



Transforming Challenges Into Opportunities

FINAL REPORT

**PEORIA NOTRE DAME HIGH SCHOOL
LOCATION STUDY**

DIOCESE OF PEORIA

PEORIA, ILLINOIS

**PREPARED BY THE REID GROUP
SEATTLE, WASHINGTON**

FEBRUARY 26, 2007

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I. THE REALITIES

Introduction

The Diocese of Peoria under the leadership of Bishop Daniel Jenky, CSC. and the Superintendent of Schools, Brother William Dygert, CSC., Ph.D. embarked on a planning initiative for three Catholic Schools in the City of Peoria in February 2006. The project involved planning related to: St. Jude Parish north of Peoria which is exploring the possibility of building a school; St. Mark Parish School on the edge of Bradley University which is considering the feasibility of building a new facility; and Peoria Notre Dame High School which is studying whether to relocate to accommodate its academic and co-curricular needs.

The Reid Group was hired by the Diocese of Peoria to facilitate the planning process and make recommendations regarding the future of the existing and potential schools. The Reid Group is a national Church consulting and mediation firm based in Seattle, Washington with offices in New York and Wisconsin. The Reid Group helps leaders and organizations transform challenges into opportunities and provides organizational development, fund development, stewardship, mediation and coaching services. Diocesan, parish and school planning within the Catholic Church is a priority service area.

This report focuses on one of the decision areas—Peoria Notre Dame High School and the possibility of renovating the school on the current site, or building a new school at the Willow Knolls site.

Background

A Proud History

Peoria Notre Dame High School proudly treasures the heritage of its forbearers: the Academy or Our Lady, Spalding Institute, Bergan High School, and Academy of Our Lady/Spalding Institute. Catholic Secondary education has been present in Peoria for over 140 years. In 1863, at the invitation of Bishop John Lancaster Spalding, the first Bishop of Peoria, the Sisters of St. Joseph of Carondelet arrived in Peoria to establish a secondary school for girls. The convent school soon became too small and the Sisters of St. Joseph opened the Academy of Our Lady of the Sacred Heart in 1874.

In 1898, Spalding Institute was opened to educate young men across Madison Street from the Academy under the direction of Bishop Spalding. Spalding Institute was named for Bishop Spalding's brother, Reverend Ben J. Spalding. In 1950, the Spalding Gymnasium was opened for use by the Catholic youth of Peoria, and the Catholic Youth Center (CYC) became the cornerstone of students' social lives.

In the 1960s with the population expanding in the north of the city of Peoria, Bishop John B. Franz authorized the opening of Bergan High School named for the Most Reverend Gerald T. Bergan, a distinguished son of Peoria and Archbishop of Omaha, Nebraska. The first four-year class at Bergan High School graduated in 1967. Bergan High School was originally built as a co-institutional high school with separate classes offered for the young men and women. Within the first years of Bergan High School's existence the instructional

program became co-educational and for the first time in Catholic Secondary Education in Peoria, young men and women attended classes together.

Through the years, the academic departments of the Academy of Our Lady and Spalding Institute shared faculties and facilities. In 1973, the two schools joined under one administrative and academic structure. The new school, the Academy of Our Lady/Spalding Institute continued until the consolidation of Academy of Our Lady/Spalding Institute and Bergan High School in the fall of 1988. Peoria Notre Dame High School operated from the Sheridan Road campus and Madison Avenue campus until the fall of 1989 when all classes were located on the Sheridan Road campus.

Today Peoria Notre Dame High School has created its own culture and values that reflect the long-standing commitment of families to Catholic Secondary Education. The school values include, Catholic faith, Individual Dignity, as a Gift from God, Family, Service to Others, Responsibility for Self, Teamwork, Love of Learning, and Tradition.

Peoria Notre Dame High School is the only Catholic high school in the City of Peoria. The school attracts students from 26 zip codes. The greatest concentration of students comes from four zip codes as follows:

- 229 students come from 61614 – Peoria
- 162 students come from 61604 – Peoria
- 133 students come from 61615 – Peoria
- 52 students come from 61525 – Dunlap

There are nine zip codes where at least eleven students are currently enrolled at Notre Dame. These include:

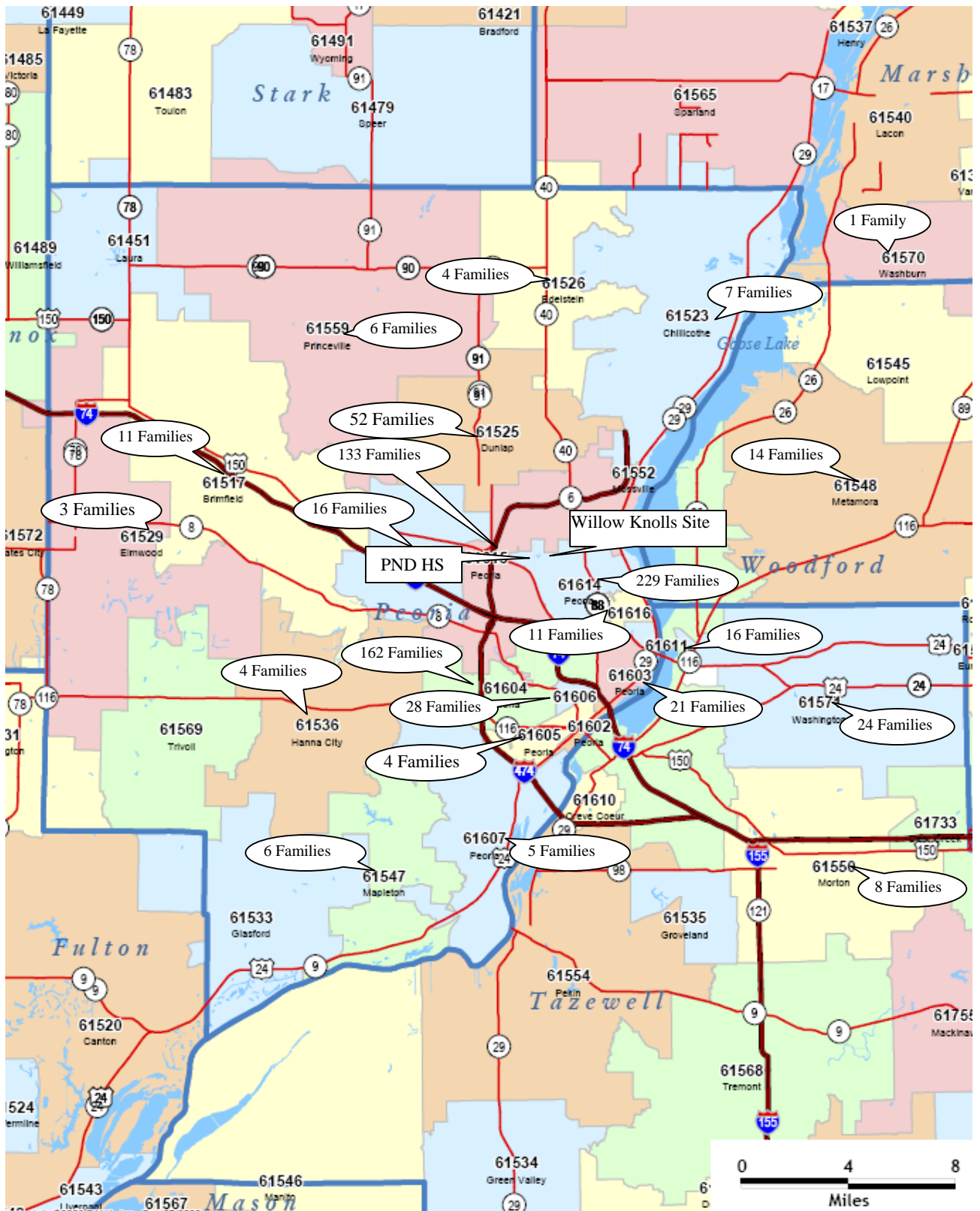
- 61606 (28) – Peoria
- 61571 (24) – Washington
- 61603 (21) – Peoria
- 61554 (19) – Pekin
- 61528 (16) – Edwards
- 61611 (16) – East Peoria
- 61548 (14) – Metamora
- 61517 (11) – Brimfield
- 61616 (11) – Peoria Heights

The remaining 13 zip codes have fewer than ten students coming from an area. See the map showing family locations on p. 5.

