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2013 REA Annual Meeting, Nov 8-10

NB - this paper is for a colloquium. The specific aim of the colloquium is contained at the end of this opening abstract.

“Corporate Takeovers in the Ministry of U.S. Catholic Education and the Effect on Catholic Identity: Models from the 19th Century Schools and 21st Century Hospitalsⁱ”

Abstract

A sign of secularization is the move toward “corporatization” evident in the institutions of the Catholic Church concerned with health, education and welfare – Catholic hospitals, Catholic schools and Catholic social service agencies – entities taking up management structures or other features and behaviors employed by corporations. With the incorporation of these ministries the secular profit concerns of financial margin and efficiency begin to take center stage. Many see these practices as threatening Catholic identity and the influence of its mission.

The nineteenth century story of U.S. Catholic education relates the social and economic evolution of that ministry and its adaptation to conditions of U.S. culture. Beginning as private education for the elite, that ministry in the middle of the century took the form of charity education to a significant majority of immigrant Catholics. John Hughes (Archbishop of New York) and his struggle with the state of New York over the dominance of the Protestant Bible provides an initial story of the U.S. institutionalization of Catholic schooling. By the end of the century with the founding of the National Education Association (NEA) and shortly thereafter the National Catholic Education Association (NCEA) we experience a new institutionalization – a professional system of education to the middle class with a new class of professional educators, vowed women religious – which becomes the dominant face of the ministry of Catholic education through the twentieth century, both expressing and forming Catholic identity at that time. Hughes’ counterpart at the end of the nineteenth century Bernard McQuaid (Bishop of Rochester, New York) dismissed the Sisters of Charity of Emmitsburg from his diocese when they refused to switch their focus from the poor to schools for the middle class – “. . . there is not a charity. . . which . . . can for one moment be compared to our parochial schoolsⁱⁱ.”

In the twenty-first century we are experiencing another shift in the ministry and consequent identity which might be termed – “corporatization.” School boards have become much more decisive in their direction of Catholic education – starting in the mid-60’s in the colleges and universities and extending even to parochial schools today. With the board movement we are developing a model of the ministry along the lines of business boards and corporations. The profit concerns of financial margin and efficiency become paramount: “There is no mission without margin.” “Corporatization” is again a significant ministry shift and brings with it a shift in Catholic identity fraught with many concerns and opportunities. However,

the nineteenth century shift was none the less radical and raised no less conflicting values in identity.

The good news for twenty-first century Catholic education is that the move in this direction is not in uncharted territory. Over the past 25 – 30 years another major ministry of the Catholic Church in the United States – healthcare – has been undergoing a similar “corporatization” of the ministry. The story of Catholic health care’s movement from direct control and administration primarily by religious orders of women to mega Catholic systems tells of a major focus adjusting this Catholic ministry to the demands of the corporate world and re-expressing Catholic identity. A new and major position in these hospitals and systems has arisen, the *executive for mission*. Catholic schools – higher education through secondary – are beginning to promote similar overseers of the identity.

This paper’s presentation of a new endeavor for secondary schools in the Archdiocese of Philadelphia (part one), re-presentation of the nineteenth century shift in the ministry of Catholic education (part two), and comparison of parallel practices of these ministries from today’s world of U.S. Catholic health care (part three) applies a model of analysis developed in a study of the nineteenth century mission and ministry of Catholic education to examine the identity promoted by the Catholic Church’s mission in this present time. The focus of the REA/APPRE colloquium is to examine the adequacy of this model of analysis.

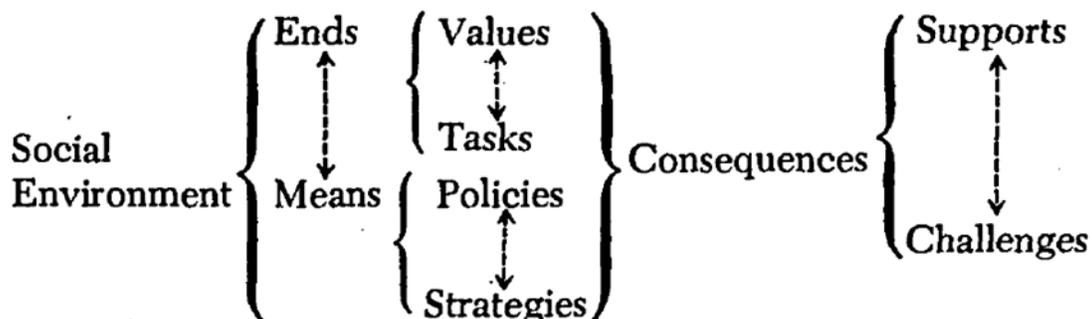
Aim of the Colloquium Presentation

The overriding concern of this paper is to address Catholic identity as the church’s ministries forge their future. Cardinal Bernardin, in the opening quote of this paper, observed that today’s Catholic ministries emerge from their compression between their past sacred heritage and their present existence in a secular world producing a “mixed model of identity.” Thus Catholic tradition is an ongoing task of construction. Ministries in the nineteenth century both developed and effected a specific Catholic identity that became part of the US Catholic heritage.

My study of the nineteenth century came out of a particular model of analysis that reflects this construction of tradition. My desire in this REA colloquium (Boston, November 2013) is to engage with you on the adequacy this model of analysis for discerning contemporary religious identity resulting from the church’s ministries.

Here is a brief explanation of that model to describe the emerging expression of corporate Catholic education in the twenty-first centuryⁱⁱⁱ.

Diagram of Analysis



The model begins by attending to the social environment, that is, the pressing issues of the day that impact Catholics, their institutions and the identity. These pressing issues challenge the purpose or ends of Catholic activity and within those ends one finds the values and tasks that come to the surface and direct the means – the policies and strategies Catholics employ to carry out their ends/goals. These values and their activities have results or consequences which are either supported or further challenged – solidifying the identity of a particular epoch. It is from this interactive matrix that one can begin to identify the emergence of a distinct Catholic identity for the time. This is not a linear procedure. The test of the actual identity comes in the dynamic of the interaction of these elements. Particular means (policy statements and strategies) verify or challenge the espoused statements of goals (ends) and values.

In the nineteenth century, as you can see from that section of my paper (p. 15), the competing values were to accommodate to the U.S. way of life or to erect a fortress island of Catholicism. The results or consequences for that period were a mixture of these two values that emanated in twentieth century U.S. Catholicism – a strong distinct Catholic presence that in fact permeated the U.S. way of life.

I would direct you to the three appendices of the paper (pp. 25-27) for quick one-page overview of the analyses of the nineteenth century Catholic school mission and ministry, the twenty-first century Catholic health ministry and the contemporary Catholic school situation.

In 1991 speaking of “Catholic Institutions and their Identity” Cardinal Bernardin stated:

Catholic colleges and universities, health care institutions and social service agencies already live with one foot firmly planted in the Catholic Church and the other in our pluralistic society...[Thus, they] face a common dilemma. The bishop and diocese at times may consider them too secular, too influenced by government, too involved with business concepts. The public, on the other hand, often considers them too religious, too sectarian. As a result, they find themselves sandwiched between the church and the public, trying to please both groups...A mixed model of identity will prevail in the future, not a strictly denominational or secular one.^{iv}

1. The Case of Philadelphia Catholic Secondary Schools

September 1, 2012 the Archdiocese of Philadelphia turned over management and leadership of 17 Catholic secondary schools and 4 special education schools to an independent corporation, *Faith and the Future Foundation*, creating an independently managed Catholic school system to focus “... upon major fundraising, enrollment management, marketing and cultivating best practices in leadership and education.”^v The Archbishop, Charles J. Chaput, O.F.M. Cap. stated: “Today’s agreement between the Archdiocese of Philadelphia and the *Faith in the Future Foundation* is unlike any agreement that a Diocese has achieved with its lay leadership,”^{vi} and added “The willingness of lay leaders with a love for Catholic education to step forward is encouraging. The commitment made by the Foundation—a commitment to professional excellence in management, guided by a strong and faithful Catholic identity—will serve our high schools and schools of special education well... we are confident that this agreement will lead to an even stronger school system for the children of the Philadelphia region.”^{vii} He added this will “change the organizational structure for Catholic education, not its mission.”^{viii} The move affects some 16,000 students in the archdiocese. The archbishop when asked about how he has enjoyed his first 19 months said, “I haven’t liked it at all. . . . I have had to close about 50 schools and will be closing parishes in the next couple of years in a way that will be disappointing to a lot of people. We have financial problems that are unimaginable. This is an extraordinary place but things have changed immensely.”^{ix} He stated that while maintaining our values and enthusiasm we have to look at a change in structures. “We can’t keep open parishes that are empty; we can’t keep schools that have only 80 kids in them, we just can’t.”^x Change, he said, is going to be awkward and difficult, but “if we are going to be the Church that Jesus Christ wants us to be, we have to be different¹.”^{xi}

