opportunity, and a pathway out of poverty for disadvantaged children and their families.

The Catholic Schools Major Program Area Guidelines are the Conrad N. Hilton Foundation's direct response to the challenges facing Catholic schools. Our vision is high quality Catholic schools serving low-income families. The Foundation will realize this through improving the operational vitality of Catholic schools, with a national emphasis on accessing public funding to ensure that low-income families have equal access to all educational options. In addition, the Foundation will continue our long-standing commitment to Catholic schools in the Archdiocese of Los Angeles.

The Foundation's investment in Catholic Schools is rooted in the life interest of our founder. Revitalizing Catholic schools furthers the Foundation's mission to "improve the lives of disadvantaged and vulnerable people" and fulfills Conrad N. Hilton's charge to "shelter little children with the umbrella of your charity; be generous to their schools..." The Catholic Schools Major Program Area also complements the Foundation's support of Catholic sisters.

These guidelines are the result of 12 months of active engagement with Catholic education leaders, practitioners, innovators, and funders across the country. Extensive research, interviews, and site visits have shaped these guidelines. The Foundation is deeply grateful for the generous sharing of wisdom, expertise, experience and vision from those with a common passion for and belief in the value of Catholic schools.

A handwritten signature in cursive script that reads "Sister Rosemarie". The signature is written in black ink on a white background.

Rosemarie Nassif, SSND, PhD

Director, Catholic Sisters Initiative/Catholic Schools, Conrad N. Hilton Foundation

Benefits of Catholic Schools

As reported by the Alliance for Catholic Education (ACE) at Notre Dame, research indicates:

- The achievement gap* is smaller in faith-based schools. (*Jeynes 2007; Marks and Lee 1989*)
- Students in Catholic and other private schools demonstrate higher academic achievement on average than students from similar backgrounds in public schools. (*Coleman and Hoffer 1987; Coleman, Hoffer, and Kilgore 1982; Greeley 1982; Sander 1996*)
- Latino and African American students who attend Catholic schools are more likely to graduate from high school and more likely to graduate from college than their public school peers. (*Benson, Yeager, Guerra, and Manno 1986; Evans and Schwab 1995; Neal 1997; Sander and Krautman 1995*)
- Multi-disadvantaged students benefit most from Catholic schools. (*Evans and Schwab 1995; Greeley 1982; Neal 1997*)
- Social class effects on educational achievement are significantly lessened in Catholic schools. (*Bryk, Lee, and Holland 1993; Greeley 1982; Brinig and Garnett 2014*)
- The poorer and more at-risk a student is, the greater the relative achievement gains in Catholic schools. (*York 1996*)
- Graduates of Catholic high schools are more likely to vote than public school graduates. (*Dee 2005*)
- Graduates of Catholic schools are likely to earn higher wages than public school graduates. (*Hoxby 1994; Neal 1997*)
- Catholic schools tend to produce graduates who are more civically engaged, more tolerant of diverse views, and more committed to service as adults. (*Campbell 2001; Greeley and Rossi 1966; Greene 1998; Wolf, Greene, Kleitz, and Thalhammer 2001*)

* Achievement gap refers to the observed, persistent disparity of educational measures between the performance of groups of students, especially groups defined by socioeconomic status, race/ethnicity, and gender.

“Catholic schools infuse beliefs, values, and standards that children will carry all their lives. They produce a safe learning environment for those from high-crime neighborhoods as well as structure and a faith- and values-based education. Catholic schools create a sense of community and an expectation that every child can and will achieve his or her goals.”

The Wall Street Journal
“Saving Catholic Education”
September 30, 2011

In their well-regarded 1993 book, *Catholic Schools and the Common Good*, Anthony Bryk, Valerie Lee, and Peter Holland summarized the research on Catholic schools as follows:

“The accumulated evidence indicates that average achievement is somewhat higher in Catholic high schools than public high schools, and it also suggests that Catholic high schools may be especially helpful for disadvantaged students ... [They] manage simultaneously to achieve relatively high levels of student learning, distribute this learning more equitably with regard to race and class than in the public sector, and sustain high levels of teacher commitment and student engagement.”



Social class effects on educational achievement are significantly lessened in Catholic schools.

Bryk, Lee, and Holland 1993;
Greeley 1982

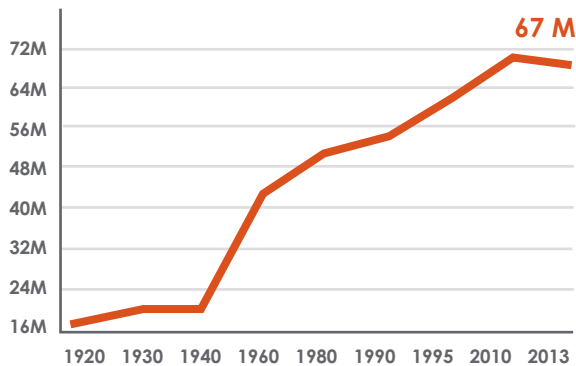
The Current Landscape

THE STATE OF CATHOLIC SCHOOLS

While the benefits of a Catholic education are clear, experts concur that this is a critical moment in time for our Catholic schools. In the 1960s, 5.5 million American children attended nearly 13,000 Catholic schools across the country. The 1970s and 1980s saw a steep decline in both the number of schools and students. By 1990, there were 2.5 million students in 8,917 Catholic schools.

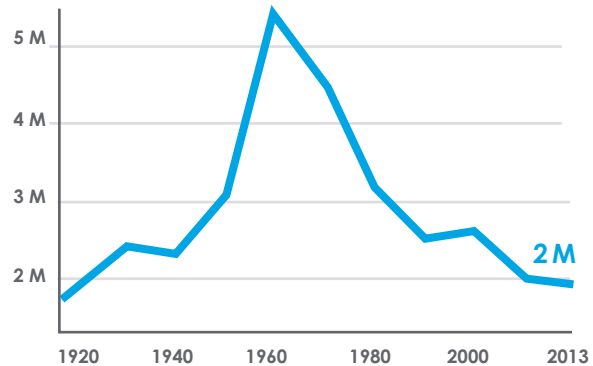
Despite a growing U.S. Catholic population that has now reached nearly 67 million, many Catholic schools are closing and enrollment has continued its steady decline nationally since 1960. In the 2013–2014 school year, fewer than 2 million students attended 6,685 Catholic schools.

