

Roman Catholic Diocese of Albany

What You Need to Know about Reorganization

Last Updated: April 27, 2023

Why did the Diocese file for Chapter 11?

The Roman Catholic Diocese of Albany felt strongly that global mediation was the best way to benefit all Victim/Survivors of sexual abuse who filed suit against the Diocese, allowing for the quickest and most equitable distribution of assets. For more than two years, we were able to settle more than 50 cases in that time with our self-insurance funds, but now we have exhausted all possibilities, as our limited self-insurance funds, which have been paying those settlements, have run out. In fairness to those whose cases have not yet been settled, we feel it is now time to take that difficult step to file for reorganization.

The mission and ministries of the Diocese and parishes will continue during the reorganization proceedings.

Who made the decision to file for Chapter 11?

This decision was made only after prayer, reflection, and consultation. Bishop Scharfenberger ultimately made the final decision but only after lengthy deliberations with numerous individuals, including members of the clergy, the Diocesan leadership team, lay people, legal and financial experts.

What does the filing mean?

Legal actions against the Diocese will stop, allowing the Diocese to develop a reorganization plan that will determine the available assets, along with the participation of its insurance carriers, that can be used to negotiate reasonable settlements with Victim/Survivors in addition to other creditors.

What would have happened had the Diocese not filed for Chapter 11?

The Diocese would have faced expensive litigation. Court awards and settlements would have depleted available Diocesan assets, meaning most Victim/Survivors would have received no compensation. Filing Chapter 11, allows a more equitable distribution of funds to Victim/Survivors who have filed CVA claims against the Diocese.

What impact will reorganization have on parishes and Catholic schools?

Parishes and Catholic schools of the Diocese are separately incorporated under New York State's Religious Corporations Law and are not part of the filing.

Can parishes access Re-Igniting Our Faith (RIOF) funds?

Yes, parishes have access to RIOF funds. RIOF is a separate corporation from the Diocese. Funds in RIOF are restricted to the purpose stated at the time of the parish campaign.

Can parishes access and use investment funds for operations, maintenance, and projects during Reorganization?

Yes, parishes have access to their investment funds. Parishes are separate corporations from the Diocese and not part of the Diocese Chapter 11 Reorganization. The utilization of parish funds is determined by parish leadership. Parish leadership is responsible for sound fiscal management of the parish funds. Utilization of parish funds is determined by parish leadership (Pastor, Finance Council and Trustees)

Is it true restricted funds cannot be touched?

Yes, if an individual donates money, and asks that it be used for a specific purpose, those funds can only be used for that purpose.

How do donors show their donations are restricted?

Donors should consult with their legal or financial advisors regarding making restricted donations. In general, donors can specify any restrictions on their donations in writing by noting the specific limitations placed on the donations.

Will there be any suspension of the Diocesan Appeal, knowing that parishes will need to contribute to the trust fund and legal counsel?

The Diocesan Appeal funds the mission and ministry of the diocese so it will not be suspended. It is still needed. The mission and ministries of the Diocese will continue during the reorganization proceedings.

How many CVA cases have been filed against the Diocese?

To date, the Diocese has been named in more than 400 CVA lawsuits which were filed between Aug. 15, 2019, and Aug. 14, 2021. With the assistance of the Court and demonstrating its ongoing good faith commitment to Victim/Survivor claims, the Diocese has separately settled more than 50 CVA cases.

Will the Diocese have to lay off employees?

It is not our desire to lay people off. However, financial realities may require personnel changes while the Diocese attempts to maintain service to our parishes and entities.

Will diocesan employees continue to receive their paychecks, and will their benefits continue?

Yes, the Diocese will continue to pay employees and provide benefits as part of the regular course of business.

Will former diocesan employees lose their pensions?

Pension payments will continue to be made to retirees. These funds are administered by a third party and cannot be used to pay creditors of the Diocese.

Will the filing impact the Lay Employees' Pension Plan?

The filing for Chapter 11 reorganization by the Diocese will *not* impact the Lay Employees' Pension Plan of the Roman Catholic Diocese. All pension payments will continue to be made to retirees. These funds are held in a separate trust, solely for the benefit of the plan participants. The plan is administered by a third party, and its funds cannot be used to pay creditors of the Diocese. Additionally, all provisions of the Plan will continue with respect to active employees participating in the plan. More information on the pension plan is available at rcda.org/reorganization under the Pension FAQs link.

Will parishes be asked to contribute to bankruptcy fees and costs?

The diocese is paying the professional fees and costs associated with its Chapter 11 case. Parishes are separate and distinct legal entities from the diocese and are not part of the Chapter 11 filing. During the course of the proceeding, the diocese will develop a reorganization plan to address compensation to victim/survivors. Determining the sources for funding that compensation, which may include contributions from parishes, will be part of the reorganization process.

I am a Victim/Survivor. Is there anyone at the Diocese I can talk to?

Anyone in need of assistance should reach out to the Diocesan Assistance Coordinator, Noelle Marie. She can start individuals on the path to healing. You can reach her by calling 518-453-6646 or by email at assistance.coordinator@rcda.org. This is not just for those who filed CVA lawsuits, the help is available to anyone in need.

How does reorganization impact St. Clare's pensioners?

This filing puts on hold the lawsuits involving the St. Clare's pensioners. That was not our purpose for filing. While many questions remain regarding the St. Clare's pension fund, the plight of the pensioners is of great concern to Bishop Scharfenberger. "The St. Clare's pensioners are certainly close to my heart and, as I would do with survivors of any difficult situation, I offer my pastoral care."

Where can I find more information about the filing?

The Diocesan website will provide the latest information as reorganization moves forward: www.rcda.org/reorganization. This site will be updated as new information becomes available.

What should parishes be telling parishioners?

Share the information found in the FAQ's on the RCDA website <https://www.rcda.org/reorganization>. If anyone has further questions, email the questions to chancellor@rcda.org or leave them on the voicemail at 518-453-6734. Those questions and responses will be added to the FAQs.

Who to Contact?

- If you are a Victim/Survivor, please reach out to our Assistance Coordinator, Noelle Marie, who can be reached by phone at 518-453-6646 or by email at assistance.coordinator@rcda.org
- If you are a member of the media, please reach out to Communications Director Kathy Barrans at 518-453-6608 or Kathryn.Barrans@rcda.org
- If have a question for the Bishop's office regarding reorganization, you can call 518-453-6734 or email chancellor@rcda.org
- You can find more information and updates on the diocesan website: www.rcda.org/reorganization