

RELATIONSHIP RECONSIDERED

**CATHOLIC UNIVERSITIES AND THEIR
CHANGING GOVERNANCE STRUCTURES**



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The Association of Catholic Colleges and Universities (ACCU) serves as the collective voice of Catholic higher education. Through programs and services, the association strengthens and promotes the Catholic identity and mission of its member institutions so that all associated with Catholic higher education can contribute to the greater good of the world and the Church.

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EXECUTIVE SUMMARY

The decline since the 1970s in the number of priests and religious women in religious orders that founded Catholic colleges and universities has led lay faculty and administrators increasingly to become the stewards of Catholic higher education. Nevertheless, founding orders endeavored to retain control over these institutions by overseeing the appointment of lay trustees and reserving key governance powers to themselves even while ceding ordinary operational matters to lay board oversight. Inevitably, however, most religious congregations realize that soon there will not be enough of them to exercise control nor provide governance oversight over these institutions.

Now, longstanding arrangements that connected these universities to the Church and protected their faith-based cultures and social commitments are being replaced. Founding congregations are ceding their reserve powers to the board, to local bishops, to international religious bodies, to a newly created replacement entity known as public juridic persons (PJP), or even releasing them fully from Church control and setting these institutions on a path toward secularity.

Based upon a nationwide study of the nation's approximately 200 Catholic universities' governance documents and a survey of its presidents, the study tracks the newly adopted governance structures and early evidence of their advantages or challenges.



RELATIONSHIP RECONSIDERED

Catholic Universities and Their Changing Governance Structures

In 2000, AGB and ACCU published a national study—“Relationship Revisited: Catholic Institutions and Their Founding Congregations”—mapping the broad variety Catholic university governance arrangements took and how they were changing.¹ The findings were surprising not only for the extent of change that was underway at the time, but for the reasons offered. Founding religious were requesting (and boards were granting) additional reserved powers and other control mechanisms at a somewhat startling rate. The reasons that were given in the surveys of both presidents and congregation heads consistently spoke of the perceived need of the congregations to strengthen their hands structurally at a time when their numbers on campus were drastically shrinking. Where once the sisters, priests, and brothers were sufficient to set a strong institutional culture through their day-to-day presence, the perception was that the retirements and departures left an unfilled need for another way by which the purposes and culture of the institution would remain on point and effective. The 2000 study documented a startling number of new reserved powers, guaranteed congregational representation, the claiming of key positions for members of the congregation, preferential hiring provisions, defined financial payments, reversionary clauses, and more.

Now, 23 years later, this study has been repeated to see how the various governance relationships have changed over time. Once again, we reviewed all of the controlling documents and asked presidents how well those relationships were functioning and whether additional changes were expected or wanted in the near term and for what purposes. Once again, the results were surprising.

DECENTRALIZED BUT ATTACHED

The U.S. Catholic Church is far more than its neighborhood churches and the extensive pastoral ministry and evangelization they provide. The Church is the largest provider of nonpublic education to the country with 5,920 K-12 schools. It is the largest provider of nonprofit healthcare, treating one out of every seven Americans in its hospitals. It is one

of the nation's largest sources of charitable services, through Catholic Charities, the Society of St. Vincent de Paul, and a wide array of other charitable organizations. U.S. Catholic Relief Services annually provides nearly a billion dollars' worth of international relief and capacity building to 193 program participants in 116 countries. All this is in the United States alone, without even beginning to consider the reach of the Church's social ministries in the world's other countries.²

To accomplish this extensive work, the Catholic Church is extraordinarily decentralized, permitting its component organizations to operate, fundraise, and serve under local control, often by boards established for the purpose. All of these operations, however, retain some structural, legal tie to the Catholic Church, or they cannot legally claim and use the name "Catholic." Catholic universities are the same. They have traditional board oversight but are additionally overseen by some recognized arm of the Church—a local bishop perhaps or, more often, a religious congregation of sisters, brothers, or priests that first founded the college.³

The legal basis of these Church-based ties that bind, at least in the United States, exists within two bodies of law: canon and civil. Canon law is the Church's law, enshrined in a Code

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that is updated periodically and is interpreted using both custom and a body of principles honed over centuries. There are canons specifically treating education, but in matters of structural control, the canons on property also come into play. U.S. civil law provides a vehicle to implement and protect the legal requirements of canon law on this soil. Charters, statutes, bylaws and contracts are established to mirror and delineate the specific ways that these institutions must be accountable to Church oversight. The Catholic Church depends upon U.S. courts to enforce its rights using these civil structures, since it cannot expect

a U.S. court to enforce its rights using a body of law emanating from Vatican City.

The arrangements vary enormously. Some institutions must seek approval not only from their board but also from their Church governance body for the appointment of the president, the purchase or sale of property, setting of strategy, taking on of debt over certain defined amounts, and much more. Other institutions need to consult their Church

oversight body only when changes to the religious mission are being contemplated. This range from light oversight to rather extensive operational controls is an outcome of their decentralized foundings. The Sisters of Mercy simply have a different approach to overseeing their 18 colleges than do the Felician Sisters their three. The Jesuits have turned to a more internationalized approach than have the Holy Cross Fathers and Brothers. Even the diocesan institutions reporting directly to a local bishop have various arrangements by which the bishop makes decisions on his authority over and against the board's defined role.

SPONSORSHIP

The term “sponsorship” refers to the full breadth of ways in which those who are recognized to oversee these institutions on behalf of the Church actually shape those working relationships. Widely used in the United States, the term does not actually exist within civil or canon law. It refers to all the specific arrangements spelled out within the charters, statutes, bylaws, and related contracts. It refers, also, to the many customs and patterns that have arisen over time, whereby institutions, their boards, and their “sponsors” agree on a written or unwritten set of expectations for each other's span of control. It refers as well to all the ways in which the founding congregation or bishop (or other body, as we shall see) contributes to the life of the organization, influencing its culture, activities, and purposes.

First and foremost, however, the term is a narrow one. Sponsorship is best understood by seeing for oneself the Vatican offices charged with various aspects of the Catholic Church's activities. The Dicastery of Culture and Catholic Education occupies the third floor of a modest Vatican building positioned to the right as one walks the road leading up toward St. Peter's, just before the road opens into the fullness of St. Peter's Square and the broad embrace of its famous Bernini colonnades. As you are buzzed through the single-entry door, you'll discover an office of just 25 staff who are responsible for the education of over 62 million schoolchildren in at least 80 countries, as well as the work of more than 1,400 universities.⁴

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The obvious mismatch between the scale of responsibility and *de minimis* staffing necessitates a certain “deputizing” of external bodies or individuals to conduct the oversight needed and then testify to the Dicastery that the institution is faithfully Catholic in all the required and expected ways. To manage, the Church looks to those who already have official standing in the Church to do this work, generally the founding religious congregation or local bishop. In canon law, these “deputies” are referred to under a category known as *public juridic persons*. “Person” in this context does not refer to actual human beings by name, but to a role in which human beings succeed one another over time.