Nearly 75% of the students come from five parishes:

- St. Vincent de Paul (161)
- St. Thomas (146)
- St. Philomena (136)
- Holy Family (90)
- St. Mark (68)

Peoria 2006-2007 Family Locator



Relevant Facts

A. Peoria Notre Dame High School Profile & Achievement Highlights

- Accredited by North Central Association
- Recognized as a non-public school by the state of Illinois
- Differentiated college preparatory instruction including modified, regular, & honors levels
- Courses in Art, Business, English, Family Consumer Sciences, World Languages, Mathematics, Music, Physical Education/Health/Driver Education, Science, Social Studies and Theology
- Dual enrollment options for qualified students
- 25 Co-curricular programs and 20 IHSA Athletic programs
- 96.6% of graduates are college bound (Class of 2006)
- According to standardized tests results, students at Peoria Notre Dame High School generally achieve above the state and national norms
- Catholic identity is strong at Peoria Notre Dame High School
- Christian Service Program includes 35,000+ hours at 250+ sites

B. Student Honors 2005-2006

- Illinois State Scholars 29
- Merit Recognition Scholars 17
- National Achievement Scholar 1
- National Merit Commended 4
- President's Academic Awards 113

C. Initial Attitudes of Stakeholders towards Peoria Notre Dame High School and the Location Study

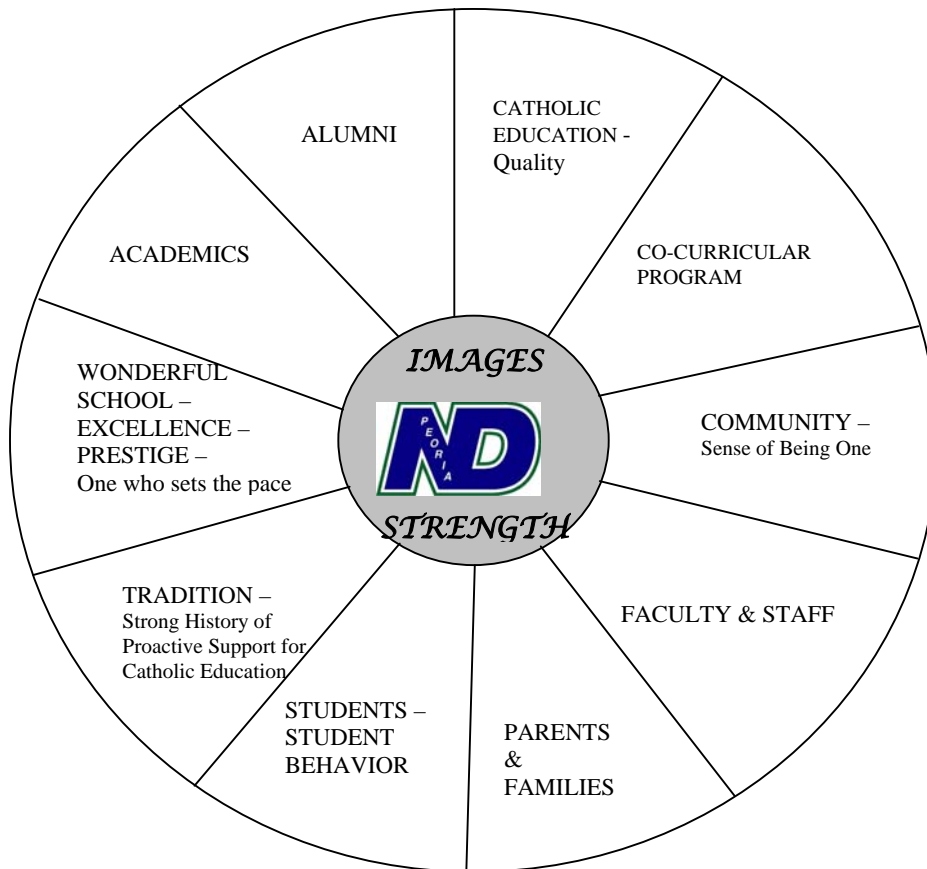
16 Focus Groups were conducted on May 18 and 19, 2006. More than 200 people participated in the meetings. 80 responses were received from the online Survey.

Responses included representation from the following groups:

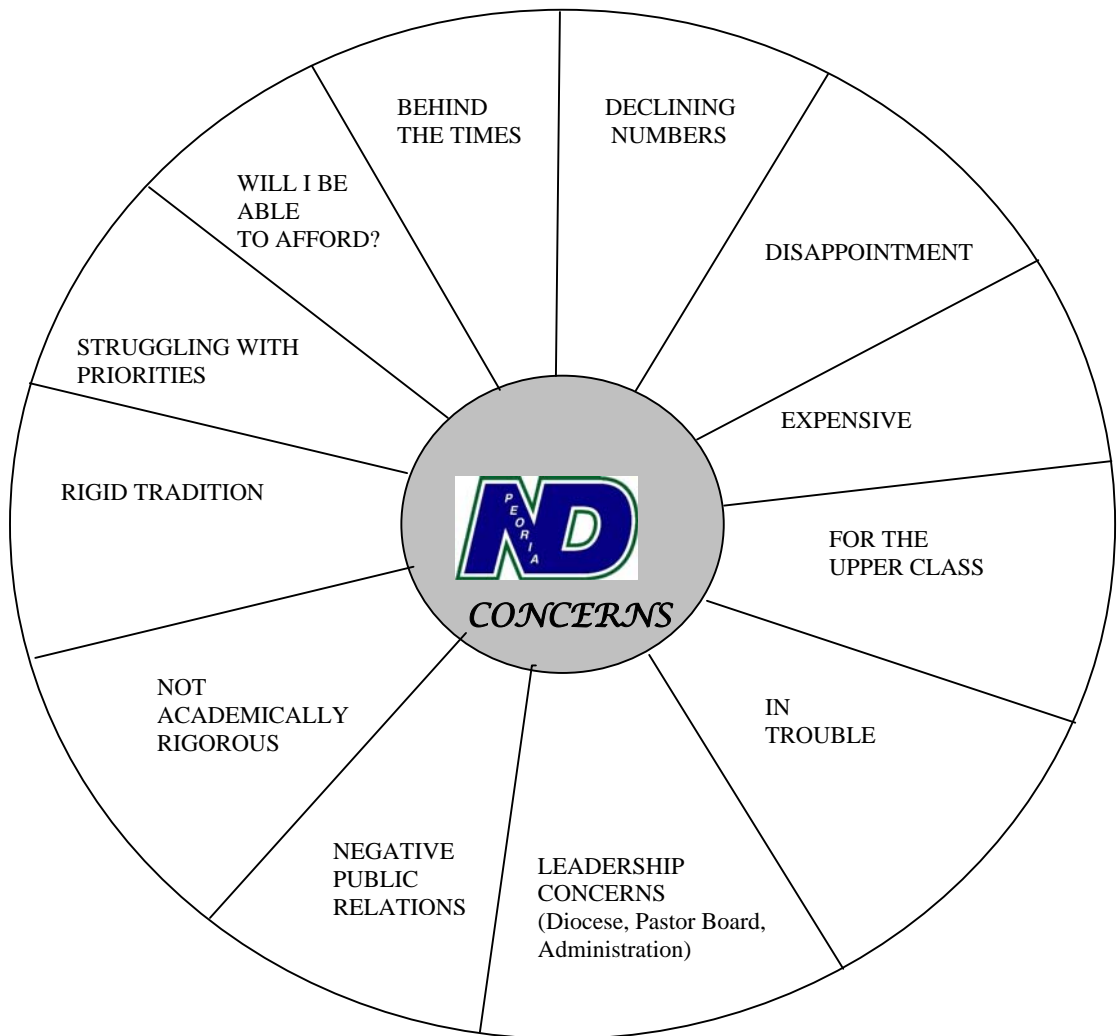
- Alumni
- Booster Club
- Education Commission
- Faculty
- Foundation Board
- Parents (Current students, incoming students, elementary age children)
- Parent Association
- Pastors Board
- Staff
- Students