U.S. Catholic Population



LMU|LA
School of Education

Enrollment: U.S. Catholic Schools



LMU|LA
School of Education

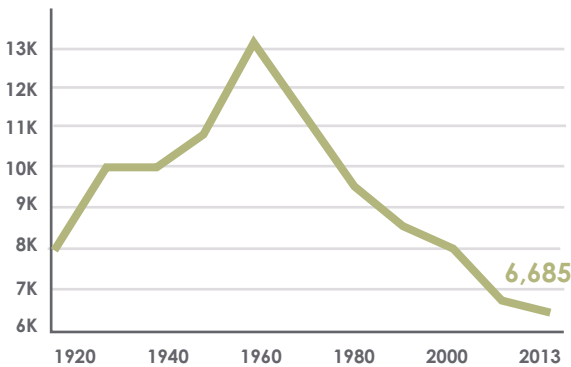
— Students

Since 2000, school enrollment in the Los Angeles Archdiocese has declined nearly 20 percent to approximately 80,000 students.

Enrollment declines have forced widespread school closures. Between the 2004 and 2014 school years, a total of 1,856 Catholic schools were reported closed or consolidated (23 percent). The number of students declined by 578,699 (23 percent).

The most serious impact has been on Catholic elementary schools. The number of elementary schools in the 12 largest urban areas of the country has declined by 30 percent since 2003 and by 19 percent in the rest of the U.S.

U.S. Catholic Schools



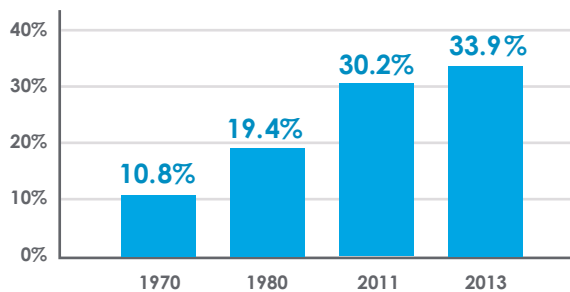
When the bishops of the United States established Catholic schools in 1852, the primary goal was to embrace and assist the immigrants who made up much of the U.S. Catholic population at the time. The success of these efforts is reflected in the generations of immigrant families who became accomplished and influential leaders after being educated in Catholic schools. Although the ethnic makeup of the U.S. Catholic population has changed in the past 160-plus years, the commitment of Catholic schools

to serving the poor and marginalized has remained steadfast. Of the approximately 2 million students enrolled in Catholic schools, 34 percent are members of ethnic minority groups; 16 percent are non-Catholic.

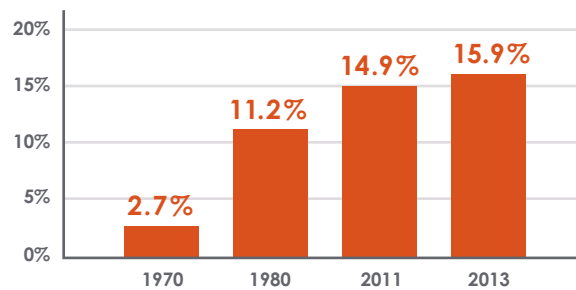
While Latino families could benefit greatly from a Catholic education, the decline in enrollment is particularly pronounced in this community. Nearly 40 percent of American Catholics—25 million people altogether—are Latino, and about 20 percent of U.S. Latinos are living below the poverty line. Seventy five percent of Latinos in the U.S. are Catholic, and yet a mere 3 percent of Latino families send their children to Catholic schools.

Today, close to 43 percent of all Catholic schools are disproportionately found in low-income urban minority communities. Catholic schools provide an invaluable service by offering families in these communities a strong educational alternative.

Ethnic Minority Students: U.S. Catholic Schools



Non-Catholic Students: U.S. Catholic Schools



Underscoring the decline in enrollment in Catholic schools is a marked rise in enrollment in U.S. charter schools. In 2011–2012, each of these sectors had about the same number of students. This year, Catholic school enrollment nationally dropped 1.5 percent to fewer than 2 million students, while charter school enrollment increased 13 percent to 2.3 million students. So, for the first time, charter school enrollment has surpassed Catholic school enrollment.

Despite the difficulties they face, Catholic schools are instruments of peace in violent neighborhoods. In the midst of the chaos and uncertainty of poverty, they offer places of order and acceptance. In their 2014 book, *Lost Classroom, Lost Community*, Brinig and Garnett provide data that show a correlation between Catholic school closures and an increase in crime rates in urban communities. Students at urban Catholic schools often face many challenges to academic success—economic struggles, single-parent homes, and parents who are under-educated, unemployed, or non-English speakers—yet research consistently shows that Catholic school students outperform their peers in public schools. Many tuition-dependent schools write off poor, inner-city children, but Catholic schools cherish them as children of God who are central to their mission, and encourage these children to reach their full potential as human beings created in God’s image.

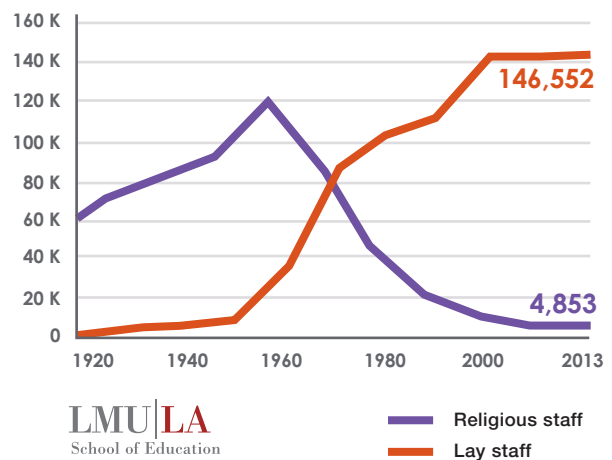
UNDERLYING CAUSES

The cause of the decline in enrollment in Catholic schools does not reside with any single factor. It is a complex, multi-faceted situation. As cited by Stephanie Saroki and Christopher Levernick in *Saving America’s Urban Catholic Schools*, major drivers include:

DECLINING VOCATIONS.

