

## AFFILIATION AGREEMENT

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This Affiliation Agreement as amended is effective as of January 1, 2017 and is by and between SETON HALL UNIVERSITY, an educational corporation of the State of New Jersey, having its principal place of business at 400 South Orange Avenue, South Orange, New Jersey 07079 (“the University”); THE IMMACULATE CONCEPTION SEMINARY OF THE ROMAN CATHOLIC ARCHDIOCESE OF NEWARK, a non-profit corporation of the State of New Jersey, having its principal place of business at 400 South Orange Avenue, South Orange, New Jersey (the “Seminary”); and the ROMAN CATHOLIC ARCHDIOCESE OF NEWARK, a non-profit religious corporation of the State of New Jersey, having its principal place of business at 171 Clifton Avenue, Newark, New Jersey 07104 (“the Archdiocese”). Seton Hall, the Seminary and the Archdiocese shall collectively be referred to as the “Parties” or individually referred to as the “Party”.

WHEREAS, an Affiliation Agreement entered into by the parties hereto on July 1, 1982 has operated to the satisfaction and benefit of all, and – following periodic reviews has continued through December 31, 2016 – the parties wish to reaffirm that agreement in principle and to amend said Agreement in part; and

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises and covenants contained herein, the parties hereby agree as follows:

### ARTICLE ONE

#### ADMINISTRATION

**Section 1. *Relations within the University Structure.*** Immaculate Conception Seminary and School of Theology is a School of Seton Hall University whose primary mission is to provide an integral spiritual, academic and professional formation program for candidates for the priesthood in the Roman Catholic Church. Also its mission is to prepare and educate religious and laity for service in the various ministries of the Church, including the Permanent Diaconate. Because of this mission, the School of Theology has a special character and certain arrangements which are peculiar to the School and set out in the Seminary and School of Theology Faculty Guide.

**Section 2. *Mission Statement: The Immaculate Conception Seminary.*** Immaculate Conception Seminary is a House of Formation for the Roman Catholic Priesthood and the School of Theology of Seton Hall University.

As a House of Formation, the Seminary offers men preparing for the priesthood the personal, academic, ministerial and spiritual formation essential for conversion to Jesus Christ and for their commitment to a life of service to the Church.

As a School of Theology, the Seminary provides: a theological and philosophical foundation for men and women pursuing undergraduate studies; a theological foundation and a pastoral and spiritual formation for men and women preparing for ministries among the people of God; a theological foundation for men and women desiring to pursue doctoral studies; and varied opportunities for continuing theological education.

Approved by: The Board of Overseers  
June 2, 2008

The academic faculty of Immaculate Conception Seminary serves as the School of Theology of Seton Hall University. The School of Theology is a professional school licensed by the State of New Jersey and accredited by the Middle States Association of Colleges and Schools under the University's charter and accreditation respectively. Its graduate programs are accredited by the Association of Theological Schools of the United States and Canada. The School of Theology is one of eleven schools making up Seton Hall University and its faculty is part of the University's total faculty.

**Section 3. *Incorporation.*** The University By-Laws have established a Standing Committee of the Board of Regents, which Committee is known as the Seminary Board of Overseers. The Seminary's Certificate of Incorporation has been amended to designate the Seminary's Board of Trustees as the Seminary's Board of Overseers; and the Certificate was further amended to constitute the Seminary's Corporate Membership as the same persons who comprise the University's Board of Trustees. The Seminary remains a separate civil and canonical entity known as Immaculate Conception Seminary of the Archdiocese of Newark.

**Section 4. *Seminary Board of Overseers.*** The By-Laws of the University establish the Seminary Board of Overseers as a standing Committee of the Board of Regents. The Seminary Board of Overseers, who are at all times subordinate to the Board of Trustees and the Board of Regents of the University, are responsible for overseeing the Seminary, subject to the authority of the Archbishop of Newark, and in accordance with The Program of Priestly Formation of the United States Conference of Catholic Bishops, the *Ratio Fundamentalis*, the Apostolic Constitution *Ex corde Ecclesiae*, and the Code of Canon Law, as these documents are amended and supplemented from time to time.