Themes, Issues

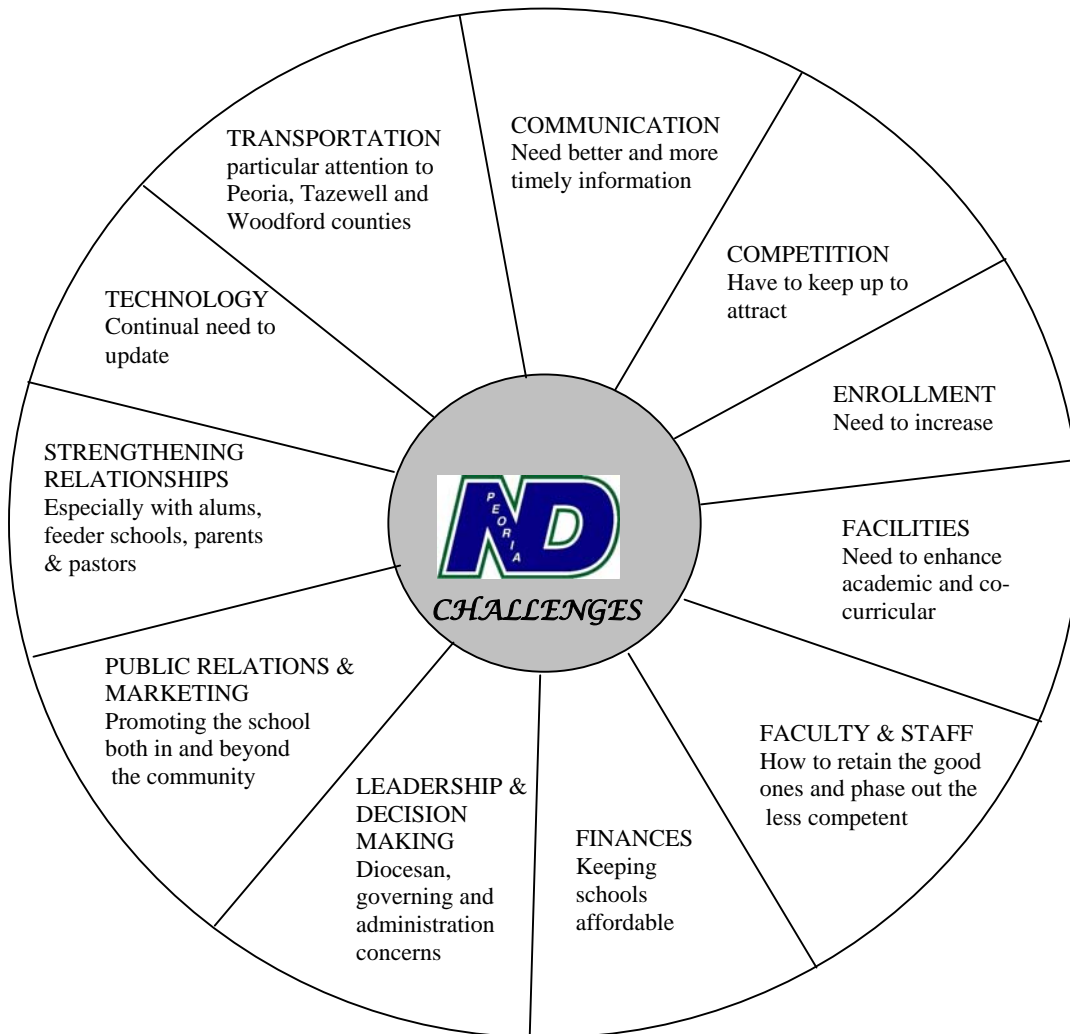
1. There is a real appreciation that the school is engaging in this study and that many people are being included in the consultation process.
2. Many expressed the hope that Peoria Notre Dame High School would be more inclusive. Some wanted the school to go beyond college prep and offer opportunities for students who are not planning on attending college. Others voiced a concern that the school could become elitist, still others stated the desire for it to maintain connection with the central city area and serve as many as possible who desire a Catholic education.
3. Responses to the images and strengths of Peoria Notre Dame High School included the following broad responses.



4. Responses to the images of Peoria Notre Dame High School also generated some responses of concern.



5. Responses to the challenges facing Peoria Notre Dame High School included the following broad themes:



6. Participants expressed a need to think long term (e.g. 25-50 years out) when considering the various options and to develop a common long term vision for the school that is supported by various stakeholders of the school.
7. Among focus group participants there was the sense that maintaining the status quo is not really an option since to remain in the current building requires a number of changes, either mandated by code or required to meet immediate needs.
8. Originally five options were considered:
- A. Improve the building on the current campus;

- B. Build a new facility at the present site;
 - C. Enhance current site and develop north campus;
 - D. Relocate the school to the Willow Knolls site; or
 - E. Investigate the possibility of an alternative site that is or may become available.
9. Many focus group participants, after frequently stating that they couldn't make an informed recommendation without greater plant and financial information, generally expressed significant support for thinking long term and building something new.

Options for the Future of Peoria Notre Dame High School

After originally considering five options the location study focused on three broad options:

1. Renovation of and Addition to Existing Campus. Construction of Athletic Fields at Willow Knolls.
2. Renovation of and Addition to Existing Campus. Construction of New Athletic Fields and Complex at Willow Knolls.
3. Building a New High School, Athletic Fields and Complex at Willow Knolls.

The section is made up the following elements:

1. Option Overview;
2. Representative sampling of comments from focus group participants **before the financial estimates for each option had been developed;**
3. Listing of the main advantages and disadvantages of the particular option identified by focus group participants, survey respondents or raised in meetings with leaders;
4. A summary of the conceptual program plan and budget information;
5. Consultant Observations and Comments.

Option 1: Renovation of and Addition to Existing Campus. Construct Athletic Fields at Willow Knolls Site.

Participant Comments

Throughout the focus group sessions there was general agreement that the *status quo* of the facilities is not sustainable for the short or long term. A representative sample of comments from the focus group sessions and survey responses follows

- Current site is a valuable asset. What is highest and best use of the property?
- Advocate a study of the current site. What can be done here? Parking deck if we stay here?
- Need more facilities for co-curricular program including theatre and athletic space
- Chapel and auditorium are too small
- This was built for a 40 year life and we are past it
- This will keep school small (pro and con)
- Donors who contributed to the “current new wing” will be upset
- Having to pay for parking is a negative
- Building is not energy efficient
- Property values are not going to go up
- This building has its own electric generating capability
- Priority to stay here. Prefer to have this in the heart of the city. What about building up?
- Seems like we are landlocked. To expand present site is not viable for the long term. Are there houses north of here to extend the campus? Do we have enough room for the future?
- Need to either look at building something new here or build something outstanding at Willow Knolls location
- Are we limiting ourselves by staying here?

Advantages

- Current location is centrally located on the near north side of the city
- There are approximately 23 acres that could be better utilized through a major remodeling
- Maintains the historical connection with the central city

Disadvantages

- Current campus is limited. Do we have enough room?
- Landlocked
- We remain at 800 students, if we stay here. (1100 at its highest point in current location)
- The campus is split

Option 1: Conceptual Program Plan and Projected Costs for Renovation of and Additions to Existing Campus and Construction of Athletic Fields at Willow Knolls Site:

Renovate the existing campus and construct a new addition at the existing campus on Sheridan Road.

Develop new athletic fields.

Renovation of and Addition to Existing Campus:	\$31,736,962
Construction of New Athletic Fields:	<u>\$4,210,263</u>
Project Total:	\$35,947,224

Consultant Observations & Comments

This option:

- continues use of the current central location, valued by many;
- maintains the historical connection with the central city;
- better utilizes the current campus acreage;
- locates some of the athletic fields at the Willow Knolls site.

However, it does not:

- address the factor of having limited room (23 plus acres) at the current site;
- allow for the location of the total campus to be housed at one location.

For the cost of almost \$36 million the conceptual plan for this option does not include a field house or natatorium. The school community would still need to expend time and money to lease additional spaces for some of its athletic programs.

Option 2: Renovation of and Addition to Existing Campus. Construction of New Athletic Fields and Complex at Willow Knolls.

Participant Comments

Throughout the focus group sessions a strong preference for housing all facilities at one location was consistently expressed. At the same time a number of responses suggested that this could be a developmental step toward realizing the ultimate goal of having all facilities

at one location. A representative sample of comments from the focus group sessions and survey responses follows.

- Prefer one location
- Too disjointed
- Two site operation doesn't work
- Practices more difficult in two locations
- Would need a solid transportation system, like a shuttle.
- Phased program of staying here and putting complexes out there
- What if you build sports facilities at Willow Knolls and sell fields?
- How long would it take to build?
- Better than what we have
- Only feasible if it was part of the long range plan to get out to new location
- Like the idea of doing this in phases
- Would like to see PND to have a connection to the city

Advantages

- Maintain existing location
- Locate all athletic facilities in one location

Disadvantages

- Splitting campus
- Creating greater transportation challenges

Option 2: Conceptual Program Plan and Projected Costs for Renovation of and Addition to Existing Campus. Construction of New Athletic Fields and Complex at Willow Knolls.