Since 1960, the percentage of Catholic school staff that are sisters, brothers, or priests has dropped from 96 percent to 3.7 percent. Although lay teachers at Catholic schools are generally paid less than their public school counterparts, lay teachers are paid much more than the sisters, brothers, and priests who once staffed the schools as essentially highly educated and skilled volunteer labor. The vocational crisis has rendered the

Staffing: U.S. Catholic Schools



traditional business model for Catholic schools inoperative; personnel costs are simply too high to sustain it.

SHIFTING DEMOGRAPHICS. When inner cities were home to large populations of ethnic Catholics, it made sense to build towering cathedrals and large schools. Now, after those populations have moved to the suburbs, the churches and schools have remained—often in neighborhoods where families cannot afford the cost of tuition.

RISING COSTS. In addition to expanded human capital costs, the aging facilities at many inner-city Catholic schools present high operating expenses and substantial deferred maintenance projects. Many require wholesale renovation. Also, many inner-city parishes face competing budget pressures, especially to fund social services, and often lack wealthy parishioners who can help underwrite costs.

CALCIFICATION. Like many large institutions that were created long ago, American Catholic school systems have calcified governance structures, systems, and habits that often fail to capitalize on current best practices. To meet the challenges of the twenty-first century, Catholic school systems require an infusion of leading edge, evidence-based instructional practices. They also require sustainable business models, as well as the recruitment and development of energetic, innovative, visionary leadership.

COMPETITION. With public charter schools opening in many inner cities, parents are finding real—and sometimes quite attractive—alternatives to failing district schools. And, because some inner-city charter schools emphasize rigorous standards, character development, school uniforms, discipline, and personal responsibility, they are moving into a market niche once occupied solely by Catholic and other religious schools.

INCONSISTENCY. The academic performance of inner-city Catholic schools is inconsistent. There are outstanding schools that do heroic work in inner cities across America, but there are also schools languishing under poor principal and/or pastoral leadership and teaching that is not up to high academic standards. As good as America's urban Catholic schools have historically been, too many of them are not living up to their reputations.



CONFUSION. Those seeking to help restore Catholic education have different motivations and priorities. Some view the effort preeminently as one of the religious formation of children in the context of academics. Others seek first and foremost to provide opportunity through high-quality education to the at-risk students who need it most. Some church leaders view the cause of the crisis facing inner-city schools as singularly a problem of a family’s inability to afford the tuition. Other reformers view the problem as having multiple, systemic roots.

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

CHALLENGES AND OPPORTUNITIES

The challenges are certainly complex, but innovative, systemic reform efforts are underway. Philanthropy is playing a vital role in providing leadership, partnership, and resources.

Challenges facing urban Catholic schools include:

- Tuition fees paid by low-income families constitute only a portion of actual per-pupil expenses. For the 2013–2014 school year, the average per-pupil tuition price in parish elementary schools was \$3,880. This was 72 percent of the actual costs per pupil of \$5,387. A reported 94 percent of Catholic elementary schools in the country provide some form of tuition assistance. The national Catholic high school mean for freshman tuition cost is \$9,622. This is 80 percent of the actual costs per pupil of \$11,970. About 97 percent of secondary schools provide some form of tuition assistance.

“The evidence points to a clear conclusion: in most cases, the single-parish elementary school in the urban environment is no longer fiscally or operationally sustainable despite the heroic efforts of school stakeholders to save these schools.”

Erik P. Goldschmidt, PhD,
MDiv, Boston College, *Journal
of Catholic Education*, 2013

- The gap between per-pupil cost and the tuition collected is addressed in many ways, primarily through direct subsidy from parish, diocesan, or religious congregation resources; multi-faceted development programs; and fundraising for scholarships. Alternatively, some schools forgo one or more of the following: staff salaries; academic enrichment programs; the purchase of textbooks, school supplies, and learning materials; or facility repairs, maintenance, and capital upgrades.
- Catholic school principals, teachers, and other staff often receive below-market salaries and benefit packages.
- Pastors have ultimate authority over most individual elementary school sites. The quality of Archdiocesan, pastoral, and principal leadership can be widely inconsistent.
- Most Catholic school students do not have access to an ongoing, reliable stream of public funding.
- Many school sites do not have the capacity to grow to a financial “break-even” size.
- Catholic mission and identity, as well as Catholic social teachings, often preclude the pursuit of some promising strategies such as converting Catholic schools to values-based charter schools, mergers, or relocating to communities where parents are able to pay tuition costs.

EXPERT INSIGHT

“I think we who are invested in Catholic education, as well as the larger Church and the community have a moral imperative to act for the future of these schools. The guidelines document communicates that without preaching. Bravo.”

Lorraine Ozar, PhD, Director
Loyola University of Chicago
Andrew M. Greeley Center for
Catholic Education

Opportunities for the advancement of Catholic schools include:

A GROWING SENSE OF URGENCY. “Dramatically declining enrollment, rising costs, and mounting deficits are creating a growing sense of urgency around Catholic education reform.” *Alternatives to Traditional Catholic School Governance Models*, Anthony Pienta, 2013.

FUNDERS FOCUSING ON LONG-TERM SOLUTIONS. “Catholic funders are beginning to focus their grantmaking on activities and organizations that can make a long-term difference for the survival and continued success of inner-city Catholic education.” *Saving America’s Urban Catholic Schools*, Stephanie Saroki Philanthropy Roundtable, September 2010.

INNOVATIVE AND PROMISING

APPROACHES. “At least eight different governance models for urban Catholic elementary schools have been identified in contrast to a nearly ubiquitous model of years past in which a single school was governed exclusively by the pastor and financed by one parish.” *Sustaining Urban Catholic Elementary Schools*, Erik P. Goldschmidt, PhD, MDiv and Mary E. Walsh, PhD, 2011.

“Cristo Rey, [a network of 26 schools in 18 states], is financed by recruiting businesses...to pay a flat fee to the schools in exchange for having on-site one student-worker per day...Propelled forward by their Cristo Rey education, these young people are taking their rightful places in America’s economic and social mainstream.” “Why Education Trumps Poverty in ‘Schools that Work,’” *Forbes*, Daniel R. Porterfield, PhD, September 24, 2014.