Under this arrangement the Archdiocesan Office for Catholic Education, which previously oversaw the schools, has become a division of the *Faith in the Future Foundation*, reporting directly to the foundation's CEO. The foundation board consists of 15 members with the

¹ I believe we need to ask why financial support is not there – it seems the money is. I would like to further research here on comparative data on Catholic financial wealth in the 1st decade of 2000 versus over the 20th century. “... church revenue — which flows from parishes via Sunday donations, bequests and so on — grew to \$11.9 billion in 2010, an inflation-adjusted increase of \$2.2 billion from a decade earlier. Yet educational subsidies have fallen; the church now pays at least 12.6 percent of parochial elementary school costs, down from 63 percent in 1965.” The New York Times January 6, 2013 “Catholic Education, in Need of Salvation” PATRICK J. McCLOSKEY and JOSEPH CLAUDE HARRIS

Archbishop appointing only one-third of them. The Archdiocesan Office of Catholic Education continues to focus on curriculum and standards; academic and spiritual development of students; co-curricular and extracurricular programming; and professional development of teachers. Under the new agreement, however, it is an agency of the new foundation and reports to it. The Archdiocese retains ownership of the properties. According to the Philadelphia Inquirer, prior to the announcement – by July 1, 2012 the new foundation had already raised \$15 million of its \$100 million goal.

“This isn’t simply a chance to transform the nation’s oldest and largest Catholic school system but rather a chance to reinvigorate Catholic education in the United States,” said Casey Carter, CEO of *Faith in the Future*^{xii}. “... Since the year 2000, nearly 2,000 Catholic schools have closed all across the country and it is time for that trend to stop. I have worked in – and studied the best practices of some of the very best schools in the world – and now it is time, beginning here in the city of Philadelphia, to bring those practices to the service of Catholic schools.... I am confident that this can be the vanguard for what other dioceses can do to grow Catholic schools again and ensure that they remain a critical educational option within our communities.”^{xiii}

The executive management team includes H. Edward Hanway, Chairman of the foundation and Samuel Casey Carter Chief Executive Officer². Both of these men come from significant corporate positions. Hanway was Chairman and Chief Executive Officer of CIGNA Corporation, One of the largest health service companies and health care insurance providers in the U.S. Carter ran his own consulting firm providing strategic consulting to school operators and was president of National Heritage Academies, a charter school management company that operates more than 75 schools in nine states.

According to a New York Times Aug 21, 2012 article this movement to a foundation-run school system “... comes after a tumultuous year for the archdiocese, marked by a high profile child sex abuse scandal that cost an estimated \$11 million, as well as a scramble to sell properties to head off a \$6 million budget deficit. Philadelphia's Catholic schools have seen a 72 percent drop in enrollment since 1961.”^{xiv}

a. Commentators on the Decision

Several commentators described the decision as a groundbreaking one that could affect Catholic elementary and secondary education across the nation within the next few years:

- Catholic News Service (CNS) reported: “It is believed to be the first time a diocese has given control of a major part of its schools to an independent and essentially lay board.”^{xv}
- Karen Ristau, president of the National Catholic Educational Association, said the only thing she could think of that comes close to the Philadelphia situation is that of public school districts turning over some of their poor-performing schools to an education management company.^{xvi}

² As yet, I have been unable to get salaries. I would like to find out from the Archbishop how he affords to pay this leadership.

- Charles Zech, founder and head of Philadelphia-based Villanova University's Center for the Study of Church Management, described the archdiocese's move as "an innovative approach to a problem that has the potential to drag every U.S. diocese down financially. . . . The costs of providing Catholic education, especially at the high school level -- teacher's salaries, benefits, maintenance on old buildings, the need to have cutting-edge technology, etc. -- are far outpacing parents' ability to pay tuition and a diocese's ability to subsidize school costs,. . . Similar concerns are on the horizon for parochial grade schools. . . . It's clear that something has to be done,. . . and every diocese in the country should be watching this closely"^{xvii} to see if it succeeds and might serve as a model.
- Francis Butler, a consultant to Catholic philanthropies and recently retired president of FADICA (Foundations and Donors Interested in Catholic Activities), stated that what is truly new in the Philadelphia archdiocese is that it has ceded managerial control of its Catholic high schools to a lay-led private foundation that is intentionally Catholic, Butler said. "People want a voice," he said. "Once families are able to have a voice, they can thrive."^{xviii}

b. Context for the Decision

20012– 13 Enrollment^{xix}:

- Total Catholic school student enrollment for the 2012-13 academic year was 2,001,740.
 - 1,415,244 in elementary/middle schools; 586,496 in secondary schools
- Student diversity: 19.6% are racial minorities, 14.3% are Hispanic/Latino and 6.4% were reported as unknown in the racial data collection.
- Non-Catholic enrollment is 317,470 which is 15.9% of the total enrollment.

Schools:

- There are 6,685 Catholic schools: 5,472 elementary; 1,213 secondary.
- 28 new schools opened; 148 consolidated or closed.
- 2,166 schools have a waiting list for admission.

The student/teacher ratio is 13:1.

Professional Staff:

Full-time equivalent professional staff numbered 151,405:

- 96.8%: Laity (Lay women: 74.5% Lay men: 22.3%)³
- 3.2%: Religious/Clergy (Sisters: 2.2%; Brothers: 0.5%; Clergy: 0.5%)

The Decline

The number of schools dropped from 8,114 to 6,841 – an average loss of 127 schools a year. Student enrollment in the mid-1960s was more than 5.2 million in nearly 13,000 elementary and

³ I want to do further research on how many of these teachers are Catholic and what their salary range is.

secondary Catholic schools, there are now only half as many schools, and 2.1 million students enrolled. This is a drop of 63% Over the last 10 years enrollment in U.S. Catholic elementary and secondary schools has dropped more than 25 percent to about 2 million..^{xx}

America magazine this past February concludes:

“Each report of mass closings evokes a familiar scene: the public shakes its head and educators scramble for new models to stanch the blood-letting. In some cases, these models—public charter schools, for example, and independent faith-based schools like the Cristo Rey and Nativity Miguel networks—have been quite successful. But new structures are only part of the solution to America’s vanishing Catholic schools. The system that manages Catholic education has become so outdated and sclerotic that only by tackling a range of fundamental issues can Catholic schools hope to thrive again.”^{xxi}

Catholic Money

According to The Economist the 6,800 Catholic schools are 5% of the national total along with 244 Catholic colleges and universities. The 630 hospitals plus a similar number of smaller health facilities are 11% of the US total^{xxii}.

The Economist estimates that annual spending by the church and entities owned by the church at \$170 billion in 2010: 57% is on health-care, 28% on colleges. Parish and diocesan day-to-day operations account for just 6% of that amount and national charitable activities just 2.7%.⁴ Catholic institutions employ over 1 million people. [For purposes of comparison, in 2010 General Electric’s revenue was \$150 billion and Walmart employed roughly 2 million people.]

The church is the largest single charitable organization in the country. Catholic Charities USA, and its subsidiaries employ over 65,000 paid staff and serve over 10 million people. These organizations distributed \$4.7 billion to the poor in 2010, of which 62% came from local, state and federal government agencies.

Anecdotal evidence suggests that America’s Catholics give about \$10 per week on average. Assuming that one-third attend church regularly, that would put the annual offertory income at around \$13 billion. More comes from elite groups of large donors such as the Papal Foundation, based in Pennsylvania, whose 138 members pledge to donate at least \$1 million annually, and Legatus, a group of more than 2,000 Catholic business leaders that was founded by Tom Monaghan of Domino’s Pizza⁵.

There is also income from investments. Archbishop Dolan of New York is Manhattan’s largest landowner, including the parishes and organizations that come under his jurisdiction. Another source of revenue is local and federal government, which support the Medicare and Medicaid of patients in Catholic hospitals, some of the cost of educating pupils in Catholic schools along with loans to students attending Catholic universities.

⁴ I would like to do a little more research on these figures.

⁵ I would like to do an assessment on how much private Catholic money there is (Butler/FADICA)?

There is Catholic money for this ministry, seemingly much more than a century ago.

The Economist points out that with such massive amounts of money there is a requirement for data-driven accountability and transparency.