Build new athletic fields, indoor Field House and Natatorium at the Willow Knolls site; Renovate and build an Addition to Existing Campus (as indicated in Option 1 above).

Renovation of and Addition to Existing Campus:	\$31,736,962
Construct New Athletic Fields and Complex:	<u>\$14,609,800</u>
Project Total	\$46,346,762

Consultant Observations & Comments

This option:

- provides for the construction of new athletic fields and complex at the Willow Knolls location;
- could also serve as an initial step toward the full relocation of the campus to the Willow Knolls site.

However, this option does not:

- achieve the location of the total campus at one site if this were to be the permanent, rather than interim, decision.

Option 3: Building of New High School, Athletic Fields and Complex at Willow Knolls.

Participant Comments

Throughout the focus group sessions many expressed positive support for a fresh start at the Willow Knolls site, while also believing this option could address the need for a long term vision for the school. A representative sample of comments from the focus group sessions and survey responses follows.

- Pool, tennis courts, soccer, football, basketball, all under one roof, fine arts and storage, air conditioning in the kitchen, chapel, keep youth center, build huge room - multipurpose for dance and cheerleaders, love the commons
- What would tuition be? Can we keep the tuition manageable?
- Our job is to think about the future.
- Good location - Rt 6 & 474. Pioneer Parkway is going to be extended
- The educational place for the Tri-County Area
- State of the art facility could be a draw. Sense excitement about the opportunity.
- Could be the center of Catholic education in the city
- Strongly support selling current property and move out to Allen Road
- Have to think about the future. Whole new complex is the answer and could bring the Catholics out
- Room for growth
- If we have opportunity to do it and it is prudent
- If you can figure out a way economically there is a sense of making the new location work.
- Need to take a risk. Something new. Back when the schools were merged we moved north
- Willow Knolls location is better situated to follow population growth and is more accessible
- Why not use the Willow Knolls site which is farther north where the growth is at?
- Ease of getting to and from will be enhanced. Not so easy to Metamora, Germantwon, Washington. St. Mark's.
- Growth is in the north and west

Advantages

- Moving could attract more students
- North is a better location between city and north.
- New opportunities and improved grounds
- Think we will get more people, the area is growing
- More willing to pay if there is a positive reason to pay

Disadvantages

- If move to Dunlap will lose connection to downtown area
- This could add to the perception of some that Peoria Notre Dame High School is elitist and is catering to the rich

Option 3: Conceptual Program Plan and Projected Costs for Building of New High School, Athletic Fields and Complex at Willow Knolls:

Construction of a new campus based on the preliminary program located on the Willow Knolls property. This option allows for complete development of the new site.

New High School Facility with Athletic Fields	\$56,841,054
Estimated Proceeds from Sale of Current Campus	\$8,000,000
Net Cost New High School Facility with Athletic Fields	\$48,841,054

Consultant Observations & Comments

This option:

- creates the opportunity to make a fresh start through building a new school;
- establishes a larger campus (approximately 45 acres);
- provides the best chance for locating the whole academic and co-curricular program at one site;
- creates the possibility of attracting new students and thereby grow the enrollment;
- utilizes the proceeds from the sale of the existing campus and applies them to lessen the cost of the total project.

However, this option does not:

- address the concerns regarding the potential loss of connection with the downtown area;
- attend to the possible perception that Peoria Notre Dame High School is catering to the rich.

The opportunity to build something new, on a larger campus for not all that much more than the other options suggests that this is the best of the three alternatives. A final determination is subject to a thorough study of the conceptual plan and addressing the challenges outlined in the next section.

II. THE CHALLENGES

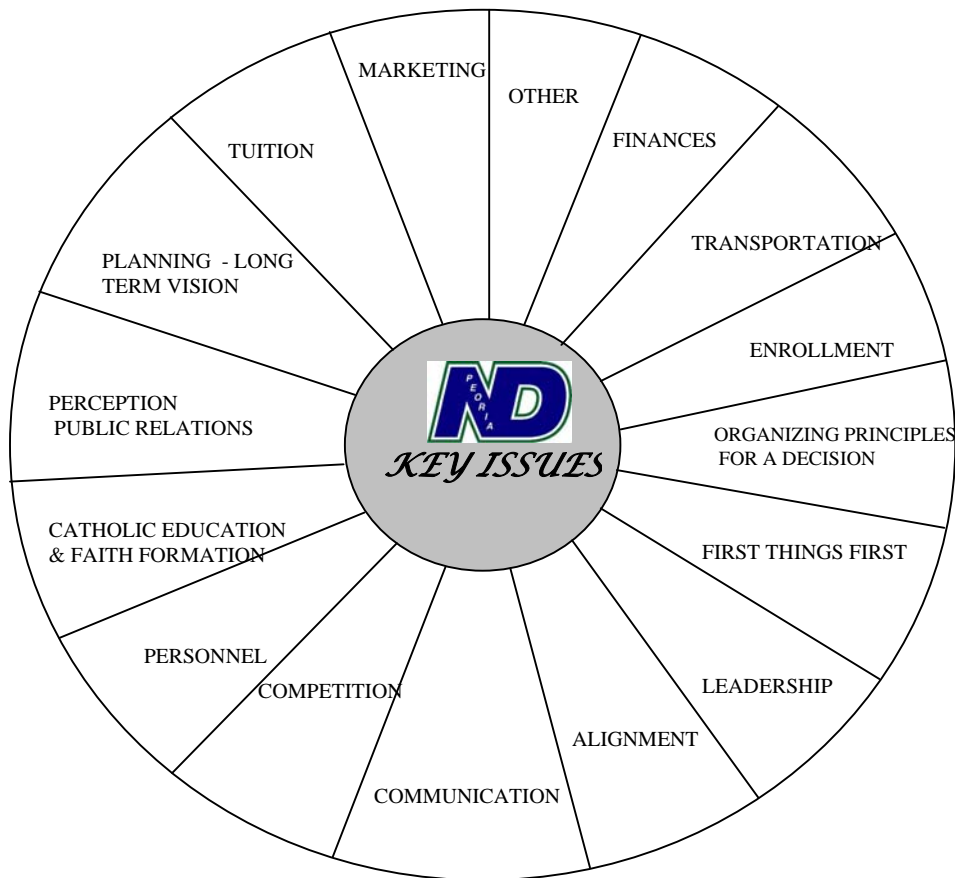
There are three primary challenge areas facing Peoria Notre Dame High School in planning for its preferred future. These are:

1. Attitude and Engaged Support
2. Enrollment
3. Financial Considerations

1. Attitude & Engaged Support

Issues Areas for Conversation and Action

In the focus group sessions and in the online survey participants were asked for comments on the options as well as anything else they would like to say. The following visual and illustrative comments highlight the respondents' thinking.



Alignment

- Need a unified effort: diocese, parents, parishes, etc.
- How can we not all be in this together? Need priest support
- Before we do anything we need a shared vision and commitment with the Diocese, Pastors Board, school administration, faculty

Catholic Education & Faith Formation

- Provide Catholic identity and education
- Our big thing is faith formation
- Must keep foremost in mind is the education of our Catholic children
- Need to deal with the total person
- Like to see improvement on preparing students getting into best college possible

- Hope as much emphasis would be put on education as on the building

Communication

- Would like to stress communication. Keep people informed Then we can be involved and can support. To the decision makers: "Will you make us feel involved in the decision?" Who is/are the decision makers? Bishop? Bishop & Pastors Board? Donors?
- My biggest concern is that our input is listened to
- Whatever option is decided on, if people feel that their input was truly considered, then people will support
- What is the decision making process?

Competition

- Everyone needs to be aware of that there is competition for attention and funds among Catholic schools
- I am not going to pay more money for something less. If we are going to put a school in the Dunlap district, we need to build something that is state of the art and competes with the other options that are available to parents and students

Enrollment

- For any of these options what are the enrollment implications?
- Need to understand the demographics of who is coming would be coming? Why do people choose to come? How many currently here are from District 150? How many from St. Phil's, St. Mark's and St. Vincent? May not be central location. Dunlap and Richwood have fields on location
- Needs to be OK to welcome non-Catholics
- Is there a size point that is too big? 1000, would that be a reasonable goal?
- Would like to increase enrollment, while maintaining high academic standards
- I am getting more non-Catholics in my classes each year. If you do it right they will come.

