



NOTRE DAME CATHOLIC SCHOOL

March 11, 2021

We read in the fifth chapter of the Gospel of Luke that after a long night of fishing, Peter and the Apostles hear Jesus issue the following command, “Put out into deep water and lower your nets for a catch.” Peter and the Apostles are tired from their labors but after some initial reluctance they obey the Lord, and the Gospel tells us that they catch such a great number of fish that their nets can barely contain them.

The Sisters of Saint Mary of Namur heard the same words of Jesus in 1903 but spoken through the voices of Bishop Edward Dunne, Father Goessens and of his growing parish community of immigrant Catholics, misunderstood and frequently unwelcome strangers in a strange land, but with a desire not born of nostalgia but of the hope of the Gospel, to receive a Catholic education that would enable them to serve and to belong to Wichita Falls, to serve and to belong to Texas, to serve and to belong to the United States of America, and most especially to serve and to belong to Christ and His Catholic Church. The Sisters of Saint Mary of Namur answered His call and arrived in Wichita Falls in 1904. They established the Academy of Mary Immaculate. They put out into the deep water and they educated and formed many children of many faiths into adults dedicated to the service and belonging entailed in family life, citizenship, and priestly and religious vocations. They educated and formed these children not because these children were Catholic but because the sisters were Catholic with a mission to evangelize in the Good, the Beautiful, and the True as fully revealed in Christ through His Church. In the apostolate of Catholic education in Wichita Falls, they were joined over the years by the Franciscan sisters at Our Lady of Guadalupe school and the Benedictine Sisters of the Sacred Heart at Our Lady Queen of Peace Catholic School along with many parish priests, dedicated lay teachers and in collaboration with parents who gave of themselves generously with authentic faith. “Put out into the deep water and lower your nets for a catch.”

As we continue to read in the fifth chapter of the Gospel of Luke, Jesus teaches His disciples, “No one pours new wine into old wineskins. Otherwise, the new wine will burst the skins, and it will be spilled, and the skins will be ruined. Rather, new wine must be poured into fresh wineskins.” The religious sisters, the priests and lay faithful of the Catholic parishes in Wichita Falls too have heard these words of Jesus. The always new wine of the Gospel that imbues

the apostolate of Catholic education through the formation and education of young people in authentic faith and right reason cannot be held in old wineskins. Thus, in the last 117 years we have seen many times the transfer of the new wine of the Gospel, always fresh and vibrant, from wineskins that had become weathered and strained. Thus, the Sisters of Saint Mary of Namur relinquished the Academy of Mary Immaculate in 1966 so that the new wine of the mission of Catholic education could be held in the newly built Notre Dame Catholic High School administered by them in collaboration with the priests and brothers of the Congregation of the Holy Cross for the education of young men and women. After the departure of the priests and brothers of the Holy Cross in the early 1970's and the movement of the sisters into new ministries outside of Catholic education, in 1976 under the direction of the Diocese of Fort Worth, the priests and dedicated laity of Our Lady Queen of Peace and Sacred Heart parishes combined oversight of Our Lady Queen of Peace elementary school with the high school to become Notre Dame Catholic School, Pre-K through 12th Grade. "No one pours new wine into old wineskins. Otherwise, the new wine will burst the skins, and it will be spilled, and the skins will be ruined. Rather, new wine must be poured into fresh wineskins."

Jesus' command continues "Put out into deep water and lower your nets for a catch."

We thank God for the selfless dedication of the many priests, religious brothers and sisters, of the dedicated lay teachers, staff and administrators, and the parents and benefactors who have worked hard to put into the deep of Catholic education at Notre Dame Catholic School. Their labor has borne fruit. But the wineskins for the new wine of the Gospel have grown weathered and frayed.

After many years of deferred and costly maintenance and renovations on aging buildings, a clearly recognized lack of population growth in the Wichita Falls area, particularly in the number of families with school-aged children, declining or insufficient growth in enrollment, and escalating financial decline, Notre Dame Catholic School is compelled to cease operations at both campuses at the end of the current 2020-2021 school year.

While this is very sad, it is the sadness of transition and not the sadness of failure. The command of the Lord remains, and it is also a time for thanksgiving as we celebrate the many years of generous service and fruitful graces afforded to so many people through the institution of Notre Dame Catholic School in service to the apostolate of Catholic education in Wichita Falls, Texas.

