

# **[DRAFT] Narrative of the Proposed 2019-2020 Per Capita Budget For Consideration by the 223<sup>rd</sup> General Assembly (2018)**

*[Note: figures listed are for 2019 Budget]*

Working from the Stated Clerk's vision, while also focusing on the challenges facing us, the Office of the General Assembly, in partnership with the Presbyterian Mission Agency, presents this narrative version of the proposed 2019-2020 per capita budget.

**Total Budget for 2019: \$15,565,241; Per Capita Rate: \$10.71**

## **Churchwide Ministries**

**Schedule 1A - General Assembly Operations - Total budget: \$1,552,668; Per Capita rate: \$1.07**

1. Commissioner and Advisory Delegate Expenses
  - In 2018, there will be 538 commissioners along with approximately 150 YAADs, 15 TSADs, 8 MADs, and 15 EADs. Their expenses include travel, lodging, meal, and other costs. The 224th General Assembly (2020) will see slightly fewer commissioners.
2. Place of Meeting
  - This includes things such as Freight (the GA share of shipping a lot of equipment, etc. to the GA site), First Aid, Security, and some of the Communication Center expenses
3. Official Personnel
  - OGA covers travel, lodging, meals, and other expenses for many GA participants, including some OGA staff, OGA recruited volunteers (platform staff, YAAD advisors, etc.), student assistants, and ecumenical representatives and guests.
  - The exception is Ecumenical Guests/Representatives. For these attendees, we do not cover travel, but do pay hotel and meals for the duration of their stay. All member of the WCRC are invited to send an ecumenical representative to attend the full assembly, and though most do not, and most of those who do come do not stay for the full 8 days, it is very difficult to predict either the number or their average stay, and hence these charges.
4. Plenary
  - Covers expenses related to the assembly business sessions, including the largest expense of Audio Visual support. It also includes stagehands and additional labor associated with the AV
5. GA Program
  - OGA-sponsored programmatic activities that are not related to business, worship, etc., including the Hands and Feet Celebration.
6. Local Committee
  - Former Stated Clerk Jim Andrews said we could put on a meeting without a Local Committee, but it wouldn't be a General Assembly. The "free" labor from the volunteers who spend numerous hours planning worship services, arranging hospitality services, setting up the Family Room, Prayer Room, etc., making it possible for attendees to be hosted in area churches for Sunday worship and lunch, as well as mission tours. For this, we cover salaries for an executive

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coordinator and volunteer program assistant. And we contribute a small sum to the overall COLA budget (the administrative grant).

7. Training
  - Expenses (travel, lodging, meals, etc.) for the members of the leader teams for each of the assembly committees who come to Louisville for the Leader Briefing
8. Committees at GA
  - Includes the furnishings, equipment, electrical, and wifi needed for each of the assembly committee rooms (assembly committee expenses) AND the travel, lodging, meals, etc. for the volunteers who support the committees - primarily committee assistants and parliamentarians.
9. Worship
  - We have been able to reduce expenses considerably since 2012 with the decision to hold all worship services in the same hall as plenary. We also reduced costs by including the worship bulletins in the Program rather than printing the separately. So now, costs are mainly travel, lodging, meals and honorariums for the preachers, along with the organ/piano rental
10. GA Technology
  - Changes in technology affect this line greatly, and make it difficult to estimate even a few years out. Unfortunately, all signs are that this is getting more expensive, especially our priority on having a robust network that supports PC-biz, voting, mic cuing, and everything else that our attendees expect to be able to do.
11. **[new for 2019 -2020]** – modest increase across many of these expenses related to inflation and regional fluctuations in costs

## **Schedule 1B – Assembly Support – Total budget: \$800,103; Per Capita rate: \$0.55**

- Includes staff salaries and benefits, travel, and other expenses related to the provision of staff support to the assembly

## **Schedule 1C – Permanent & Special Committees – Total: \$417,187; Per Capita rate: \$0.29**

1. includes all of the expenses related to meetings of permanent and special committees – travel, housing, meals and other incidentals for committee members. Staff travel budgets absorb costs associated with supporting those committees, such as staff travel, housing and meals
  - Advisory Committee on the Constitution
  - Advisory Committee on Litigation
  - Committee on the Office of the General Assembly
  - General Assembly Committee on Ecumenical and Interreligious Relations
  - General Assembly Committee on Representation
  - General Assembly Nominating Committee
  - General Assembly Permanent Judicial Commission
  - Presbyterian Historical Society Board

