

## ANNOTATIONS FOR BUDGET: 2007

### The Budget Process

The Diocesan Council is charged by the canons to prepare an annual budget to be brought to the annual diocesan convention. To make this happen, work begins early in the year with our many program groups developing plans for the year ahead — putting these plans into the form of goals and budget requests. Diocesan Council asks the Program and Budget Committee to oversee this process and to put some order to all the funding requests.

Program and Budget wrestles with the issues and mechanics of balancing income and expenses. The committee's choices are limited by decisions from prior conventions, by diocesan policy, and by priorities established by Diocesan Council. For example, it is diocesan policy that health insurance coverage will be provided to retired clergy over 65 and their dependents who are not fully vested in the Church Pension Fund.

The total requests for funds were \$341,347 more than projected income for 2007. Using the goals and vision statement of the program groups, Program and Budget brought a proposal for balancing the budget to the May meeting of the Diocesan Council — suggesting funding at lower levels for many program areas. This proposed budget was discussed at length and then distributed to convocation meetings in May and June. (See below for particular information about several budgetary line items.)

The committee considered and revised the feedback received at convocation meetings and prepared a balanced budget that was presented at the September meeting. Following discussion, the budget was approved. It is published in this issue of *The Oregon Episcopal Church News*, shared at convocation pre-convention meetings, and then presented at Diocesan Convention, November 9-10.

The Program and Budget Committee

The Rev. David Sweeney, Calvary, Seaside; Convener  
John Davis, St. Thomas, Dallas  
Peggy Long, St. Luke the Physician, Gresham  
Patty Adsit, St. Stephen, Newport  
Ellen Nesbitt, St. David of Wales, Portland  
Joel Sacks, St. Catherine of Alexandria, Manzanita  
Don Hayes, St. Andrew, Florence

Bishop's Liaison: Lanny Collins, Canon for Finance and Administration

### Income

#### Diocesan Program Assistance (DPA)

**Items 1 and 2:** Anticipated income from congregations assessed according to Oregon Canon 5.2, Section 3. With the 2007 budget, “prior year DPA” is combined with current year DPA. The combined totals suggest that, based on the historical performance data on DPA, the income from current and prior year DPA will increase by about \$32,288 in

2007. Since the projection is based on historical performance, a projected shortfall in payments is built in.

### **Other Income**

**Items 3-8:** These funds come mainly from budget-year dividend and interest earnings on endowment funds. These earnings are designated by the conditions of the funds to be applied to either the Bishop's stipend, particular programs, or operating expenses. The total income from these other sources is expected to increase by \$7,310.

### **Expenses**

Our ministries and commissions are organized based on three foundations as articulated by the 2006 General Convention: Discipleship, Mission, and Evangelism.

#### **I. Discipleship — What does it mean to follow Jesus? The making of the disciples of Jesus**

##### **General observations about compensation (Items 10-22, 27-28):**

The Asking Budget reflects salary/stipend-related items based on the cost-of-living adjustment (COLA) as recommended by the Diocesan Personnel Committee. Present diocesan policy is to keep average compensation at the 50th percentile compared with the dioceses of the Episcopal Church. Both to reflect cost-of-living increases and to reach the 50th percentile, the COLA has been set at 4.1% for 2007. Diocesan compensation policy recommends an annual 2% step increase (or 10% at five years). Given the tight budget, the step increase has not been recommended for diocesan staff in 2007.

After receiving feedback from several convocations, Program and Budget adopted the Portland-area COLA for diocesan staff compensation increases: 2.6 %.

**Item 14:** Congregational Development, Bishop's Request (formerly called, "assisting bishop"). This is a line item making it possible for the bishop to send staff members and others to represent him and the diocese at training and educational programs for congregational and mission development.

**Item 23:** Center for the Diaconate. Our diocesan program for the education of postulants and candidates for ordination as deacons.

**Item 24:** Church Growth and Development Committee. Established by Diocesan Convention, this committee has the dual focus of planting new churches and helping existing churches to restart and revitalize.

**Item 25:** Clergy Conference. Expenses for the annual fall clergy conference. Clergy pay for their own housing at the clergy conference; the budgeted expenses include the use of the hall, coffee, conference meals, etc.