“Blended learning is gaining momentum as a promising instructional model to personalize student learning, improve academic performance, and gain efficiencies by increasing enrollment.” *Blended Learning*, Laura Vanderkam, 2013.

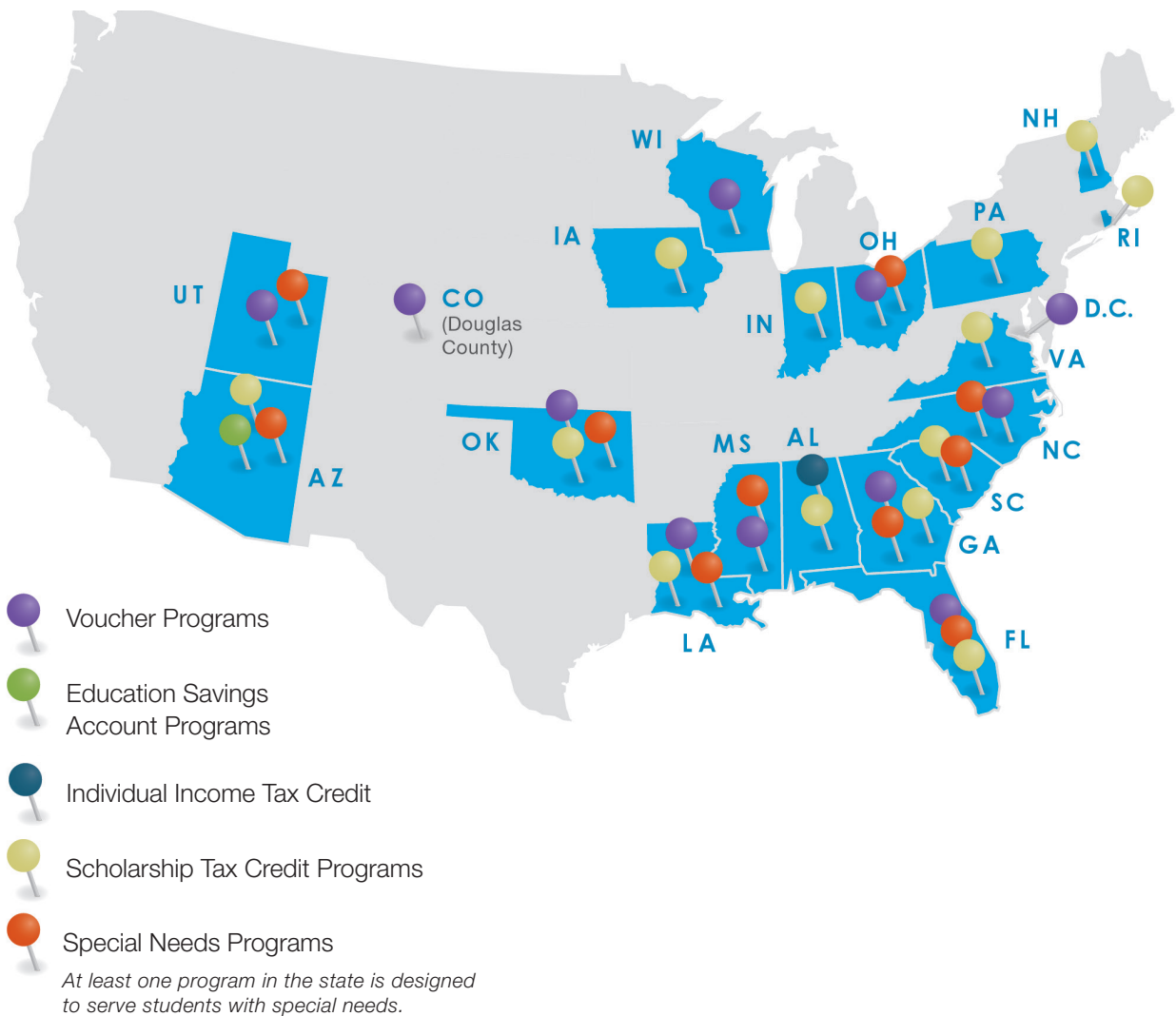
GROWING MOVEMENT FOR SCHOOL

CHOICE. Today, nineteen states plus the District of Columbia have some form of public funding (including vouchers and tax credits) that makes it more possible for middle and low-income parents to select the best educational environment for their children. These vary in approach and intend to benefit all private, and often charter, schools in the area of tuition/operational support.



The map below illustrates the range of private school choice approaches being adopted across the nation.

School Choice by State



Alliance for School Choice Yearbook 2013–2014

These opportunities and other signs of hope are encouraging. This is a critical moment in which private philanthropy has a strategic opportunity to make investments that can transform the landscape for our Catholic schools.

Developing Our Guidelines

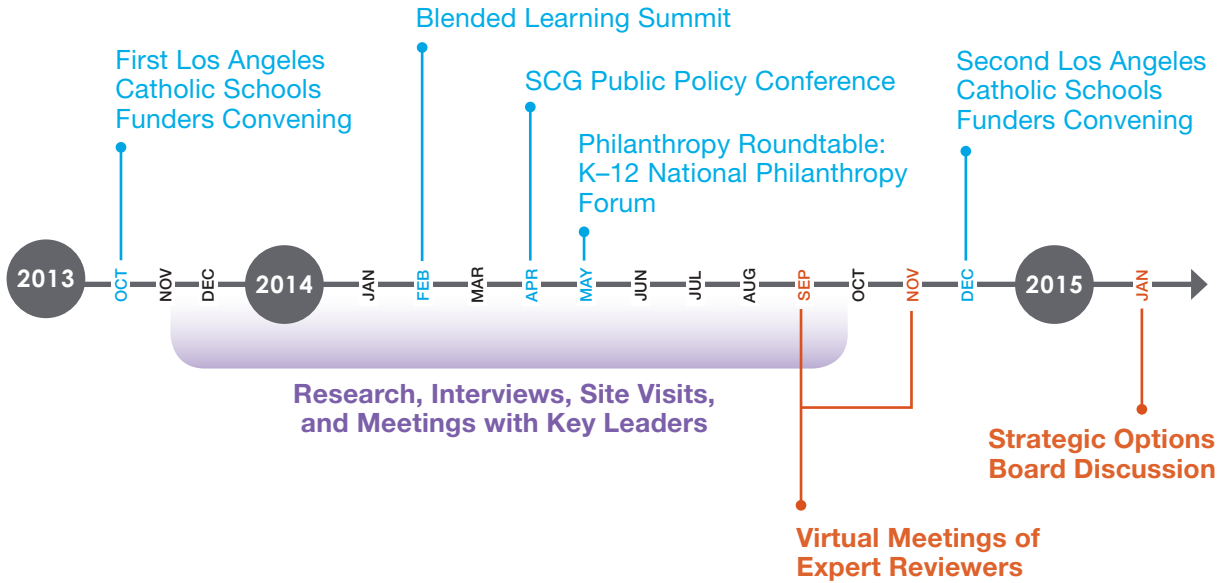
The following guidelines were shaped and informed by a process that included:

- Research and drafting of several white papers on topics including blended learning, public funding of Catholic schools, faith-inspired charter schools, and alternatives to traditional Catholic school governance models
- Review of current literature, data, reports, and case studies
- Attendance at national conferences
- Thirty school site visits at Catholic schools and charter schools
- Interviews with key leaders in the sector
- Two convenings of Catholic education funders for the Archdiocese of Los Angeles Department of Catholic Schools
- Insights and recommendations from a distinguished panel of twenty-seven expert reviewers

Throughout our exploration, we asked others and ourselves a series of questions to evaluate the current landscape:

- What are the defining characteristics of vibrant and sustainable Catholic schools?
- What is necessary, and what might be possible, for a revival of urban Catholic schools?
- What are the effective governance models and funding strategies currently used by Catholic schools in urban centers across the country?
- Where are the most successful centers for the development of excellent principals and teachers?
- Who is currently leading with courage and vision?
- What efforts are working and showing promise?
- How might the Hilton Foundation most meaningfully impact the crisis currently facing these schools, especially those serving students in our neediest and most vulnerable communities?
- Is there a sustainable business model for Catholic schools serving low income families that allows for sufficient investment in quality teachers and effective academic programming?
- Where is public funding making the biggest difference in advancing Catholic schools?

This timeline illustrates our journey.



Defining Characteristics of Effective Catholic Schools

Five interrelated defining characteristics of vibrant and sustainable Catholic schools emerged from our review of case studies, research reports, and current data. They are:

CATHOLIC MISSION AND IDENTITY

Vibrant and sustainable Catholic schools are guided and driven by a clearly communicated mission that embraces a unique Catholic identity and culture, and furthers each student’s faith formation.

“This unique Catholic identity makes our Catholic schools ‘schools for the human person’ and allows them to fill a critical role in the future life of our Church, our country, and our world.” *(The Catholic School on the Threshold of the Third Millennium, 1997)*

“For us, education means enabling persons to reach the fullness of their potential as individuals created in God’s image and assisting them to direct their gifts toward building the earth.” *(You Are Sent, C22, Constitution of the School Sisters of Notre Dame)*

PRINCIPAL LEADERSHIP

Practice has proven that the single most critical variable determining school success is the principal. An excellent Catholic school has an effective leader empowered by the governing body to realize and implement the school’s Catholic mission and vision. The principal is the faith and instructional leader of the school. He or she takes full responsibility for the school’s academic performance and operational vitality. Principal leadership based on excellence, transparency, accountability

“We’re heavy into leadership—seeking it, creating it, promoting it, deepening it, celebrating it...”

Dr. Mary McDonald
Former Superintendent,
Catholic Diocese of Memphis,
Jubilee Schools, May 3, 2012

for data-driven results, and best practices is essential to ensuring the Catholic identity, academic quality, and operational vitality of a school.

ACADEMIC EXCELLENCE

The essential elements of an academically rigorous, engaging school program mandate curricular experiences—including co-curricular and extracurricular activities—that are rigorous, relevant, research-based, and committed to continuous improvement. An excellent Catholic school has a clearly articulated, demanding curriculum and transparent, school-wide assessment tools aligned with relevant standards and twenty-first century skills. A credentialed teacher who is supported with quality professional development and paid a competitive market-rate salary implements a rigorous curriculum through effective instruction. This curriculum is delivered in a safe, well-maintained classroom with current technology, up-to-date learning materials, and adequate classroom supplies.

“The future of urban Catholic elementary schools requires that we identify, implement, measure, and market models that demonstrate effective governance, financial sustainability, and academic quality.”

(Sustaining Urban Catholic Elementary Schools, Erik P. Goldschmidt, PhD, MDiv and Mary E. Walsh, PhD, 2011)

OPERATIONAL VITALITY

Urban Catholic schools serving disadvantaged students and communities exist in a milieu of constant, seemingly insurmountable socioeconomic challenges. These schools need sound, sustainable, and transparent financial planning and reporting; human resource/personnel management and professional development; facilities maintenance and enhancement; fundraising and development; community outreach to build enrollment; and current communications tools. Vibrant and sustainable Catholic schools adopt and maintain standards for operational vitality and define the norms and expectations for fundamental procedures to support and ensure viability and sustainability. When a school does not or cannot maintain

EXPERT INSIGHT

“The role of the priest and principal should be unhitched, as priests are not trained to run schools and lack certain managerial skills.”

Rev. Brendan McGuire, Vicar General, Diocese of San Jose

standards for operational vitality, the continuation of academic excellence is in grave jeopardy. Over time, even an academically rigorous school with strong Catholic identity will not survive without a sound, sustainable business plan.

GOVERNANCE

Within a mission-driven culture, the success of a Catholic school depends on effective governance that recognizes and respects the roles of the appropriate and legitimate authorities, and exercises responsible decision making in collaboration with the leadership for development and oversight of the school’s fidelity to mission, academic excellence, and operational vitality.

The ultimate authority over any given Catholic school is the local bishop, who may have a varying degree of active involvement or formal role depending on how the school is established (Canon 806). The bishop’s “oversight responsibility” is often delegated to others to work on behalf of the appropriate church authority.