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2. Special Committees are formed by various assemblies and are charged to do particular work of that assembly. Actions that create special committees often include specific instructions as to what entity should provide staffing. Once again, expenses for the work of the committee are born by the per capita budget; but costs related to staffing support are absorbed within the budget of the entity providing support. Though additional special committees may be formed by the 223<sup>rd</sup> General Assembly, here is the list of special committees and their ending date:
  - All Agency Review Committee (2018)
  - Way Forward Commission (2018)
  - Rules of Discipline Task Force (2020)
  - Safe and Sacred Space Task Force (2020)
  - Christian Education in the 21st Century (2018)

## **Schedule 1D - Presbyterian Historical Society - Total budget: \$1,839,805; Per Capita rate \$1.27**

1. The Mission of the Presbyterian Historical Society to collect, and preserve the permanent records of the denomination. PHS also shares those records with Presbyterians, researchers, and the general public in order to increase knowledge and awareness of the history and ongoing story of American Presbyterianism.
2. The Presbyterian Historical Society, housed in a Georgian-style building not far from Independence Hall in Philadelphia, carries out this mission with 62% of its budget supported through Per Capita giving and the rest through fundraising and pulling from its reserves.
  - PHS holds 36,000 cubic feet of records, multi-media, paintings, photographs, and books. These collections represent more than 300 years of history of the Presbyterian Church (U.S.A.) and predecessor denominations from every state and territory as well as ecumenical bodies.
  - PHS actively collects records and oral histories from individuals, congregations, and organizations that represent gaps in our collections or important historical moments that future researchers will want to study. We engage in the work of questioning long-held views of archives as repositories for the records of only those in positions of power and are seeking out ways to make a more inclusive and equitable archives that reflects who we are called to be as Christ's body.
  - PHS maintains a state-of-the-art facility with temperature and humidity controlled archives to properly maintain and preserve fragile papers, books, paintings, and multi-media. Staff are trained in emergency remediation and PHS also digitizes fragile or much-used collections and photographs to make them better accessible to researchers.
3. The Presbyterian Historical Society works closely with congregations and mid councils to answer questions about records management and preservation, as well as provide training
  - Some of the important and most used records we preserve are transcripts from defunct Presbyterian institutions of higher education.

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- PHS maintains more than one million records of baptisms, marriages, and ordinations to local office which help individuals establish legal identity or track down their ancestors.
- 4. PHS served 709 visiting patrons in 2017, some of whom stayed for a few hours of research and others who stayed for several weeks.
  - PHS curates in-house and on-line exhibits. Currently, we have an exhibit on Presbyterians and the American Revolution for view both at PHS and online.
- 5. PHS works to reach out to the whole church to tell the story of Presbyterians in the United States, as well as how we got here:
  - PHS Works to share our common Presbyterian history and stories
  - PHS Assists the church to recognize the saints that came before us or claim responsibility for the failures and sins of our foreparents and seek the paths to repentance and restoration.
  - PHS Partnered with the Presbyterian Foundation in 2017 to lead a Reformation 500 Study Tour in Germany and Switzerland. We plan to create more domestic and international study tours that will enable us to come together as a church while learning more about our history.
- 6. **[new for 2019-2020]** increased salary costs related to alignment with 5:1 pay ratio for OGA employees

## **Schedule 1E - Innovation and Engagement - Total budget: \$0.00; Per Capita rate \$0.00**

- **[new for 2019-2020]** Schedule 1E is being eliminated from the budget. The work of innovation and engagement has been integrated across all OGA functions and no longer needs to be represented by a single office or function.

## **Schedule 1F - Records and History Louisville - Total budget: \$183,718; Per Capita rate \$0.13**

- Supports the gathering and dissemination of the statistics of the church, as well as the production of General Assembly documents, the Book of Order, and the Book of Confessions.