In an age where information and disclosure are joining forces to rewrite the rules by which companies and organizations operate, the Catholic Church appears to be opaque and secretive. That is unfortunate, since it has an excellent story to tell about its elementary and high schools. Not only do they educate vast numbers of underserved children in inner-city neighborhoods—thereby relieving the public sector of that burden—but they have set and met high standards, proved by the number of minority students who excel academically and then go on to pursue higher education.^{xxiii}

Beyond Institutional Burdens: The loss of parishes and church life

According to the Center for Applied Research in the Apostolate (CARA), the Church in the United States has lost 1,359 parishes during the past 10 years, or 7.1 percent of the national total, and most of those have been in the Northeast and the Upper Midwest^{xxiv}.

New York Archbishop Timothy Dolan stated: “I’m developing a theory that one of our major challenges today is that American Catholic leadership is being strangled by trying to maintain the behemoth of the institutional Catholicism that we inherited from the 1940s and ’50s.”^{xxv}

This upheaval and displacement is profound and goes beyond the dismantling of what the “builder generation” of Catholics produced. The changes go deeper than the bricks and mortar of Catholic identity to the psychology and practice of what it means to be Catholic today. “We have before us a generation of young adults and young Catholics who are negotiating life and faith in a wholly different way,”^{xxvi} Franciscan Fr. David B. Couturier said in a speech last October to the Council of Priests of New York State.

What we know, Couturier said, is that “Catholics are developing a complex relationship between their Catholic identity on the one hand, and the way they understand what it means to practice their identity in the traffic of daily life on the other. . . . They are changing their mind and their behavior when it comes to the moral authority of the hierarchy and their commitment to the institutional church and its policies and regulations.”^{xxvii}

Catholics may really like being Catholic and identifying themselves as such, but research also shows, Couturier said, that those same Catholics “are diverging, sometimes dramatically, on their attitudes toward church practice: how frequently one should attend Mass, on issues of sexual morality, on abortion and homosexuality, on the discipline that only celibate men can become priests and over the church’s involvement in activities directed toward social justice.”^{xxviii} Catholics are renegotiating religious authority and their roles in the faith.

Couturier said the primary question is not how are our beliefs holding up, but how the church is helping Catholics negotiate life. He acknowledges that increasingly today people can find the church “largely tangential to the high task of developing character in today’s turbulent world of family, love and business.” He asks, “How conducive are our Catholic institutions for the transformative work of faith in the postmodern world – whether our work and our institutions are meeting the needs of our people today?.”^{xxix}

2. The Nineteenth Century Story of US Catholic Education

As we look at this case of Philadelphia enacting a new model for Catholic education’s institutional operation I would like to go back and examine the nineteenth century historical precedents for institutional change in Catholic education to examine parallel challenges to Catholic identity as expressed by this mission and offer a model of analysis of mission and identity.

The nineteenth century story of U.S. Catholic education relates the social and economic evolution of that ministry in its adaptation to conditions of U.S. Catholicism. At the opening of the century the schooling that went on was aristocratic education for the wellborn. In the middle of the century this ministry took the form of charity schools to a significant majority of immigrant Catholics. Archbishop of New York, John Hughes and his struggle with the state of New York over the dominance of the Protestant version of the Bible provides an initial story of the U. S. institutionalization of Catholic schooling. By the end of the century with the founding of the National Education Association (NEA) and shortly thereafter the National Catholic Education Association (NCEA) we experience a new institutionalization – a professional system of education to the middle class with a new class of professional educators – which became the dominant expression of the ministry of Catholic education through the twentieth century both expressing and forming Catholic identity at that time.

The nineteenth century then offers us a look at three different models by which Catholic education was conducted. Each of these models represents the values called forth by cultural conditions of the times.

In 1785 Pope Pius VI's nuncio met with Benjamin Franklin at palace of Versailles to seek congressional advice regarding the appointment of the first U.S. Bishop, now that the Revolutionary war had freed the colonies of English penal laws and the Constitution was being developed in Philadelphia. The Congress responded to Franklin: "The subject of his (the nuncio's) application to Doctor Franklin, being purely spiritual, it is without the jurisdiction and powers of Congress who have no authority to permit or refuse it."^{xxx}

This historic incident marked the radical adjustment that Roman Catholicism had to make as church in the United States. Relationship with a non-confessional state was a reality out of which the new U.S. Catholic Church would begin to reform its self-identity and its ministries. Four challenges were at the heart of this original self-definition.

The story of the models of Catholic schooling moves from upper class, to lower class, to middle class concerns. During this century the Catholic Church in the United States subsequently followed three plans for the education of its people. The first plan envisioned by John Carroll established colleges (and related schools for the wealthy) and seminaries fashioned after the schools conducted by other churches in this country at the time of the Revolution. This was Catholic aristocratic education. The second plan, that fostered by John Hughes, was modeled after the benevolent schools run by charitable institutions funded by the state. By the close of this period, Bernard McQuaid, Bishop of Rochester, New York had already spearheaded the third plan that would become the paradigm for the twentieth century—parochial schools for all—the middle class schools.

The organizational structures of the schools mediated the content of education. They were organized on a diocesan level. A priest directly appointed by the bishop held the power as superintendent of the schools. Major decisions were made at this level. The parish priest had control and responsibility over the local school plant. The people bore the responsibility for financial support.

Two hundred years ago Catholics were beginning to settle in this country as immigrants and struggling over who they were and how they described their God. Perhaps, the scripture which best expressed this experience was that of the immigrant Jews in Babylonian captivity: "How shall we sing God's song in a strange land?" By 1884, at Baltimore Council III, the church codified images of God and Catholics in relation to this God in a catechism and mandated that each of its Churches should build a school to cultivate and transmit those perceptions. The medium fused with the message and together school and catechism produced the images by which Catholics perceived themselves and their God for most of the subsequent century.

The Catholic Church's struggle with the challenges of religious tolerance, church polity, the relationship between church and state, and the relationship of religion to education produced a modus operandi for the twentieth century which established an island community, existing complete in its own world but completely surrounded by and affected by another. U.S. Catholics developed a structure of parochial schooling which reflected and reinforced a "siege" mentality in the nineteenth century immigrant Church.

Response to these four challenges produced the parochial school as the ideal way to form Catholic identity. The primary goal of Catholic education was the preservation of the Catholic faith. Its secondary goal, the interpretation of U.S. culture to the immigrants, took two competing directions: the creation of a pure Catholic culture, and the leavening of the nation's culture. Here key values were formed in nineteenth century Catholic identity: Catholic schools reinforce the relationship of religion and education as well as accommodated the separation of church and state. The school cultivated the laity's moral and intellectual dependence on the clergy and religious. The Catholic schools were the way to "Americanize" Catholics under the control of the Church.

Challenges (1)

The first challenge was that of religious tolerance. How would the Church rework its self-concept as the ONE true Church in a state that was non-confessional? The second was that of church governance. In a democratic form of government, voluntarism would supersede old-world authoritarianism. The third challenge was that of church-state separation and consequent

secularization. In the United States, the "religious" would be separated from the "public" in matters of moral behavior. Fourthly, there was the separation of religion and education. The norm in the U.S. would become universal public schooling to form the United States identity. The Church would not get state support in its efforts to influence human development and formation.

In struggling with these challenges, the Church both forged its identity and participated in the construction of the U.S. paideia – the substance and character of U. S. culture.

Social Context (2)

Four nineteenth century contextual elements are significant: immigration, nativism, secularization, and educational reform.

The story of immigration can be told from population statistics. When Roman Catholics began their life as citizens of the United States at the time of the Revolution, their numbers accounted for only 1.1 percent of the population – 35,000 of the 3,172,000 people who were considered citizens in 1790. From 1790 until 1880 the Roman Catholic share of the population grew to 14.4 percent. The number of the foreign born in major cities was staggering. In 1860, for example, 49 percent of New York City's population and 30 percent of Philadelphia's were foreign born. St. Louis had a foreign-born population of 60 percent; Chicago, 50 percent. By 1850, almost 60 percent of all Roman Catholics were foreign born. "Foreign" and "Catholic" became synonymous; to encounter the one was to react to the other.

Nativism is the term historians use to describe the reaction by those born in this country to people who immigrated here. If one thinks of how, in biological life, the host body fights to reject foreign matter that enters it, one can conceptualize the relationship of "native" Protestants to "foreign" Roman Catholics in the nineteenth century. A look at one of the three million copies of the New England Primer from 1700 to 1850 reveals the residual of old-world anti-Catholicism that pervaded the colonies before the number of Catholics was significant. When that number began to increase, so did the literary attacks. In the 1840's this nativism took the form of civil riot. In the 1850's this nativism developed into political and economic discrimination.

With the nineteenth century comes the beginning of a decline of religion in the public life of society – the rise of secularism. The experience of democracy developed in the eighteenth century challenged religion as the sole basis for knowing truth. Laws that disestablished churches in the individual states weakened the union of religion and education significantly by the end of that century.