Finances

- What is the cost for any of these options? Who is going to pay? What is the funding plan for these options? Tuition, parish assessment, solicited funds, positive capital campaign?
- Given a vision for the future which has the power to engage major supporters beyond the parish, raising significant funds for a new building may be more possible than rehabbing or adding on to an old building
- Assistance and scholarship needs

First Things First

- You can build the state of the art building, but must deal with internal issues: leadership, finances, communication and marketing
- Deal with other issues. Get house in order
- Need to get every one on the same page: Bishop, Pastors Board, Education Commission, administration, parents, faculty, staff and students

- Before doing anything need to solidify administration, get them back in touch with what is going on, get the faculty and administration on the same page
- Start now. Some of these issues need to begin working on now

Leadership

- Better choose a good spokesperson, point person who can spearhead the effort. Need dynamic, knowledgeable spokesperson. Whoever is going to present this to the community must be seen as a positive person. Someone that the community trusts and respects
- Fix the leadership issues and you won't have problem raising the money

Marketing

- Catholic grade schools are a natural source of students. Had someone who had that job (recruitment coordinator) but that position was cut
- Current students are the best ambassadors
- Put forth a positive vision of announcing the college prep powerhouse that it is. Catholic education, discipline, academics, college prep. Need to be creative with way we market this
- Would like to see recruitment at a grass roots level in the grade school, getting them excited coming to Notre Dame
- Needs to be promoted to 6,7,8th graders
- Co-curricular activities are important in appealing to students

Organizing Principles for A Decision

- Location that is more central to the region
- Need to look 10-50 years
- Whatever we do we need to maximize use of facility. Need to meet all the needs, not just sports. Academically. I am an advocate for Catholic education and an advocate for sports
- Make it accessible to everyone.
- Need a comprehensive solution that deals with teacher salaries, the theatre and not just sports

Other

- Think that it is positive that we are moving forward with this process
- It would be exciting to have my children to go to a state of the art facility, would create excitement, but need to watch impact on tuition
- Could help heal Spalding and Bergan. Must be a process that embodies Catholic values
- Hope we make a viable correct decision for this time and for the next 40-50 years
- Present the right product you will get the money
- Likelihood that this process is going to raise peoples expectations. Better follow through
- PND is known as a college prep school, can't we offer something for those who aren't college bound?
- Vocation education. Vocation department would be good to attract kids
- Add more academic/shop, ROTC,

- How committed is the diocese to a Catholic High School?
- What is it doing to be more diverse?
- It could become a demonstration site not only for excellence in Catholic School education, but also as a building which is designed to be environmentally sound using concepts of sustainability (green building) in an urban setting

Perception – Public Relations

- Education, health care and concern for the poor have been priorities of the Catholic church. Perception of some is the PND caters to the rich
- Left the area 6 years ago there was a positive PR, returning hearing more negative things around the quality of education, reputation not as good
- People are looking for reasons not to come

Personnel

- Quality personnel more important than facility. Better facility however, helps attract students, faculty and staff
- Willing to pay more if they have good teachers. Need to have standards of professional behavior
- What would attract the teachers?

Planning – Long Term Vision

- Need vision and leadership. Need well thought out plan that deals with the long term.
- Long term planning is not our strength
- Have had a tendency to be short sighted
- Have built facilities on the cheap. Need a long term perspective and make best decision possible
- Making a statement to the community for the longrun
- Can't change the past. We can learn from it. Don't make decision based on crisis mode.
- Whatever we do, do it with a clear plan and may not have to do it all at once. Whatever we do has to be done well and offer more
- See the larger picture. Need a broader vision. Build it for a greater number
- We are a sleeping giant

Transportation

- Transportation is a concern presently and if even more so if we move north
- Need transportation for city and outlying areas and counties

Tuition

- No matter which option is chosen, someone from the school needs to address the impact on tuition
- Need to be convinced that it makes economic sense and what is impact on tuition?

Consultant Observations & Comments

Any Catholic high school in the environment of the first decade of the 21st Century faces multiple challenges. The facilities issue is but one of a number of issues facing Peoria Notre Dame High School. Participants emphasized that there are many and competing issues requiring attention, decision and action and that these need to be addressed in conjunction with the location study. A location decision built on good communication with the various stakeholders creates the best chance that it will receive broad support.

2. Enrollment

Enrollment History

Enrollment at Peoria Notre Dame High School is showing an increase this year after declining sharply over the past five years.

2001	2002	2003	2004	2005	2006	2007
974	970	917	879	815	757	787

Consultant Observations & Comments

Enrollment declines can be attributed to several factors including: demographic shifts; cost of tuition, the facilities and campus, public relations and marketing issues, uneven promotion from the parishes and some dissatisfaction with leadership and decision making at the diocesan, governing board and administrative levels.

The good news of an enrollment increase in the current year and the causes need to be identified so that future marketing and recruiting efforts can build upon and add effective practices that grow the enrollment.

Enrollment Region 1 Elementary Schools

2005-2006 Region I Elementary School Data

SCHOOL	GRADE 5	GRADE 6	GRADE 7	GRADE 8	TOTAL
Bl. Sacrament	22	21	23	14	80
Holy Family	43	47	43	42	175
St. Edwards	13	11	18	11	53
St. Joseph	22	20	18	20	80
St. Mark	30	28	25	23	106
St. Mary – K	13	13	8	10	44
St. Mary – M	14	17	19	24	74
St. Patrick	23	20	25	17	85
St. Philomena	51	37	51	53	192
St. Thomas	50	56	47	51	204
St. Vincent	51	56	55	56	218
TOTALS	332	326	332	321	1311

2006-2007 Region I Elementary School Data

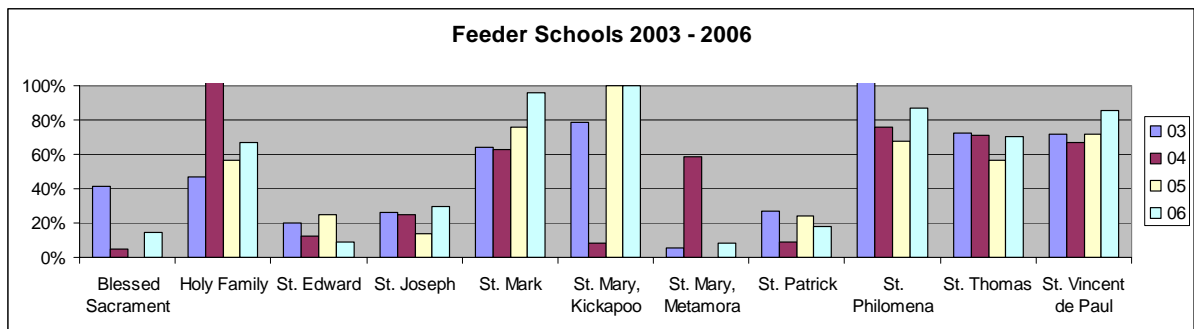
SCHOOL	GRADE 5	GRADE 6	GRADE 7	GRADE 8	TOTAL
Bl. Sacrament	20	21	19	23	83
Holy Family	32	38	43	50	163
St. Edwards	15	13	10	19	57
St. Joseph	22	22	20	17	81
St. Mark	23	29	26	26	104
St. Mary – K	18	10	11	8	47
St. Mary – M	13	13	18	18	62
St. Patrick	17	24	16	22	79
St. Philomena	48	50	35	43	176
St. Thomas	44	47	57	44	192
St. Vincent	62	53	52	54	221
TOTALS	314	320	307	324	1265

Attraction Rate of Region I Feeder Schools 2005 - 2006

Using the Grade 8 Enrollment data by school over the 4-year Period 2003-2006 and the reported 2005-2006 Peoria Notre Dame High School enrollment data, the Peoria Notre Dame High School capture rate can be determined by school. The total number of students enrolled in Grade 8 in the Region I Elementary Schools was 1,187 for the 4-Year Period 2003-2006. The total number of students enrolled at Peoria Notre Dame High School for the 2005-2006 School year was 757. See the chart below that state the capture rate by school. For example, over the past 4-Year Grade 8 enrollment period 59 students were in Grade 8 at Blessed Sacrament. For the School Year 2005-2006, 10 students from Blessed Sacrament School were enrolled at Peoria Notre Dame High School. Thus, 17% of Blessed Sacrament students are enrolled at Peoria Notre Dame High School.

