

Priest Council Minutes
Archdiocesan Pastoral Center
January 23, 2020 at 10:00 a.m.

Present: Most Rev. Wilton D. Gregory; Most Rev. Roy E. Campbell; Most Rev. Mario E. Dorsonville; Most Rev. Michael W. Fisher; Rev. Ismael N. Ayala; Rev. David W. Beaubien; Rev. Joseph A. Calis; Rev. Daniel B. Carson; Rev. Msgr. Salvatore A. Criscuolo; Rev. John J. Dillon; Rev. Msgr. William J. English; Rev. Msgr. Donald S. Essex; Rev. LeRoy J. Fangmeyer; Rev. David M. Fitz-Patrick; Rev. William E. Foley; Rev. Kenneth J. Gill; Rev. Mark F. Hughes; Rev. Mark D. Knestout; Rev. Thomas G. LaHood; Rev. Anthony E. Lickteig; Rev. Msgr. Charles E. Pope; Rev. Mark L. Smith; Rev. James M. Stack; Rev. Msgr. Peter J. Vaghi; Rev. Msgr. James D. Watkins

Absent: Rev. Scott R. Hahn; Rev. Raymond H. Moore; Rev. Lawrence A. Young

Opening Prayer

Archbishop Gregory greeted the Council and opened the meeting in prayer, mentioning the intention of the safety for those traveling for the March for Life.

Approve Minutes

The minutes of the November 21, 2019 meeting were approved without corrections.

Recommendation of Medicare Part D Program

Deacon Eric Simontis, Chief Financial Officer, and Mrs. Nanette Lowe, Executive Director of Human Resources, gave a presentation concerning their recommendation of the Medicare Part D program for retired priests' prescription drug coverage. The Archdiocese has continued to explore new ways to deliver benefits, medical and prescription, which maximize the benefits while minimizing the cost.

Although the Archdiocese receives a modest supplement from the federal government for maintaining retired priests on our prescription coverage, the costs significantly outweigh the supplement received. Retired Priests utilize Medicare Parts A and B, but our Administrator has referred us to a fully administered Part D plan that would provide the Rx service levels we need at a reduced cost. Although Deacon Simontis and Mrs. Lowe identified this strategy some time ago, they have been working with our Administrator to identify a fully administered Medicare Part D program that most closely mirrors our existing Rx program. Based on their review of the current program, they have selected Benistar's program as the one that most closely mirrors our existing plan and would still provide substantial savings to the Archdiocese.

Under the existing plan, retired priests currently receive healthcare through Medicare A & B as their primary coverage (hospitalization, nursing facility expenses, and medical care). Expenses not covered through Medicare are paid by the Archdiocese health plan with CareFirst Administrators as their secondary coverage. Retired Priests currently receive prescription coverage through Archdiocese insurance with Express Scripts. In the last 12 months, retail prescriptions for retired priests totaled \$424,000.

Under the new recommended program, the Archdiocese would remove retired priests from its Self-Funded Prescription Drug Plan through Express Scripts, and enroll them in a fully insured Medicare Part D Prescription Program administered by Benistar, a partner of Express Scripts. The Medicare Part D plan covers 98.8% of pharmacies currently utilized by our retired priests, so there would be very little disruption as to what pharmacies can be utilized in-network. Current mail order prescriptions would be transferred to Benistar, who would offer superior customer service to our retired priests and be heavily involved in communicating any changes to them. Since the Archdiocese would pay the fully insured premium on behalf of our retired priests, they would have no additional cost except for continuing to pay prescriptions co-pay. This program would eliminate the volatility of the Archdiocese claims experience, and the savings to the Archdiocese is estimated at \$170,000 per year.

For the implementation of the recommended program, the Express Scripts accounts of retired priests would be transferred directly to Benistar (no paperwork required), who would communicate by mail directly to the retired priests. Once enrolled, a welcome kit including a new ID card would be sent, along with the customer service details. As active priests move towards retirement, enrollment into Benistar would be done manually through the Archdiocese and Benistar. Implementation of this new plan would take approximately 8-10 weeks to set up, and the Department of Human Resources would work closely with Benistar and retired priests on the transition. Our anticipated effective date would be April 1, 2020. Other (arch)dioceses that were points of reference in considering this program included the Archdiocese of New York, the Archdiocese of Omaha, and the Diocese of Beaumont, Texas, with the latter two providing positive feedback on both the administration of the program and the customer service.