The Seminary Board of Overseers shall consist of not less than eight (8) or more than twenty-two (22) members. The President of the Board of Regents and the President of the University, or their designees, shall be ex-officio members of the Seminary Board of Overseers with full voting privileges. The Chair of the Board of Regents and the Rector/Dean of the Seminary shall also be ex-officio members of the Seminary Board of Overseers with full voting privileges. The Chair of the Board of Regents, with the approval of the Archbishop of Newark, who serves as the President of the Board of Regents, shall appoint not less than four (4) nor more than eighteen (18) additional members to the Seminary Board of Overseers, two (2) of whom shall be from the membership of the Board of Regents. The Archbishop of Newark, who serves as the President of the Board of Regents, shall be the Chair of the

Seminary Board of Overseers. The Secretary of the Seminary Board of Overseers shall be designated by the President of the Board of Regents.

**Section 5. *Rector/Dean.*** The Chief administrative officer of the Seminary and School of Theology is the Rector/Dean. The Office of the Rector/Dean is to be held by a single individual, who shall be a Roman Catholic priest of the Archdiocese of Newark. The Rector/Dean is appointed Rector by the Archbishop of Newark and Dean by the Provost of the University. The Rector/Dean is accountable to the Archbishop of Newark, the President of the University, the Board of Regents and the Seminary Board of Overseers. The Rector/Dean is responsible to the Archbishop of Newark for all spiritual, formational and ministerial matters, relating to the Seminary. In academic matters, the Rector/Dean functions as other Academic Deans of the University, and is a member of the Provost's Cabinet. In this area, the Rector/Dean is accountable to the Provost, the President and to the Board of Regents in accordance with procedures contained in the Seminary and School of Theology Faculty Guide.

## ARTICLE TWO

### FACULTY AND PROGRAMS

**Section 1. *Immaculate Conception Seminary.*** The primary mission of the Seminary is the education and formation of individuals for the priesthood and various ministries of the Roman Catholic Church. All faculty of this Seminary and School of Theology recognize that the authentic interpreter of Roman Catholic doctrine and teaching for this Seminary and School of Theology is the Archbishop of Newark. All faculty of the School of Theology are expected to obtain the ecclesiastical mandate from the Archbishop of Newark. These factors are, therefore, the paramount concern in the selection, appointment and retention of Seminary and School of Theology faculty.

The selection and nomination of Seminary faculty is determined by the Rector/Dean. After consultation with the President, the Rector/Dean shall recommend candidates to the Archbishop of Newark. The Archbishop of Newark issues all letters of appointment to the Seminary faculty.

Members of the Seminary faculty who are not appointed to the School of Theology receive contract appointments from the Provost.

**Section 2. *School of Theology.*** The School of Theology provides programs leading to the degrees of Master of Divinity, Master of Arts in Theology, Master of Arts in Pastoral Ministry, and Bachelor of Arts in Catholic Theology. Any new programs are subject to review and approval in accord with University procedures.

The selection and nomination of School of Theology faculty is determined by the Rector/Dean. Only after the candidate is appointed to the Seminary Faculty, the Rector/Dean will issue a letter of appointment to the School of Theology faculty.

Members of the School of Theology faculty receive contract appointments. The Provost will offer a contract to the candidate in accord with the letter of appointment. Refusal of the Provost to offer a contract must be accompanied by reasons. Denial of a contract may be appealed to the President in accordance with procedures contained in the Seminary and School of Theology Faculty Guide.

With the approval of the Seminary Rector/Dean and the Provost, School of Theology faculty and faculty of other colleges of the University may be interchanged on an adjunct basis.

### **ARTICLE THREE**

#### **STUDENT SERVICES**

The recruitment, screening and selection of candidates for the priesthood and various ministries of the Roman Catholic Church are the responsibility of the Seminary. The School of Theology shall grant matriculated status to such candidates only in conformity with the academic standards of the University.

Student Services are provided by the University and include:

- A. Academic Resource Center
- B. Admissions
- C. Bursar
- D. Campus ID Services
- E. Disability Support Services
- F. Financial Aid
- G. Health and Counseling Services
- H. Parking Services
- I. Public Safety
- J. Recreation Facilities
- K. Registrar
- L. Technology Services

### **ARTICLE FOUR**

#### **THE SEMINARY BUILDINGS**

**Section 1.** The residence which houses the Seminary faculty and the Seminary students is known as Milton and Rita Lewis Hall. The Seminary includes this residence

building with its dining facilities as well as Alumni Hall. The Seminary shall have priority of use in assigning classroom space in the four classrooms of the adjoining Alfieri Hall. The University shall make appropriate office space available to the School of Theology faculty as determined by mutual agreement. The "Priests Dining Room" is not part of the Seminary facility.