Region I Elementary School	Grade 8 Students 2003-2006	PND Students 2005-2006	PND Capture Rate by school
Blessed Sacrament	59	10	17%
Holy Family	153	98	64%
St. Edward	45	7	16%
St. Joseph	77	18	23%
St. Mark	110	81	74%
St. Mary, Kickapoo	39	25	64%
St. Mary, Metamora	81	13	16%
St. Patrick	87	15	17%
St. Philomena	165	137	83%
St. Thomas	210	142	68%
St. Vincent de Paul	206	153	74%
Total	1,187	699	

For the 2005-2006 School year 58 students (7%) were enrolled at Peoria Notre Dame High School who did not attend one of the Region I elementary schools.



Consultant Observations & Comments

The top five schools in terms of contributing to current student population ranges from 10.7% to 20.2% are:

- St. Vincent de Paul (20.2%)
- St. Thomas (18.8%)
- St. Philomena (18.1%)

- Holy Family (12.9%)
- St. Mark (10.7%).

These parish schools contributed 80.8% of the student enrollment at Peoria Notre Dame High School as of June 2006. They are in close proximity to the high school and have provided a significant number of students over the years. It is presumed that these schools have pastors, principals, parents and alums who promote Peoria Notre Dame High School. Strong parish and elementary school leadership cannot be assumed as a given. Concentrated and continuous attending to relationships with the people from the feeder schools of Region 1 needs to be given priority focus.

The above enrollment data needs to be combined with an assessment of factors contributing to and working against attracting an increasing number of Region 1 feeder school students.

Projected Attraction Rate 2008 – 2011

The following chart has future projections based 2005 – 2006 enrollment on a 4 year average of 8th graders in Peoria Notre Dame High School from Region I schools.

Region I Feeder Schools	% Enrolled at PND 2005-2006	Projected Enrollment 2008-2011	# of Students ND based on %
Blessed Sacrament	15%	80	12
Holy Family	70%	175	122
St. Edward	17%	53	9
St. Joseph	24%	80	19
St. Mark	75%	106	79
St. Mary, Kickapoo	72%	44	32
St. Mary, Metamora	18%	74	13
St. Patrick	19%	85	16
St. Philomena	84%	192	161
St. Thomas	68%	204	138
St. Vincent de Paul	74%	218	162
Total		1311	763

The following chart has future projections based on 2006-07 enrollment figures from Region I schools.

Region I Feeder Schools	Current Percent Enrolled – Grades 5 - 8	Projected Enrollment 2008-2011 Grades 5 - 8	Projected PND Enrollment 2011
Blessed Sacrament	15%	83	12
Holy Family	70%	163	114
St. Edward	17%	57	10
St. Joseph	24%	81	19
St. Mark	75%	81	61
St. Mary, Kickapoo	72%	47	34
St. Mary, Metamora	18%	62	11
St. Patrick	19%	79	15
St. Philomena	84%	176	148
St. Thomas	68%	192	131
St. Vincent de Paul	74%	221	164
Total		1242	719

It is projected, based on past history, that between 50 and 55 students will enroll in Peoria Notre Dame who have not attended any of the Region I schools

Consultant Observations & Comments

Maintaining and increasing enrollment are challenges facing the majority of Catholic elementary and high schools across the country today. There are a variety of options from which parents and students can choose when deciding on a high school. The challenge to attract and enroll students is an increasingly competitive annual event. Marketing and recruitment require more time and attention. One important aspect of this is tending to the relationship with pastors, principals and school families.

Enrollment in the Region 1 schools has been fairly stable. As referenced earlier enrollment is very fluid and needs to be monitored. There is no guarantee that 719 students will automatically come to Notre Dame. To grow the student population requires concentrated and ongoing work. It should be noted that Peoria Notre Dame's enrollment is dependent on Region I schools, their enrollment and both the leadership's and parents' perception of the quality of the school and the costs associated with it.

Projected Enrollment

It is not possible to be precise when attempting to project future enrollments. Conservatively, the enrollment may be projected to be around 800 students, if the current environment remains. However, if the following steps are taken and aggressive strategies are put in place, along with new and/or renewed buildings and projected area population growth, Peoria Notre Dame High School could grow to at least 1000 students by the year 2012. This requires that the following be achieved:

- A positive long term vision for making Peoria Notre Dame High School the best Catholic high school option, “second to none,” is developed and owned by stakeholders.
- A bold plan and support for addressing the long term facility and campus needs for the school is developed and agreed upon in a way that brings the school community together.
- The new governance model for the school is effectively established.
- Public relations and development efforts are enhanced.
- The leadership of the school at all levels (e.g. diocese, governing, administration, faculty, staff) is strengthened and brought into alignment.
- The reputation of the school for strong Catholic identity, quality teaching, solid college prep curriculum is continually enhanced.
- Greater opportunity for tuition assistance/scholarship assistance is made available for low income students.

If a coordinated plan of action including these elements is put in place then it is reasonable that new students will be attracted to the school and growth in enrollment can reasonably be anticipated at Peoria Notre Dame High School.

Consultant Observations & Comments

As noted above the enrollment at Peoria Notre Dame High School declined sharply from 2001 when it was at 974 to 2006 when it was at 757. In the 2006-2007 school year the enrollment is up to 787.

Growing the enrollment will not happen automatically. Effective marketing strategies will need to be employed. The educational program must continue to be enhanced. Offering both a college preparatory program and something for those not planning to go to college could appeal to a greater number of students. Faculty will need to be highly proficient in differentiated instruction to meet the needs of all learners.

The shared commitment and coordinated effort of the Diocese, the Pastors Board, administration, faculty, staff, parents and community support are needed if the target of an enrollment of at least a 1,000 students is to be attained. Given a positive vision for the future including new facilities, a comprehensive approach addressing the range of issue areas listed above, and a coordinated marketing plan to attract a wide range of learners, the goal of 1,000 is an achievable stretch goal.

While the school could grow beyond 1,000 students given the development in the community, there is not enough evidence to support growth beyond 1,000 at this time or in the next three to five years.

Demographics

Selected Demographics Which Might Bear On Projected Enrollments and Financial Support

This data is a summary of data presented by *Percept Group*, a national research firm, contracted by the Diocese of Peoria. It is based on research from 1990-2006. The study includes the broad area where Peoria Notre Dame High School draws students.

- The population of the area is projected to remain stable between now and 2011.
- The area is rated as very diverse from a lifestyle and racial/ethnic perspective.
- The lifestyle diversity is seen as very high with 44 of the 50 US Lifestyles segments being represented. Of the six major groupings the largest is referred as Middle American Families which accounts for 42.8% of the households in the area. The top individual segment is Established Empty-Nesters representing 10.3% of all households.
- Anglos represent 84% of the population with African-Americans accounting for 10.5%. Asians are projected to increase to 21.8% between 2006 and 2011.
- The average age in the study area is 38.4 and is projected to increase to 39.1 by 2011. The average age in the U.S. is 37 and is projected to increase to 38 by 2011.
- Almost 80% of the population in the study area by generation is comprised of three groups:
 - a. Millenials (age 5-24) account for 27.2%
 - b. The Survivors (age 25-45) account 27.7%
 - c. Boomers (age 46-63) account for 23%
- The family structures are rated. Single moms represent 24.8% of those with children; single dads represent 6.3% of those with children; married couples represent 67.6% of those with children. The U.S. averages of people with children are: 23% single moms; 7% single dads; 69% married couples.
- The top five primary household concerns for those who live in the study area include: achieving long-term financial security, maintaining personal health, finding/providing health insurance, day to day financial worries and dealing with stress.
- “Faith receptivity” is somewhat high and the preference is for historic Christian religious affiliations. Almost 30% of the study area population is likely to express a Catholic preference as compared with a national average of approximately 24%.
- The average household income is \$59,526 a year in the study area as compared with the U.S average of \$64,816. Based on this the overall religious giving potential can be described as about average.

Consultant Observations & Comments

1. By building a new school and having space for community activities Peoria Notre Dame High School could make a significant contribution to the lives of people who live in the neighborhood by opening their doors for family activities, adult education, sports, etc. These activities should be offered to all whether people send their child to the school or not.
2. There are people who live in the area who have the capacity to make a significant financial contribution to a new school.

3. By looking at the demographic data one observes the growing diversity of people who live in the area and the need for the school to develop outreach to different populations of students from those who have traditionally attended the school.
4. With the large amount of single parents living in the area, there are many opportunities to provide encouragement, support and assistance. This might be an area where Peoria Notre Dame High School with its emphasis on community service might be able to increase its outreach.

