

# The Select Committee on the Funding of the National Church

## INTRODUCTION

The 1985 General Convention of the Episcopal Church, meeting in Anaheim, California, adopted Resolution A148, which reads as follows:

*Resolved*, the House of Bishops concurring, That this 68th General Convention direct the Standing Commission on Stewardship and Development to study the matter of funding the national Church program, with special emphasis given to voluntary percentage giving, and to report its finding/recommendations to the 69th General Convention; and be it further

*Resolved*, That the Presidents of both houses be authorized to appoint persons from the Program, Budget and Finance Committee to engage in this study with the Standing Commission on Stewardship and Development.

The committee was formed in 1986 by the Standing Commission on Stewardship and Development and the House Presidents. Membership is:

The Rt. Rev. C. Brinkley Morton, Stewardship, *Chair*

The Rt. Rev. Sam B. Hulseley, PB&F

Mrs. Ann Burr, Stewardship

Mr. Paul Chalk, PB&F

Mr. Thomas Hutchinson, Stewardship, *Secretary*

Support came during the study from Dr. George McGonigle, Mrs. Ellen Cooke, Mr. Louis Gill, and the Rev. Thomas Carson of the Church Center; Mr. Harry Havemeyer, Chair of PB&F; and Dr. Adair Lummis, consultant.

The committee has met six times during this triennium and has surveyed a large number of church leaders as to their opinions and suggestions. These leaders include: the Executive Council, members of several standing commissions, Church Center staff, diocesan bishops, diocesan treasurers, other diocesan staff and others. It is now ready to report its findings and make a recommendation.

## RECOMMENDATION

The committee recommends that:

1. The current system of funding the program budget of the national Episcopal Church be retained; that is, as an apportionment to each diocese as a percentage of its congregational Net Disposable Budgetary Income (NDBI) and diocesan endowment income used for operational purposes.
2. The NDBI used for a given year's apportionment be that for two years previous rather than three years previous as is currently done. Thus, 1992's apportionment would be based on diocesan endowment income used for operational purposes and its congregational NDBI for 1990.

## FUNDING OF THE NATIONAL CHURCH

---

3. All programs proposed to be added to the General Convention Program Budget by action of General Convention must have a spending amount and apportionment consequence attached thereto by the Program, Budget and Finance Committee before any action can be taken on the proposal. This rule presently exists but is not enforced.
4. The office of the Treasurer of the Church will, upon request, conduct workshops to explain the funding system and dioceses are to be encouraged to use this service.
5. The committee on funding be continued to review funding and reporting questions at all levels in the Church. Further, membership should be expanded to include representatives not only from Stewardship and Development and PB&F but also from the Committee on the State of the Church.

### FINDINGS

The church leaders referred to above, at the diocesan and national level, were asked to respond to questions about the funding of the Church at both levels. The heart of the questionnaire was a choice of five different methods of funding with comments on the choice requested. These were:

1. Apportionment based on total expenses of individual congregations and dioceses (the system used prior to 1974).
2. Apportionment based on the congregational NDBI and endowment income of dioceses used in the diocesan budget (the present system).
3. Voluntary giving.
4. Apportionment based on the diocesan income actually received from congregations and diocesan endowment funds used in the budget.
5. Apportionment by the national Church of each congregation directly based on congregational income.

Options 1 and 5 received such low response that it was felt they did not need to be considered further. Options 2, 3 and 4 all received significant responses with a large number of written comments. A large majority, 63%, favored apportionment of some kind. Many of those who favored the voluntary system commented that while they favored that system for theological reasons our church membership has not reached a level of stewardship education that will make it a viable option.

Respondents found a strong theological basis for whichever system they supported. The consensus, however, was that individual giving to the parish, along with membership in that parish, has to be voluntary. A minimum is certainly suggested although seldom met. The Episcopal Church is not congregational; membership by parishes in the diocese and by dioceses in the national Church is not voluntary. Each entity in the Church, therefore, must pick up its "fair" share of the budgets it has approved through a republican process.

The committee considered an apportionment system based on the net disposable budgetary income received by the diocese (Option 4) instead of that received by the congregations (the present system). A statistical analysis disclosed that the net effect of this proposal would be to penalize those dioceses which have achieved a higher level of giving from congregations to diocese. It would reward dioceses which have a lower level of giving from local church to diocese. The committee felt that this proposed system would be unfair and counterproductive of good stewardship principles.

There is, the committee believes, one change that should be made to strengthen the present system: the basis for this year's apportionment should take into account the changing NDBI of the past three years. Recommendation 2 addresses this.

In today's economic climate, the condition of a region and, hence, of one or more dioceses in that region can change dramatically, either up or down, in three years. Thus, the NDBI used to calculate a fair apportionment needs to be more current. At present the parochial and diocesan reports are not received by the national office in time to calculate the apportionments for a given budget year using any but the data for three years previous. The procedure should be modified so that this calculation can be made using data for two years previous.

### CONCERNS

1. **Voluntary Proportional Giving:** A large number, if not a large percentage, of the leaders of the Church favored voluntary giving as the basis for giving to the national Church. Even after taking out those who said it would not work, the number is too large to ignore. The committee feels that this should still be considered as a future option but that until the membership accepts at all levels the responsibilities that are inherent in voluntary giving, it is not practical. We should work toward the tithing standard for individual giving, and when that is more generally accepted again consider voluntary giving for funding the national church program. The progress made over the past several years in gaining the acceptance of stewardship as a grateful response to God would indicate that this will happen.