Schools can be organized along a continuum of local to central control. A school can be a parish school, which is operated and financed by a local parish; a diocesan school, which is operated and financed by a diocese; or a private, independent school—one that is recognized as “Catholic” by the local bishop but operated and financed by an entity separate from a parish or diocese, such as a religious order. Schools can be independent of each other, but some schools may work together in an unofficial collaboration where they share information or resources without setting up a unified administrative entity. More officially, schools could be a part of a consortium administered by a single administrative body.

Traditional parish schools are governed entirely by an executive—the pastor or the superintendent for the diocese. The pastor may be advised in governing matters by a board or council, but he

The term “governance” refers to ultimate decision-making authority over mission, policy development, the enforcement and establishment of core priorities, and the hiring, firing, and evaluation of key leadership such as the school principal. The governance model establishes the framework within which administrators manage school operations.

Traditionally, there are four classifications of Catholic school governance:

- Parish:** Sponsored by a single parish church community
- Interparish:** Sponsored by two or more parishes
- Diocesan:** Sponsored by the arch/diocese
- Private:** Sponsored by a religious order or a private corporation

ultimately determines the school's policies and initiatives. Of approximately 6,700 Catholic schools nationwide, an estimated 75 percent still operate under a parish-based model. However, since the late 1990s, the spread of alternate governance efforts has been fairly rapid, with increasingly innovative models being introduced each year.

Across the country, there have been numerous efforts to proactively alter traditional Catholic school governance models as an innovative approach to improving the sustainability of urban Catholic schools serving disadvantaged communities. These experiments include diocesan centralization, consortium schools, university partnership schools, faith-inspired charter schools, regional or interparish schools, regional clusterings of schools, and private or lay-run Catholic schools (schools that require the bishop's approval to refer to themselves as Catholic).

The more successful of these governance reform efforts share a number of characteristics: agreement from the local diocese and bishop; a bold and visionary leader or philanthropist who steers the effort; real oversight powers vested in a competent lay organization or board; centralization of several vital services such as human resources and finance; and philanthropists who agree to cover deficits and capital upkeep during the governance transition in exchange for influence over operations. These strategies have injected fresh thinking and professional oversight into a tired system, and have shown the potential to drastically improve quality, reduce waste, and increase enrollment and long-term financial and operational viability. Catholic school governance reforms taking root around the country have shown to be promising and possibly replicable strategies to create vibrant and sustainable Catholic schools.

“Catholic schools will continue to play a vital role in American civic life, as they exemplify how to prepare citizens for full engagement in democracy and commitment to the common good.”

“Making God Known, Loved, and Served: The Future of Catholic Primary and Secondary Schools in the United States,” Notre Dame Task Force on Catholic Education, University of Notre Dame, December 2006



Levers of Change

If America is to continue its tradition of Catholic schools reaching out to the neediest and most vulnerable students, private philanthropy must find innovative ways to help inner-city Catholic schools achieve long-term financial sustainability and operational vitality while developing effective leadership supported by workable governance models. Concurrently, it must also advance educational rigor, transparency, and academic excellence within a faith-based, mission-driven culture.

The Foundation has identified three of the five defining characteristics of vibrant and sustainable Catholic schools as strategic levers of change: **Principal Leadership**, **Academic Excellence**, and **Operational Vitality**.

We will not focus our grantmaking on the important defining characteristic of “Catholic Mission and Identity” because we are not Catholic funders and, as such, it is not the Foundation’s role to lead or drive efforts in this specific focus area. We do believe, however, that a clear Catholic mission and identity are essential, unique, and differentiating characteristics of vibrant and sustainable Catholic schools. We will look for strong commitment to equity, mission, and Catholic identity in any school(s), diocese, system,

EXPERT INSIGHT

“I don’t think our Catholic schools need nurturing. They’ve been nurtured for a couple of decades, with lots of donors propping up organizations that are NOT operationally viable. The time is now for “reinventing” or “redesigning” or “refreshing” in order to create big changes in the way things have been done for a long time.”

Scott Hamilton, CEO, Circumventure/
Knowledge is Power Program (KIPP)



consortium, or organization with whom we partner. We underscore the positive benefits that Catholic mission and identity offer to students—no matter what their religious affiliation. Investments by the Foundation build on the precondition that the school’s Catholic mission is visible, practiced throughout the institution, and experienced as a key asset of its culture and identity.

Moreover, while we will not directly fund new governance models, they certainly have the potential to positively impact the levers of change. Innovative governance structures of school systems and consortiums are promising because they allow for greater efficiencies and more robust learning communities among principals and teachers.

“Coordinating several schools as a consortium seems to provide a more efficient use of resources than an individual school model. Consortium schools have increased economies of scale.”

Sustaining Urban Catholic Elementary Schools, Erik P. Goldschmidt, PhD, MDiv and Mary E. Walsh, PhD, 2011





LEVER OF CHANGE: PRINCIPAL LEADERSHIP

Every case study, site visit, and research report we explored points to the same conclusion: effective principal leadership is critical to achieve a vibrant and sustainable Catholic school. Exceptional, visionary, entrepreneurial leadership at the diocesan and school site level is essential to the success of urban Catholic schools. Everywhere we saw success and promise, we found great principal leaders.

The need for a new approach to ensuring that Catholic schools attract, develop, and retain top-notch principals is urgent, especially in inner-city Catholic schools serving disadvantaged and vulnerable students. The Foundation will help improve the way Catholic school principals are recruited, formed, advanced into leadership positions, mentored, and compensated by funding proven and promising strategies for Catholic school leadership development.

Catholic school principals have a myriad of responsibilities, including: hiring, evaluating, and retaining excellent teachers; assuring full enrollment; managing and monitoring financial viability; and being a motivational and passionate instructional leader while consistently inculcating the Catholic culture and mission. It is our belief that, given all of these significant roles, Catholic school principals need to allocate at least 50 to 60 percent of their time as instructional leaders. This is the priority area around which all other facets of their leadership—as well as a school’s intrinsic value—will be assessed. Instructional leadership is also the area around which teachers will expect and deserve support and mentoring. The development of a school as a vibrant learning community across its constituents gives testimony to the quality of the principal’s leadership.