The University plans for facilities shall include the complete renovation and reconfiguration of all of Alfieri Hall to the needs and requirements of the Seminary for classrooms, offices, and meeting space. This shall take priority of place as part of the re-allocation of space that is part of the move of the School of Nursing and the School of Health and Medical Sciences to the Nutley-Clifton Campus. This is contingent on the identification of the scope of the renovations and improvements as well as the approval of the budget for this project by the Board of Regents.

**Section 2.** The ownership of these buildings is vested in Seton Hall University. All upkeep, maintenance and repairs are the obligation of the University.

**Section 3.** The Rector/Dean is responsible for the temporal administration of the facility in consultation with the President of the University, or his delegate.

**Section 4.** The University and the Seminary jointly attempt to achieve optimum utilization of the Seminary provided, however, that its integrity as a House of Formation and a Priests' Residence is preserved.

**Section 5.** It is the responsibility of the Rector/Dean to determine proper utilization of the buildings.

**Section 6.** The area between the Seminary buildings and Presidents Hall is a quasi-private area reserved for the Priests' Community of Seton Hall University and the Seminary Community.

## **ARTICLE FIVE**

### **SALARIES**

**Section 1.** Salaries and fringe benefits of priests and religious on the Seminary faculty follow the salary schedule of the Archdiocese of Newark in accordance with University policies.

**Section 2.** Salaries and fringe benefits of lay faculty and employees are determined in accord with the salary scale adopted by the University.

## **ARTICLE SIX**

### **BUDGET**

**Section 1.** The Rector/Dean is responsible for developing an annual budget for the Seminary which is subject to the University's review process and financial policies.

**Section 2.** The annual budget for the Seminary residence and the formation program and School of Theology is determined by the Rector/Dean in consultation with the President and Provost.

## **ARTICLE SEVEN**

### **LIBRARY**

**Section 1.** The entire Seminary library was presented to the University as a restricted gift contingent upon the Seminary's continued affiliation with the University.

**Section 2.** The theological collection that makes up the Seminary library is to be kept intact with its own theological librarian and shall bear the name: Monsignor James C. Turro Seminary Library. The theological library is under the jurisdiction of the Dean of University Libraries. Monsignor James C. Turro Seminary Library has its own budget which is part of the Seminary budget and which is determined in consultation with the Dean of University Libraries.

**Section 3.** The Director of the Seminary Library and other library employees shall meet the standards of the University Library. Upon the recommendations of the Dean of the University Libraries and after approval by the Rector/Dean, the Director of the Seminary Library shall be appointed by the Provost. Appointment of other staff shall be subject to the approval of the Rector/Dean.

## **ARTICLE EIGHT**

### **THE ENDOWMENT FUND**

**Section 1.** As of January 1, 2017, the University administers as trustee four separate endowment investment funds for the benefit of the Seminary:

- The "Seminary Endowment" was established by the University in June 1993 with an initial contribution of \$1,549,370. The market value of this fund at October 31, 2016, was \$5,496,854.

- The “University Seminary Endowment” was established by the University in March 1998 with an initial contribution of \$2,399,394. The market value of this fund at October 31, 2016, was \$4,268,854.
- In July 2016, the University identified the current market values of six funds that had been endowed by donors to benefit the Seminary and were commingled with the rest of the University’s endowment investment portfolio. The University transferred \$2,258,477 into two new endowment investment funds, the “Seminary Institutional S&P 500 Index Fund” and the “Seminary Short-Term Bond Fund.” The total value was distributed equally between the two funds. The market values of the index fund and bond fund were \$1,111,912 and \$1,126,135, respectively, at October 31, 2016.

All of these funds are managed as part of the University’s endowment investment portfolio, with an annual report provided to the Rector/Dean. Consistent with the University’s Board-approved spending policy, annual spending appropriations are directed to defray Seminary operating expenses. Endowment portfolio investment returns in excess of the spending rate are retained in the respective endowment funds.

Any new endowments to benefit the Seminary that may be established in the future will be managed in the same manner as the existing endowments.

