

Overview of the New Allocation Model

The model employs a formula-based approach to calculate parish contributions to the Diocesan Annual Appeal (DAA). It focuses on **equity**, **data-driven calculations**, and **incentivizing school support** while minimizing year-over-year volatility.

Core Calculation Formula

(Year 1 Parish Adult Offertory + Year 2 Parish Adult Offertory + Year 3 Parish Adult Offertory) / 3 = 3-Year Average Parish Adult Offertory

- 3/ Year Average Adult Offertory/ 3 Year Average Diocesan Aggregate for Total Adult Offertory = Adult Offertory%**

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(Year 1 Envelope Holder >\$100 + Year 2 Envelope Holder >\$100 + Year 3 Envelope Holder >\$100) / 3 = 3-Year Average Envelope Holder >\$100

- 3/ Year Average Envelope Holder >\$100/ 3 Year Average Diocesan Aggregate for Total Envelope Holder >\$100 = Adult Envelope%**

- Adult Offertory% + Envelope Holder % / 2 = Average Offertory Envelope Holder %**

- Average Offertory Envelope Holder % x Total Appeal Cost (Appeal Goal + (\$700,000 (School**

- Expense Credit) + Diocesan Aggregate Catholic School Child Credit) = Base Allocation**
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Credits

(Year 1 Parish School Expenses + Year 2 Parish School Expenses + Year 3 Parish School Expenses) / 3 = 3-Year Average Diocesan Aggregate for Parish School Expenses

- 3/ Year Average School Expenses/ 3 Year Average Diocesan Total School Expenses) = School Expense Credit%**

- School Expense Credit% x \$700,000.00 = Parish \$ Credit**

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- Year 3 K-12 School Children from Registered Families as Reconciled to the Schools September Report x \$100.00 = Parish School Children \$ Credit**
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Base Allocation – School and School Children Credits = Final Allocation

Notable Updates & Policy Provisions

Data Year Ranges

- **Offertory, Envelope, School Expenses:** 2021–2022, 2022–2023, 2023–2024
- **Children Count:** 2023–2024 (Reference schools' Sept reports)

Caps & Reallocations

- **For 2025-26 DAA Max Parish Increase Capped at 10% (for the first year only).** *
 - Overages from caps reallocated.
 - * Merged or new parishes losing their discount allocation are exempt from the cap and adjustments
- **2026-27 DAA** will be reviewed and may be adjusted as deemed appropriate.

Inflation & Adjustment Changes

- Removes limits on both dollar amounts and percentage changes.
- Three-year averages help smooth out year-over-year fluctuations.

• Credit Enhancements

Credit Type	Previous Credits	Approved Credits
School Expense Credit	\$690,000	\$700,000
Per-Child Credit	\$88.00	\$100.00

- These increases recognize higher costs and incentivize school-related investment.

Reporting & Surcharge Rules

- **Annual Report Deadlines:**
 - **Aug 31:** For non-Wisconsin School Choice parishes
 - **Oct 31:** For Wisconsin School Choice parishes
- **Surcharge:**
 - Parishes that fail to file by **December 31** will incur a **10% increase** in their offertory-based assessment, based on the most recent completed year.

Strategic Goals Behind the Model

- Prevents anomalous one-year activity, dampening the **single-year volatility**.
- Rewards support for **Catholic education** through expenses and child credits.
- Better reflects the parish trend
- Encourages timely financial reporting and **parish accountability**.