## **Ecumenical and Ecclesial Ministries**

### **Schedule 2A - Ecumenical Allocations - Total budget: \$916,000; Per Capita rate \$0.63**

1. Through the support of the Ecumenical Councils, Presbyterians are connected to Christians nationally and globally. We both are challenged by the wider Christian family and bring our gifts and witness to the wider Christian family. Joining together with Christians in the U.S. and the world, our voice and witness is amplified.
2. Through OGA, the PC(USA) supports:
  - World Council of Churches
  - World Communion of Reformed Churches and the Caribbean and North America Area Council
  - National Council of Churches of Christ in the USA and Church World Service
  - Christian Churches Together in the USA

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## **Schedule 2B – Ecumenical Support – Total budget: \$383,965; Per Capita rate \$0.26**

- Includes staff salaries and benefits, travel, and other expenses related to the provision of staff support;
- It also includes the staff support to the General Assembly Committee on Ecumenical and Interreligious Relations

## **Schedule 2C – Communications and Technology – Total: \$700,653; Per Capita rate \$0.48**

- supports technology purchases and upgrades to equipment, including but not limited to computers, phones and other mobile devices.
  - It supports fixed asset account for new developments and enhancements to all systems that make up the overall OGA information system, including but not limited to preparation for ministry, Church Leadership Connection, statistics of the church, event registrations, General Assembly nominations, the OGA website and mid council ministries
  - It includes emerging multi-media trends and capabilities, as well as web-based systems and subscriptions
  - The budget allows us to produce educational and interpretive materials and to employ contract writers and videographers for special projects
  - Finally, it supports the General Assembly Communications center at the General Assembly, which utilizes more than 30 staff and volunteers, and related expenses, such as travel, lodging, expenses related to publication of The General Assembly News, and equipment.

## **Mid Council Ministries**

### **Schedule 3A – Constitutional Interpretation – Total budget: \$300,282; Per Capita rate \$0.21**

- The work of constitutional interpretation includes:
  - Training judicial commissions, investigating committees and administrative commissions
  - Consulting with mid-councils regarding constitutional questions
  - Supports the work of three standing committees of the General Assembly – General Assembly Permanent Judicial Commission, Advisory Committee on the Constitution and Advisory Committee on Litigation.
  - Supports the work of special committees appointed by the General Assembly; currently the Safe and Sacred Space Committee and the Rules of Discipline Task Force
  - Training for new stated clerks
  - Creates and maintains resources for mid councils

### **Schedule 3B – Ordered Ministry and Certification – Total: \$1,268,117; Per Capita rate \$0.87**

- The work of the Ordered Ministry and Certification includes:
  - Support the Church Leadership Connection Program and presbytery committees on ministry
  - Support for Ordination Exams and the work of the Presbyterian Committee on Examinations

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- Creates and maintains resources for mid councils
- Training for Committees on Preparation for Ministry
- Training resources for Ruling elders
- Supports the educator certification committee and certified Christian educators
- Maintains the list of GA-approved national certifying bodies
- Develops and nurtures immigration networks and conduct advocacy
- leads the planning for the annual mid council leaders gathering

## **Schedule 3C - Mid Council Relations - Total budget: \$435,212; Per Capita rate \$0.30**

- The work of Mid Council Relations includes:
  - Supports the work of the General Assembly Committee on Representation
  - Provides funds to serve as a liaison with Korean speaking councils and churches
  - Supports training for presbytery leaders through the Presbytery Leader Formation and other efforts
  - Provides advice and counsel to mid councils
  - Coordinates the annual moderators conference
  - Creates and maintains resources for mid councils
  - **[new for 2019-2020]** increased support for Presbytery Leader Formation program to train new Presbytery Executives
  - **[new for 2019-2020]** increase funds to subsidize mid council leader participation in Mid Council Leaders Gathering

## **The Office of the Stated Clerk**

The Office of the Stated Clerk was created in 2017 and includes OGA Administration, Human Resources, support for the Office of Moderator and Common expenses. We have also created a new schedule that contains new initiatives

## **Schedule 4A - Administration - Total budget: \$868,096; Per Capita rate \$0.60**

1. Includes staff salaries and benefits, travel, and other expenses related to the provision of staff support and leadership. It also provides staff support to the Stated Clerk, the Committee on the Office of the General Assembly and the Co-Moderators
2. **[new for 2019-2020]** - Specifically, one of the challenges is employee compensation. One of the overall differences within OGA per capita budget is an increase in some salary and benefits expenses:
  - In order for OGA to align with the GA action on the 5-1 ratio (highest paid to lowest paid), several salaries, especially at PHS, had to be adjusted
  - Through the course of some of our personnel searches, we became aware that our salaries were not as competitive vis a vis some of the other PC(USA) agencies or mid councils
  - For the last several years, OGA provided staff with flat \$1,000 raises. This strategy addressed the growing difference between the highest paid and the lowest paid employees, but served to compress certain salaries and kept them artificially low. As we hire new employees, we may need to hire them at a higher than normal salary, which will cause us to also provide some existing staff