Here in the United States, the phrase “public juridic person” is an unfamiliar one to most. The term “sponsor” has been popularly adopted to describe this deputized organization or bishopric that holds official Church recognition and extends their own legal recognition to these Catholic universities. The Sisters of Mercy of the Americas, for example, are a duly recognized entity of the Catholic Church (a public juridic person in their own right) and have the authority to extend Catholic status to their recognized works, including their universities. The Sisters of Mercy’s universities are legally and officially Catholic because the Sisters of Mercy extend their own status by recognizing them as such.

In the negative, this means that when the Marist priests chose to no longer recognize Marist College in 2003 as one of their sponsored works, Cardinal Edward Egan of New York

City confirmed that the institution was no longer considered Catholic. Marist College became independent of the Church. When the Sisters of St. Francis of Penance and Christian Charity agreed that Rosary Hill College in Buffalo would become nonsectarian in 1976, they accomplished this by relinquishing their sponsoring role, and the school instantly became non-Catholic under Church law. When the Brothers of Christian Instruction determined in 2021

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that they no longer had sufficient members to continue to sponsor Walsh University in Ohio, the local bishop was asked to recognize the university under his auspices, and he agreed. In this case, sponsorship transferred from one recognized entity to another, and the university retained its Catholic status.

There are other connection points to the Church than just a founding religious congregation or local diocese. Pontifical universities, such as the Catholic University of America,

enjoy a direct relationship to the Dicastery of Culture and Catholic Education, which effectively serves as their connection point to the Church. The Church can also erect new public juridic persons, largely but not entirely composed of lay professionals, to take the place of religious congregations who are no longer able to serve in that capacity. It is also possible for a university to maintain a more distant relationship to a local bishop who simply testifies to an institution's Catholicity without becoming involved in any working relationship. More will be said of these later.

Regardless of the exact entity that serves as sponsor, all Catholic universities gain their Catholic status "by extension" from some other body or person that holds official Church status. At its core, the term "sponsor" refers to those intermediary bodies and individuals, and "sponsorship" refers to the legal establishing relationship itself. These universities are Catholic through another; and that other is the "sponsor."

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GOVERNANCE IN TANDEM

In practice, the board of trustees⁵ and the sponsoring entity together govern the institution that has been placed in their care. There is no single or guiding model. When government or regional accreditors evaluate the effectiveness of the institution's governance, these two entities are examined in tandem, seeing if the traditional elements of good governance are in place and functioning effectively as a whole and that the board and sponsor's respective spheres of influence are delineated thoughtfully.

The operative question is, "Who makes what decision?" Often, decision authority on a specific matter is reserved to one or the other as having sole and full control of the matter. In other cases, the trustees might propose policies or candidates for certain positions, with the sponsors empowered to accept the proposal or not as they think best. Other decisions might require the confirmation of the sponsor, but with the board having the sole right to propose what is being brought for consideration and thereby having more control over the matter.

The appointment of a president is a good example. It may be that the trustees are given sole authority to appoint a president. More often, the trustees conduct the search and choose a candidate who must then be affirmed by the sponsor before a job offer can be made. At times, the

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bylaws require that representatives of the sponsor join the trustees' search committee so that their concerns are kept in mind during the whole of the search process. Once appointed, the president always works for and reports to the board, but the sponsor might reserve the right to be involved in the president's annual evaluation and/or reappointment.

These respective roles are complicated further when a university employs a two-tier governance structure for its trustees. Often referred to as "The Corporation" or "Members of the Corporation," the upper tier of a board remains an entity of the board. When it exists, it is often to appoint, review, and remove trustees at its discretion or to retain approval rights over changes to the institution's mission or sale of major assets.

At Catholic institutions, this upper tier is sometimes populated with the sponsor's leadership or appointees. In these cases, the sponsor is using a trustee structure (The Members) to exercise its reserved powers. There is no specific advantage to whether the sponsor acts within the trustee structure as a Member or acts from without as an independent organization with reserved powers enshrined in the bylaws. Either way, the sponsor's prerogatives come into play in the decisions that must be made. What is important to remember is that the legal sponsoring power is housed within the sponsor itself by right in canon law and by whatever structure and decision authority is freely adopted under civil law in its governance documents.

A MUTUAL AND SUPPORTIVE RELATIONSHIP

All that said, sponsorship is no more defined by its legal effects than the term "marriage" is described by its legal effects. Like marriage, sponsorship is ultimately a relationship, with all the richness and human challenges of such.

Religious congregations raised the initial funds that bought the property and built the buildings. They often contributed their labor for generations, keeping the institution's costs affordable. Any number of them have contributed funds and property to the campus and made their own facilities available as needed. They have led campus ministry and the mission office, offered retreats and workshops, lived in dorms with students, and provided religious instruction and spiritual direction. They have held multiple positions throughout the organization, including the board. They have given witness, inspiration, mentoring, and accompaniment and provided a presence that matters.

In return, the university often supported the founding religious. They shared university facilities with the sisters, and not infrequently covered costs of maintenance, grounds, heating, and sometimes even care of the sisters' cemetery. At times, these financial arrangements are cemented in the bylaws, but just as often, they continue by custom. In recent years, universities have purchased property and facilities from the sisters so that the sisters might have additional funds to care for their elderly members.

Together, they have celebrated feast days, anniversaries, groundbreakings, funerals, and graduations and prayed together at all of these. There is admiration, love, concern, and affection. This is far more than “shared custody” of an institution; this is a shared mission embraced together.

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A CHARISM FOR INSTITUTIONAL MISSION AND CULTURE

To understand the present relationship between sponsors and their institutions, stories matter. Catholic colleges have many, and these stories shape the organization's culture, not just the working relationships of its governance entities. These include the founding stories of intrepid women and men, following the westward movement of the nation's early settlement, creating schools and healthcare to serve the local populations. These sisters, brothers, and priests arrived with no resources other than their faith, often begging for those resources and quickly finding the most creative of ways to run these organizations within the limits of available funding. They did it in the name of continuing the teaching ministry of Jesus Christ, the healing ministry of Jesus Christ, or His outreach and constant concern for those at the margins of society. They did it, too, inspired by the founders of their various orders, who themselves created extraordinary works in their time from a deep reserve of faith and with virtues to which those who continued the work aspired for themselves and for all who worked with them in their organizations.

The Sisters of Charity not only recruit and educate the poor, but they also encourage a concern for the poor among all their students. A Benedictine university could hardly call itself such without its community extending the hospitality St. Benedict and St. Scholastica expected of

their monasteries, or of a deep commitment to prayer and the sanctity of work on behalf of the community. A Franciscan college could no less encourage a simplicity of life or care for creation that characterized St. Francis of Assisi. These are simplifications, of course, and there are many others. Charisms are emphases of certain aspects of the Christian life stemming from the lives and works of the sponsors' founders, but also the lives and work of the many sisters, brothers, and priests who kept that apostolic tradition alive all these centuries since.

Catholic universities educate students for information and job-ready skills, but also for virtue and a life committed to a larger good. The early stories of the founders are told as part of

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that process. Heroes from that particular religious tradition are celebrated in art, in feast day celebrations, and, as appropriate, in the curriculum. More immediately, the presence of the religious themselves served as perhaps the most powerful inspiration point for both students and faculty and in shaping the institution's culture. Their lived witness of selflessness and commitment to larger social good, the good work they did, and relationships they formed personally across the institution brought the institution's core values to life, and made them credible, even achievable. The religious inspired their orga-

nizations toward their larger purpose. They told the stories, but also provided the lived witness that helped others adopt and become part of the larger mission.