**Section 2.** If at any time hereafter this Affiliation shall terminate for any reason or if the Seminary is no longer affiliated with the University, the market values at that time of the “Seminary Endowment,” the “Seminary Institutional S&P 500 Index Fund” and the “Seminary Short-Term Bond Fund” shall be paid to the Archdiocese in full, and shall be used solely for the Seminary and for the education, formation and training of priests. The “University Seminary Endowment” will be retained by the University.

## ARTICLE NINE

### TUITION POLICY

The Seminary tuition shall be benchmarked to comparative Roman Catholic seminaries. The tuition rate shall be set in consultation with the Rector\Dean, Provost, Vice President for Finance, and the President. The tuition rate shall generally reflect a reasonable and comparable proportional cost of offering the instructional program.

Tuition is charged to students of the Seminary as follows:

### Graduate Theology Courses

- The tuition rate for graduate theology students, undergraduate theology students and non-theology students is set at 50% of the standard University graduate rate per credit. The revenue from graduate theology courses is credited to the Seminary.

### Undergraduate Theology Courses

- The tuition rate for graduate theology students is the standard University undergraduate rate per credit. The revenue from undergraduate theology courses is credited to the Seminary. A 50% Seminary grant is applied.
- The tuition rate for undergraduate theology students and non-theology students is the standard University undergraduate rate per credit. The revenue from undergraduate theology courses is credited to the Seminary. If a full-time student, the Flat-Rate applies and the revenue is credited to the Seminary by a pro-rata allocation of each student's flat tuition charge based on the proportionate number of theology courses taken. If a priest or religious, a 50% University grant is applied.

### Graduate Non-Theology Courses

- The tuition rate for graduate theology students and undergraduate theology students is the standard University graduate rate per credit. The revenue from graduate non-theology courses is credited to the appropriate school. If a priest or religious, a 50% University grant is applied. This 50% University grant is also extended to full-time lay professional educators and administrators employed by the Roman Catholic dioceses of New Jersey.

### Undergraduate Non-Theology Courses

- The tuition rate for graduate theology students is the standard University undergraduate rate per credit. The revenue from undergraduate non-theology courses is credited to the appropriate school. If a priest or religious, a 50% University grant is applied.

## **ARTICLE TEN**

### **ALLOCATED EXPENSES**



Reasonable and transparent allocated expenses shall be charged as indirect costs to the Seminary. These expenses will be allocated to the Seminary as a calculation of 20% of the Seminary's budgeted gross tuition revenue less scholarships/discounts that are charged to the Seminary.

## **ARTICLE ELEVEN**

### **ARCHDIOCESAN SUBSIDY TO THE SEMINARY**

In February 2012, the Archdiocese agreed to a continuance of the \$300,000 subsidy to Immaculate Conception Seminary for Fiscal 2013. This Archdiocesan subsidy has continued to be received in each subsequent year.

## **ARTICLE TWELVE**

### **COVERAGE OF OPERATING DEFICITS**

The Rector/Dean has identified Seminary discretionary funds accounts to be drawn against in the event that the Seminary incurs an operational deficit (i.e. the amount by which actual expenses exceeded actual revenues) at the end of a fiscal year.

## **ARTICLE THIRTEEN**

### **EVALUATION**

This agreement between the Archdiocese of Newark, Immaculate Conception Seminary and Seton Hall University is subject to annual review by the Archbishop of Newark, the Seminary Rector/Dean and the President of Seton Hall University with the possibility of revision.

All revisions shall be subject to review by the Board of Overseers of The Immaculate Conception Seminary and the Board of Regents of Seton Hall University.

## **ARTICLE FOURTEEN**

### **MISCELLANEOUS PROVISIONS**

**Section 1.** The construction, interpretation and performance of this Affiliation Agreement shall be governed by the internal laws of the State of New Jersey.

**Section 2.** If any term or provision of this Affiliation Agreement or the application thereof to any person or circumstances shall, to any extent, be found invalid or unenforceable, the remainder of this Affiliation Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Affiliation Agreement shall be valid and enforced to the fullest extent permitted by law.

**Section 3.** This Affiliation Agreement shall enure to the benefit of, and shall be binding upon, the Parties hereto and their successors, heirs, legal representatives, and/or assigns.

