

10-12-07 - Archdiocese begins studying options for new civil law structure

Catholic Sentinel (OR)

As the Archdiocese of Portland winds down paying sex abuse claims, it has begun work on restructuring itself under civil law.

After a consultation process, parishes and archdiocesan high schools will be organized into separate legal entities, though they will clearly still be part of an archdiocesan family.

The restructuring is part of the reorganization plan church leaders submitted in U.S. bankruptcy court.

In a letter sent to parishioners last month, Archbishop John Vlazny said the step aims to organize parishes and schools under civil law in a way that “best mirrors the governance model of church law” and to clarify that assets of parishes are separate from those of the archdiocese.

The court-approved plan, finalized in April, may include abandonment of the corporation sole model, a legal entity consisting of a single incorporated office.

Most religious groups once used the piece of old English law to allow legal powers to pass smoothly from one high office holder to the next — in the archdiocese’s case it was the office of archbishop.

But, as Archbishop Vlazny told parishioners, the structure caused confusion that prolonged the bankruptcy and “diminished our financial resources significantly.”

Citing the corporation sole structure, lawyers for plaintiffs pressed to have parish and school property counted as part of the archdiocese’s bankruptcy estate.

Since filing for bankruptcy protection in July 2004, the archdiocese said that if it held any parish or school property, it was held in trust for the benefit of the parish or school, as canon law requires.

Church law holds that parish assets belong to the parishes.

Priest accusers and the archdiocese reached an agreement on payments before parish ownership was finally settled in court. Restructuring will make the point irrelevant.

Archbishop Vlazny has appointed an advisory group to recommend a new legal structure for parishes. The group includes parishioners, priest leaders, legal advisors and members of the archdiocese’s finance council. Father Dennis O’Donovan, vicar general of the archdiocese, is chairing the committee.

“I am quite confident that there will be adequate input from various perspectives and that the views of our parishioners will be effectively presented,” the archbishop wrote in a letter that also included thanks for parishioners for their “cooperation and patience” during the bankruptcy.

Doug Pahl, an attorney and member of Our Lady of the Lake Parish in Lake Oswego, represented a committee of parishioners during the bankruptcy. The group will be part of the consultation process in the restructuring, which Pahl appreciates.

“We are trying to learn lessons from bankruptcy process,” he says. “You want to learn as much as you can. My hope is that the restructuring process is just one part of what we learn.”

A separate group, chaired by Catholic schools superintendent Robert Mizia, will be considering the structure of Central Catholic, Regis and Marist high schools. Recommendations are due by early December and Archbishop Vlazny intends to make a decision by the end of the year. Possibilities include charitable trusts, endowments and not-for-profit religious corporations. Some dioceses, including the Archdiocese of Detroit, have chosen to restructure as corporations.

“Parish incorporation allows for direct involvement of the laity and a proper ordering of the rights and responsibilities of parishes and the diocese,” says a Detroit archdiocesan website. “By exercising proper stewardship and acknowledging the unique rights and responsibilities of all in our local church, we hope to better able to give witness to Christ and advance the Kingdom of God.”

On the website, attorneys for the Archdiocese of Detroit explain that there should be no substantial change in the normal operation and administration of any parish.

“The pastor will continue to administer the parish as previously, consulting with the parish pastoral council as currently required,” they write. “The parish will continue to have a parish pastoral council, stewardship or finance council, and so on. The parish will remain in communion with and accountable to the Archbishop. The parish will still need to file an annual budget and financial report with the Archdiocese. Permission of the bishop will still be needed when administration of parish goods is an act of major importance, exceeding what is considered ordinary administration. The fact of civil incorporation will not change the basic pattern of parish and diocesan life.”

The 74 parishes of the Diocese of Tucson, Ariz. were separately incorporated by 2006. Bishop Gerald Kicanas described the move as a “new dawn” for the diocese and a clear example of the church’s principle of subsidiarity – granting authority and responsibility down to the parish level.

At the same time, a member of the Diocese of Tucson Parish Incorporation Study Committee affirmed that the parishes are not autonomous in governance and matters of faith and beliefs.

“The individually incorporated parishes in the Diocese of Tucson, while they have legal autonomy in civil matters and certain canonical matters, will not be autonomous from canon law nor from the ecclesiology (the nature, constitution, mission, functions, etc.) of the Roman Catholic Church,” wrote Bob Scala. “They must comply with canon law and also must conform to the ecclesiology of the Church. . . . In simple terms, our ecclesiology states that the Church was founded by Christ, is empowered by the Holy Spirit and led by the Apostles and their successors, in union with the Pope, the Vicar of Christ.”