**Item 26:** Clergy Support (Transfer to Reserve). A fund that accrues when not expended, this line item gives financial support to clergy in times of emergency distress in their lives.

**Items 27-28:** Support staff of 6.5 positions in 2006, down to 5.5 support-staff positions after February, 2007, following one retirement.

**Item 29:** Commission on Ministry (COM). The Commission on Ministry (COM) is an advisory board to the bishop on the ministries of both ordained and lay people in the diocese. The goal of the commission is to provide educational and formational opportunities for all baptized persons and to oversee and advise the bishop on people seeking ordination. The commission provides information and consultation on discernment processes and can offer training for congregational discernment committees.

**Item 30:** Contingency. This is a line item reserving funds for unanticipated expenses, usually related to pressing ministry opportunities. Generally, the Diocesan Council is consulted when authorizing expenditures from this line item.

**Item 31:** Diocesan Administrative Services. These are overhead and building administration expenses related to operations at The Bishop's Close. It includes, but is not limited to, computer system expenses, photocopying, telephone, utilities, repairs, and maintenance on the building.

**Item 32:** Diocesan Committees Travel and Expenses. Travel for members of Standing Committee, Board of Trustees, Diocesan Council, and Commission on Ministry. The mileage reimbursement follows the I.R.S. established amounts: currently \$0.14/mile for volunteers and \$0.445/mile for employees.

**Item 33:** Diocesan Convention. Based on actual costs associated with convention, including such expenses as the use of the hall, coffee, and decorations.

**Item 34:** Director of Communications. Salary and benefits.

**Item 35:** Ecclesiastical Court. A canonically-required item, the Ecclesiastical Court exists to try clergy accused of misconduct. While rare, such trials are very expensive. Therefore, the annual budget has established annual funding for a reserve account from which expenses would be funded should a trial be needed.

**Item 36:** ECW Triennial. A reserve account used by Episcopal Church Women representatives to attend the Triennial meeting, held in conjunction with the General Convention.

**Item 37:** Episcopal Transition. A reserve account established after the election and consecration of the Rt. Rev. Johny Itty to begin accruing the funds which will be needed for the search, election, and consecration of future bishops of Oregon. The reserve fund was requested by the Treasurer and Trustees of the diocese for prudent future planning.

**Item 38:** Finance Department. To fund finance-related expenses, especially the annual audit.

**Item 39:** Fresh Start. A program for clergy and congregational leaders during their first two years of ministry together.

**Items 40-41:** Hispanic Clergy/Hispanic Missioner. The diocese's portion of compensation for clergy serving in these positions.

**Item 42:** Liturgy and Music Commission. Provides leadership and planning for the Diocesan Convention Liturgy; developing, publishing, and seeking diocesan-wide consensus regarding visitation and ordination liturgies; continuing to offer a leadership

program for musicians; and sponsoring or supporting effective workshops for lay ministers, musicians, and clergy.

**Items 43-44:** Missioner for New Church Plants. Expenses for a suggested new position which is not funded in the proposed budget.

**Items 45-46:** Retiree Life Insurance/Retiree Health Insurance. Expenses for insurance for retired clergy and diocesan staff who were not fully vested in the Church Pension Fund. The Pension Fund offers these benefits to fully vested retirees after age 65.

**Item 47:** Safe Church Training (SAPT). The SAPT team presents workshops to increase knowledge and awareness of sexual abuse and sexual misconduct for employees and volunteers working within the congregations and organizations of the diocese. The team provides high-quality training sessions throughout the diocese in a way that strives to be accessible to all.

**Item 48:** Stewardship Commission. Expenses related to the commission's mission and goals, which include facilitating a deeper understanding of what it means to be a steward of God's creation and learning how to be intentional in our lives after we say "we believe."

**Item 49:** Stipend Subsidy. Two congregations receive a subsidy to assist with the costs of their vicar's stipend.

**Items 50-51:** Youth Missioner. Stipend and benefits for a new position that carries a full stipend.

## **II. Evangelism — How do we proclaim the Good News? Bringing people one by one under the reign of God through Jesus and his sacrifice**

**Item 53:** Ecumenical Commission. Formal commission to relate the mission and ministry of our diocese to the mission and ministry of other judicatories in other faith traditions.

