

The Joint Standing Committee on Program, Budget and Finance (1998-2000)

MEMBERSHIP

Ms. Bonnie Anderson (Michigan), *chair*
The Rt. Rev. Russell E. Jacobus (Fond du Lac), *vice chair*
The Rev. William D. Nix, Jr. (Northwest Texas), *secretary*
Mr. Stephen C. Duggan, Treasurer (Newark), *ex officio*
The Rev. Rosemari G. Sullivan (Virginia), Secretary of the General Convention, *ex officio*
Ms. Pan Adams (Arkansas)
The Rev. Lloyd Allen (Honduras)
Ms. Joan Anders (Albany), *replaced* the Rev. Gayle E. Harris (Rochester)
The Rev. Canon Ernest L. Bennett (Central Florida)
The Rt. Rev. Charles E. Bennison (Pennsylvania)
Mr. Arthur M. Bjontegard, Jr. (Upper South Carolina)
The Rev. Peter T. Elvin (Western Massachusetts)
The Rev. Nancy A. Ferriani (Indianapolis), *replaced by* the Very Reverend James B. Lemler
(Chicago)
The Rt. Rev. Richard F. Grein (New York)
The Rt. Rev. James L. Jelinek (Minnesota)
The Rt. Rev. Neptali Larrea (Ecuador)
The Rt. Rev. Alfred C. Marble, Jr. (Mississippi)
The Rev. Juan I. Marquez (Dominican Republic)
Canon Holly McAlpen (California)
Mr. James D. McGrew (Nevada)
The Very Reverend Margaret P. Patterson (Delaware), *resigned, replaced by* the Rev. Wilfred S.N. Allen-Faiella (Pennsylvania)
The Rt. Rev. Claude E. Payne (Texas)
The Rev. Canon Nancy A. Roosevelt (Rochester), *resigned*
Mr. Byron Rushing (Massachusetts)
The Rt. Rev. Robert R. Shahan (Arizona)
The Rt. Rev. Andrew D. Smith (Connecticut)
Mr. John Vanderstar (Washington)
The Rev. Canon Tim E. Vann (Nebraska)
Dr. Henry M. Walker (Iowa), *replaced by* the Very Reverend Joel A. Gibson (Minnesota)

The Presiding Bishop and the President of the House of Deputies appointed the Rt. Rev. Russell Jacobus to propose and present a slate of officers for the Committee for the Triennium. The following were approved by a mail poll of the entire PB&F Committee.

Chair	Ms. Bonnie Anderson
Vice-chair:	The Rt. Rev. Russell Jacobus
Secretary:	The Rev. Mr. William Nix
Corporate/Canonical Section:	The Rev. Canon Nancy Roosevelt (resigned)

Funding Section: The Rt. Rev. Russell E. Jacobus
Program Section: Mr. Byron Rushing
Presentation Section: Mr. John Vanderstar

The Executive Committee, which also serves as the Funding Section, was composed of the following members: Ms. Anderson, Bishop Jacobus, the Rev. Mr. Nix, Canon Roosevelt (resigned), Mr. Rushing, and Mr. Vanderstar.

SUMMARY OF THE COMMITTEE'S WORK

The primary responsibilities of the Joint Standing Committee on Program, Budget and Finance (PB&F) are to recommend funding and spending policies to each General Convention for the succeeding triennium, i.e. mission (program), expense and budgets; and between Conventions, to (a) maintain the balanced budget policies, assuring that income is equal to proposed expenditures each year and (b) monitor the priorities established by General Convention and give advice to Executive Council with regard to any adjustments in priorities.

In addition to the responsibilities outlined above, during this triennium, the Program, Budget and Finance Committee's primary concern was to evaluate the current budget-making process and to develop, in collaboration and dialogue with staff and the Standing Committee on Administration and Finance of the Executive Council, a process that would engage the church in identifying clear budget priorities upon which to build the budget for the Episcopal Church. The underlying motivation for initiating this work was the belief that the Budget for the Episcopal Church is a theological statement of what we believe and value. The Budget for the Episcopal Church should follow the church's vision.

