

Financial woes cause Southern Catholic College to cut semester short

ATLANTA - The students, faculty and staff at Southern Catholic College in Dawsonville learned by e-mail during spring break that their college year was ending April 15 because of the school's financial troubles.

Whether the small Catholic college, which graduated its first senior class in 2009, will reopen is in the hands of the school's board of trustees, said its president, Father Shawn Aaron, a priest of the Legionaries of Christ.

Father Aaron, who spoke by phone April 7 with the Georgia Bulletin, Atlanta's archdiocesan newspaper, said a board meeting was tentatively scheduled for April 19. Board members were to assess if the college could financially reorganize and eventually reopen.

"Financially we can't make it to the end of the semester," he said.

He said the college reached a crisis where school officials could not meet payroll beyond April 15. An appeal to a benefactor at the last minute, which did not lead to any new funding, caused him to hold back on the announcement and then it had to be done by e-mail, he said.

"Words cannot express how profoundly sorrowful I am at this situation," he wrote.

The college currently has about 170 students, 22 faculty members and 25 staff members.

It was started by a group of north Georgia Catholic business leaders who had dreamed of establishing the state's first residential Catholic college and one with an emphasis on orthodoxy.

Father Aaron scheduled a campus meeting April 12 with faculty, students and

parents to discuss transcripts, grades, graduation and issues relating to unemployment and health insurance.

The priest was named president in the fall of 2009 after the Legionaries of Christ assumed responsibility for the college that previously was a privately run institution. He said he realized “from day one” as president that the college was in financial trouble.

The country’s economic downtown was a major factor. He also said that when Southern Catholic College opened, before it was accredited, students on scholarships outnumbered those who paid full tuition, room and board, which runs more than \$24,500 a year.

Tax forms filed with the IRS show the school’s spending outpaced its revenue since students appeared on campus. In 2007, it spent \$2.5 million more than it took in. The school’s assets shrunk year after year to make up for the shortfall. The college’s net assets in 2005 were \$5.4 million and in 2007, the most recent year on public record, the assets were \$1.8 million, according to tax forms.

Father Aaron said that when the Legionaries of Christ came in last summer “they said they could not support the school.” The religious order provided a chaplain and was willing to help raise funds for Southern Catholic.

Asked whether he would recommend to the board that the college be closed, Father Aaron said, “If it were up to me, I would keep it open. I see the potential of it, the lives it changes, the great teachers. But you can’t always run an institute judging by the heart. That call is not up to me.”

He said that he would recommend it stay open “if the board can come up with \$6 million by June.”

The 22-member board includes a number of business executives, the founding president of the college, seven Legionaries of Christ priests and Atlanta’s Archbishop Wilton D. Gregory and Auxiliary Bishop Luis R. Zarama.

In the e-mail to students, Father Aaron said students would receive full credit for the spring semester even though the college is closing a month early. He also said they

could stay on campus until April 15 to say goodbye to friends, empty their rooms and gather information from academic, financial and student affairs' offices.

"There will be a simple ceremony" for graduating seniors, Father Aaron said.

John Spann, who planned to graduate in December with a history degree, said he didn't know his options anymore.

When students learned the news, "it was quite a shock. We had no idea," he said, adding that Facebook, the online social networking site, "went crazy" with students bombarding each other with questions.

Part of the issue Spann and other students face is which colleges will accept their class credits if they have to transfer.

"We're all really concerned if the doors are going to open again," he said. "We are praying about it and hoping."

Joan Williams, who has two sons and a daughter enrolled at the college, said she was shocked and puzzled by the disclosure, but not angry.

Students had just taken their midterms and were working on papers and projects, she said. They expected to have three more weeks of school and then finals. She wonders how grades will be determined, and if students' grade point averages will suffer.

Her son, John Paul, a 22-year-old junior majoring in English and theology, said he was "shocked and almost scared in a sense" recognizing that his plans for his senior year are gone. "That whole world has crumbled. ... I feel this vulnerability," he said.

He hasn't given up on the school though. "Part of me says, you know what, miracles do happen. I am optimistic and hopeful about it that somehow, someday, this will work out."

Contributing to this report was Andrew Nelson.