It is these institutional cultures that religious are anxious to see continue long into the future. They worry that as the religious themselves age and diminish in numbers, the institutional culture will fade with them.

THE STUDY

This "Relationship Reconsidered" study emerged because of a steady stream of questions being received at the Association of Catholic Colleges and Universities (ACCU) office in Washington, DC, seeking updated information on how sponsor/university structures were changing. Presidents, religious leaders, and even bishops were finding that the old patterns of relating had become problematic at their institution and were wondering how other institutions shaped those relationships.

The ACCU serves as a support organization to Catholic college presidents, providing representation to government, church, and media bodies; training for those wanting to understand the Catholic nature and purposes of the organizations they are leading; consulting for those needing more extensive technical knowledge and assistance; and thought leadership on emerging issues, including research and the publishing of best practices and insights. Research from this study is meant to assist the ACCU's members to function effectively in the midst of a changing Church context.

Document requests and surveys were mailed to 189 ACCU-member university presidents. Follow-up mailings and phone calls were made to those who did not respond to the first mailing. Document requests included incorporating documents, statutes, bylaws, contracts, and any other documents pertaining to the sponsorship relationship. Where appropriate, institutions were also asked to provide the sponsoring body's own internal documents, where such exist, describing its roles, purposes, and structures in providing sponsorship.

In the end, responses were received from 158 institutions, an 84 percent response rate.⁶ Colleges founded by male and female religious congregations were represented fairly, as were the variety of Carnegie classifications

among the schools. Diocesan and pontifical universities were represented as well. Three institutions declared themselves to be Catholic but "independent," a term that does not exist in canon law and most likely refers to a situation in which an official authority within the Church formally recognizes and declares them as Catholic but remains at an operational distance.

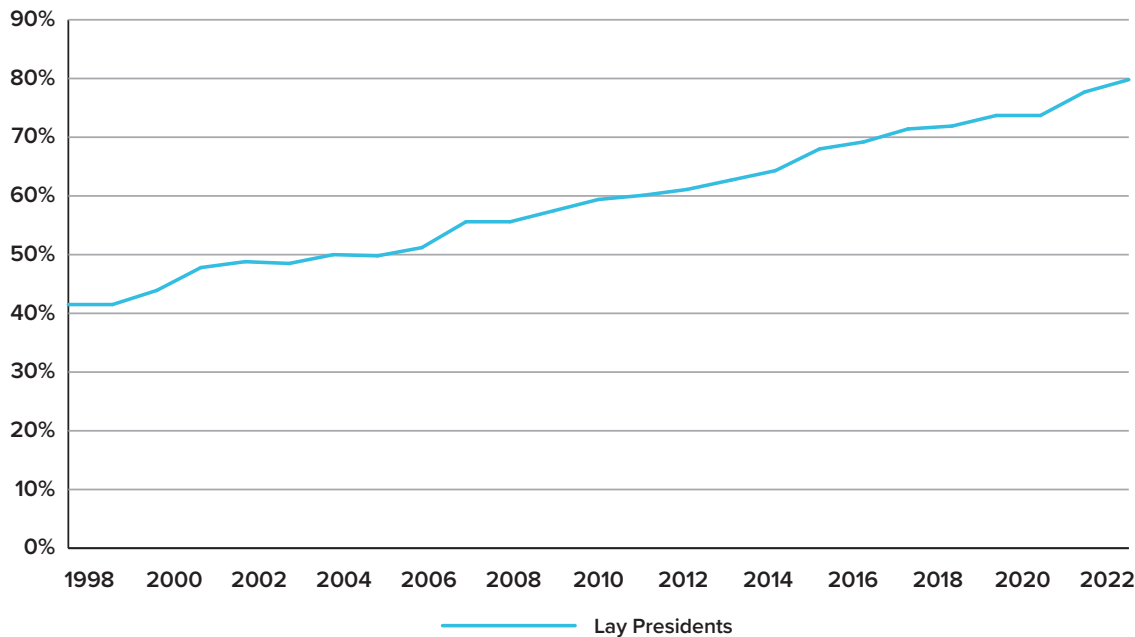
The same five questions asked in the first study 23 years ago remain at the heart of the present study. Are the sponsorship-governance relationships between sponsors and their colleges changing? If so, how are these partner-institutions adapting their relationships? How many are doing so? What are the changes being made? What implications do these changes have for the future of Catholic higher education in the United States?

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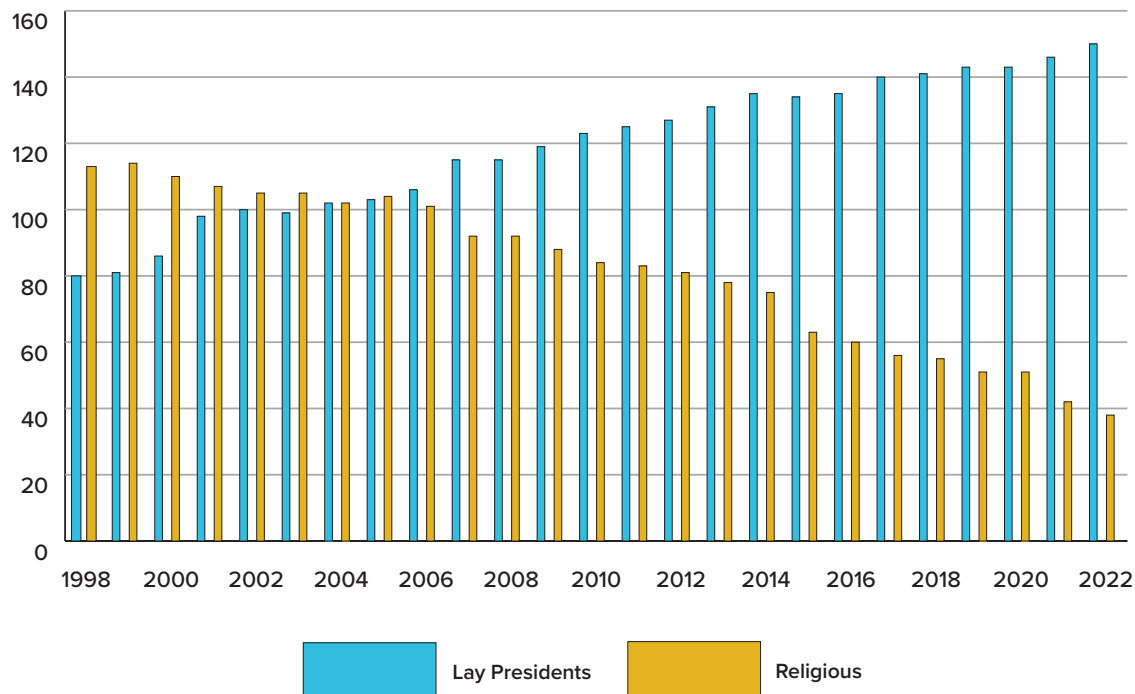
DIMINISHMENT AND AGING OF U.S. RELIGIOUS LIFE AND ITS EFFECTS