Public School Data

The final recommendations for the “Master Facility Planning Committee” of the City of Peoria Public Schools District 150 issued in October 2005 include the following which have some bearing of whether Peoria Notre Dame High School should build a new building and what it might include:

1. The school district should establish a clear commitment to making all facilities vibrant community centers for the neighborhoods and those whom they serve. Any school openings or closing should minimize disruption and negative impacts on students, the educational setting and the neighborhoods. (p. 7)
2. Good schools are neighborhood anchors that attract and retain homeowners and stabilize enrollments...(p. 10)
3. Approach potential program and financial partners. (p. 15)
4. Incorporate “green design” features into all new buildings and major renovations and select architects with expertise in the same. (p. 16)
5. Develop a funding strategy to finance construction...(p. 16)
6. Seek outside pro-bono assistance...(p. 16)

Consultant Observations & Comments

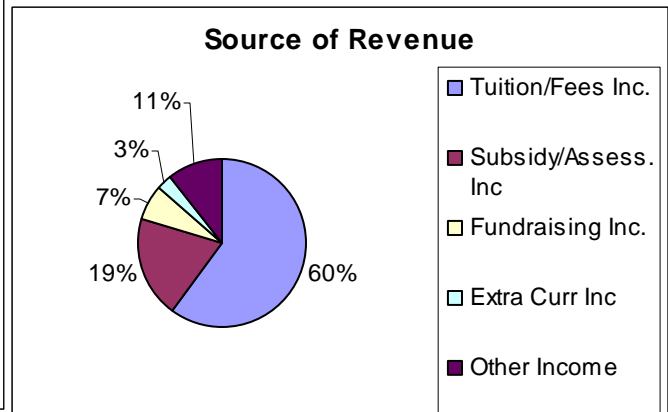
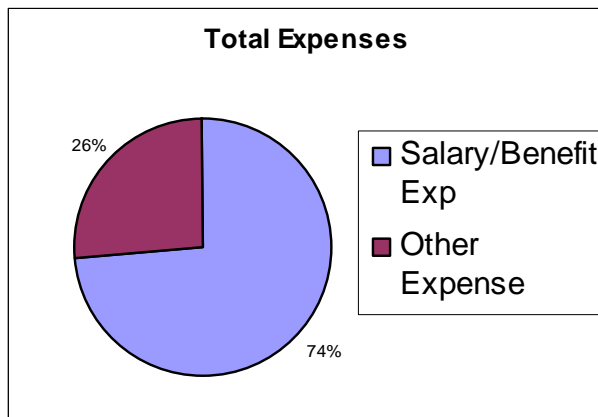
Four things stand out which are applicable to Peoria Notre Dame High School:

1. The idea of the school offering activities for families, congruent with its mission, could build a greater synergy in the community. Community is at the heart of being a people of faith. Reaching out to families allows Peoria Notre Dame High School to be a beacon of hope in the community, while also providing opportunities to make a positive impression on people in the community, especially those who have children approaching high school age.
2. The public schools are continually upgrading facilities and will probably attract students who could be at Peoria Notre Dame High School, if they upgrade their facility and Peoria Notre Dame High School does not.
3. There is potential for program and financial partners. Caterpillar, the professionals drawn to the area and the possibility of collaborative efforts with Bradley, especially in terms of professional development are avenues that need to be explored.
4. Build “green” as a demonstration site for “sustainable energy” in an urban setting. Some focus group participants indicated they are involved in this type of work and might be able to offer some support if a decision is made to build something new.

3. Financial

2005-2006 Financial Information

Category	05-06	% of Budget / Expense
INCOME		
Tuition/Fees Inc.	\$2,989,592	60%
Subsidy/Assess. Income	\$ 963,440	19%
Fundraising Income	\$ 322,888	7%
Extra Curricular Income	\$ 145,050	3%
Other Income	\$ 536,289	11%
Total Income	\$4,957,269	
EXPENSE		
Salary/Benefit Exp	\$3,711,023	74%
Other Expense	\$1,326,425	26%
Total Expense	\$5,037,448	



Observations & Comments

In rounded off numbers 60% of the income is from tuition and fees. 19% of the income is from parish and diocesan support. PND Fundraising accounts for 9% of the income. 10% is other income. Fundraising and Third Source Funding are two areas that need to be studied for ways to increase this area in terms of percentage of overall income.

Diocesan Tuition Comparisons For 2006-2007 - Table 1

School	Tuition (Catholic)	Tuition (Non-Catholic)	Fees	Faculty/Staff Discount	Discount for Faculty/Staff of Feeder Schools	Estimated Enrollment
CCHS (Bloomington)	\$3,925	\$5,325	\$290	50%	0	380
St. Bede (Peru)	\$4,100	\$4,000	\$395	30%	0	275
St. Thomas More (Champaign)	\$4,668	\$5,950	\$285	50%	25%	350
Schlarman (Danville)	\$3,612	\$4,880	\$245	1-3 yrs employed - 25% 4-6 yrs employed - 50% 7-9 yrs employed - 75% 10+ yrs employed - 100%	0	200
Alleman H.S. (Rock Island)	\$2,850	\$4,050	\$175	100%	\$250 tuition at feeder school 10% feeder staff at HS	482 (down 9)
Marquette (Ottawa)	\$3,550	\$4,575	\$450 - \$580	50%	0	240
Peoria Notre Dame High School (Peoria)	\$3,750	\$5,500	\$455	35%	35% (Reciprocal)	760-

PND Tuition & Fees 2002 -2003 Through 2006 – 2007 - Table 2

Category	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003
Affiliated Tuition					
First Child	\$ 3,750	\$ 3,600	\$ 3,380	\$ 3,180	\$ 2,850
Second Child	\$ 3,375	\$ 3,240	\$ 3,130	\$ 2,930	\$ 2,600
Third Child	\$ 2,813	\$ 2,700	\$ 2,530	\$ 2,330	\$ 2,000
Non-Affiliated Tuition					
First Child	\$ 5,500	\$ 5,300	\$ 4,980	\$ 4,780	\$ 4,450
Second Child	\$ 4,950	\$ 4,770	\$ 4,680	\$ 4,480	\$ 4,150
Third Child	\$ 4,125	\$ 3,975	\$ 4,480	\$ 4,280	\$ 3,950
Registration Fee	\$ 100	\$ 100	\$ 80	\$ 80	\$ 75
Drug Fee	\$ 80	\$ 80	\$ 70	\$ 70	\$ 70
Books/Lab Fee	\$ 275	\$ 275	\$ 220	\$ 200	\$ 190
Graduation Fee	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50
Projected Cost per Student	\$ 6,700	\$ 6550	\$ 6,038	\$ 5,570	\$ 5,270

Consultant Observations & Comments

In reviewing the tuition comparison of diocesan high schools (Table 1) Peoria Notre Dame High School is at the mid-range. The tuition for a Region 1 affiliated student is 56% of actual cost (Table 2). The tuition for an unaffiliated student is 82% of cost (Table 2). Even the non-affiliated tuition is below what it costs to educate a student (Table 2).

The National Catholic Educational Association recently published a statistic that the average US Catholic high school tuition in the 2003-2004 school year was \$5,870. In that same school year Peoria Notre Dame High School's tuition was \$3,180.

In 2003 a study done by Meitler and Associates examined four models of funding used by Catholic Schools: stewardship, cost-based tuition/need-based financial aid; negotiated tuition and the traditional subsidy-based model. The traditional model is by far the one most used. According to the research, however, it does not provide a long-term solution. Costs continue to rise and parishes have limited resources which they can put into Catholic Schools.

A growing trend in some dioceses is to recommend moving away from the traditional model to funding Catholic Schools by incorporating the cost-based/need-based approach. The underlying premise of this model is that those with the means should pay the actual cost of education, while those who can't should be subsidized by tuition assistance.

Financial Challenges for This Project.