**Item 54:** Education for Ministry (EFM). Includes an annual fee for the diocese to be a member of the EFM program, thus reducing costs for participants, also includes national training costs required by the program.

**Item 55:** Evangelism. For several years this committee has been inactive and is now being reactivated. Evangelism is our fundamental outreach: to proclaim the Gospel.

**Items 56-57:** Christian Education and Lifelong Formation. Supports all the congregations in the diocese as a resource helping them develop education programs, maintaining resources, providing training and support for educators, and offering consultation. Program expenses appear in item 56 and staff expenses in item 57.

**Item 58:** Ministry in Higher Education. This is the diocesan commission coordinating various ministries on some of the higher education campuses in the diocese. The line item has been reduced by \$32,000, which is the amount originally requested for the program at Portland State University (not presently functioning, after several changes in 2006).

**Item 59:** Northwest House of Theological Studies. Northwest House of Theological Studies is an extension program of graduate theological education for mainline Protestant students. The budget item is in support of the continuing development of our diocese's relationship with the extension program.

**Item 60:** Percept Client Status. This is our primary source of up-to-date demographic information for strategic planning. All of our congregations may have multiple, registered users of the Percept material to assist them in their mission planning.

**Item 61:** Triangle Lake Center. This has traditionally been a line item in the program budget intended to make up some of the gap between income and expenses resulting from the ministry of our camp and conference center. In mid-2006 the Board of Trustees moved Triangle Lake out of the program budget with the understanding that Triangle Lake is an asset rather than a program. The budgetary move is part of a process of long-term planning to sustain and strengthen the Triangle Lake Center.

**Item 63:** Youth Ministries Commission. The Youth Ministries Commission provides program support for youth ministries at the congregational and diocesan levels including programs that address scripture, sacraments, prayer, spiritual growth, missionary activity, and pertinent adolescent issues from the Christian perspective. The commission also provides and promotes leadership in youth programs at all levels.

### **III. Mission — What is the work of the Church? Being a community of memory and hope.**

**Item 64:** Asian Mission. Responding to the ministry needs of Oregon's growing Asian community, primarily (but not solely) in the Portland area.

**Item 65:** Commission to End Racism. Our diocesan response to the General Convention's mandate to address the enduring realities of racism.

**Item 66:** Companion Diocese. Since 2004, our companion diocese has been the Diocese of Madhya Kerala, of the Church of South India, a province of the Anglican Communion. The budget item assists with the ongoing establishment and support of personal relationships between our diocese and the Diocese of Madhya Kerala, including limited assistance with travel expenses.

**Item 67:** Deaf Ministry. The Commission for the Deaf provides community outreach for the poor and those in crisis in the deaf community (deaf and hearing impaired), offering opportunities for spiritual growth and communal worship. The commission reaches out to marginalized deaf people in the community and to deaf students at Western Oregon State University; it also shares knowledge and awareness of deaf people to others. The budget line item includes the cost of providing trained interpreters for the deaf at diocesan events, including the Annual Convention.

**Item 68:** Ecumenical Ministries of Oregon (EMO). The budget line item is our contribution to the EMO program. The Rev. Alcena Boozer, rector of St. Philip the Deacon, Portland, is the current President of EMO.

**Item 69:** ECUSA Program. The assessment of the General Convention. Based on our diocese's actual income received in 2005.

**Item 70:** Environmental Commission: The commission's mission is to inspire the diocese to celebrate the beauty, mystery, sacredness, and generosity of God's creation. Activities have included courses and workshops on "simplicity as compassion," climate change, and how congregations can make a difference.

**Item 71:** Episcopal Relief and Development (ERD) Coordinator. Episcopal Relief and Development (once known as the Presiding Bishop's Fund for World Relief) responds to human suffering around the world. ERD provides emergency assistance after disasters, rebuilds communities, and helps children and families climb out of poverty. The diocesan coordinator has organized congregational and individual support for people left homeless and needy by the Southeast Asia tsunami, Hurricane Katrina, and other natural and man-made disasters.