The reform of education was the fourth element to affect Catholics in the nineteenth-century social environment. The purpose of the reform was to create a new institution in society—the public school—to form a common life for all the citizens. A common culture was to be shaped and transmitted, not only by family and tribe, but by this new development of modern society – the common school. The school proposed to educate and form the very heart and soul of the nation. The common school became compulsory in the third quarter of the nineteenth century. It either embodied Protestantism or attempted to separate religion and education.

Accommodation and Isolation – The Key Values That Emerged (3)

Struggling with these challenges to its identity formation, the Church elaborated two distinct modes of response. One, the accommodationist, urged inclusivity; the other, the isolationist, insisted upon separation. These two modes struggled both with each other and with the larger culture in determining the forms of the Church's ministries, especially that of education.

The first of the two, *accommodation*, arose from a positive experience of the United States. It was based on a perception of the culture as liberating, with freedom to exercise social, economic, political, and religious choice. This is the spirit of Catholics at the time of the revolution and the overthrow of English penal laws restricting the operation of the church in this country – the opening pericope on the appointment of the first Bishop. This position's intellectual reflections can be found in the writings of Father Isaac T. Hecker (1819-1888). Hecker believed that the Church had entered an age in which the basis of its mission (the salvation of souls) should become the liberty and dignity of the individual. Because religion was a "free enterprise" (U.S. voluntarism) for the accommodationists, this meant that the Church must be "sold" to their fellow citizens. Following this mode Church became an agency for the "Americanization" of the immigrants. In order to make the Church attractive and to influence public life, accommodationists believed immigrant Catholics should forsake saloons and poverty, give up their European culture, and attempt entry into the mainstream. Some accommodationists went so far as to urge that Catholic children attend public schools. Those who were not so radical desired to make the Catholic schools at least as "American" as possible, and they championed compulsory education. Hecker exploded the false myths that democracy sprang from Protestantism and that Roman Catholicism was not by nature and in essence, authoritarian, and thus inimical to liberty.

Isolation, the other spirit of Catholicism in the United States, grew out of an experience of persecution, bigotry, and oppression—WASP nativism. From these experiences Catholics saw the same totalitarianism in both European and U.S. liberalism, and they embraced its Vatican condemnation as their creed. The antimodernist reflections of Pius IX served as the theory for their practice. He envisioned his task to be a clear and explicit denunciation of the very foundations of liberalism—the self-enabled enlightenment of the human being.

The isolationists believed it impossible to harmonize Catholicism and "Americanism." The very establishment of Catholic schools meant to the isolationists that the Roman Catholic way of life was different from that of other people in the U.S.A. Isolationists were most concerned about the areas of moral behavior, encompassing such issues as birth and marriage. The state considered many of these moral issues to be under the control of democratic government. The rise of democracy attacked the notion that the church alone had the right to teach. The Church of these isolationists, however, had declared itself the authoritative teacher in these areas. The clash was not only over who was supreme, but also over the manner in which decisions in these matters of morals were reached — whether by authoritative or by democratic rule.

"E Pluribus Unum Catholicum" – THE task of the Church in the nineteenth century (4)

While the views of accommodationists and isolationists on the relation of church and culture were divergent, the task was one. With a multiplicity of ethnic Catholic groups in a Protestant majority environment, the Church had one overriding task in its foundational century: to form one Catholic people out of the many. All of its energies were devoted to this formation.

The state was concerned with a similar task, the formation of a national identity. In the environment of urbanization and the development of a Jacksonian or populist democracy, the state backed the development of the common or public school as its means of formation.

The Policies (5)

During this era various bishops, clergy, vowed religious and laity evolved policy and strategies that produced, at the end of the century, a rival "public" school system which permitted Catholics to challenge the separation of church and state they lived under and to preserve the linking of church and education.

With regard to policy, previous to 1830 U.S. Catholics, like Protestants, viewed formal education beyond the rudiments to be the prerogative of the upper classes.

As the movement for compulsory common schooling developed, Catholic leaders developed educational policy which was directed to the masses.

In 1840, John Hughes, the bishop of New York, challenged the State of New York's providing "school" funds for the city's poor to the philanthropic Protestant-oriented Public School Society. He had three concerns: (1) that these schools were keeping the poor socially deprived; (2) that they were conducted with Protestant Bible readings and prayer; and (3) that they were not under his control. He challenged the state for a portion of these funds. Losing the challenge, he assumed the financial responsibility for the care of his Catholic poor stating, "I think the time has come when it will be necessary to build the school house first, and the church afterwards."^{xxxi}

The 1860's produced THE person who established the 20th century policy that the U.S. Catholic Church was to follow in dealing with the issues of church, state and schooling – Bishop Bernard McQuaid of Rochester, New York. McQuaid's watchwords were "the battle of God's Church in this country has to be waged in the school room."⁶ The policy contribution of McQuaid was that Catholic Schools would be systematized and controlled at the level of the bishop (the diocese) and not simply a collection of individual priest's or parish efforts. In November, 1884, the U.S. Roman Catholic bishops convened their last national legislative meeting of the century — the Third Plenary Council of Baltimore. Unlike the previous councils this one was called at the instigation of the Vatican. Among its legislation to implement the Church's policy on its educational ministry were these two definitive statements:

I. Near each church, where it does not exist, a parochial school is to be erected within two years from the promulgation of this Council, and it is to be maintained *in perpetuum*, unless the Bishop, on account of grave difficulties, judges that a postponement may be allowed.

IV. All Catholic parents are bound to send their children to the parochial schools, unless either at home or in other Catholic schools they may be sufficiently and evidently certain of the Christian education of their children, or unless it be lawful to send them to other schools on account of a sufficient cause, approved by the Bishop, and with opportune cautions and remedies. As to what is a Catholic school it is left to the judgment of the Ordinary to define.^{xxxii}

This third national council had expressed in law what now was, in fact, the mind of the Church: namely, that one of its major activities in the United States would be to establish and conduct a school system of total education. Further challenges to this clearly stated

directive only solidified the position of the U.S. Catholic Church. The Church constructed a rival system of schooling and enforced Catholic schooling through spiritual sanctions.

The decision to establish a Church controlled school system confirmed the isolationist position. However, there were challenges which sought an accommodation between the Catholic Church and U.S. society.

Structures: (6)

During the period of 1875 to 1920, professionalization in Catholic education became the theme as a full and complete system of Catholic schooling was organized: parochial schools, high schools, colleges, normal schools, centralized diocesan administration, professional institutes, and eventually a professional association.

The Teachers

The main work force in these schools was vowed religious women. It was at this time and in the United States that a new identity and definition was forged for Catholic Sisters. The old world tasks of contemplation, teaching aristocratic women, and charity works with the poor gave way to the socializing task of U.S. Catholicism which they performed through the schools. After struggles with the Sisters of Charity of Emmitsburg, Maryland, Bishop McQuaid founded his own diocesan-controlled order of sisters and admonished them:

. . . let me remind you that there is not a charity in all this country, hospitals, asylums, refugees of any sort which for far-reaching, widespread, and lasting charity can for one moment be compared with our Parochial Schools.^{xxxiii}

The content taught by these religious was carried as much, if not more, through their presence as through any other part of the curriculum.

The Diocesan System

The organizational structures of the schools also mediated content. They were organized on a diocesan level. A priest directly appointed by the bishop held the power as superintendent of the schools. Major decisions were made at this level. The parish priest had control and responsibility over the local school plant. The people bore the responsibility for financial support.

With the school question finally settled, the system of Catholic education began to take shape. The capstone for this total system of education, the Catholic University of America, emanated from a decree of the Third Plenary Council. This institution was to be the focal point by which all Catholic education in the United States would be organized: parish schools, high schools, academies, colleges, and seminaries.

The move for professional association and unity grew with the formation of a conference of Catholic colleges and seminaries. Soon afterwards, the Catholic parochial school teachers also formed a conference. Finally, in 1904, these groups banded together to form the Catholic Educational Association. Later, in 1927, the name "National" was added to make it the "NCEA."

Summary

The Catholic Church's struggle with the challenges of religious tolerance, church polity, the relationship between church and state, and the relationship of religion to education produced a *modus operandi* for the twentieth century which established an island community, existing complete in its own world but completely surrounded by and affected by another.

Response to these four challenges produced the school as the ideal way to form Catholic identity. The primary goal of Catholic education was the preservation of the Catholic faith. Its secondary goal, the interpretation of U.S. culture to the immigrants, took two competing directions: the creation of a pure Catholic culture, and the leavening of the nation's culture. Here were key values formed in the nineteenth century Catholic identity: Catholic schools reinforce the relationship of religion and education as well as the separation of church and state. The school cultivated the laity's dependence on the clergy and religious. The Catholic schools were the way to "Americanize" Catholics under the control of the Church. U.S. Catholics developed a structure of parochial schooling which reflected and reinforced a "siege" mentality in the nineteenth century immigrant Church.