Deacon Simontis and Mrs. Lowe expect implementation of the program to be successful, and if that is the case, they would then explore whether to recommend that active priests who are older than 65 could benefit from the program. Simply put, the more priests that are included, the higher the savings. Their plan, going forward, has been to create a qualified trust for the retired priest medical plan. As the priest retirement stipend plan becomes more fully funded, monies will begin to be put aside at some point in the future for the priest retirement medical plan. They would recommend that some of the savings from the Medicare Part D implementation go towards this funding.

In the discussion that followed the presentation, Bishop Fisher noted the importance of getting word to the retired priests of what the proposed change means and proposed that the recommendation to implement Medicare Part D be made to the Priest Retirement Board.

A question was raised by Msgr. Sal Criscuolo as to why the \$500 monthly stipend received by non-retired priests is not offered to retired priests who maintain some active ministry in retirement. This in turn raises the question of how one determines which retired priests are active, and Archbishop Gregory expressed concern about a potential conflict between active and non-active retired priests, with a number of priests in the latter category dealing with limitations imposed by their health. Deacon Simontis noted that we had recently determined that a change as small as a \$200 per month increase per retired priest would take the plan from being almost fully funded to having a deficit of

\$4.9 million. Monsignor Donald Essex also stated that any change in the retired priest compensation would have to be approved by the Priest Retirement Benefit Trust. With the aim of being both fair and fiscally reasonable, and to better understand the background, tax implications, and options related to the stipend issue, Archbishop Gregory proposed the formulation of recommendations after consultation with the Priest Retirement Board. The Council supported exploring the question as well as the proposed recommendation regarding Medicare Plan D to be presented to the Priest Retirement Board.

Overview of Catholic Schools

Mr. William Ryan, Secretary for Catholic Schools, and Ms. Kelly Branaman, Associate Superintendent for Strategic Planning and School Operations, gave a presentation concerning Catholic school viability and how that issue is addressed with schools facing challenges. The Council was provided with a document listing data for the current and previous two academic years regarding the number of Catholic schools in the Archdiocese and total student enrollment. Although our schools are above average in Catholic identity and academics, the 2% drop in total student enrollment over the past year, as well as student re-enrollment presently standing at 86%, is a concern.

In accordance with Policies 4620 and 4621 of the archdiocesan Policies for Catholic Schools, a school facing financial or enrollment stress that may impact its viability *the following year* is categorized at the **priority consultation** level of support.

The triggers for priority consultation are the following:

- A loan is required to sustain school operations
- 35% or more of parish revenue is supporting the school deficit
- Tuition fails to cover a minimum of 65% of school expenses
- Enrollment falls below 65% of school capacity
- Fundraising proceeds fall below 5% of total school expenses

The required actions for a priority consultation are the following:

- Meeting with faculty, staff, advisory bodies, parents, and parishioners
- Handouts provided during the meeting containing financial and/or enrollment data to be discussed
- Collaboration between pastor, principal, and Catholic Schools Office (CSO)
- Action plan - specific goals set for enrollment and fundraising, with the understanding that if the goals are not met, then the school might close
- Canonical administrator makes final decision regarding next steps

Below the level of priority consultation described above, a school facing unique operational barriers that impact its viability is categorized at the **priority direct supervision** level of support. In this situation, the Archdiocese and pastor agree to shared supervision through a memorandum of understanding (MOU). A school facing financial or enrollment stress that may impact its viability within the next 2-5 years is categorized at the **intervention** level of support. A school facing financial or enrollment stress that

may impact its viability within the next 5-10 years is categorized at the **watch** level of support.