For decades now, the leadership of U.S. Catholic colleges and universities has been progressively handed over by the sponsoring body to lay professionals.⁷

FIGURE 1: Trends in Presidential Composition at Catholic Universities, 1998–2022
Percent of Lay Presidents at Catholic Universities, 1998–2022*



Number of Lay vs Religious Presidents at Catholic Universities, 1998–2022*



*ACCU Data, February 2023

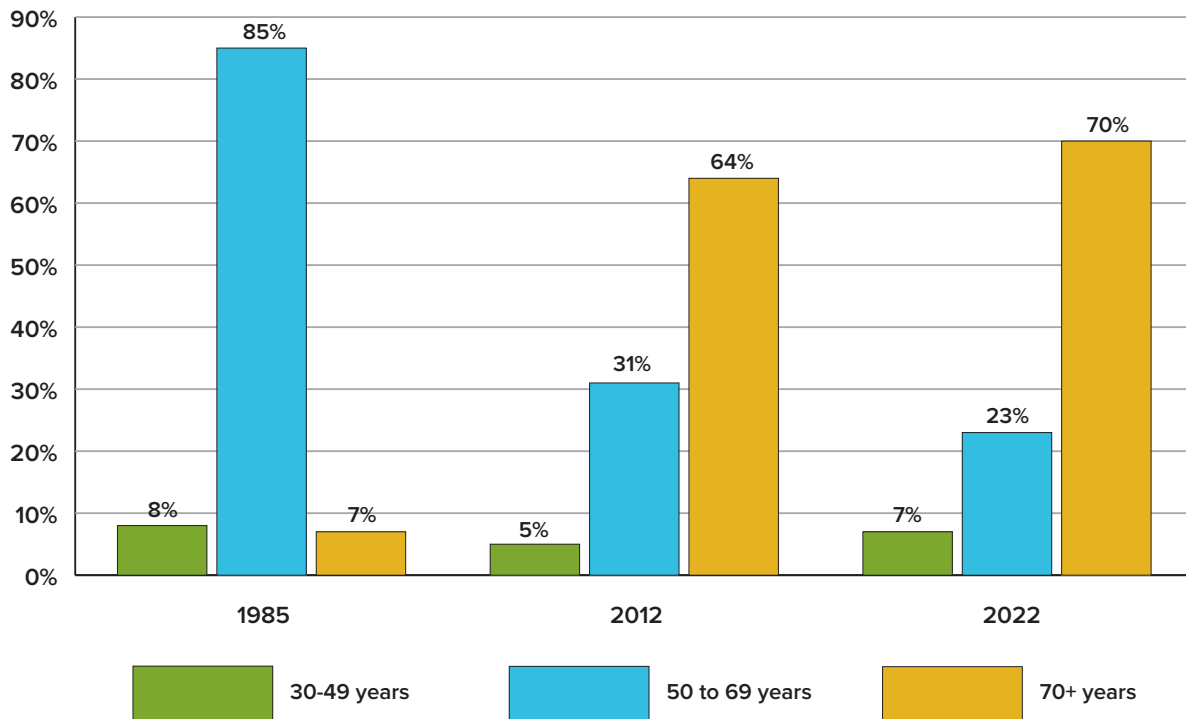
The reason for this is simple. Membership in religious life in the United States has dropped by nearly three-quarters in the past 50 years. This trend continues unabated, largely due to the death of current members and unsuccessful recruiting of new members. Of the roughly 54,000 religious in 2022, 70 percent are 70 years of age or older. To understand the rapid and startling nature of this shift, one has only to consider that roughly 25 years ago, only 7 percent were age 70 or more.

U.S. Religious Life Membership, 1970–2022

	1970	2022
Sisters	160,931	36,321
Priests	21,920	10,234
Brothers	11,623	3,516
TOTAL	194,474	50,071

Center for Applied Research in the Apostolate (CARA),
<http://cara.georgetown.edu/frequently-requested-church-statistics/>.

FIGURE 2: Median Age in Participating Religious Institutions



Source: National Religious Retirement Office
<https://retiredreligious.org/the-need/#changing-demographics>

Few are willing to suggest that religious life will disappear entirely in the United States, but it is clear that religious life will be a fraction of what it once was when Catholic religious built and sponsored the largest education, health, and social service systems in the nation. Twenty years ago, study participants told us they were adjusting governance models because there were fewer religious to staff their institutions. In the present study, they are reporting there are fewer religious even to staff their boards. In some cases, individual religious congregations have ceased to exist, and others are beginning to set their so-called “dates of completion,” the dates at which they will hold their final official meetings as a congregation and hand over the responsibility for their funds, properties, and care of the elderly to a designated caretaker.

Before these dates of completion, the religious congregations are already finding or will

find themselves without the talent pool to continue their governance and sponsorship roles at the colleges they founded. They will have to formally withdraw. Some already have done so. Others are adjusting their roles to the degree that they can continue to contribute at present, knowing that these are temporary measures.

There is no small amount of creativity in the adjustments to the loss of religious at these institutions. Most sponsors have abandoned the earlier approach of seeking increased reserved powers in the bylaws—though not all. Instead, they are finding ways to deploy their few remaining religious in effective

board roles, appointing surrogates, creating entire substitute organizations, or simply alerting their universities that they will cease sponsorship at a certain date, forcing those universities to find another structural tie to the Church.

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PROVISIONS FOR REDUCED BOARD REPRESENTATION

Traditionally, sponsors have reserved a percentage or number of seats on the board to be sure their views are taken into consideration in a board’s deliberations. Not uncommonly, the elected leader of the congregation and possibly their cabinet are among those appointees, with the elected head even serving *ex officio* in a leadership capacity. At times, the required percentage of religious was numerous enough to constitute a voting block sufficient to determine the outcome of matters. Eighty percent of Catholic universities have such

provisions today. (Seventy-two percent list specific numbers or percentages. Eight percent require representation without imposing specific numerical requirements.) Those requirements, however, are changing in a number of ways.⁸

Knowing they no longer have sufficient members with appropriate experience to responsibly undertake board service, some religious congregations are agreeing to reduce their representation rights on university boards. One congregation, for example, inserted the following into the bylaws: “Sisters shall constitute 33 percent of the board until 2021, at which time the percentage shall become 25 percent.” Another eliminated all numerical requirements, saying only that “the board shall maintain a significant Franciscan presence on the board, but only the provincial must be from the sponsoring province.” One simply provided for a time when the minimum could not be met: “Failure of the [Sisters] to designate a person for election as a trustee shall not require a reduction in the number of [t]rustees.” Perhaps most dramatically, one congregation executed an agreement to relinquish their rights both to serve as members and to appoint members of the board. In exchange, the board agreed to adopt a “Legacy Statement” committing to assume responsibility as a board to maintain the institution’s mission and character. To be clear, the sisters retained their sponsorship role and other reserve powers but withdrew from all board service.

Others are trying to extend their representation on the board for as long as possible by abolishing age and term limits for trustees who are also members of the sponsoring congregation. This enables the few remaining religious with relevant experience to continue their service as long as is practical. One revised bylaw read: “A member of the congregation shall be exempt from all term limits, except that she shall not serve more than 15 consecutive years.” Another simply asserted, “There shall be no age limit for religious members.”