In effect a compromise emerged from the two dominant nineteenth century modes of *isolation* and *accommodation*. The structure of isolation (the rival school system) was maintained, but Americanization (the ideal of making the Catholic schools as effective producers of U.S. Americans as the public schools) overrode the isolation goal of creating a pure European or "Roman" Catholic culture.

This, then, is the nineteenth century story of the ends and means of the Catholic Church's activity in education. It is a story that provides the U.S. Catholic educator the archetypal images, symbols, rituals, language, and narratives by which to understand who she or he is. The task of the century was met: Catholics, from various nationalities became one; Catholicism became established in the United States, in the face of challenges it had not experienced since Constantine.

The content of Catholic identity cultivated by Catholic education and yielded in this history was a spirit of resistance to state control of the means of cultural formation in favor of submission to the Church's control. Consequently, there was a dependency upon clergy and hierarchy in decision making with regard to the means of education and identity control. Additionally, the seeds of a Patriotism that to be a good Catholic was to be a good "American" were sown.

3. Catholic Healthcare

America magazine suggests that the "highly effective" Catholic hospitals and universities' progressive form of governance, "clarity of mission, accountability, a focus on core functions and the ability to put outcomes over egos" be a model for Catholic parochial and secondary schools. These institutions turnover operational responsibilities to independent boards selected on merit and focused on results with governance as a "collaborative enterprise." These boards go beyond fiduciary responsibility to strategic planning faithful to the primary mission yet adapting to twenty first century students.^{xxxiv}

So with the Philadelphia story and twenty first century Catholic health care we are experiencing another shift in the ministry and consequent identity which might be termed – *corporatization* (non-corporate entities becoming corporations, taking up management structures or other features and behaviors employed by corporations).

a. The Role of Mission in the Corporate Model

The message delivered by several keynote speakers at July, 2013 the inaugural conference on trustee leadership sponsored by the University of San Francisco's Institute for Catholic Educational Leadership and directed by Fr. Stephen Katsouros, S.J. lays out some of the elements of what is involved in corporatization.

"We are putting our institutions in your hands," Vincentian Fr. Dennis Holtschneider, president of DePaul University in Chicago, told the trustees of more than two dozen secondary schools and colleges attending the conference. "Watch over them, love them, and make sure they fulfill the aims for which they were founded."^{xxxv}

To accomplish their emerging role as monitors of the mission, the conference was told that boards need to ask key mission questions that go beyond financial oversight, as important as economic health is to any school. Such questions, Holtschneider suggested, should include:

- Is the school's mission clear?
- Can people throughout the school (administration, faculty, students, support staff) articulate the mission and explain their role in its accomplishment?
- Is the work of the board in sync with that of the founding religious congregation and the local bishop? Are those relationships managed well?
- Does the school "budget for mission" or is there talk about its importance without giving significant resources to its accomplishment?
- Does the mission permeate the academic life of the school in ways that introduce students to life's great questions and the treasure of the church's thinking on such matters?

Robert McElroy, Auxiliary Bishop of San Francisco urged trustees to fully embrace their new role and warned them to avoid five attitudes that militate against their effective leadership:

- Deferring the stewardship of mission to the school's administrators because they are full-time employees. Such an attitude, he said, can prevent the infusion of new ideas and constructive critiques.
- Seeing their trustee role as filling a specific niche (finance, marketing, communication) rather than recognizing that the responsibility for mission belongs to everyone on the board.

- Treating the mission as an artifact that ceases to be living and renewable. While acknowledging the inheritance of great traditions, the mission cannot remain rooted in the last century.
- Using the mission as a surrogate for one's own agenda.
- Employing the mission as a kind of weapon against innovative decisions. In other words, saying, "The mission would not permit this," as a way to keep from considering or implementing new initiatives.^{xxxvi}

Barbara Taylor of the Association of Governing Boards called for a climate where an open interchange between the board and the school's administration and where there is "sense-making before decision-making." This requires boards to function in a "generative mode" that finds and frames issues and challenges in light of values and beliefs. Generative thinking provides insight alongside fiscal oversight and strategic planning or foresight, a board's two other chief functions^{xxxvii}.

Patrick Bassett, president of the National Association of Independent Schools, said effective boards "shape and uphold the mission, articulate a compelling vision and ensure the congruence between decisions and core values"^{xxxviii}.

Katsouros saw the conference an initial step toward establishing a national center where board trustees can receive training and support to enhance their effectiveness. The institute will also collect research data about trends in board governance and provide benchmarking analysis for boards wanting to evaluate their competencies.

The present story of US Catholic health care is also a story of the relationship of the social and economic revolution of that ministry and its adaptation to the present-day conditions of U. S. Catholicism. Over the past 25 – 30 years Catholic healthcare has been undergoing "corporatization" of the ministry. The story of Catholic health care's movement from direct control and administration primarily by religious orders of women to mega Catholic systems has brought with it a major focus on adjusting this Catholic ministry to the demands of the corporate world and re-expressing Catholic identity.

History^{xxxix}

In addition to encountering sisters in every department, "a visitor to a Catholic hospital in the early twentieth century saw fountains of holy water and paintings of the bishop, the Virgin Mary and saints."^{xl}

Early in the 1900s, Catholic sisters who were hospital administrators wielded considerably more power than most women in society, now only a few remain in those positions. There have been a variety of changes that have affected Catholic hospitals identity — Vatican II, the civil rights movement, the enactment of Medicare and Medicaid and the growing market forces that have come to dominate health care^{xli}.

In 1985 there was considerable controversy over whether or not Catholic hospitals should advertise. One advertisement in particular evoked heated comments. The newspaper ad showed an old black-and-white photograph of a nun, with the text: "Mother Frances wants to have your baby." The ad promoted maternity services at Mother Frances Hospital in Tyler, Texas. It was a harbinger that Catholic health care was adapting to an increasingly secular world.^{xlii}

Today, Catholic identity is less the physical trappings and more a product of the pastoral care ministers and directors of mission effectiveness who are charged with carrying out the hospitals' original missions. Health care has evolved in the public eye from a public good to a marketable commodity.^{xliii} Catholic hospitals forge Catholic identity as they continue to balance mission and margin.

Catholic health care in the middle of the 20th century began to experience a major shift in its mission and ministry. Catholic hospitals date themselves to the Ursuline sisters in New Orleans opening the first privately owned Catholic hospital in 1728, established amidst epidemics, wars, urban immigrant poverty and frontier chaos in the latter half of the nineteenth century. In the early 20th century they adapted to medical modernization and professionalization, to growth spurred by Medicaid/Medicare funding in the 1950s and 1960s, moving toward Catholic systems in the 1980s and 1990s—continually transforming the significant infrastructure.^{xliv}

As the decade progressed, the most significant development in health care was the prospect of health care reform. President Bill Clinton's proposal for reforming the health care system and ensuring that all persons had access to health care was embraced by the Catholic health ministry. In the late 1980s, the community benefit tradition of Catholic hospitals was challenged: a Harvard Business Review article claimed nonprofit hospitals were no more charitable than for-profits^{xlv}.

Another factor was even more worrisome: the advent of Medicare's prospective payment system (PPS), designed to stem the growth of federal health care spending. If hospitals were no longer to be paid the cost of providing services, they would have to find ways to be more efficient. Some fear that, in the name of efficiency, valuable community benefit programs could be in jeopardy as hospitals try to adjust to financial pressures^{xlvi}.

Therese Lysaught writes:

[Initially] ... these changes were simply changes of scale—moving from 12 beds to 200; moving from charitable donations and voluntary payers to significant amounts of government funding; moving from stand-alone Catholic hospitals to collaborative Catholic health systems. Recent developments, however, seem more fundamental. They are not simply a matter of scope and scale. Some systems have decided to forego formal recognition by the local bishop. Other Catholic hospitals or systems have adopted for-profit corporate structures. Others are considering variations on these new models.^{xlvii} Medicine itself is moving away from hospitals to clinic or community care management⁶.

⁶ Get Gladys' input on this section.