Supports for schools facing viability challenges at the priority or intervention levels include the following:

- Budget review and support
- Enrollment and marketing support
- Principal coaches
- Instructional coaches
- Professional development - enrollment, management, marketing, and development
- Monthly meetings with CSO staff
- MOU developed in collaboration with pastor

Schools requiring various levels of support are as follows:

Priority Consultation

St. Bartholomew - Bethesda, MD

- State-of-School meeting held on October 29, 2019
 - Community informed of possible school closing - 30 attendees
 - Goals – deadline: January 10, 2020
 - Budget goal - \$750,000 - Goal reached – \$886,515 raised
 - Enrollment goal - need 40 more students & 90% retention for SY 2020-2021 – Goal not reached – 118 enrolled – 88% retention
- CSO support provided for enrollment management and marketing
- School budget: 2019-2020 (**\$522,023**); 2018-2019 (**\$411,865**); 2017-2018 (**\$457,427**)
- Enrollment – 2019-2020 (**138**); 2018-2019 (144); 2017-2018 (**143**); 2016-2017 (173)
 - 26% decrease over the past 4 years
- **School to remain open – remain in consultation through 2020-2021**

St. Mary of Piscataway - Clinton, MD

- Meeting with pastor and principal (new principal and bookkeeper)
- State-of-the-School meeting held – October 2, 2019
 - Goals: Enrollment - 40 (SY 20-21); Fundraising - \$60,000 (FY 20)
- CSO support provided for enrollment management, development and marketing
- School budget: 2019-2020 (**\$157,716**); 2018-2019 (**\$238,246**); 2017-2018 (**\$280,884**)
- Enrollment: 2019-2020 (**135**); 2018-2019 (**154**); 2017-2018 (166)
 - 27% decrease over the past 4 years
- Concern: Financial books not reconciled since June 2019

Archbishop Carroll High School - Washington, DC

- Catholic identity visit in 2016-2017
 - Key areas of concern identified - Catholic identity, academics & climate

- Revisited 2017-2018 - improvement
- New president - appointed 7/1/18
- CSO support provided for enrollment management, marketing and academics (teacher evaluation)
- Catholic identity team to revisit in fall 2020
- Enrollment: 2019-2020 (**359**); 2018-2019 (340); 2017-2018 (345)
- Ongoing communication with president and board chairperson

Priority Direct Supervision

Holy Family - Hillcrest Heights, MD

- State-of-the-School meeting held – October 9, 2019
 - Goals: Enrollment - (140); Fundraising - \$40,000 School Fundraising/\$46,500 in Contributions and Donations
- Supporting pastor and principal with budget and staffing
- MOU with CSO - Oversight provided for school operations, budget, enrollment management, development/marketing
- School budget: 2019-2020 (**\$36,000**); 2018-2019 (\$22,949); 2017-2018 (**\$64,835**)
- Enrollment: 2019-2020 (**123**); 2018-2019 (135); 2017-2018 (121)
 - 16% decrease over the past 4 years
- Determining potential merger options in the future; possibly with St. Philip the Apostle

St. Francis International - Silver Spring, MD

- Enrollment – 2019-2020 (437); 2018-2019 (435); 2017-2018 (424)
- Budget: 2019-2020 (**\$98,057**); 2018-2019 (**\$119,495**); 2017-2018 (**\$59,222**)
- Difficulty paying bills – due to cash flow
 - Requested \$200,000 loan to cover payroll
 - Requested entire tuition assistance to be given upfront
- MOU with CSO recommended - oversight of budget/finance, School Advisory Board development, enrollment management and marketing
 - Working to get MOU signed

St. Margaret of Scotland, Early Learning Center Program - Capitol Heights, MD

- Enrollment – 2019-2020 (91); 2018-2019 (85); 2017-2018 (73)
- Difficulty paying bills – due to cash flow
 - Requested a loan to cover payroll
- Created two mid-year weekly tuition rate increases
- MOU with CSO created - oversight of budget/finance & program operations
- New ELC director and bookkeeper hired this fall

Intervention

Our Lady Star of the Sea - Solomons, MD

- Enrollment: 2019-2020 (**104**); 2018-2019 (106); 2017-2018 (98),
- Action plan: Support new principal/pastor, with marketing, enrollment management and development

Annunciation - Washington, DC

- Enrollment: 2019-2020 (**113**); 2018-2019 (**119**); 2017-2018 (124),
- Action plan: Support new principal with enrollment management plan and marketing