We are now on a system of voluntary giving if we perceive apportionment as a guideline for giving. It is based on congregational stewardship; therefore, it is a guideline to the diocese as to what it should expect congregations to give to dioceses to share in the mission and ministry of the church (diocesan). Since the budget for the national church program has been set by the General Convention and the Executive Council, the apportionment is, then, a "fair share" percentage of this congregational income needed to fund the national church program.

Voluntary giving is thanksgiving; it is a disciplined assessment of resources and a joyful response in partnership with God, the Giver. It is not out of duty. It is not to a budget. But there are guidelines and standards. It is hoped that this concept will soon be generally accepted.

2. **Mission of the National Church:** It became quite clear from the responses to the questionnaire and other hearings that the average member (the so-called person in the pew) does not know what happens to the money given after it leaves the parish. It is essential that the dioceses and the national Church publish and make clear in easily understandable terms what happens to this money. It is also important that parishioners understand that they have a voice in how that money is used. (How many parishioners know or even care what their diocesan convention delegates think or do?) The mission of the diocese and the national Church must be made clear to each parishioner—he or she must have ownership.

3. **Accountability:** Even with the above involvement of the person in the pew in the missions of the diocese and national Church, that person has a desire and right to know how well the supported programs are doing. This does not mean that that person has a right to "vote his pocket book" but does mean that that person has a right to know what is happening. Given such knowledge, she or he is more likely to support the church program.

4. **National Budget:** Considerable written concern was expressed about the size of the national program budget and its rate of growth. Study of this concern was not a charge to the committee but we note it here for information. We would point out, however,

## FUNDING OF THE NATIONAL CHURCH

---

that the 1987 budget amounts to 41 cents per household per week (less than the price of a soft drink).

5. **Unified Budget:** The program budget and the assessment budget of the national Church have been treated separately for many trienniums. The 1985 General Convention instructed the Program, Budget and Finance Committee to combine these into a unified budget. This, of course, can be done, but it must be recognized that the assessment budget is an assessment for the support of the General Convention and that the program budget is an apportionment for the support of programs adopted by General Convention. Every bishop and deputy has an opportunity to disagree with that program. The difference between these two budgets should be made clear to all concerned.

### CONCLUSION:

The 1982 General Convention of the Episcopal Church, meeting in New Orleans, established the biblical standard of the tithe as the minimum standard of giving for all Christians. If such a standard were accepted by all, discussion about funding dioceses or the national Church would not be necessary.

Since this is not the case, the dioceses must ask of their parishes a fair share of funding for diocesan programs and, likewise, the national Church must ask support. No one can elect not to participate.

Finally, we note that the apportionment by the national Church is, in reality, a minimum asking and, since there are no sanctions for not paying, is essentially voluntary.

### Resolution #A082

*Resolved*, the House of \_\_\_\_\_ concurring, **That this 69th General Convention affirm the system of funding the program budget of the national Church as contained in Title I, Sections 1.1 and 1.2, of the 1985 Program Budget Resolution, A-173; and be it further**

*Resolved*, **That said Title I be modified so that the base for calculating apportionments for a given year shall be the NDBI of the congregations in the diocese and diocesan endowment income used for operations for the year two years previous to that given year rather than three years previous.**

**EXPLANATION:** The diocese is the basic unit of the Church and includes all of its parishes as well as the diocesan office. Each must do its share in funding the approved program of the national Church. The apportionment, however, should be based on the latest possible data.

### Resolution #A083

*Resolved*, the House of \_\_\_\_\_ concurring, **That this 69th General Convention amend, Rule IV.15 of the Joint Rules of Order of the House of Bishops and the House of Deputies to add the sentence, "Any resolution not receiving this required referral, consideration and recommendation by the Joint Standing Committee on Program, Budget, and Finance shall be deemed out of order and invalid."**

**EXPLANATION:** While the requirement exists that any addition to the General Convention Program have the budgetary, and in effect the apportionment, consequence attached to it, there is no penalty for not doing so. The members have the right and obligation to know the financial effect of their legislative actions.

**Resolution #A084**

*Resolved*, the House of \_\_\_\_\_ concurring, **That this 69th General Convention establish a Joint Select Committee on Church Funding and Information to study the funding of the Church at all levels and the accuracy and importance of parochial and diocesan reports, and to make recommendations to the next General Convention as deemed appropriate; and be it further**

*Resolved*, **That the Presidents of both Houses be authorized to appoint persons from Stewardship and Development; Program, Budget and Finance; and State of the Church to engage in this study; and be it further**

*Resolved*, **That this committee's existence cease with the 70th General Convention unless specifically re-established; and be it further**

*Resolved*, **That the sum of \$30,000 be appropriated for the work of this committee for the next triennium.**

**EXPLANATION:** The present committee has found that there is much confusion concerning the interpretation of instructions for both the parochial and diocesan reports, considerable diversity in reporting and a hunger for funding information and advice. The ultimate acceptance of any apportionment system at all levels and the eventual possibility of voluntary percentage giving depend on addressing these questions. Further, the positive findings and momentum of this study should not be lost.

**FINANCIAL REPORT, 1986-1988**

	<i>1986</i>	<i>1987</i>	<i>1988</i>
Appropriation	-0-	\$15,600.00	\$4,317.00
Expenditures:			
Travel and Lodging	\$2,341.53	\$ 7,994.68	-0-
Cost of Survey	1,905.24	3,483.00	-0-
	<u>\$4,246.77</u>	<u>\$11,477.68</u>	<u>-0-</u>

Respectfully submitted,

The Rt. Rev. C. Brinkley Morton  
Chairman