Structures

The leadership and governance for this ministry balancing the Catholic heritage in healthcare and corporate business has developed a Byzantine labyrinth structure. In these systems there may be a sponsor Council made up of representatives from religious orders which used to own and operate the hospitals that have become part of the system. Canonically this Council is recognized as a “juridic person,” meaning according to Canon law they are the ones through whom the local Bishop exercises his control. Their task is to hold the mission of the corporation and preserve the Catholic identity. Generally they have approval power for the corporation’s charter and assets. According to amendments in Canon law this Council can have lay Catholic members. Then there is a Board of Directors for the system, whose members are appointed by the sponsor Council. And then there is the Leadership Team consisting of the chief executive officer and all the other chief officers of the system. Generally members of the sponsor Council are not paid nor are the members of the board of directors. The salaries of the leadership team are competitive with the hospital world. It is reported, as an example, that the CEO of Denver-based Catholic Health Initiatives in 2010 had a total compensation of \$2.9 million. In the city of St. Louis alone there are three multimillion dollar CEOs – \$2.2 million for the Mercy health CEO \$2.3 million for the sisters of St. Mary healthcare system and \$4.4 million for the CEO of Ascension Health – the largest not-for-profit health care system in the country with total operating revenue of \$16.6 billion and 113,500 employees.^{xlvi}

Among the executive leadership there is the position of Executive Vice President of Mission Integration or some similar title. Being on the leadership team this position’s salary might range from \$100-\$250,000. The role of mission leader appeared in Catholic health care in the 1980s. First filled by religious from sponsoring congregations, the presence of the mission leader assured that, as operational responsibility was transferred to lay leaders, the executive team of a system or facility included an “expert” in issues related to Catholic identity. In 1993, 95% of mission leaders were religious sisters or priests. In 2006, that percentage had dropped to about 66%. The current trend is moving strongly toward a mission role that is held by lay leaders.

Over time, the business of health care has become more complex as has integrating Catholic mission and values into health care operations. This reality calls for a broader range of competencies for mission leaders that enable them to influence their organizations at every level and in every business decision.

This is a key corporate role to maintain and forge the Catholic character of the health care mission. These leaders are described as “faithful and competent executives” tasked to ensure the health care system’s Catholic purpose, identity and values. They are required to have a working knowledge of Catholic theology in terms of the plurality of faiths served by the health care system. Their specific task is to empower individuals and the organization to express the Catholic faith tradition and to promote ethical decision-making throughout the organization within the context of the Catholic moral tradition. They possess management competencies to be

productive contributors to interrelate shared beliefs, behaviors and assumptions of the organization.

Thus a primary task is formation/education of staff and leadership. Healthcare is different when being done in a Catholic hospital – when someone is taking blood pressure there is a manifestation of the human dignity of the patient. The vision articulated by the hospital is attractive to employees as a place of employment. Effecting the mission the hospital is not concentrated in the hands of the mission director but is carried out by the leadership and staff.

Here is an example of a system’s mission statement:

Rooted in the loving ministry of Jesus as healer, we commit ourselves to serving all persons with special attention to those who are poor and vulnerable. Our Catholic health ministry is dedicated to spiritually centered, holistic care, which sustains and improves the health of individuals and communities. We are advocates for a compassionate and just society through our actions and our words.

An analysis of the issues of Catholic ministries and corporatization

Who do we say that we are? Who are we called to be? What ought we do in this situation and why? These simple questions raise the identity we want our ministries to cultivate. They are driven by our continual construction of Catholic identity.

And so as we look at the twenty-first century struggles for Catholic identity – as expressed by the church’s institutions, what are the *challenges, the social context, the values, the task, the policies of these institutions and the strategies?*

With regard to social context, perhaps Cardinal Bernardin captured our dilemma best when he said our institutions are “sandwiched” between the secular demands in the sacred traditions.

- This is showing up in government’s regulation of the operations of our institutions and in the donors concerns for transparency and efficiency. These latter are values of capitalism with a focus on profit.
- Another major factor in the social context – is the decline in numbers. Between 1965 and the present – a time when the growth of Catholics in the US was up 31% Catholic school enrollment dropped 66%. The 2010 Pew survey tells us that only 68% of those raised Catholic have remained Catholic.
- Cardinal Dolan cites the burden of the institutions. Archbishop Chaput states that the financial problems he faces are “unimaginable.”
- Yet, The Economist suggests that there is a great deal of Catholic money – presumably much more per capita than a century ago when these institutions were constructed.
- The cost of education as well as healthcare seems almost to have no restraints.

In responding to these social contexts and their challenges two expressions of the values are apparent this past year:

1. The US bishops' campaign for religious liberty with concerns for right of conscientious objection with regard to cooperation in intrinsically evil practices and delegitimize the Church's participation in public debate about the issues which are determining the future of American society.
2. "The nuns on the bus" – hundreds of congregations of women religious and thousands of individual Sisters, active in critical issues such as peacemaking, comprehensive immigration reform, housing, poverty, federal budget priorities, trade and hunger.

Perhaps the major question in this analysis is that of task for the institutions of Catholic education with regard to Catholic identity. What emerges from this examination is that the principal task is making the faith relevant to Catholics' lives. And given the major shift in relationship of clergy and laity taking place over the twentieth century and emerging in the twenty-first century is that of renegotiating religious authority.

Concerns/conclusions:

So what does all of this tell us about the present struggle for identity in Catholic education today?

We have to be careful when we talk about Catholic identity. Walter Ong raises the possibility that this term is an oxymoron:

Although the term *catholica* or Catholic is a Greek-based term said to mean "universal," the usual rendering of this "mark" of the Church in English, as in Latin, is not "universal" or *universalis* but the Greek-based term *catholica* or "catholic." What is the reason for the retention of the Greek-based term in both Latin and English? Why is the concept not simply rendered by the more common Latin-based "universal"? The obvious reason is that "universal" and "catholic" do not mean exactly the same thing. The imagery on which the concepts for the two terms are respectively founded differs drastically. The concept implied by "universal" works something like this: you imagine a draftsman with a compass describing a circle. The line of the circle marks the border between what the concept includes and what it excludes. Everything inside the circle belongs to the concept; everything outside does not belong to the concept. The concept is not an expansive one but a constricting one.

The concept of "catholic" is built differently. The difference is captured when the Greek term *katholika* is examined. *Holos* means whole. *Kath* means through or down or by or in accordance with. Thus, *katholika* means "through the whole" "in accordance with the whole" "referring to the whole." There is no constricting factor at work here at all. Rather, the concept is expansive. "Universal" (*universalis*) is not^{xlix}.

And so to talk about Catholic identity as something which one group embraces and another does not seems to contradict the very word. Hence, the notion that values we call Catholic as something distinctive and only possessed by a particular group who have been nurtured and

socialized in a particular way is not the way I believe we should address the characteristics of Catholic identity. Ong puts it this way:

To deal with "catholicity" or globalization and its implications, we must be intimately aware so far as possible of the whole cosmos in which our globe is situated. The globe on which we live is part of God's creation. Christian faith must include what we now know of the size and age of God's creation. It is suicidal not to take account of this knowledge, to talk and act as though it were not there¹."

With that caveat I would like to lay offer some positive values of Catholic identity. Baptist turned Buddhist, University of Chicago theologian Langdon Gilkey in his 1974, Catholicism Confronts Modernity provides 5 key anchors of Catholic identity. The thesis of his work is that the Reformation Protestantism failed because the modern world is bankrupt . His work is a word of caution to Christianity and particularly Catholicism that we are on the verge of a postmodern world – a synthesis of the premodern interpretation of the world as “charged with the grandeur of God” (the transcendent) and the modern world’s view of the power of the human (the imminent).And Catholicism, if it can navigate to a postmodern world, can bring essential values to maintain religious life. He points to deep issues of Catholic identity: 1 the unity and substantiality of the people as community, 2 the reality of tradition, 3 the grace of Caritas in her life and mission, 4. sacramental sense of the living presence of God, 5. the rationality of faith and 6. a movement for Justice and liberation. He sees the first five of these as essentially developed in the premodern experience of the Catholic Church.

A look at the 20th century in terms of our Catholic institutions of charity, healthcare and education would indicate that in the nineteenth century we made an accommodation that not only preserved our tradition but developed it to the point where as we can see an enormous amount of good work in all three of these ministries expressive of the gospel and contributing to the church universal. With the hope from that century there is no reason to despair or not to believe that the spirit will not continue. But the challenges are real. The way in which we secure funding for these institutions will be different – but there is no doubt that the funding is there.

Two major concerns face us in terms of money – and they are perhaps two sides of the same coin. On the one hand, there is a much greater wealth in the Catholic community at this point in the twenty-first century than there was a hundred years ago. But secondly, the accumulation of that wealth is inordinately driving the decisions we make about how we live our lives.

The other major issue is that of control of the Catholic voice. It is often said that “the church is not a democracy.” And yet corporations are. Decisions made at board meetings are by majority – any arbitration would happen in the civil courts. The corporate values of efficiency and transparency are well expressed in Frank Butler’s comment, "People want a voice."