**Section 4.** This Affiliation Agreement between the Seminary, Seton Hall University and the Archdiocese of Newark constitutes the entire and only agreement between the Parties with respect to the subject matter hereof. The terms and provisions of the Affiliation Agreement shall not be changed, modified, discharged, altered or amended except by a written instrument executed by all of the Parties. No oral statement of any person shall in any manner or degree affect the provisions of this Affiliation Agreement. Inconsistent or additional provisions in any predated document (specifically including, but not limited to, the original Affiliation Agreement) shall be deemed invalid and void.

**Section 5.** The captions and sections appearing in this Affiliation Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such paragraph or section of this Affiliation Agreement nor in any way affect this Affiliation Agreement.

**Section 6.** The Parties hereby agree that the terms and provisions of this Affiliation Agreement are confidential and shall not be disclosed to any other person or entity without the express written consent and authorization of all the Parties hereto.

## **ARTICLE FIFTEEN**


### **TERM**

The term of this Agreement shall be five (5) years, commencing on January 1, 2017 above and continuing for five years thereafter, unless otherwise modified pursuant to Article Eleven hereof. This Agreement shall automatically renew for an additional five year term unless written notice of any Party's desire not to have this Agreement renew is delivered to all other Parties within one (1) year prior to the termination hereof. Any Party, however, may terminate this Agreement at any time without cause upon one (1) year written notice to all other Parties.

This affiliation agreement is hereby approved and accepted on behalf of Seton Hall University, The Immaculate Conception Seminary of the Roman Catholic Archdiocese of Newark, and the Roman Catholic Archdiocese of Newark as indicated by the signatures

appearing below. This affiliation agreement has been approved by Resolution of both the Board of Regents of Seton Hall University and the Board of Overseers of the Seminary.

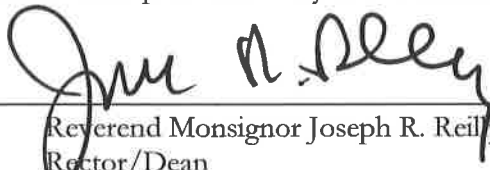
The Roman Catholic Archdiocese of Newark

BY:   
\_\_\_\_\_  
Most Reverend John J. Myers, D.D., J.C.D.  
Archbishop of Newark

Seton Hall University

BY:   
\_\_\_\_\_  
A. Gabriel Esteban, Ph.D.  
President

The Immaculate Conception Seminary of the Roman Catholic Archdiocese of Newark

BY:   
\_\_\_\_\_  
Reverend Monsignor Joseph R. Reilly, S.T.L., Ph.D.  
Rector/Dean

## Appendix A - Clarification of Terminology

### Definition of “Pre-Theology”

The formation program for men preparing for the priesthood generally includes six years of academic studies. The first two years of the formation program are referred to as “Pre-Theology”; the last four years of the program are referred to as “Theology.” All men enrolled in the “Pre-Theology” and “Theology” segments of the formation program are seminarians of a sponsoring diocese or religious order.

The two-year “Pre-Theology” program consists of 30 credit hours of undergraduate philosophy, theology, Latin and Greek. The purpose of this program is the preparation of seminarians for entry into the four-year “Theology” program. Seminarians enrolled in the “Pre-Theology” program fall into one of two categories:

1. Seminarians who have completed college but lack the philosophical and theological background necessary to enter the “Theology” program.
2. Seminarians who have not yet completed an undergraduate degree. These seminarians complete the academic requirements for the “Pre-Theology” program while completing the academic requirements for a bachelor’s degree.

The four-year “Theology” program consists of graduate credit hours required to earn a Masters of Divinity degree. Seminarians in the “Theology” program may take additional credits hours to earn an MA in Theology.

Seminarians of College Seminary of St. Andrew’s Hall complete the “Pre-Theology” requirements of the Seminary’s formation program during their course of studies as undergraduates. Upon acceptance to the Seminary, they enter the four-year “Theology” program.

## Appendix B - University Grants to Theology Undergraduate Students

The 50% University grant is applied to all students pursuing the BA degree in Catholic Theology who are seminarians in formation. This would include seminarians of Immaculate Conception Seminary, St. Andrew’s Hall, Redemptoris Mater and all sending religious orders. The 50% University grant is also applied to lay students who are full-time professional educators and administrators employed by the Roman Catholic dioceses of New Jersey.

The University Financial Aid Office is provided a list of names of students to receive the university grant by the Seminary’s Associate Dean of Undergraduate Studies and the Seminary’s Administrator for Budgets and Financial Operations.