Due to the transitional nature of this triennium, the Committee acknowledged that before a different budget-making process could be embraced, it was important that there be clarity and broad understanding among the leadership of the church for how the budget-making process currently works. The Committee identified that at the core of budget-making a need exists for a clear statement of the church's mission priorities in order to facilitate the process of budget preparation. To that end, at this triennium's first meeting of the whole of PB&F, a resolution was passed asking that "Executive Council be explicit to PB&F and the General Convention about the priorities they used in establishing the budget."

The Committee acknowledged that the funding formula approved by the 72nd General Convention is working well and should remain in place during the next triennium.

EXECUTIVE COMMITTEE

The Executive Committee met March 20-23, 1998, in Minneapolis during a triennial joint convocation; May 6-7, 1998, in New York City with the Executive Council's Administration & Finance Committee; September 17, 1998, at Camp Allen, Texas; and February 9, 1999, in Denver. A meeting was scheduled for early April 2000 in California.

In Minneapolis (March 1998), the primary focus of the meeting was that of doing budget development in a new way. The concept articulated was that the Budget for the Episcopal Church is a theological statement of what we believe and value, that the budget follows a vision for ministry articulated by the whole church, refined into mission priorities

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by the Executive Council, presented and reworked by PB&F with input from the General Convention, then adopted by the General Convention. While it was acknowledged that the current budget process could not be changed entirely in a short period of time, the value of initiating change was recognized and upheld.

Meeting with the Standing Committee on Administration & Finance of the Executive Council in New York (May 1998), both groups reaffirmed a commitment to continued work together to inspire initial changes in the budget-making process. A time line was developed to aid in achieving this goal.

In September 1998 at Camp Allen, Texas, the funding for Standing Commissions and Joint Standing Committees and the “block grant” process were reviewed. The consolidated, or “unified” budget requires priority funding for the “canonical” section of the budget. The Officers of the General Convention are responsible for any necessary reallocation of funding for committees, commissions, boards and agencies of the convention between General Conventions. As it was not possible for staff or PB&F to accurately project the funding required by groups who serve the convention (they were restructured and redefined by the 72nd General Convention), the block grant process was less successful than hoped.

In Denver (February 1999) the Committee heard a report from the Treasurer concerning the development of the triennial budget to date. In general, response to the 21% asking was positive, with 68% of dioceses at or above that level of commitment. An overall 20% average was anticipated. Additionally, many dioceses were within a few percentage points of the asking, endeavoring to meet it by the 2000 fiscal year, thus responding to the request made in the PB&F enabling resolution (A209a, section 2.1).

COMMITTEE OF THE WHOLE

The whole PB&F Committee met at Camp Allen, Texas, on September 17-18, 1998, and in Denver on February 9-11, 1999. It will meet April 4-7, 2000, in California.

The 1998 meeting at Camp Allen was the orientation session for new members. The responsibilities of PB&F and the role of the Committee at General Convention were discussed, as were the state of the finances of the Domestic & Foreign Missionary Society, the issues encountered with developing and administering prior budgets, and the rationale behind involving the whole church in identifying mission priorities upon which to base spending. The Committee examined the interconnectedness of PB&F with other financial areas and engaged in a thorough study of the proposed new budget process based on priorities specified by the Executive Council. As a result, a request was forwarded to the chair of the Standing Committee on Administration & Finance, M.L. Agnew, asking that “the Executive Council be explicit to PB&F and the General Convention about the priorities they used in establishing the budget.”

In Denver, the Committee of the whole participated in a variety of short anti-racism exercises and then engaged in discussion regarding five specific anti-racism models. The models discussed were: appreciating diversity, prejudice reduction, social constructivist, anti-oppression, and institutional racism.