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equity adjustments so that new employees do not necessarily automatically receive a higher salary than more long-term employees

## **Schedule 4B – Human Resources – Total budget: \$90,000; Per Capita rate \$0.06**

1. Common expenses for professional development, recruitment and diversity outreach, dependent care, relocation costs and staff training and events
2. **[new for 2019-2020]** centralized costs for dependent care and relation costs to ease burden on specific program budgets
3. **[new for 2019-2020]** addition of funds for staff to gather for strategic planning process

## **Schedule 4C – Office of the Moderator – Total budget: \$123,600; Per Capita rate \$0.09**

- Travel for the Moderator, Vice-Moderator or Co-moderators; includes reimbursement to employers of Moderators, most recently for pulpit supply

## **Schedule 4D – Common Expenses – Total budget: \$120,500; Per Capita rate \$0.08**

- Expenses for staff in Louisville, including office supplies, telephone service and insurance

## **Schedule 4E – New Initiatives – Total budget: \$316,300; Per Capita rate \$0.22**

- **[new for 2019-2020]** Budget for new initiatives is included for:
  - Hands and Feet Giddings Lovejoy
  - Hands and Feet Baltimore
  - Leadership Training Initiative
  - Diversity Capacity
  - Regional Staffing of Mid Council Relations
  - Spanish-speaking council support

## **Presbyterian Mission Agency**

### **Schedule 5 – Administration of Mission – Total budget: \$1,700,260; Per Capita rate \$1.17**

- Presbyterian Mission Agency Board Meetings
- Administration, planning, coordination of the Presbyterian Mission Agency
- Work of the Advocacy and Advisory Committees
- Communications
- **[new for 2019-2020]** based upon agreements between OGA and PMA, PMA receives roughly 14% of per capita income; as the per capita income increases, so does PMA's actual dollar amount

### **Schedule 6 – Shared Services – fees paid to PMA for services to OGA– Total budget: \$1,915,736; Per Capita rate \$1.32**

- Facilities
- Human Resources
- Information Technology
- Mail/Print Center
- Finance & Accounting

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- Distribution Service/Warehouse
- Investment Management
- Shared Expense (Audit fees, replacement capital reserve, contingency & copiers)
- Internal Audit
- Legal
- Insurance
- Research Services
- Customer Service
- Gift receipt

## **Additional Expenses/Charges**

### **Schedule 6 - Other Expenses - Total budget: \$100,000; Per Capita rate \$0.07**

- This is OGA's contingency fund for unanticipated costs.

### **Schedule 7 - Uncollected Apportionments - Total budget: \$1,533,040; Per Capita rate \$1.05**

1. Though most presbyteries pay their per capita in full, there are a number of presbyteries that do not. Some presbyteries have made the decision to only pay what they have received from their churches, which others pay in full regardless what they receive. And still others fall somewhere in between. And presbyteries in the Synod of the Sun do not collect per capita but rather rely on other funding processes to fund their ministry and commitments to higher councils.
2. For the 2016 per capita budget, almost 70% of presbyteries paid in full. The remaining presbyteries pay anywhere from 99% to 0% of their apportionment.
3. Total unpaid per capita for 2016 was \$1,252,457. Nine presbyteries account for half of that unpaid per capita amount. Forty-four presbyteries account for the rest of the unpaid per capita.

### **Schedule 8 - Staff Severance Costs - Total budget: \$0.00; Per Capita rate \$0.00**

- At this time, no expenses related to reduction in force and severance costs are anticipated.

## **Reserves - Total Reserve Required: \$4,669,572; Remaining Reserve Available: \$3,741,714**

- The General Assembly has mandated that OGA maintain a reserve amount of 30% of the annual budget. Therefore, the required amount changes each year depending upon the budgeted amount. For example, the required amount of reserves for 2019, if the budget is approved, will be \$4,669,572, based upon the annual budgeted amount of \$15,565,241. That leaves a reserve amount of \$3,741,714 over the required amount.