Some are keeping their representation requirements but broadening their definitions of who qualifies as a “representative of the sponsoring body.” In some situations, the sponsoring congregation is permitting members from other provinces from the same congregation; or religious from another congregation that looks to the same founder or spiritual tradition. All three Vincentian universities in the United States, for example, recruit Daughters of Charity or Sisters of Charity to serve in the board seats reserved for “Vincentians,” as all three have similar missions and look to St. Vincent de Paul for inspiration.

At 11 percent of sponsored institutions, sponsoring congregations are asserting the right to appoint lay designees to fill their reserved board seats, with varying requirements for those designees. This is a significant change since 1999, when no such provision

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was seen in U.S. Catholic universities. One university phrased it this way: “No fewer than eight members of the board shall be Brothers of N. or other persons recommended to the Committee on Trusteeship & Governance by the Brother Visitor as having particularly strong experience [of the charism] or having participated in [the charism] formation programs.” Another organization reserves the right to appoint its lay associate members. These are ordinarily women and men who have worked closely with the sisters in past years but who may or may not have experience in higher education.

When surrogate or intermediary organizations have been established (of which more will be said below), representatives from those offices may be designated. In some cases, no criteria are listed whatsoever, other than their appointment by the congregation: “No less than three nor more than seven shall be members of the congregation or shall be members nominated by the sisters.”

As they reduce their numbers in any of the above ways, however, religious at 41 percent of the U.S. Catholic universities have secured reserved seats on the executive committee. This is a significant change from the last study in 2000, when no Catholic university required representation

If the congregation cannot have large numbers on the board, it at least wants voice on the committee that often sets the board’s agenda and pre-decides many issues before the board hears of them.

of the sponsoring religious on the executive committee. Presumably, if the congregation cannot have large numbers on the board, it at least wants voice on the committee that often sets the board’s agenda and pre-decides many issues before the board hears of them. Their assumption in this regard may not have the effect desired, however. Not all executive committees are as strong as congregations might think. Past practices, by which executive committees previewed all board matters

and served as a board within a board, are giving way nationally in favor of strengthening the full board’s decision-making, reserving the executive committee more for issues that need decisions between meetings and perhaps the president’s annual evaluation.

In addition, sponsors have also sought and secured representation on additional board committees at 25 percent of institutions, most commonly the presidential search, executive compensation, governance, and mission committees.

SHIFTS IN RESERVED POWERS

Bishops and religious have long maintained their influence and span of control over the institutions they sponsor by reserving certain decisions to themselves. These “reserved powers” are listed and legally imposed in charters, bylaws, statutes, and sponsorship contracts (where such exist). The assumption is that the trustees retain all traditional authority

and power appropriate to university boards that are not specifically reserved to the sponsor. This approach continues to be broadly employed at nearly all Catholic universities, but the specific powers that are being reserved are changing.

The study tallied 62 separate powers being reserved, though no institution employs all or even a majority of them. The following table provides the reserved powers used in at least 2 percent of Catholic institutions. We also note how many used these in 1999, where they were measured. Reserved powers that involve representation provisions, committee membership, and voting rights are discussed elsewhere in this report.

Reserved Powers—Changes over Time

Reserved Powers within bylaws, statutes, or charter	2023	1999
Sponsor approves dissolution of the corporation	63%	55%
Amendment of governance documents	60%	69%
Purchase/sale of property	51%	67%
Merger/consolidation of organization	51%	50%
Appointment and/or removal of trustees	40%	44%
Change of mission	39%	53%
Serving vulnerable population	3%	0%
Appointment and/or removal of president	39%	38%
Hiring preference for members of the sponsor and/or clergy	30%	
Mission oversight	28%	0%
Board committee on Mission required in the bylaws	26%	0%
Required periodic reporting to the sponsor based on a set of standards	25%	0%
Specified board officer seats reserved to sponsors	15%	
Financial transactions beyond a specified amount	14%	
President must be a member of the sponsor	11%	
Specific university positions are reserved to sponsor members	11%	
Bishop (or designee) is a member of the board by statute	10%	
Debt above a specified amount	9%	45%
Election or removal of BOT officers	7%	
President must be religious and/or lay Catholic	7%	
Operating budget approval	5%	19%
Capital budget approval	5%	
Auditor approval	4%	
Sponsors approve VP of Mission or are consulted	4%	
Acting president approval	4%	
Free or reduced rent of space for sponsor	4%	
Strategic plan approval	2%	
Honorary trustees approval	2%	
Campus Ministry Director approval	2%	

Over the years, little has changed in sponsors' control over the appointment or removal of key actors within the university, with one very important exception. Forty percent still assert the right to appoint and remove trustees (down slightly from 44 percent). Thirty-nine percent retain their prerogative of appointing and/or removing the president (up from 38 percent). Only a very few reach further into the organization to approve staff, such as campus ministers (2 percent) or mission officers (4 percent), but 11 percent retain agreements with the university that certain positions will always be filled by a religious. Sixty years ago, however, the presidency of a Catholic university would have been a member of the religious congregation or a diocesan priest. That bylaw requirement remains in only 11 percent of the institutions, and some of those have built in provisions that allow for exceptions when a religious is not available. Few religious congregations and dioceses have individuals trained for this work among their ranks.

Financially, sponsors seem to be acquiescing to a diminishment of members who are competent to oversee financial affairs. Reserved powers whereby the sponsor must approve

Bishops and religious have long maintained their influence and span of control over the institutions they sponsor by reserving certain decisions to themselves. . . . But the specific powers that are being reserved are changing.

the annual budget have dropped from 19 percent to 5 percent. Approval of debt has gone 45 percent to 9 percent. Decisions to purchase or sell property have dropped from 67 percent to 51 percent. These are not small matters inasmuch as a number of campuses share property with the religious. Motherhouses, cemeteries, retreat facilities, and more operate on the same grounds as the university, sometimes in

wings of the same building. Sometimes the land itself is owned by the religious. University decisions to take on debt and place the institution's assets at risk are no small matter to the religious whose operations, homes, or the land underneath them is placed in a lending bank's hands.

Sponsors also seem to be relinquishing their grip over their controls. In 1999, the single most commonly held reserved power was that 69 percent of boards of trustees could not change their bylaws without the consent of the sponsor. That has now dropped to 60 percent. This means that, at 40 percent of Catholic universities, any powers and prerogatives reserved to the sponsor in the governing documents can be changed by the trustees at will. While there is no evidence of hostile activity by trustees, it is curious that the sponsors would willingly surrender this protection, unless of course, they see the day coming when their previous roles simply cannot be sustained.

Sponsors have kept their reserved powers over decisions to merge or consolidate the organization into another (50 percent to 51 percent) and added new reserved powers over any decisions the university might make to dissolve the organization (55 percent to 63 percent). These changes are more likely an indicator of the universities' changing financial health than the religious congregation's. It is hard to imagine that sponsors would have insisted on taking this right away from the trustees in recent years, except that they worried that the question might be raised at some of the financially weaker colleges.