EXPERT INSIGHT

“The emphasis on strong educational leadership is vital and in my opinion should be the principal lever.”

Michael Browning, Principal
St. Anne Elementary School

“Facilities are important, but they’re not the key determinant to success. Somewhere between 70 to 80 percent of school operating costs are people. Once you’ve got great leaders at the helm, everything else falls into place.”

Leo Linbeck III, CEO
Aquinas Companies LLC
November 11, 2011

Examples of promising leadership strategies include:

- The creation and scaling of successful principal development and recruitment programs that include significant internship and mentorship opportunities within a system or network of Catholic schools, e.g., Loyola University of Chicago Andrew M. Greeley Center for Catholic Education and University of Notre Dame Alliance for Catholic Education (ACE)
- The networking of Catholic, charter, public, and private school leaders to share best practices and partner on reform to create and nurture a principal community of innovative practice
- The creation and dissemination of research and best practices on effective Catholic school leadership development models

“We have a leadership crisis in our Catholic schools right now. The stakes are high. Without recruiting strong educators and forming them into talented and committed leaders for our classrooms and our principals’ offices, no amount of money, curriculum changes, or fundraising plans will be effective over the long term.”

Fr. Louis DeFra, C.S.C.
Director of Pastoral Life at Alliance for Catholic Education
Alliance for Catholic Education Press, 2006





LEVER OF CHANGE: ACADEMIC EXCELLENCE

If funders hope to preserve and expand Catholic education in America’s inner cities, they will need to help restore and create significantly more Catholic schools that combine excellent academics with strong, sustainable business models. **“Safe and happy” or “welcoming and inclusive” are no longer enough.** Parents and families value these attributes and are willing to direct their limited resources toward them—as long as they are accompanied by instructional programs that offer academically competitive opportunities for achievement.

Some Catholic schools are not as academically strong as they could, and should be. Underperforming inner-city Catholic schools must transform into viable, high-performing schools. Catholic schools must develop quality teachers who advance student academic progress. This effort will include rigorous teacher professional development, resetting high academic standards, the introduction of cutting edge instructional methods, and ensuring that standardized test scores are evaluated, used to drive student academic achievement, published, and compared to other similar schools. It also means increasing transparency and helping the Catholic education sector embrace the constructive use of open and full accountability for student academic achievement.

Creative, new models for inner-city Catholic education need to be conceived, developed, studied, implemented, incubated, and taken to scale. These new school models must deliver excellent academic results and demonstrate sustained cost effectiveness, as well as potential for growing to scale.

“An excellent Catholic school has a clearly articulated, rigorous curriculum aligned with relevant standards, twenty-first century skills, and ethical values implemented through effective instruction. Academic excellence includes the use of school-wide, comparable assessment methods and practices to document student learning and program effectiveness, to make student performance transparent, and to inform the continuous review of curriculum and the improvement of instructional practices.”

National Standards and Benchmarks for Effective Catholic Elementary and Secondary Schools, Loyola University Chicago Andrew M. Greeley Center for Catholic Education, 2014

Some examples of bold and promising performance-driven school models include:

- Blended learning* aimed at increasing student academic achievement and school site financial viability within the Drexel System in the Diocese of San Jose
- Individual schools working to implement the blended learning model in partnership with Seton Education Partner's Phaedrus Initiative in San Francisco, Philadelphia, Santa Monica, Los Angeles, and Seattle
- Eleven Catholic schools in 10 states from Rhode Island to Washington currently piloting dual-language immersion programs in partnership with the Boston College Roche Center for Catholic Education
- Big Shoulders consortium in Chicago that is implementing a value-add assessment model that compares the academic progress of students in their consortium with schools that educate students from similar demographics

* Blended learning refers to an instructional model that integrates technology into the classroom and personalizes student learning.

EXPERT INSIGHT

“Academic excellence is part of what makes us a Catholic school, or should be.”

Meg Samaniego, Principal
St. Bernard Elementary School



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

Saving America's Urban Catholic Schools, Philanthropy Roundtable September 2011



LEVER OF CHANGE: OPERATIONAL VITALITY

Today, new conditions make the parochial school business model increasingly problematic. When a school cannot maintain minimum standards of operational vitality, the continuation of academic excellence for students is in grave jeopardy. Over time, even an academically rigorous school with a strong Catholic mission and identity will not survive without a sustainable, sound business model to ensure ongoing operational vitality. Dedicated funders intending to turn around already existing, financially vulnerable inner-city Catholic schools are investing in various strategies. For example:

- **Public funding.** Advocating to increase the availability of vouchers, tax credits, and other sources of state and federal funding that direct resources to Catholic school students and families. Organizations such as Alliance for School Choice, Black Alliance for Educational Options, and Friedman Foundation for Educational Choice are embracing the need for public policy changes in favor of Catholic schools. University of Notre Dame Alliance for Catholic Education (ACE) and Drexel Fund aim to develop proof points to demonstrate the success of school choice programs.
- **Professional business practices.** Educating principals and pastors to utilize best practices in managing the financial exigencies of a school.
- **Systems and consortiums of Catholic schools.** Centralizing functions across schools such as technology, payroll, purchasing, and professional development. Such centralization, exemplified by the Drexel System, can yield a number of efficiency benefits as well as offer higher-level services to all schools.
- **Effective marketing efforts.** Communicating an emphatic case for high-performing Catholic schools to engage the support of civic, business, and philanthropic leaders, as well as to increase enrollment in Catholic schools.
- **Innovative and sustainable business models.** Seeking and creating breakthrough change through convening high level, multi-sector taskforces to conduct thorough analyses of this challenge and propose new, sustainable business models.

“...Yet in many cases, existing approaches are proving insufficient to truly crack the intractable social problems that we face. The solutions to these large, complex issues—what design theorist Horst Rittel called ‘wicked problems’—are not yet known. So philanthropy needs to experiment and find new approaches to create breakthrough change.”

“The Re-Emerging Art of Funding Innovation,” Gabriel Kasper and Justin Marcoux, *Stanford Social Innovation Review*, Spring 2014, Volume 12, Number 2

Guidelines

Our vision is high quality Catholic schools serving low-income families. Successful Catholic schools continuously pay attention to Principal Leadership, Academic Excellence and Operational Vitality. Efforts to advance one lever of change must pay attention to how the others are functioning and responding. Given the Foundation's finite resources, however, we have decided to strategically focus on a single lever of change: **Operational Vitality**.



