



SDRHS Board of Director Response to April 14, 2025 Diocesan Proposal for Saint Dominic Academy Auburn Campus Operations for 2025-2026

**Responses and Items for Discussion are included below the text provide by the Diocese*

Framework for the Future

For the group advocating to keep open an Independent Catholic High School and requesting a bridge year to give time for development of their new program to proceed, the diocese would need to have the following in place by May 15, 2025:

- \$3,000,000.00 in escrow – to be used exclusively for Auburn campus cash flow deficit, if necessary. This is cash on hand, not pledge amounts.
 - **Response** – *To date, over \$1,000,000 has been pledged. The establishment of Article of Incorporation, securing an EIN, filing for non-profit status, and creating a Board of Directors were steps need to secure a bank account and begin conversion of pledges to cash on hand. A portion of the \$1,000,000 was in multi-year commitments to supporting operating deficits, while other gift offers are being held until there is clarity that a 2025-2026 year at the Auburn campus will occur.*
 - **Items for Discussion** – *The Board recognizes the Diocese needs to secure transfer of the financial risk from the Auburn campus. That being said, we would like to discuss securing the projected 2025-2026 deficit amount in cash on hand by May 15th, 2025 and establish further escrow milestones that will be more reasonable to reach with a bridge year in place. What it would take to secure a public statement from the Diocese on a 2025-2026 year would be important to cover to accelerate increased gifts in the next 30 days. In addition, we would want to secure an agreement on how funds in escrow (in a non-profit banking/investment account) would be transferred to the Diocese to fund deficits (i.e. would the Board transfer a set amount and, based on financial performance at year end, secure the balance to be applied to future steps of creating the independent school?)*
- Student enrollment to secure a viable year of operation - fully enrolled with deposit.
 - **Response** – *There is full agreement from the Board.*
 - **Items for Discussion** – *As noted below under the Operating Budget element of the framework, the Board will work with the Diocese to establish trend lines and correlate enrollment targets with required escrow fundraising targets. The Board believes managing projections in the PreK-12 continuum is part of the pipeline of students needed to be tracked for a viable business model for the Auburn campus. By discussing the intersection of deficits and enrollment, and enrollment targets by date for 2025-2026, the Board will be prepared to accept hitting those targets.*
- Teacher retention to ensure the school is staffed appropriately.
 - **Response** – *There is full agreement from the Board. We would seek letters of intent, as needed, from staff team members.*



SAINT DOMINIC REGIONAL HIGH SCHOOL

Website: www.saintdominicrhs.org

- Operating budget for Auburn Campus to be built with Superintendent and Director of Parish & School Financial Services, which includes a line for debt service to the diocese.
 - **Response** – *There is full agreement from the Board.*
 - **Items for Discussion** – *The viability of an independent school will rely on a multi-year pro-forma that accounts for operating costs, capital expenditures, and retirement debt service to the Diocese. To accomplish this, we would like to review a process whereby a subset of the Board, as approved by the Diocese, might have access to budgets, historic financial information, endowments and/or St. Dominic Academy dedicated funds. Access would be under confidentiality requirements as dictated by the Diocese. We should also review the potential for observer status seats on appropriate Boards or Committees relating to St. Dominic Academy to ensure clarity around management and policy level issues and financial activity and liabilities.*
- **Board Added** – *The Board will establish its mission and vision, by-laws, operational and educational policies to ensure adherence to Catholic teachings and principles, as guided by the Code of Canon Law 792.*
- **Board Added** – *The Board will develop a five-to-ten-year pro-forma to operate the Auburn campus*
 - **Items for Discussions** - *Assuming milestones within the framework are being achieved, the Diocese would commit to serving as a partner (technical resource or advisor) in the Board's development of a five-to-ten-year pro-forma. The Board commits that this would include retirement of **all** debt owed to the Diocese. It would also include a pathway to ownership of the campus, based on additional negotiated conditions and milestones. The pro-forma would be submitted to the Bishop for review by December 31st, 2025*

Assumptions for 2025-2026

- The PK-12 Saint Dominic Academy would still be diocesan run, overseen by the Superintendent of Schools
 - **Response** – *There is full agreement from the Board.*
- Grades PK-5 would operate at Holy Cross Campus
 - **Response** – *There is full agreement from the Board.*
- Grades 6-12 would operate at Saint Dominic Academy, Auburn Campus
 - **Response** – *There is full agreement from the Board.*
- Each campus will have separate budgets. No expenses at either campus will be charged to the other campus (i.e. overhead costs will not be shared)
 - **Response** – *There is full agreement from the Board.*
 - **Items for Discussion** – *Though a discussion for the budget development process, the Board wishes to document elements of shared services between the campuses and memorialize current practices and needs between PreK-5 and 6-12.*
- Each campus will have a principal to be supervised by the Superintendent of Schools
 - **Response** – *There is full agreement from the Board, assuming that leadership, including Head of School Kathy Martin, will remain in place to provide learning community stability.*