Background

Over the course of the last three years, school officials, pastors of two Wichita Falls parishes, and diocesan officials have searched for solutions to facility needs, deficient enrollment, and the growing financial burden on the Wichita Falls Catholic community.

The issues were highlighted in a September 12, 2018 meeting between Father Jeff Poirot, then Pastor of Sacred Heart Catholic Church, Father Alexander Ambrose, pastor of Our Lady

Queen of Peace Catholic Church, and the principal, with Diocesan Chief Financial Officer Don Wagner. The 19-page “Situation Analysis” presentation by school leaders elucidated the concerns with the viability of Notre Dame Catholic School in detail, noting the trend of declining enrollment, starting in the 1998-1999 school year. Within five years, by the 2003-2004 school year, enrollment had dropped by 40 percent.

Mr. Wagner responded to Notre Dame Catholic School and parish leadership by email on October 18, 2018, in which the Diocese offered a loan and stated its expectation that the withdrawal of additional endowment funds would be approved.

Mr. Wagner noted that, absent from the September 12 meeting, was a commitment from the pastors to ensure a commitment of their parishioners to Notre Dame. He asked each pastor how much each parish was willing to commit financially to Notre Dame, as well as whether they would each commit to running a capital campaign exclusively for the school. To his knowledge, there was no response or commitment, as asked.

In the summer of 2019, at the request of Father Jonathan Demma, Pastoral Administrator of Sacred Heart Catholic Church (Father Poirot departed Sacred Heart in November 2018) and Father Alexander Ambrose, Pastor of Our Lady Queen of Peace Catholic Church, the Diocese of Fort Worth commissioned a facilities assessment by BYSP Architects of Wichita Falls and the leading Texas school architectural firm, Huckabee, as well as a demographic profile by Buxton Company, a consumer intelligence specialist. Mr. Wagner also conducted a recent historical financial analysis along with the school’s enrollment history.

In December 2019, the results of the assessment were presented in a series of three meetings to the Notre Dame school and finance advisory councils, the pastors, and the school community at large for further discernment and consideration of planning for the future.

Deferred Maintenance and Capital Needs

As noted, the assessment concluded deferred maintenance had created a costly list of needed repairs and renovations, with \$6.2 million required to bring the elementary school facility to acceptable standards and \$9.9 million required to bring the high school facility to acceptable standards.

Demographic Study

A demographics profile by Buxton Company, a consumer intelligence specialist, concluded that since 2010, Wichita Falls had experienced flat growth which resulted in a stagnant number of school-aged children.

Enrollment

Twenty years ago, the 1998-99 school enrollment was at 511 students. Since then, there has been an overall trend of declining enrollment, eventually plateauing around an average of 210 students.

Financial

Beginning with fiscal year 2015, expenses to operate the school have exceeded the income and parish support, forcing Notre Dame to spend virtually all its \$581,772 in savings that were on hand at the beginning of the 2014 school year and to borrow approximately \$815,000 from the Diocese to cover many of its operational expenses.

Parish financial support from both Our Lady Queen of Peace and Sacred Heart has been consistent with \$1.1 million provided since fiscal year 2014. The combination of this financial support by the parishes coupled with the operating loans from the Diocese of Fort Worth totals almost \$2 million to cover many of the school's operational expenses. The school's bank cash and savings depleted from \$581,772 in fiscal year 2014 to \$35,350 in fiscal year 2019. In addition, the Catholic Diocese of Fort Worth and its Advancement Foundation has provided Notre Dame with \$148,640 in tuition assistance and grants over the last two years.

December 2019 Notre Dame Catholic School Town Hall Meetings

The consensus from the December 2019 meetings was that the Notre Dame Catholic School community as well as well its parish communities would ascertain during the coming months the viability of continuing the school and, if viable, develop enrollment enhancement and financial support plans for the long-term sustainment of the institution. A spring marketing campaign increased enrollment by two students. There is currently no viable path forward to adequately increase enrolment, fund facility shortfalls, and to financially sustain the operations of the schools.

Next Steps

Notre Dame Catholic School will cease operations at the end of the 2020-2021 school year.

Loan Status: Notre Dame has an operating loan with the Diocese of approximately \$848,000. This loan has grown from \$91,000 over the last three years and has been used for insurance, payroll, and operating expenses. There were no payments made on this loan over the last fiscal year.