What are the values that a corporate or business perspective brings to the Catholic delivery of health, education or welfare? The contemporary science of leadership contrasts the competing values of a hierarchical approach (operative in the Church’s twentieth century ministry of the clerical culture) to a bottom-up approach (operative in Democratic secular culture).

In studying the ethics of organizational leadership today Dennis Erwin suggests seven practices characteristic of leadership in organizations^{li}. Being immersed in organizational leadership – such as a corporate hospital system – we can look at these seven practices both in terms of effective and humane leadership as well as how the Catholic tradition brings an added value to these principles/practices. This helps recast the concern about corporatization as the ability to effect “Catholic leadership,” rather than polluting it.

Erwin describes contemporary business leadership as a *process* (an interaction between leaders and followers) that *influences* (effect followers or groups of people) and *focuses* common goals (mutual interests). The leaders’ role is to establish direction by creating a vision, aligning people by communicating goals and seeking the commitment of followers – motivating, inspiring and empowering followers by satisfying unmet needs and mutual interests.

One can contrast values in this process of leadership between an hierarchical approach and a Democratic approach.

Leadership values with regard to:	Hierarchical approach (operative in the Church’s 20 th century ministry of the clerical culture)	Horizontal approach (operative in democratic secular culture)
Use of power	Influence others by use of position, status, and coercion	Influence others by identifying with followers, being competent and knowledgeable
Participation	Influence others by being dogmatic, directive, and authoritative	Influence by inviting the ideas and opinions of followers and stakeholders into decision-making
Transparency	Closed and secretive process of decision-making and other leadership activities	Full disclosure of process of decision-making including disclosure of alternatives considered as well as justification and rationale for decisions; all leaders are subject to the scrutiny of followers and those served
Accountability	Leaders act autonomously, make their own rules	Leaders are accountable for their behaviors, decisions, and performance to followers and those they serve;
Empowerment of others	Leaders see organizations as benefiting the institution	Leaders see the organizations as something that promotes the well-being and transformation of followers and those served by their organizations
Challenging the process	Leaders protect the <i>status quo</i>	Leaders continually challenge the process in order to encourage innovation, development, and improvement

Catholic Identity from the twentieth century carries a lot of baggage, e.g. patriarchy, hierarchy, domination, exclusivity vs. inclusivity, silencing and discouraging dialogue vs. encouraging participation and open dialogue, etc. In a similar fashion, business carries the baggage of a prejudice that profitability and efficiency are necessarily bad. According to Erwin, Business that promotes profitability and efficiency when balanced with social responsibility provides sustainability – the ability to continue to serve those in need. Efficiency and elimination of waste are important components of stewardship.

APPENDIX A

From the 19th Century Story of the Catholic Education:

The Challenges

- **Religious Tolerance** – how would the church rework its self-concept as the one true church in a state that was non-confessional, that is, would not support (or oppose) its claim to unique truth;
- **Church Polity** – in a democratic form of government, volunteerism would supersede authoritarianism;
- **The Relationship between Church and State** – in the United States the “religious” would be separated from the “public” in matters of moral behavior. In other words, the government was not going to enforce the church’s laws on marriage, etc.
- **The Relationship of Church to Education** – the norm in United States would become (by the end of the century) universal public education. The Catholic Church would not get state support in its effort to form the young.

The Social Context

- **Immigration** – in the first census of 1790 1.1% of the population was Roman Catholic by 1880 it was 14.4 % – by 1850 almost 60% of all Roman Catholics in the United States were foreign-born.
- **Nativism** – “foreign” and “Catholic” became synonymous – to react to one was to react to the other. Think of how in biology the host body fights to reject foreign matter.
- **Secularization** – democracy challenged religion as the sole basis for knowing truth. Laws disestablished churches in the individual states and significantly weakened the influence of religion by the end of the century.
- **Educational Reform** – the 19th century saw the development of the common (public) school – an attempt to form the young of the nation with a common character. This education embodied Protestantism and did not promote the relationship of faith and education. By the end of century common schooling was compulsory. Here in Oregon a famous case was tried that allowed Catholics to establish a parallel but separate school system to meet the law for compulsory education.

Values

- **Accommodationism** – urging relationship and inclusivity with non-Catholic neighbors and ideas;
- **Separatism** – insisting upon exclusivity.

Task

- **"E Pluribus Unum Catholicum"** – to form one Catholic people out of many – the Catholic version of the national task of the 19th century.

Policies

- John Hughes, New York 1840 “in this country, the school will be built before the church.”
- Bernard McQuaid of Rochester New York cir. 1870 "there is not a charity in all this country . . . can for one moment be compared with our parochial schools."

Structures

- Catholic religious women as the professional teachers
- After the third plenary Council of Baltimore in 1884 when it was decreed that every parish had to build a Catholic school and parents had to send their children to a Catholic school under pain of mortal sin
- The capstone for this total system of education, the Catholic University of America, emanated from a decree of the Third Plenary Council was to be the focal point by which all Catholic education in the United States would be organized: parish schools, high schools, academies, colleges, and seminaries.

APPENDIX B

From the 21st Century Story of the Catholic Health Care

The Challenges

- Maintaining Health Care As a Catholic Enterprise
- Questions about recognition by the local Bishop
- The challenge of adopting a for-profit corporate structure

The Social Context

- Modernization and professionalization of medicine
- Growth spurred by Medicaid/Medicare federal funding
- The movement to for-profit healthcare and advertising
- Medicare reform and the Affordable Healthcare Act – designed both to stem the growth of federal health care spending and expand coverage for all
- Reconceptualizing medicine from hospital focused to clinic our community centered population health management
- The evolution of healthcare from a public good to a marketable commodity
- civil rights
- market forces
- the diminishing role of the religious order [In the 1970s, changes in both health care and religious life required new ways of structuring the continuity between Catholic health care institutions and their founding religious congregations.
- the nature of the good of health care, and the differences between health care and other industries⁷

Values

- maintaining community benefit in light of financial pressures
- Vatican II identity/ecclesiology
- the ability to maintain a margin to promote the mission
- present-day search for identity
- Financial -- from charity to self sufficiency
- Human Resources -- from religious to lay
- Governance -- from authoritarian to communal
- business practices
- democratic participation

Task

- a reformulation of what it means carry out the mission of healing.

Policies

- shifting the hospitals to lay control – responsibility for the mission and its continuing construction

Structures

- government funding
- corporate control data-driven accountability and transparency
- open exchange between the board and the school's administration
 - "sense-making before decision-making."
 - "generative mode" that finds and frames issues and challenges in light of values and beliefs.
 - Fiscal oversight
 - strategic planning
 - congruence between decisions and core values
- of Byzantium labyrinth of leadership and accountability structures
- accountability to bondholders
- the role of the mission leader
- The role of Sponsors and public juridic persons, [both developed in the 1980s, are canonical innovations designed to maintain an official connection between religious institutes, their ministries and the Church.]

⁷ While the current not-for-profit structure of most of Catholic health care employs market mechanisms to deliver care, many rightly note that health care does not lend itself to the kind of market dynamics presumed by investor-owned models due a variety of factors, including the role of government funding and regulation as well as the nature of illness itself. Do investor-owned "mechanisms carry the risk of an 'idolatry' of the market, an idolatry which ignores the existence of goods which by their nature are not and cannot be mere commodities"? (*Centesimus Annus*, §40. – As quoted in CARITAS IN COMMUNION: THEOLOGICAL FOUNDATIONS OF CATHOLIC HEALTH CARE: A White Paper for CHA Membership Study. M. Therese Lysaught, Ph.D. May 23, 2013

APPENDIX C

From the Philadelphia Case:

The Challenges

- Enrollment and number of schools down by 2/3 since 1966
- Catholic institutions meeting the needs of the people today [Catholics rethinking the task of religion and what it means to be Catholic: finding the church tangential to the issues of family, love, and business.]
- The sex scandals and financial scandals of the first decades of the twenty-first century
- The moral authority of the hierarchy and commitment to the institutional church

The Social Context

- The weight of maintaining twentieth century institutional Catholicism
- The drastic decline of Catholic education over the past decade [the closing of schools (25% loss of enrollment; an average loss of 127 schools a year) and parishes 1,359 over the past decade 7.1% of the national total]
- Catholic Wealth –
 - annual offertory income at \$13 billion
 - large donors
 - Papal Foundation whose 138 members pledge to donate at least \$1m annually
 - Legatus, a group of more than 2,000 Catholic business leaders
 - There is also income from investments. [Cardinal Dolan is Manhattan's largest landowner]
 - Local and federal government [contributing to the cost of educating pupils in Catholic schools and loans to students attending Catholic universities]
- The professional practice and ethics of corporate leadership in the twenty-first century

Values

- Catholics expressing their mind and their behavior in opposition to the moral authority of the hierarchy and their commitment to the institutional church's policies and regulations: much wider diversions on practices such as mass attendance, sexual morality, abortion and homosexuality, ordination only celibate men and social justice activities.
- Those seeking a restoration of 1950s Catholicism and hierarchical authority
- The laity wanting to have a voice in the managerial control of the educational ministry
- How conducive are Catholic institutions for the transformative work of faith in the postmodern world?