Discussions clarified the financial statements, mid-triennium steps to ensure a balanced budget, and cost-saving changes in administrative procedures and staff configurations at the church center. The Committee, in its advisory capacity to the Executive Coun-

cil, offered three resolutions for their consideration. One resolution addressed the concern of the Committee regarding the honoring of long-term funding commitments and identified long-term committed items as overseas covenants, assessments to the Anglican Consultative Council (ACC), and dues to the World Council of Churches and National Council of Churches. Other commitments are for the domestic, overseas, Anglican partners and Native American block grants. The Committee further advised that the Executive Council evaluate the other commitments in preparation of the 2003 budget. PB&F recommended to the Executive Council to pay the balance due of the 1998 assessment to the Anglican Consultative Council and to send a letter with the payment expressing concerns regarding the ACC budgeting process. PB&F also advised the Executive Council to adopt the 1999 revised budget as found in the management team proposal.

A good portion of Committee meeting time was spent, once again, on proposed changes to the budget process and possible methods that might be used to curtail unfunded mandates at the General Convention.

FUNDING SECTION

At the meeting of the PB&F Committee of the whole in Denver (February 1999), PB&F reached consensus to continue the same funding formula adopted at the 72nd General Convention at a 21% single asking for the 2001-2003 Triennium. A resolution was passed that three letters should be written by the chair and vice chair of PB&F to the Diocese of New Jersey Diocesan Executive Council, the bishop of the diocese, and the President of Province II regarding the lack of response to the diocesan asking for mission support for the Budget for the Episcopal Church for the current triennium. Another resolution called for "PB&F say thank you officially, to recognize dioceses that have exceeded the 21% asking." By 1999, twenty-four dioceses were giving more than the 21% asking. Forty-six dioceses were giving at 21%, and twenty-eight dioceses were giving less than 21%.

AUDIT

In compliance with Joint Rule II.11, two members, Art Bjontegard and Robert Shahan, of the Joint Standing Committee on PB&F, appointed by the chair of PB&F, serve on the Audit Committee of the Executive Council. In compliance with Joint Rule II.11, it is the responsibility of the Audit Committee of the Executive Council to report annually to PB&F, who then reports to the General Convention.

The 1997 and 1998 audits (Arthur Andersen and Company) yielded no reportable conditions or material weaknesses. Audits were conducted for each of the years (1997 and 1998) with no exceptions or qualifications noted. The completion of the 1999 audit is expected by July 2000.

PRESENTATION SECTION

The Presentation Section does the majority of its work on-site during the General Convention. Acceding to the canonical mandate of presenting a detailed budget, the section exchanged ideas about the physical, easily understood design of a priority based budget, one that would graphically illustrate and clearly inform the General Convention where

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funding comes from and how funds are expended to support the mission of the church. Preliminary planning was deferred to the April meeting so the mission priorities articulated by the Executive Council could be included.

FINANCIAL REPORT FOR THE 1998-2000 TRIENNIUM

	1998	1999	2000
Expenses	<i>(actual)</i>	<i>(9/30/99)</i>	
Budget	\$28,676	\$30,881	\$55,000

BUDGET APPROPRIATION

	2001	2002	2003
Budget	\$30,000	\$35,000	\$55,000

RESOLUTIONS

Resolution A094 Joint Standing Committee on Program, Budget & Finance Budget Appropriation

- 1 *Resolved*, the House of _____ concurring, That \$120,000 be appropriated
- 2 for the work of the Joint Standing Committee on Program, Budget and Finance
- 3 for the 2001-2003 triennium.

Resolution A095 Amend Joint Rules of Order pertaining to Organizing in Sections

- 1 *Resolved*, the House of _____ concurring, That Joint Rule of Order
- 2 11.10.(b) be amended as follows:
- 3 Organization. The Joint Standing Committee shall elect its Chair from its
- 4 membership, and such other officers as needed.
- 5 The Joint Standing Committee shall be organized in Sections, which shall
- 6 include Program, Canonical and Corporate Sections conform to the major subdivisions of the Budget, as well as Sections on Funding and Presentation, the size
- 7 and composition of the several Sections to be determined by the Joint Standing
- 8 Committee.

Resolution A096 Amend Joint Rules of Order pertaining to Meeting in Convention City

- 1 *Resolved*, the House of _____ concurring, That Joint Rule of Order
- 2 11.10.(c)(iii) be amended as follows:
- 3 Meet in the Convention City of the next General Convention, as well as
- 4 such other places as it shall determine, sufficiently in advance of the next General Convention to expedite its work;