In 2000, 53 percent of sponsors retained the sole right to approve any changes to the wording of a university's mission. That has dropped to 39 percent in 2022. It would be a mistake to interpret this as a surrender of control over mission, however. Simultaneously, several entirely new reserved powers have arisen that not only require sponsor and trustee control over mission but are specifying the ways. Twenty-five percent now require periodic reporting by the institution to the sponsor on defined aspects of the mission. Twenty-six percent require the formation of a mission committee on the board of trustees so that they actively monitor mission long into the future. Twenty-eight percent of sponsors have now asserted that they, themselves, are the body that will watch over and govern the mission rather than the trustees. Three percent have inserted into the governing documents requirements that the institutions educate the needy in some fashion. None of these four arrangements existed in 1999. All of them represent a real concern by sponsors that the religious character and mission of the organization might slip away as the institution is increasingly operated by laity.

Sponsors have kept their reserved powers over decisions to merge or consolidate the organization into another . . . and added new reserved powers over any decisions the university might make to dissolve the organization.

SEPARATING SPONSORSHIP FROM TRUSTEESHIP

While sponsorship and trusteeship are separate roles, the two have been commonly entwined over the years in ways that might be confusing at first blush, but that have served their institutions well. Some of the structures that enabled this, however, seem to be disappearing.

Most often, sponsors would exert influence over board decisions by taking advantage of the bylaws' statutes requiring a certain number or percentage of religious on the board. Once elected as trustees, the religious would be able to participate in all of the board's discussions, assumedly bringing a perspective that everyone found valuable. Rarely would that group constitute a majority, but in most cases, a certain deference to the concerns of the religious by the lay trustees gave the sponsors' voice great impact. At other times, ways were invented that amplified the sponsors' voice in the decision-making.

Employing a model often seen in family businesses, some boards divided board members into classes, and designated reserved powers directly to those classes. An appointment of a new president, for example, might need the approval of the Class A trustees (members of the sponsor) and the entire board as a whole. This effectively gave the sponsor a veto if its Class A representatives on the board voted in lockstep. At other times, sponsors achieved the same end if they simply inserted block-voting provisions into the bylaws, whereby the religious on the board had to consent to a given decision. In cases where the trustees had a two-tier system, there were times that the top tier was composed of a preponderance of members of the sponsor, with reserved powers placed there. In some cases, this top tier was even composed of the elected head of the religious congregation and her council, reproducing *within the board* the standard tandem governance of trustees (lower tier) and sponsor (upper tier).

In all four cases, these structures strengthened the sponsor's voice in the board's conversations, gave them control over the outcome of some votes, and had the enormous advantage of having the sponsor's members in the room at all times. This way, sponsors benefited from the same information the board received. They heard the multiple viewpoints in the board's deliberations. They were able to enter into the conversations themselves, and have their ideas challenged, and thereby change their minds as better ideas emerged. Sponsors also came to know the university in more expansive ways, as they were party to all of the board's considerations, hearing students, faculty, and multiple campus leaders speak of the institution's accomplishments and challenges. More often than not, it also allowed the trustees and sponsor to arrive at a common mind on issues, no small outcome in this shared governance model.

In the present study, however, multitier governance structures have dropped from 52 percent to 40 percent. Boards dividing their members into separate classes of trustees have dropped from 13 percent to 10 percent. Block-voting provisions, requiring that votes on particular issues include the approval of at least some of the religious on the board regardless of the board's overall vote, have dropped from 13 percent to 6 percent of universities.

The reason for this is only partly the lack of availability of sufficient members of the sponsor; it is also because those few who are still available to serve on the board may not have experience working in higher education. The sisters or brothers may have worked in pastoral ministry or healthcare or social work. They bring a powerful witness and facility for the mission, but they are often overwhelmed by the sophistication of higher education curriculum, regulatory conversations, legislative matters, financial reporting, investment policy, Division I athletics, and so forth. All too frequently, the religious appointed to the board as the sponsor's representatives sit mute during most of the board's conversations.

Back in 1999, some religious congregation heads made clear that they disliked these models and wanted to replace them with structures that strengthened the voice of the provincial and provincial council over the less controllable voice of other religious representatives on the board. That desire may have played a role here inasmuch as a new trend seems to be emerging whereby the sponsor conducts its role without being members of the board.

The reason for this [shift] is only partly the lack of availability of sufficient members of the sponsor; it is also because those few who are still available to serve on the board may not have experience working in higher education.

In this model, the sponsor receives written records of the board deliberations and maintains informal contact with the president, chair, and, where one exists, the sponsor representative. The sponsor then conducts its own meetings and sends word back to the university board of the decisions it has taken. The process requires excellent communication between the two bodies but has the obvious benefit of no longer requiring the religious congregation or diocese to appoint a large number of representatives from among its members or to attend meetings on matters that do not require their decision-making. It enables a religious congregation that is aging and diminishing in size to stretch out the period in which they can remain an active sponsor of the institutions they founded. But it also lessens the ability of the two bodies to come to a common mind together. It means that the sponsor no longer develops the working relationships that so strengthen the trust and information flow that made the

overall relationship work well. The members of the congregation are one step removed from the active governance of the trustees.

THE RISE OF INTERMEDIARIES

Sponsoring congregations often have multiple organizations that they founded and continue to sponsor. These organizations can be higher education institutions, but also social services, healthcare, schools, working farms, and more. As the elected leaders have fewer members available to appoint to these boards, they feel the weight of having to watch over multiple organizations themselves. They also feel their own lack of expertise on the array of matters that such boards engage in. To lighten this load, an entirely new development in the past 20 years has been the appointment of intermediaries—individuals or fully staffed offices—as an extension of the provincial offices to do the day-to-day work of sponsorship, even as the provincial and their council retain the official decision-making authority as sponsor.

In some cases, a provincial will appoint a sister to serve as the “provincial representative for sponsorship” and then direct the university (and other sponsored works) to bring its concerns and matters that must be directed to them through her. The university will cease to have contact with the sponsor directly but deal with their representative.

In a few cases, religious congregations such as the Sisters of Mercy and Felician Sisters have established “sponsorship offices” where more than one person provides an array of supports to the sponsored work, as well as conducts the oversight and accountability on behalf the sponsor.

These structures are new and will likely grow more sophisticated over time. At present, they are not universally popular with university leaders or trustees. One president, whose intermediary organization watches over the sisters’ social service organizations, healthcare, senior care, and universities, said, “It lacks a sense of the uniqueness of the higher education environment and sees all the various works through the same lens.” Another president lamented, “This new system is quite cumbersome and in some ways weakens and confuses the relationship between the university and the congregation.”

Intermediaries who are familiar with both university life and religious life can be effective go-betweens. Too often, however, universities report that the provincial representative neither knows higher education nor knows the provincial leadership’s mind on matters. As a result, time must be taken to explain both the matter at hand and how that sector of the higher education environment works. Not unlike the childhood game of “telephone,”

the university president then hopes that what has been explained will be conveyed effectively when the representative speaks to the provincial leadership team. For the provincial team, this new model may feel like a time savings, but for the university it generally does not. Decisions seem to take longer, and university leaders worry that they are based on filtered and incomplete information. University leaders also feel that the working relationships that so strengthen the sponsorship relationship are being considerably weakened, and even that a certain distrust develops in both directions.

In some cases, the religious who are imposing these new structures see them as temporary—a first stage of a two-stage process whereby the intermediary organization will eventually be transformed into a replacement body for the religious congregation altogether. Time will prove whether this comes to pass and proves effective.