Task

- A reformulation what it means to be Catholic today: reverse the Church's tangential relation to the contemporary issues of family, love, and business – from right beliefs to negotiating life
- renegotiating magisterial authority's role in faith
- help Catholics negotiate life in a post-Ghetto Catholicism.

Policies

- Shifting the schools to lay control – responsibility for the mission and its continuing construction
- The church's appearance of being secretive regarding disclosure of policies and practices

Structures

- The system that manages Catholic education has become outdated and sclerotic - an attempt to maintain
- Corporate funding
- Catholic Wealth – the size of which demands professional management – data-driven accountability and transparency – corporate control
- An incorporation of corporate values
 - Open exchange between the board and the school's administration
 - "generative mode" that finds and frames issues and challenges in light of values and beliefs.
 - Fiscal oversight
 - Strategic planning
 - congruence between decisions and core values

ENDNOTES

- ⁱ An earlier version of this paper ("Upheavals in the Ministry of U.S. Catholic Education and the Effect on Catholic Identity: Models from the 19th Century Catholic Schools and 21st Century Catholic Hospitals") was presented at the University of Portland Garaventa center Conference: The Impact of Catholic Education in America: Past Present and Future June 20 – 22, 2013.
- ⁱⁱ Norlene Mary Keunkle, "Bishop Bernard J. McQuaid and Catholic Education" (unpublished PhD dissertation, University of Notre Dame, 1974), pp. 147.
- ⁱⁱⁱ Robert Thomas O'Gorman, "Towards the Development of an Ideal Type Model of Analysis of Catholic Education" (unpublished PhD dissertation, University of Notre Dame, 1975).
- ^{iv} Joseph Cardinal Bernardin, "Catholic Institutions and Their Identity," *Origins* 21, no. 2 (May 23, 1991) as quoted in CARITAS IN COMMUNION: THEOLOGICAL FOUNDATIONS OF CATHOLIC HEALTH CARE: A White Paper for CHA Membership Study. M. Therese Lysaught, Ph.D. May 23, 2013]
- ^v August 21, 2012 news release archdiocese of Philadelphia <http://www.catholicschools-phl.org/news-events/the-archdiocese-of-philadelphia-and-the-faith-in-the-future-foundation-reach-historic-agreement-to-create-independent-catholic-school-system> accessed July 22, 2013
- ^{vi} ibid.
- ^{vii} ibid.
- ^{viii} "Philly Catholic high schools to be managed by a private foundation" Kristen A. Graham and David O'Reilly The Inquirer, August 23, 2012
- ^{ix} "What a mess in the Philadelphia archdiocese," Tom Gallagher, National Catholic Reporter, April 19, 2013
- ^x ibid.
- ^{xi} ibid.
- ^{xii} CatholicPhilly.com, the news website of the Philadelphia Archdiocese, October 8, 2012 <http://catholicphilly.com/2012/10/local-news/local-catholic-news/new-ceo-to-lead-foundation-operating-catholic-schools/> accessed July 22, 2013
- ^{xiii} ibid.
- ^{xiv} Reuters, "Philadelphia Catholic Church Passes School Management to Foundation" August 21, 2012
- ^{xv} "Philadelphia Archdiocese, foundation sign pact on school management" Lou Baldwin, Catholic News Service, August 23, 2012
- ^{xvi} ibid.
- ^{xvii} National Catholic Reporter, "Philadelphia breaks new ground on managing Catholic schools," Jerry Filteau September 10, 2012
- ^{xviii} ibid.
- ^{xix} United States Catholic Elementary and Secondary Schools 2012-2013 The Annual Statistical Report on Schools, Enrollment and Staffing, National Catholic Education Association
- ^{xx} "Philadelphia breaks new ground on managing Catholic schools," op. cit.
- ^{xxi} America, "All Hands on Deck: A call for Catholic mobilization to finance our schools." February 4, 2013 Thomas J. Healey, John Eriksen, B. J. Cassin
- ^{xxii} Aug 18th 2012 "The Catholic Church in America: Earthly concerns"
- ^{xxiii} ibid.
- ^{xxiv} "Seismic shifts reshape US Catholicism, Tom Roberts, National Catholic Reporter, January 17, 2012
- ^{xxv} ibid.
- ^{xxvi} ibid.
- ^{xxvii} ibid.
- ^{xxviii} ibid.
- ^{xxix} ibid.
- ^{xxx} James Hennessey, American Catholics: A History of the Roman Catholic Community in the United States (New York: Oxford University press, 1981), P. 71.
- ^{xxxi} Jerome E. Diffley, "Catholic Reaction to American Public Education, 1792 – 1852" (unpublished Ph. D. dissertation, University of Notre Dame, 1959), p. 238.
- ^{xxxii} Bernard J. Miering, "Educational Aspects of the Legislation of the Councils of Baltimore" (PhD dissertation, University of California, Berkeley, 1963) p. 231.
- ^{xxxiii} Norlene Mary Keunkle, "Bishop Bernard J. McQuaid and Catholic Education" (unpublished PhD dissertation, University of Notre Dame, 1974), pp. 147.
- ^{xxxiv} All Hands on Desks: A call for Catholic mobilization to finance our schools February 4, 2013 Thomas J. Healey, John Eriksen, B. J. Cassin
- ^{xxxv} National Catholic Reporter, "Experts focus on lay boards' emerging role in Catholic education," Monica Clark, August 28, 2012
- ^{xxxvi} ibid.
- ^{xxxvii} ibid.

^{xxxviii} He suggested a board meeting at which each member is given a deck of 52 cards with a separate value written on each. Each member selects their top 12 and joins in a conversation to determine what consensus they can derive around a common set of values.

^{xxxix} For the most comprehensive history of Catholic health care in the United States, see Christopher J. Kauffman, *Ministry and Meaning: A Religious History of Catholic Health Care in the United States*. New York: Crossroads Press, 1995.

^{xl} Suzy Farren and Barbara Mann Wall, *Health Progress* Book Review - American Catholic Hospitals: A Century Of Changing Markets And Missions November-December 2011 (Barbara Mann Wall, *American Catholic Hospitals: a Century of Changing Markets and Mission*, Rutgers University Press, 2011) – accessed July 17, 2013 <http://www.chausa.org/publications/health-progress/article/november-december-2011/book-review---american-catholic-hospitals-a-century-of-changing-markets-and-missions#sthash.1YnL8aEK.dpuf>

^{xli} ibid.

^{xlii} ibid.

^{xliii} ibid.

^{xliv} As I got into research on the contemporary healthcare side of this paper I came across a draft of a “white paper” by Therese Lysaught completed May 2013 for the Catholic Health Association dealing with the issue of membership in this association for Catholic systems that are negotiating a move from not-for-profit to for-profit status. This masterful paper digs deep into the contemporary encounter of Catholic health care with the corporate lifestyle. Professor Lysaught addresses the questions of whether the trends in the larger Catholic systems lead to a Catholic healthcare that “has become too large and too corporate.” She asks if these systems are straying too far from their original purpose. She does this with extensive examination of the theological foundations of Catholic identity in Catholic health care, and then moves into the theological foundations of “moral cooperation” between Catholic and secular organizations and thirdly, the theological foundations of Catholic economic thought as they relate to for-profit corporate status. CARITAS IN COMMUNION: THEOLOGICAL FOUNDATIONS OF CATHOLIC HEALTH CARE: A White Paper for CHA Membership Study. M. Therese Lysaught, Ph.D. May 23, 2013.

^{xlv} Julie Trocchia, "Community Benefit - Meeting Community Needs - A Hallmark of Catholic Health Care," *Health Progress*, May - June 2006

^{xlvi} ibid.

^{xlvii} Lysaught. Op. cit., p. 2

^{xlviii} "Healthy Wallets," St. Louis Post-Dispatch, June 2, 2013 page E4.

^{xlix} Walter J. Ong, S.J., "Where Are We Now?: Some Elemental Cosmological Considerations," *Christianity and Literature*, vol. 50, no.1 (Autumn 2000)

ⁱ ibid.

ⁱⁱ personal communication, July 27, 2013.