They fall into two categories:

- Costs of construction
- Funding School Operations

Construction Costs Review

Option 1: Projected Costs for Renovation of and Addition to Existing Campus; Construct Athletic Fields at Willow Knolls Site:

Renovation of and Addition to Existing Campus:	\$31,736,962
Construction of New Athletic Fields:	<u>\$4,210,263</u>
Project Total:	\$35,947,224

Option 2: Projected Costs for Construction of Addition to Existing Campus; Construction of New Athletic Fields and Complex at Willow Knolls

Renovation of and Addition to Existing Campus:	\$31,736,962
Construct New Athletic Fields and Complex:	<u>\$14,609,800</u>
Project Total	\$46,346,762

Option 3: Projected Costs for Building of New High School, Athletic Fields and Complex at Willow Knolls:

New High School Facility with Athletic Fields	\$56,841,054
Estimated Proceeds from Sale of Current Campus	\$8,000,000
Net Cost New High School Facility with Athletic Fields	\$48,841,054

Peoria Notre Dame High School and the Diocese of Peoria are in consultation with a local architectural firm. Further detail development of the conceptual plan and budget estimates of the details of this work will be available to appropriate leadership groups as needed.

Funding School Operations

A sound financial plan is based on four funding areas:

- Annual: annual funding includes tuition paid by students as well as annual fundraisers such as auctions, annual fund appeals, school fundraisers, etc.
- Tuition Assistance: is a designated fund established to subsidize tuition assistance for those who qualify.
- Capital – Long Term Needs: capital funding provides for the long term building needs such as roofs, boilers, replacement of windows, etc. and in some cases technology needs.
- Endowments: funds established which are often restricted in use to earnings and not the principal. Sometimes tuition assistance is a designated part of an endowment fund

As noted previously student tuition only funds 60% of the costs of operating the school. One model to consider in funding Peoria Notre Dame is described on the previous page as “cost based/need based.” It infers that parents who can, will pay the full costs of educating their child and those who cannot afford it will be subsidized with tuition assistance for a portion of the tuition depending upon need.

III. RECOMMENDATIONS

The following recommendations are interconnected. The long range plan for Peoria Notre Dame High School, which includes renovating the current building or building a new school, needs to be developed. A compelling vision and plan can create the commitment to raise the needed funds. This visioning & planning also requires establishing and solidifying the new governance model and administrative team the Diocese has begun to implement. The financial analysis of the different options and generating the necessary financial resources are critical needs. Therefore, there is a dynamic interrelationship between all the recommendations.

1. That Peoria Notre Dame High School solidify their new governance structure and administrative team with appropriate support from the Diocese.
2. That Peoria Notre Dame High School build a new school on the Willow Knolls site after consideration of the overall stakeholder support and the financial analysis of the options.

3. That the Pastors Board in collaboration with the current Education Commission and the soon to be newly formed Board of Trustees, president and principal, in consultation with parents, faculty, staff and the alumni, develop a long term vision for the future of Peoria Notre Dame High School.
4. That Peoria Notre Dame High School's leadership, establish the necessary committees to work under the direction of the Diocese to do research and plan to move forward with renovating the current site or building a new school at the Willow Knolls site. The work needs to include but is not limited to developing a project business plan for dealing with (1) the establishment of project stages, (2) a financial plan for the future and (3) the amortization of the debt. The business plan needs to include the impact on tuition that will be considered to achieve the steps described in the business plan.
5. That Peoria Notre Dame High School conduct a feasibility study with the assistance of the Diocese to assess fundraising capabilities related to the various options.
6. That Peoria Notre Dame High School establish a task force to develop and enhance communication and marketing initiatives.

Rationale

The rationale to build a new school is based on six factors:

1. Leadership

Leadership is key to the success of any school. Given that the governance structure and leadership are changing at Peoria Notre Dame High School, it is essential to develop the new team to be effective leaders of not only the school, but also of a major building/relocation project.

The leadership team needs to have its own vision for effective organizational development and be committed to engaging the school community and the larger interested public in the future of Peoria Notre Dame High School. It also has to develop with the community a new vision for the only Catholic High School in the metro Peoria area.

2. The Need

The need to upgrade the building to code requires a significant expenditure of money. Given the current campus limitations and the many needs and wants that have been indicated above, there is a general consensus that some change needs to happen. Consumers have choices and the public schools are able to offer appealing and competitive alternatives. Today's educational standards call for the availability of technology and innovative methods of teaching.

There is support for building something new on the current site or at the Willow Knolls site. The conceptual and financial specifications for each option need to be presented to stakeholders to test and build support for the option that is ultimately adopted.

3. Long-term Vision

Many people care deeply about the past and future of Peoria Notre Dame High School. In its history decisions have been made and implemented that created divisions. How this decision is handled can unite or divide people. A critical need moving forward is the development of a shared vision that can bring people together for the long-term.

4. Project Business & Financial Plan

The scope of the project requires the development of a project plan that breaks steps down into manageable stages. Some of the questions that need to be answered include:

- Who are the decision makers? What is the decision making process? What is the timeframe for the decisions to be made?
- Once a decision has been made, how much time is required to develop a more detailed conceptual plan and budget?
- What are the timelines to develop the new school, build the athletic fields and/or complex, or renovate and build the addition to the current campus, if that should be the ultimate decision?
- What, if anything, has to be done to the current campus before and during the long term solution is implemented?

This plan would also cover the financial dimensions of the project including:

- What are the projected costs of the option ultimately chosen?
- How much money is it feasible for Peoria Notre Dame High School to raise in a capital campaign?
- What is the best option for financing of the loan over time?
- What is the target enrollment with the chosen option?
- What is the impact of the project on tuition?
- What is the five to ten year financial plan for Peoria Notre Dame High School that takes into account the option chosen, fundraising potential and financing of the loan?

5. Feasibility Study & Funding Opportunities

Many people associated with Peoria Notre Dame High School are supportive of it but do not have the capacity to be large financial donors for a new building. It is not too early to begin the development of a feasibility study to assess the level of support of friends and donors, while also exploring other methods of raising funds. This should include:

- Explore the potential support from supporters in the business community
- Establish realistic targets to grow the enrollment
- Review a cost based/needs based approach to tuition, as well as other models of funding.

6. Communication and Marketing

Many people expressed concern and frustration around leadership and decision making regarding past decisions. Comments referenced the Diocese, the Pastors' Board and the school's administrative leadership. Regarding this location study focus group and survey participants requested the hope that their views would be considered and that they would be kept informed as the process proceeds.

In addition to the specific need for communication on this study, there is the general need for more communication with the various stakeholders who make up Peoria Notre Dame High School.

Furthermore, there is a sense that there needs to be a greater collaborative effort in more aggressively promoting and marketing Peoria Notre Dame High School to prospective parents and students. This includes developing a more effective relationship with pastors.

Conclusion

The Reid Group consultants acknowledge that the first recommendation is not risk free. There are variables that are not known and changes in the environment can occur that are not anticipated. However, there is compelling evidence that supports the concept of building a new Catholic School at the Willow Knolls site as indicated in this report.

If the feasibility study and all the creative thinking about fund development cannot raise the money needed for a new school, then the option of undertaking an addition an extensive renovation should be considered.

Suggested Next Steps:

1. Discuss the report and recommendations and secure the approval of the Pastors Board, in consultation with the Education Commission, newly formed Board of Trustees and other stakeholder groups to move forward or address any outstanding questions or reservations that arise.
2. Once the new governance structure is in place, involve the staff, pastors, parents and community in a visioning process.
3. Meet with Brother William Dygert, CSC, the Superintendent of Schools, to present the decision of Peoria Notre Dames High School regarding its preferred future location. Discuss the next steps in the process with Brother William, including the need for a feasibility study.
4. Establish a Project Building & Finance Committee to support the work.
5. Initiate a feasibility study to ascertain the viability of raising funds in the Tri-County Area parishes at the same time as St. Jude & St. Mark are in various stages of determining the feasibility of raising funds for their parish long-term planning. Review the data already collected through the study and recommendations completed by the American City Bureau.
6. Develop an updated donor, alumni and new potential donor list in anticipation of capital fund drive.
7. Follow the guidelines for fundraising and the other steps toward building a new school based on Brother William's direction.
8. Develop a revised Conceptual Plan and Budget estimates that include current and projected future costs per square foot.
9. Develop or update a business plan based on realistic enrollments which will deal with projected costs of running the school and amortizing the estimated mortgage over 15-20 years, informed by diocesan guidelines.
10. Given the desire to be good stewards of resources and the expressed interest by some focus group participants promoting the benefits of building "green," consider the

possibility of building a sustainable structure from an aesthetic standpoint as well as an economic one. Investigate to see what monies are available for such structures from grants, etc.

11. Continue working with various community resources to enhance the school in terms of curriculum, etc.
12. Develop an enhanced communication and marketing strategy to grow enrollment.
13. Based on the evolving financial realities, reconsider the options presented earlier, if necessary.
14. Revise the ongoing action plan based on the results of the steps noted above.