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THE PROLIFERATION OF SPONSORSHIP AGREEMENTS

Sponsorship agreements are not new, but they have become far more prevalent in recent years. A supplementary type of governance document, these new governance documents do not replace bylaws, but they further outline the deliverables, procedures, and respective duties of the parties involved. The language is often aspirational and inspirational, speaking of mutual covenants and commitments. They can require ongoing training of employees in the mission. Some enshrine preferential hiring arrangements for the religious when such are available and qualified. They may clarify subsidized housing arrangements and free tuition for the religious. Some have rather expansive criteria for measuring an institution's faithfulness to the mission along with detailed processes for annual evaluation of the same. Some mandate a specified number of conversations between president, board chair, and sponsor each year—a more-than-revealing development in an age during which sponsors are less able to be involved on a day-to-day basis. Some are characterized as “sponsorship manuals.” Others are created as legal contracts between the college, sponsor, and intermediaries where such exist.

THE RISE OF MUTUAL SUPPORT ORGANIZATIONS

In 1936, the Association of Jesuit Colleges and Universities (AJCU) was established by their respective presidents to find ways to strengthen their institutions through mutual initiatives. In recent years, many other presidents have found advantage in creating more or less formal groupings of institutions sharing common charisms. The Franciscans, for example, formed the AFCU. The Benedictines established the ABCU. Other groups, such as the nation's diocesan universities, have met informally during the annual meeting of the Association of Catholic Colleges and Universities.

The AJCU organization is not an arm of the Jesuit congregation itself, but of the presidents who serve as its board. They play no oversight or accountability role on behalf of the church, but in fact can provide a united voice to Jesuit and Church leadership in the conversations between Church and university. The same is true of other colleges that gather institutions of the same charism, and at times even hire and set up offices to staff their mutual projects.

These bodies have created informal initiatives to strengthen sponsorship and governance. They are often asked to educate trustees and university leaders. They may assist evaluation processes by which the sponsor evaluates the institution's faithfulness to mission. By so doing, they provide education and services which the religious congregation itself can no longer provide for its sponsored works.

THE RISE OF ACCREDITATION-TYPE STANDARDS AND PROCESSES

In July 1991, 17 independent provinces of the Sisters of Mercy merged into a combined entity now known as the Sisters of Mercy of the Americas. In so doing, all sponsored works of the previous provinces were transferred to the new entity, which became their sponsor. If it was not clear before, it became soon evident that the sisters' 18 colleges and universities went about sponsorship in very different ways, with differing standards, and differing involvements. The sisters established a central office and charged it with creating a unified approach to Mercy higher education.

The office started by developing a set of standards and then a process by which the colleges could measure themselves and be held accountable to the sisters over time. The process was a familiar one to institutions of higher education, for it adopted the model of accreditation by which all universities work toward a set of professional standards and

are held accountable by outside authorities. Reports were written, using the standards as an outline. A visiting team came to campus to verify the report and make its own recommendations for future activity to achieve the standards. A final report combining the two was sent to the sponsor for review and action, renewing the sponsorship until the next scheduled visit.

Perfection was not expected, but what the sisters wanted to see was meaningful activity to achieve those goals, evaluation and measurement of outcomes, and the setting of future goals based on the college's acknowledged weaknesses. In short, there would be a never-ending cycle of mission goals, activity, assessment, and renewed activity, which mirrors the accreditation model that all institutions undertake with regional accrediting bodies, specialized accreditations, athletic rules compliance, and more.

Soon thereafter, the 27 U.S. Jesuit institutions, working through their presidential association in concert with their respective provincials, created much the same, entitling it their "Mission Examen" and establishing seven standards that were specific to Jesuit higher education. In the current study, at least six additional religious congregations reported creating and imposing such processes. Most of them have adjusted bylaws or signed separate sponsorship contracts with civil legal force to make these processes mandatory.

The overall concept has a number of advantages, even if the religious congregations were flourishing and no sponsorship changes were required. The process is familiar to faculty and staff and easily explained to them. All institutions benefit from clear goals and appreciate approaches that understand that the goals will be achieved in various ways at small teaching institutions or large, urban research institutions. The process itself can be adjusted and improved over time, which in fact has occurred after the first cycle was completed at both the Mercy and Jesuit institutions.

In the study, presidents noted the long-term sponsorship advantages, as the process does not necessarily require members of the congregation to sit on the board in the future when they can no longer do so, or even necessarily serve as sponsors. The process itself can continue regardless and provides a set of standards by which a school can identify itself as Franciscan or Dominican or Vincentian, without requiring members of the religious congregation to play an ongoing role. What is required is a robust and knowledgeable accountability body to receive the reports.

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PROPERTY AND OTHER FINANCIAL MATTERS

While the present study did not seek information on the extent to which universities' physical and financial assets were affected by these changes to its sponsorship, a number reported that such conversations had occurred in recent years or were underway. Most often, sponsors that owned land on which the university sits had made arrangements for the university to purchase the land at an agreed-upon price and period of years.

Nearly half of charters and bylaws provide that the university's remaining assets be turned over to the sponsoring entity—religious congregation or diocese—if the college ceases to exist (45 percent). Indeed, Chatfield College closed during the course of this study, for example, and the remaining assets were taken by the sponsoring religious congregation and repurposed as a community foundation to assist students to attend college.

Notable by its utter absence in the charters and bylaws of the nation's Catholic universities, however, is any provision for the land and buildings owned by the congregation upon which the university sits to be turned over to the university if and when the congregation reaches its completion date. In fact, only one institution in the United States has such a provision. This is rather alarming considering how many religious congregations will shutter in the years ahead. The universities' ability to operate depends upon their ability to control their land.

HANDOFFS

Sponsors no longer able to exercise their governance roles are surrendering responsibility to other organizations.

Some religious congregations are stepping aside and permitting the local bishop to become the new sponsor. This happens in two ways. A university formally becomes a diocesan university, counted among the organizations owned and controlled by the bishop, or it is "recognized" by the bishop as "genuinely Catholic" but allowed to operate without the bishop's ownership or day-to-day control.

The Jesuits shifted the final judgment for their U.S. universities' continued association with the Jesuit order to the Superior General in Rome. This solution works since the Jesuits have universities throughout the world and can conceivably predict that the Jesuits will have expertise in their leadership office in Rome that understands the workings of higher education in the United States.

Other religious congregations are showing growing interest in asking Rome to erect a replacement body for the religious congregation that operates very much as an upper-tier

board with particular responsibility for faithfulness to the organization's religious character and mission. This is a structure that was not in use by Catholic higher education in 1999. Composed of mostly laity and only a very few religious, public juridic

persons are broadly used in U.S. Catholic healthcare, and in Catholic higher education in Australia, Canada, Belgium, and Ireland. As of this writing, two have been established in the United States for the universities founded by the Sisters of St Joseph in St. Louis and the Sisters of St. Benedict in Duluth. Others are in various stages of development and have not yet been submitted for approval to the Holy See.

In some cases, religious congregations are ending their sponsorship without providing for an alternative form of sponsorship. These institutions lose their structural connection to the Catholic church and become nondenominational private institutions. In recent years, examples include Nazareth College and St. John Fisher both in Rochester, New York; Marist College; and Mercy colleges in New York and California. In these cases, full governance authority is assumed by the board of trustees without any role for Church authorities.