St. Michael - Ridge, MD

- Enrollment: 2019-2020 (**143**); 2018-2019 (**160**); 2017-2018 (195),
- Action Plan: Continued work on development/fundraising, monitor tuition collection and focus on cultural competence
- One bad year of fundraising could put in consultation

St. Mary - Rockville, MD

- Enrollment: 2019-2020 (210); 2018-2019 (**203**); 2017-2018 (217); 2016-2017 (214)
- Action Plan: Continued work on marketing and enrollment management. Support with budget development and management

Little Flower - Great Mills, MD

- Enrollment: 2019-2020 (**123**); 2018-2019 (**145**); 2017-2018 (152); 2016-2017 (140)
- Action plan: Continued fundraising, marketing and enrollment management
- One bad year of fundraising could put in consultation

St. Augustine - Washington, DC

- Enrollment: 2019-2020 (189); 2018-2019 (**183**); 2017-2018 (195)
- Budget: 2019-2020 (**\$236,427**); 2018-2019 (**\$608,755**); 2017-2018 (**\$529,781**)
- Action plan: Budget development and management support needed

Cardinal Hickey Academy - Owings, MD

- Enrollment: 2019-2020 (**150**); 2018-2019 (**178**); 2017-2018 (193)
- Action Plan: Marketing and enrollment management support. Listening sessions scheduled at all parishes supporting school - identifying priorities for the future

St. Mary - Bryantown, MD

- Enrollment: 2019-2020 (246); 2018-2019 (246); 2017-2018 (259)
- Budget: 2019-2020 (**\$148,893**); 2018-2019 (**\$311,621**); 2017-2018 (**\$99,738**)
- Action Plan: Budgeting support - reviewing tuition rates

Academy of St. Matthias the Apostle - Lanham, MD

- Enrollment: 2019-2020 (185); 2018-2019 (185); 2017-2018 (157)

- Action Plan: Strategic planning, marketing, and enrollment management support

Watch

St. Jane de Chantal - Bethesda, MD

- Enrollment: 2019-2020 (**373**); 2018-2019 (**416**); 2017-2018 (**442**); 2016-2017 (450)
 - 17% decrease over the past 4 years

St. Bernadette - Silver Spring, MD

- Enrollment: 2019-2020 (**278**); 2018-2019 (294); 2017-2018 (**291**); 2016-2017 (320)
 - 13% decrease over the past 4 years

Our Lady of Lourdes - Bethesda, MD

- Enrollment: 2019-2020 (**195**); 2018-2019 (**226**); 2017-2018 (**265**); 2016-2017 (283)
 - 31% decrease over the past 4 years

The next steps of the Catholic Schools Office in advancing school viability include the following:

- Enrollment management support
- Development support - *Days of Giving* and alumni database rollout
- Budget monitoring/support of budget development
 - Budgeting Workshop held on 12/10/19
- Strategic planning to focus on key areas for at-risk schools

During the discussion that followed the presentation, it was noted that enrollment of Hispanic students at Catholic schools is at 16% even though the Hispanic population of the Archdiocese is 40%. Bishop Dorsonville expressed the view that regional schools, in contrast to schools attached to individual parishes, is more of a model for the future, and he affirmed the importance of strategic planning. A Council member from southern Maryland wondered, in light of the good number of children enrolled in his parish CCD program, what was preventing these parents from choosing a Catholic school for their children. It was noted that parishioners need to take ownership of a school, and the prospect of closing a school can lead to the engagement of the parish community.

Closing Comments and Prayer

Archbishop Gregory announced that Fr. Anthony Lickteig is the new Vicar for Clergy. He also reported that Congressman Steve Scalise and Senator Dianne Feinstein are again willing to host Monumental Scholars Fund Dinner, which raises considerable money for schools of the Consortium of Catholic Academies. The DC Opportunity Scholars Program has been offered for another four years, and the prospect for the Maryland BOOST Program looks good. The Archbishop also noted the upcoming March for Life and the recent death of Morgan Wootten, longtime basketball coach at DeMatha Catholic High School, asking for prayers for his family. He then closed the meeting in prayer.

Next Meeting

February 27, 2020