



Saint Charles Seminary
Financial Statements for Fiscal Year 2018-2019
Frequently Asked Questions

Q. What is The Independent Reconciliation and Reparations Program (IRRP)?

A. The IRRP is an independent settlement and reconciliation program for survivors of sexual abuse by clergy of the Archdiocese of Philadelphia. Launched on November 8, 2018, the IRRP is focused on providing a path toward healing, regardless of when the abuse occurred through a compassionate and voluntary process, which is wholly independent of the Archdiocese, where survivors may submit claims which are resolved in a prompt and fair manner with a focus on compassion and dignity. In addition to monetary compensation, the IRRP offers support from a Victim Support Facilitator to assist survivors throughout the claims process. The IRRP supplements initiatives and Victim Assistance Program already undertaken by the Archdiocese to address the sexual abuse of minors by clergy of the Archdiocese.

Q. Why was the IRRP created?

A. The IRRP was created to assist survivors in the healing process and to provide monetary compensation in a compassionate, non-adversarial, confidential environment. The IRRP builds upon and expands the Archdiocese's Victim's Assistance Program that has been in place since 2002.

Q. Who created the IRRP?

A. The IRRP was created with input from survivors, advocates and two nationally recognized claims administration experts (Kenneth R. Feinberg and Camille Biros). The Administrators have complete autonomy to determine eligibility of individual claims and the amount of compensation for survivors that come forward with a claim. In addition, a highly regarded and experienced victim's advocate (Lynn Shiner), serves as the Victim Support Facilitator to support survivors, assist them in submitting claims, and connect them to resources. There is also an Independent Oversight Committee, with Federal Judge Lawrence Stengel (Ret.) serving as Chair, tasked with overseeing the successful implementation and administration of the IRRP.

Q. How do IRRP settlements work?

A. The independent Administrators of the Program (Kenneth R. Feinberg and Camille Biros) have complete autonomy to determine eligibility and amount of compensation and their decisions are fully binding. If a survivor decides to accept the settlement offered by the Administrators the survivor will sign a release of all past and future claims. Upon the survivor's acceptance of the settlement and receipt of the signed release, prompt payment is delivered to the survivor. In addition, survivors are offered independent short- and long-term counseling services through the Archdiocese's Victim Assistance Program.

Q. Where does the IRRP stand now?

A. As of April 22, 2020, a total of 800 individuals have come forward to the IRRP and 615 of them have submitted formal claims. The Archdiocese remains fully committed to funding this program and paying claims in the amounts assigned by the independent IRRP Claims Administrators. Given the claims experience to date, the Archdiocese currently estimates the total cost of the IRRP to be

approximately \$130 million. As of April 22, 2020, \$43.8 million of total compensation had already been paid to resolve 208 claims fully.

Q. When did claims have to be submitted to the IRRP?

A. The IRRP implemented a broad claims submission process which allowed claims to be filed through September 30, 2019. The claims submission period has now passed and given the claims experience to date, the Archdiocese currently estimates the total cost of the IRRP to be approximately \$130 million. That amount includes the \$43.8 million already paid to survivors through the program.

Q. How is the Seminary supporting the Comprehensive Financial Plan to fund the IRRP?

A. The Archdiocese's plan to fully satisfy IRRP commitments and help survivors heal is being funded through the sale of Archdiocesan assets, borrowing, and risk mitigation payments from related ecclesiastical entities, including Saint Charles Borromeo Seminary. The Seminary supported the plan with a \$10 million risk mitigation payment and a \$7.5 million loan to the Archdiocese of Philadelphia. That loan is expected to be repaid in full this summer.

Q. What are risk mitigation payments?

A. These are payments made by related ecclesiastical entities to help fund IRRP commitments to resolve claims on behalf of the Archdiocese and its related ecclesiastical entities.

Q. Why did Saint Charles Seminary decide to make a risk mitigation payment?

A. The Board determined that such a payment was in the best interest of the Seminary and would help ensure our continued mission and ministry. Moreover, each claim is resolved by the IRRP on behalf of the Archdiocese and its related ecclesiastical entities.

Q. Is any of the risk mitigation payment coming from the seminary appeal, golf outing or gala fundraisers?

A. None of the seminary appeal, golf outing or fundraising funds were used for the risk mitigation payment. The risk mitigation payment was made from the proceeds of the sale of the seminary to Main Line Health.

Q. Where did the loan funds come from?

A. The Seminary Board of Trustees voted to lend the Archdiocese \$7.5 million from excess operating cash. It is expected to be repaid in full this summer.

Q. Will Saint Charles Seminary have to make additional payments?

A. The IRRP's current funding plan is expected to meet the financial needs of the survivors who filed claims, and the claims filing period has passed.

Q. Will the seminary still be able to relocate after this payment?

A. Yes, the payment to the Archdiocese for the IRRP does not prevent the Seminary from moving forward with our plan for relocation. We still have the resources to relocate the seminary to a new campus and complete that project and the Board of Trustees made its decision based on this future priority.

Q. What was the final sale price of the seminary to Main Line Health?

A. The final sale price of the seminary property to Main Line Health was \$43.5 million.

Q. Where and when is the seminary relocating?

- A. The seminary has been exploring and evaluating four options, including the Neumann University option. A decision is expected very soon. The seminary has a five-year window from the date of the sale to relocate per the sales agreement with Main Line Health.
- Q. How much will it cost to relocate the seminary?
- A. The seminary Board of Trustees is currently working with its advisors to develop cost estimates for each of the four relocation options that it is considering. The potential costs vary depending on which location is selected.
- Q. How will the seminary relocation plan have to be adjusted as a result of this payment?
- A. The Seminary's Board of Trustees is confident that a new seminary can be built with the remaining proceeds from the sale of its property.
- Q. What are some steps the Seminary takes in its admission screening and formation process to help prevent sexual abuse and protect children?
- A. The evaluation process begins as part of the admissions process. Each candidate undergoes a rigorous screening process which includes psychological testing with the results evaluated by requisite experts. If admitted, the evaluation process continues with counseling and training as part of the human formation process. Among other initiatives, the program consists of regular meetings with their trained priest-formation advisor, spiritual director, the seminary's staff psychologist and group meetings on human formation topics like celibacy.