

A Governance Model Built For Change





In Omaha, as well as many cities, inner-city Catholic schools have closed due to an unsustainable financial model. As school expenses increased, parish support dwindled due to socio-economic circumstances. As parish schools are generally self-funded by tuition and parish support, the financial stress has resulted in many urban Catholic schools closing. This has meant that fewer students have had the opportunity to have their lives changed by an education model that has clearly shown positive results over other options.

As those same circumstances were affecting the Archdiocese of Omaha's inner-city, with multiple schools closing, one such school in north Omaha was Sacred Heart School, founded in 1904. The K-8 school sits in the most poverty-stricken part of Omaha, yet its students were achieving far higher high school graduation rates than their counterparts within the same demographic area. In 1975, a group of businesspersons were engaged to form a foundation to fund the school's operation as it became more impacted by its socio-economic circumstances. That group known as CUES (Christian Urban Education Services) continued to fill in the funding gaps for that school for the next 37 years.

In 2011, the Archdiocese of Omaha contracted a demographic study of their parishes and schools. The study concluded that several more urban schools should close because of their demographic and financial situations. Unwilling to accept that decision, the board members of CUES decided to expand their mission to two more schools, Holy Name and All Saints Schools, which were both recommended for closure.

At that point, CUES was committed to fully-funding the operations of Sacred Heart School and to provide money to Holy Name and All Saints to help them fill their budget gaps. The leader of CUES at the time, Fr. Tom Fangman, along with the CUES executive director, were able to raise millions of dollars to fulfill that goal over the next five years.

During this time, all three schools remained under the direction of their respective parishes and

| Rick Bettger |

CUES had no managerial power over the schools. There was some budget oversight by CUES and each school was informed weeks before budgets were finalized as to how much money they were going to receive from CUES. The CUES board identified that this financial structure was problematic as grants were decided depending on how the fundraising efforts of CUES from the current fiscal year were progressing.

In 2016, CUES underwent a major transition with the reassignment of Fr. Fangman and the introduction of Fr. Dave Korth as the leader of CUES. As CUES was still under the governance of the archdiocese, the structure was much the same as Fr. Korth was onboarded. Upon surveying the situation of CUES and the horizon of five-year pledges coming to an end in the coming year, Fr. Korth initiated a strategic planning session in January 2017 to restructure CUES for the future. The key initiatives that came out of that session were:

- CUES needed to take over the management of the schools
- CUES needed to fully fund all three schools
- Institutional givers needed to be engaged to assure sustainability
- Student academic progress needed to be impacted and measured
- A new culture needed to be instituted amongst the three schools
- Governance needed to be created to manage the schools
- The fundraising organization needed to be separate from the archdiocese
- The fundraising organization needed to increase capacity



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Some of the challenges with the structure at that time were that the three schools all operated in the traditional parish school model. In order to implement changes, CUES and the Archdiocese of Omaha had to come to an agreement under which CUES would take over the management of the schools and away from each parish priest. Archbishop George Lucas, who has chaired the Committee on Catholic Education for the United States Conference of Catholic Bishops, agreed to cede management of the three schools to CUES under the condition that they remain Catholic schools under the auspices of the archdiocese.

This gave CUES the jumpstart to create an entirely new governance structure. It was decided that they would split into two different organizations – one to run the schools and another to fund the schools.

So the first step was to create the CUES School System – the school management arm of the organization. Because they were still archdiocesan schools, Fr. Korth was named the president of the new school system. A board of educational experts was enlisted including a Catholic high school principal, three educational professors from Creighton University with different areas of specialty, and a teacher from nearby Jesuit Middle School with a specialty in data collection. As a matter of structure, a member of the existing CUES board of directors was placed on the new board to facilitate communication between the educational side and the fundraising side.

Simultaneously, the existing CUES became the CUES Fund – with the specific purpose of raising money to fully fund the operations of the CUES School System. A new executive director was hired to build a staff that could expand the capacity of

the fundraising structure. In order to reach donors that would not donate to religious organizations, the CUES Fund amended its articles of incorporation to separate itself from the Archdiocese of Omaha.

The CUES School System is creating a new cohesive culture and identity amongst its three schools. In this new model, the Board of Governors, as it is known, has hired the position of chief academic officer, who serves as a conduit between the three principals and the board. Whereas the three schools operated in their own silos, there is now cooperation and sharing of resources amongst them. Along with economies of scale, there is shared professional development

and a system of data collection that pushes performance and information that the CUES Fund can use to speak to donors about the effectiveness of the education students receive.

The CUES School System also has implemented a position known as the director of student and family services. The board of governors understands the importance that students' families play in the success of its students. This position allows the director to get to know each family's circumstances and serves as a liaison to any of the many agencies in Omaha so that they can receive needed services. All built around the fact that the more stable the family is, the better chance the student has.

While this system is still in its infancy, the results so far have been positive. Data from student testing is being collected. It is being used not only to relay to the donor community, but teachers are using it to serve their students better. Five years ago, enrollment at the three schools sat just under 400. Currently there are nearly 600 students enrolled and parental involvement has dramatically increased.

This entire effort has required trust between the private sector and the Archdiocese of Omaha. It is a truly unique system of governance that was initiated by members of the Omaha community that recognize the value that inner-city Catholic schools have in breaking the cycle of poverty in Omaha. For more information, visit cuesschools.org.

Rick Bettger

rickbettger@gmail.com