Endowment: The market value of the school's funds in the endowment as of December 31, 2020 is \$2,161,257. One option is for the school to use the endowment fund to repay their operating loan obligation to the Diocese.

Future Education Support: To continue to support Catholic education in Wichita Falls, the remaining balance of approximately \$1,300,000 could be placed in a new endowment fund to finance two scholarships annually to a Catholic university for Catholic students from Wichita Falls, one female student and one male student.

Chronology

2012-2013	219 total students enrolled with Cash and General Savings of \$356,925.
2013-2014	244 total students enrolled, net income \$110,380 with Cash and General Savings of \$581,772.
2014-2015	250 total students enrolled, net income -\$42,045 with Cash and General Savings of \$409,436.
2015-2016	256 total students enrolled, net income -\$79,066 with Cash and General Savings of \$340,948.
2016-2017	244 total students enrolled, net income -\$383,779 with Cash and General Savings of \$332,241.
2017-2018	219 total students enrolled, net income -\$296,451 with Cash and General Savings of \$94,098.
2018-2019	<p>192 total students enrolled, net income -\$379,767 along with Cash and General Savings of \$35,350.</p> <p>Father Jeff Poirot, Father Alexander Ambrose and Principal Michael Edghill consult with Diocesan Finance Director Don Wagner in September 2018 on how to address the school's financial challenges and to address facility repair needs.</p>
Summer 2019	Faced with continuing challenges the Diocese of Fort Worth responds to the requests of Father Demma and Father Alexander Ambrose by commissioning and paying for a facilities assessment by BYSP Architects of Wichita Falls and the leading Texas school architectural firm, Huckabee; a demographic profile by Buxton Company, a consumer intelligence specialist; as well as a historical financial and enrollment analysis by Diocesan financial and school offices.
2019-2020	215 total students enrolled, net income \$1,003, Cash and General Savings of \$427,827.
December 2019	<p>Representatives of BYSP Architects, Huckabee, and Buxton met with Father Demma, Father Ambrose, Notre Dame President Daniel Escobedo, and Principal Rachel Gutsell, along with diocesan School Superintendent Jennifer Pelletier, CFO Don Wagner, Property Management & Construction Director Stephen Becht, Communications Director Pat Svacina, Chancellor and Moderator of the Curia Msgr. E. James Hart, and Bishop Michael Olson to present findings of the assessments.</p> <p>Findings included: Enrollment is static.</p> <ul style="list-style-type: none"> • The school is unable to generate sufficient revenue to meet annual operating expenses. • Because of the financial deficits, maintenance has continually been deferred the majority of the last 20 years. • The lack of growth in Wichita Falls' population since 1970 decreases the number of potential students and opportunity for Notre Dame to grow.

Chronology (Continued)

December 3, 2019	<p>The same team met in Wichita Falls with the Notre Dame school advisory council and finance council, as well as interested observers, to present the findings of the assessments. Bishop Olson was present for the meeting.</p> <p>The consensus of the meeting was that the Notre Dame school community and its parish communities would ascertain during the coming months the viability of continuing the school and, if viable, develop enrollment enhancement and financial support plans for the long-term sustainment of the institutions.</p>
December 4, 2019	<p>The findings of the assessments were presented to the Our Lady Queen of Peace and Sacred Heart communities at a townhall meeting by key members of the assessment team, as was done the previous night.</p>
December 2019	<p>Financial support by Sacred Heart and Our Lady Queen of Peace parishes has increased from \$174,948 in 2014 to \$207,597 in 2019: a total of approximately \$1.1 million over six years.</p>
Spring 2020	<p>Notre Dame marketing campaign increases enrollment by two students.</p>
2020-2021	<p>214 total students (2nd day enrollment reporting); net income July-December 2020 of \$19,340; Cash and General Savings of \$306,493.</p>
January 2021	<p>There is no viable plan for increasing enrollment or for the financial support necessary for the long-term sustainment and viability of Notre Dame School.</p>
February 1, 2021	<p>The deferred maintenance has created a costly list of repairs and renovations necessary to ensure the safety of students, with \$6.2 million required to bring the elementary school facility to acceptable standards and \$11.2 million required to bring the high school facility to acceptable standards.</p>
May 16, 2021	<p>Commencement Exercises: Graduating Class of 2021</p>
May 21, 2021	<p>Final Day of School. Notre Dame Catholic School ceases operations.</p>