**Item 72:** General Convention Deputies. A reserve fund to assist the elected deputies to the General Convention and one lay, one clergy alternate with their registration, housing, and travel expenses. The amount in the budget has increased slightly in recent years in recognition of increasing costs, but the actual costs of attending general convention are frequently higher than the diocese is able to reimburse.

**Item 73:** Hispanic Ministry. The Hispanic Commission is formed by the Hispanic churches in the diocese and the churches which have Hispanic congregations. The commission meets for activities programming and mission strategy planning six times a year. Funds are used to purchase materials (hymnals, liturgies, etc.) for Hispanic congregations; to help with the spiritual and professional development of clergy serving Hispanic communities; and to plan and execute activities together.

**Items 74 and 75:** Indian Ministry (program and stipend/benefits). The commission seeks to establish traditions and set precedents that encourage communication, trust, reconciliation, mutual understanding, and fellowship between the Church as an institution and as individuals and the First Nations People as historic tribes and as individuals. Outreach efforts focus on urban Native Americans, specifically in the Portland metropolitan area.

**Item 76:** Ministry in Communication/Oregon Episcopal Church News (OECN). The Ministry of Communication is responsible for developing and implementing a comprehensive communication plan for the diocese including publications, website, media relations, issues analysis, and community relations. With the rapid developments in technology, several initiatives to improve and broaden our diocese's communications capabilities have been included in the asking budget, some of which the proposed budget has not been able to accommodate at this time.

**Item 77:** Ministry in Prisons. The ministry covers several program initiatives in jails and prisons, including EFM, devotional materials, quilters' programs, and re-entry programs for released prisoners.

**Item 78:** Peace and Justice Ministry. The commission seeks to be a resource for the people of Oregon to inspire and enrich their ministries so that all might more fully seek and serve Christ in all persons. A primary emphasis of the commission is to support the Millennium Development Goals established by the United Nations and endorsed by the General Convention of the Episcopal Church.

**Item 79:** Poor and Homeless Fund Administration. This budgetary item offers administrative funding so that all contributions to the fund are shared across the diocese as grants to programs serving the poor and homeless. (In 2005, the Fund disbursed more than \$11,000 to new and exiting ministries throughout the diocese.)

**Item 80:** Province VIII Program.

Province VIII is one of the nine provinces in the Episcopal Church. It comprises the western United States from the western side of the Rocky Mountains, the states of Alaska and Hawaii, and the island of Taiwan. (It is the only part of the Anglican Communion where the sun rises in the far east, the earth marks a complete circuit and sets in the far west of the same province!) The Province offers training and educational opportunities for representatives from member dioceses. The budgetary line item is our share in administrative expenses of the Province.

**Item 81:** Recovery Commission. The Recovery Commission aspires to serve the community as a resource for understanding addiction and its impact. The commission carries the message of recovery through parish liaisons, educational workshops, and its work with national Episcopal Recovery organization. The commission is a resource for referrals and information about recovery resources in Oregon.

**Item 82:** Synod Deputies (transfer to reserve). This is the educational component of our membership in Province VIII. When representatives of the Diocese of Oregon participate in educational events of the Province, this line item assists with their expenses.

**Item 83:** William Temple House (WTH). WTH is a faith-based human services agency providing services to the working poor including mental health counseling, emergency social services, and voluntary pastoral care. The Asking Budget included a renewed request for a contribution to WTH as a reminder of the long-term relationship between the Diocese of Oregon and WTH. (WTH was founded by a priest of the diocese). Given the tightness of the budget, the proposed budget does not include funding for this request, partly because WTH is not a diocesan program nor technically is it an institution of the diocese.

**Three notes**

**Note 1:** The budget must be balanced. This means that any spending increases in one budget item must be balanced by reductions in one or more other line items.

**Note 2:** Budgeted income is based on actual income over several recent years, and in 2006 actual income has tracked estimated income quite closely.

**Note 3:** At 7:00am on Friday, November 10 (during Convention) the Program and Budget committee will have a hearing for those wishing to discuss the proposed budget. This is a non-legislative session during which ideas for addressing the budget — such as possible increases and how they might be balanced — can be explored.