Some religious congregations are stepping aside and permitting the local bishop to become the new sponsor.

DIOCESAN UNIVERSITIES

Contrary to the Catholic universities sponsored by religious congregations, diocesan institutions have largely retained their governance structures in recent years. Bishops' reserved powers remain intact even if the extent of their involvement, however, varies widely across institutions. Some bishops never attend a board meeting but send a designee. Others attend not only the board meetings, but also sit on a broad array of board committees and even chair some of them. Some chair the board itself, while others simply hold one seat and one vote among all the rest of the trustees. Some have a voice in approving the president the board has selected, while others are deeply involved in every phase of the selection. Some approve all board appointments, directly appoint a percentage of the board, and can remove all board members at will. Others simply ratify members approved by the larger board. Others have no role in the selection whatsoever.

The reasons for these differences in practice are individual, the result of current or past bishops' preferences that have found their way into the bylaws of the organization. At least partly, they are due to the size of the diocese to which the bishop has been appointed.

Archbishops, for example, have too many other matters to which to attend, and often entrust the work to designees. Bishops of smaller dioceses tend to have more extensive involvements, presumably since they have more time available to them.

PREDICTING THE FUTURE

About a third of the respondents told us that their governance arrangements had changed in the past five years in response to the sponsors' inability to maintain their traditional governance roles. Another 15 percent told us that their religious had already informed them that changes were to be expected for the same reason. In fact, we believe these numbers to be understated.

Knowing the situations of their founding congregations, we asked presidents of universities founded by religious to assess how long the religious could continue to exercise any meaningful form of sponsorship. Forty-seven percent told us less than 20 years, and half of those were certain it was less than 10 years. Only one sponsoring congregation in the United States was described by the presidents of its multiple universities as having enough young members sufficiently expert to exercise governance for the foreseeable future. Since the survey was administered, that same congregation hired a lay person to manage its sponsorship activities.

The governance and sponsorship changes occurring at U.S. Catholic colleges and universities will only accelerate in the immediate years ahead. Several of the changes described here will require the participation of religious, and as such, they are temporary measures. At best, they can buy time for the sponsors and trustees together to create something more permanent that can continue without the participation of the founding religious.

In some cases, the new structures we deem “temporary” are themselves more limited instruments in achieving the aims of good governance. In many cases, religious congregations are distancing themselves from active oversight, and substituting governance models whereby they determine from afar whether the institution is achieving its ends. They retain the “nuclear power” of declaring whether an institution can continue to call itself Catholic within the ambit of their charism, but they are less able to shape the culture of the institutions themselves. In short, they have become line judges rather than coaches when it comes to their sponsorship roles.

At institutions where no sponsorship changes had occurred in recent years or were anticipated going forward, presidents told us that such changes were past due and needed. Stories were told of religious sitting silently during meetings because they did not feel

competent to weigh in on the questions at hand. Other stories were told of religious who were forcing decisions on the university that were ill-considered, unaware of how higher education was quickly changing. The mere fact that no governance change is occurring at an institution cannot be interpreted to mean that it is not needed.

The hope driving all this change is to keep the organizations' religious mission and character strong long into the future.

This is worth considering, for institutions that do not create accountability structures can easily lose the institutional culture they so value. Governance alone, however, is never enough to keep an institution's charism vibrant. That is the work of the entire university community, inspired and led by its president and mission officer. It requires well-designed and sustained work of bolstering the institutional culture in institutions that see high turnover among its participants. That said, any plans that do not create governance structures that watch over institutional culture and mission are doomed to lose those cultures.

Catholic universities educate the poor, first-generation students, and populations that have not historically had easy access to higher education. They conduct research and other intellectual activity on society's largest and most pressing questions. They support the work of the Church in a myriad of ways, while remaining welcoming to and in dialogue with the larger world. They attempt to instill an ethos in their graduates for lifetime service to the world and bring an ethos of care into the world's debates and policy. The work requires both a clarity of mission and support for that mission at the highest levels of the organization if it is to continue. As church governance and sponsorship models continue to evolve, these aims must remain at the heart of whatever governance models are developed. The world needs these universities' contributions with or without the religious that founded them.

The governance and sponsorship changes occurring at U.S. Catholic colleges and universities will only accelerate in the immediate years ahead. . . . The hope driving all this change is to keep the organizations' religious mission and character strong long into the future.



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NOTES

- 1 Holtschneider, Dennis and Morey, Melanie. “Relationship Revisited: Catholic Institutions and Their Founding Congregations.” Association of Governing Boards Occasional Papers 47, (2000), 1–19. Washington, DC: Association of Governing Boards, pp. 1–19. A slightly extended version was republished by the Association of Catholic Colleges and Universities as “Relationship Revisited: Changing Relationships between U.S. Catholic Colleges and Universities and Founding Religious Congregations.” *Current Issues in Catholic Higher Education*. Washington, DC: Fall 2000, pp. 3–39 and its Afterword, 62–65.
- 2 Data Brief: 2022–2023 Catholic School Enrollment, National Catholic Educational Association https://nceatalk.org/wp-content/uploads/2023/02/23_NCEA_Data_Brief_FINAL_2022-2023_Catholic_School_Enrollment_v9.pdf; 2022 U.S. Catholic Healthcare Strategic Profile. <https://www.chausa.org/docs/default-source/default-document-library/the-strategic-profile.pdf>; Forbes’ 100 Largest U.S. Charities <https://www.forbes.com/top-charities/list/#tab:rank>; Catholic Relief Services 2021 Annual Report, Facts and Figures https://www.crs.org/sites/default/files/22mk-649950-annual-report-fy21-facts-and-figures_eng_final.pdf.
- 3 For purposes of this paper, the words “college” and “university” will be used interchangeably.
- 4 https://www.vatican.va/roman_curia/congregations/ccatheduc/documents/rc_con_ccatheduc_20051996_profile_en.html. Wodon, Q. 2020. Global Catholic Education Report 2020: Achievements and Challenges at a Time of Crisis. Rome: International Office of Catholic Education.
- 5 Boards of trustees may be known by other names in the United States, such as boards of directors, boards of governors, or less commonly, boards of members. The specific name carries no meaning in and of itself. What matters are the powers assigned to this body by an institution’s official governance documents, most commonly a charter, bylaws and/or statutes.
- 6 Ten presidents completed the survey but did not send their governance documents. Two sent only their governance documents without completing the survey. Because of the small numbers and the substantive overlap of information sought within the survey and documents, we do not believe this significantly affects the findings.
- 7 Morey, Melanie and Holtschneider, Dennis. “Leadership and the Age of the Laity: Emerging Patterns in Catholic Higher Education,” *Lay Leaders in Catholic Higher Education: An Emerging Paradigm for the Twenty-First Century* (2005), edited by Anthony J. Cernera. Fairfield CT: Sacred Heart University Press, pp. 3–27.
- 8 In 2000, we noted that a “majority” of institutions had board representation provisions in their charters or bylaws but did not note a specific percentage.
- 9 To secure broad participation in the study, participants were promised that no institution or individual would be identified by name.



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