Without sufficient and sustainable financial, human and capital resources, Catholic schools cannot achieve their missions and academic goals. Our strategy is to utilize public funding to increase the number of low-income students receiving a high-quality education in Catholic schools that are operationally vital.

The Foundation will fund the following three areas of support. The first two focus on national guidelines targeting the operational vitality of Catholic schools with an emphasis on public funding of private school choice. The third acknowledges our long-term relationship with our home diocese of Los Angeles. The Catholic Schools Major Program Area will support initiatives to:

1) Advance the implementation of school choice options.

Today over twenty states have some form of public funding for private schools. Aligning the Foundation's efforts with school choice is a key opportunity to leverage public funding as a viable and sustainable pathway to operational vitality. Across the states in which school choice legislation exists, families underutilize this option. Given the number of available school choice options (approximately 1.5 million) the overall participation rate is 23% or 350,000 students. In Catholic school classrooms alone, 160,000 seats remain empty in public funded states. This underutilization has several reasons, including: lack of promotion by the leadership of the diocese or Catholic school system; poor legislation that limits eligibility and access; concern about accountability requirements; and limited knowledge and education regarding the availability of public funding and the process for acquiring it.

Specific ways we might support optimum participation include:

- Partnering with the leadership of a diocese (bishop or superintendent) to increase knowledge around the benefits of school choice, and to reduce obstacles for schools and parents.
- Supporting national organizations that work with school choice states to ensure a comprehensive implementation process that mobilizes parents to enroll in and embrace school choice.
- Partnering with a university to assist Catholic schools in managing legislative requirements. Universities may provide professional development and training when specific student assessment tools are compulsory in order to be eligible for public funding.



2) Advocate for school choice in strategic states.

The Spring 2015 issue of the journal *Philanthropy* includes an article entitled “Changing Hearts, Minds, and Laws.” The headline reads “Donors can have big, healthy effects on public policy if they are prepared.” The Foundation enters the policy arena with eyes wide open. We understand that the legislative world has its perception entanglements and unpredictabilities. Victories one year may become defeats the next, followed by comebacks, then setbacks. Given both the value and risk on either side of the advocacy issue, the Foundation will engage in advocacy only when there is opportunity for limited investment with a strategic impact. For example, the Foundation might support private school choice legislation in the following contexts:

- States where public funding for private school choice is at a critical crossroads and a high number of Catholic schools seats are available for low-income families.
- Supporting organizations that are dedicated to research on the impact of private school choice. Such organizations are committed to providing rigorous data that educate the public on the positive impact of school choice on state budgets, economic development, and academic outcomes.

3) Advance Catholic schools serving low-income families in the Archdiocese of Los Angeles.

Throughout its history, the Foundation has enjoyed a positive relationship with the Archdiocese of Los Angeles, which educates the largest number of low-income ethnic minority students in Catholic schools nationwide. The Catholic Schools Major Program area will give priority to improving operational vitality of schools through increasing enrollment and/or advancing fundraising capacity. Examples of such funding include:

- Supporting innovative instructional design, such as blended learning and dual-language immersion, which attracts families and increases enrollment, placing the institution on stronger financial footing.
- Supporting initiatives that increase the capacity of principals to raise funds and increase enrollment through more effective marketing and communications.

In summary, these guidelines focus on the implementation and advocacy of school choice on a national level, and the operational vitality of Los Angeles Catholic schools serving low-income families on a local level. These two dynamics complement each other, cross-pollinating our efforts for greater learning to assure that, in the words of Pope Benedict, all children have a “right to an education in faith, which in turn nurtures the soul of a nation.’



Experts Consulted

These proposed guidelines were shaped by the insights and recommendations of 27 experts who were engaged in our review process. As indicated below, their experience and knowledge spans multiple sectors relevant to education, business, and Catholic schools.

Robert Bimonte

President, National Catholic Education Association, Washington, DC

Rob Birdsell

Co-Founder, the Drexel Fund

Greg Brock

Executive Director, Alliance for School Choice

Michael Browning

Principal, St. Anne Elementary School, Los Angeles, CA

Sister Gloria Cain

SSND, Superintendent, Diocese of Dallas, TX

John Eriksen

Co-Founder, the Drexel Fund

Kathryn Everett

Executive Director, Lynch Foundation, Boston, MA

Katherine Fulton

President, Monitor Institute

Jennifer Green

CEO & Co-Founder, Urban Teacher Center, Baltimore, MD

Leslie Hiner

Vice President, Friedman Foundation for Educational Choice, Indianapolis, IN

Josh Hale

Executive Director, Big Shoulders Fund, Chicago, IL

Scott Hamilton

CEO, Circumventure/Knowledge is Power Program (KIPP)

Christine Healey

President, Healey Education Foundation, New Jersey

Justin Marcoux

Monitor Institute, Deloitte Consulting

Gregory McGinity

Director of Education, Broad Foundation

Rev. Brendan McGuire

Vicar General, Diocese of San Jose, CA

Myles Mendoza

Executive Director, Ed Choice Illinois

Anthony P. Mullen

President, Porticus North America Foundation

William G. Ouchi, PhD

Distinguished Professor of Management and Organizations, Sanford and Betty Sigoloff Chair in Corporate Renewal, UCLA Anderson School of Management

Lorraine Ozar, PhD

Director, Andrew M. Greeley Center for Catholic Education, Loyola University Chicago

Anthony Pienta

Deputy Director of K–12 Education Programs, Philanthropy Roundtable

Meg Samaniego

Principal, St. Bernard Elementary School, Los Angeles, CA

Rev. Tim Scully

C.S.C., Co-Founder, Alliance for Catholic Education, Notre Dame University

Bill Siart

President & CEO, Ex ED

Patricia Weitzel-O'Neill

Executive Director, Center for Catholic Education, Boston College

Joe Womac

Executive Director, Specialty Family Foundation

Carina Wong

Deputy Director of Education, Bill & Melinda Gates Foundation

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