

## BUDGETARY FUNDING TASK FORCE

### MEMBERSHIP

The Rt. Rev. James E. Waggoner, Jr., <i>Chair</i>	Spokane, VIII, 2006
Ms. Anne C. Brown	Vermont, I, 2006
The Rev. Reynolds S. Cheney, II	West Tennessee, IV, 2006
Canon Karen Noble Hanson	Rochester, II, 2006
The Rev. Kirk A. Kubicek	Maryland, III, 2006
Mr. Alfred D. Price Western	New York, II, 2006
The Rev. Gregory H. Rickel	Texas, VII, 2006
The Hon. Byron Rushing	Massachusetts, I, 2006
The Rt. Rev. Stacy Sauls	Lexington, IV, 2006
The Rt. Rev. Andrew D. Smith	Connecticut, I, 2006

### SUMMARY OF WORK

The Budgetary Funding Task Force's (BFTF) ten members represent six provinces and these interim bodies: the Standing Commission on Stewardship and Development, the Joint Standing Committee on Program, Budget and Finance (PB&F) and the House of Deputies Committee on the State of the Church. The BFTF held two energetic and energizing meetings: June 27-28, 2005, at The Cathedral College, Washington National Cathedral, Washington, DC; and October 27-28, 2005, at the Holiday Inn O'Hare-Kennedy, Chicago, Illinois.

*General Convention Resolution 2003–B004* called for the appointment of a Mission Funding Task Force to “undertake a comprehensive study on the systems and procedures for funding, budgeting, and expenditure of the Domestic and Foreign Missionary Society” (DFMS). In November 2004, Executive Council provided the funds and constituted the Task Force under the name, Budgetary Funding Task Force to distinguish it from a Mission Funding Task Force formed at that same meeting to explore the formation of a new effort to obtain major gifts for funding mission initiatives. The resolution charged the BFTF to investigate the following:

- The level of the church at which mission support is most efficient;
- The best use of resources and the possible need for redirection of resources;
- The effectiveness in supporting our stated priorities;
- Possible unexplored efficiencies;
- The review of existing commitments with quantification of the discretionary funding amount remaining after funding those commitments; and
- The most efficient and equitable method of funding the budget;
- The encouragement of mutual responsibility, equity and accountability to and among the dioceses of the church.

#### *Introduction*

Funding the triennial budget for DFMS has a direct impact not only on carrying out the mission of the church at the global and national levels but also at the diocesan, parish, and community levels. The church has had a variety of methods for raising funds from dioceses, and each has generated concerns about what these funds might have been able to accomplish at a more local level. Yet when parishes and dioceses pool their resources, we see how small percentages of funds given locally can add up to fund vital ministries and missions across the United States and around the world.

Theological and ideological differences may influence a parish or diocese to contribute more or less money to the budget of the next level of church structure. Contributions may be diminished because of a lack of resources, a lack of information about where the money goes, or a lack of education on the basic disciplines that lead to Christian formation (*GC Resolution 2003–A135: On Holy Habits*).

Undaunted by the scope of our assigned work, the Task Force has laid the groundwork for a long-term examination of how DFMS is funded. We have begun to imagine new and different ways to fund our common mission to work, pray, and give for the spread of the kingdom of God (BCP 856). Our work is not complete, and we hope to continue it in the next triennium so that it can inform the preparation of the 2010–2012 budget to be presented at the 76<sup>th</sup> General Convention.

#### *Identifying the issues*

We began by considering the rationale behind Resolution 2003–B004, reviewing the history of the church’s mission and ministry funding and identifying issues to be addressed. We acknowledged a need to step back and examine the system as a whole before addressing specific issues. Asking fundamental questions about our identity, our vision and how we engage our common mission will give us a foundation for examining the practical aspects of our budgetary system.

The Episcopal Church has moved from the first Fair Share Apportionment, instituted in 1937, to a two-askings system—“apportionment” for the program budget and “assessment” for support of the canonically required aspects of the budget—that prevailed through the 1940s, 1950s and 1960s, and finally to the current formula that combined the previous two-tiered asking into a single percentage—21 percent—of diocesan operating income, less \$100,000.

In addition to funding canonical and triennial program priorities, this asking funds covenants with 27 churches outside The Episcopal Church, many of which are multi-year commitments.

Currently, forty-four dioceses contribute at or above the 21 percent asking; the contributions from other dioceses range from 0–20 percent with eleven in the 15–20 percent range. Almost half of our dioceses contribute less than 15 percent. One way to look at this, given that the formula and the budget represent decisions of the whole church in General Convention, is that nearly half the dioceses subsidize the other half in funding the mission of DFMS.

We are thus faced with the issue of fairness in how we take financial responsibility for the ministry we all share in our response to the call of God’s mission. While the charge given by 2003–B004 may appear to approach this question through a posture of scarcity, we hope our work will shift us toward a posture of abundance. Our giving takes on a different cast when we are clear that all we have is from God, given out of God’s extravagant love.

#### *Who Are We?*

We are not “the National Church,” but an international church made up of 110 dioceses and one convocation, with a presence in at least fifteen nations. The Domestic and Foreign Missionary Society seems to describe more accurately who we are and what we are about: carrying on Christ’s work of reconciliation in the world. All members of The Episcopal Church are members of DFMS.

We wondered what shift in consciousness would occur in our funding process if we were to substitute “the 110 dioceses” for “The Episcopal Church,” “DFMS,” or “The National Church?” For example, the Diocese of Lexington, in reworking its assessment and appeals processes, suggested that each congregation substitute “the other 36 congregations” for the word “diocese.” Might we gain a greater understanding that any reduction in giving by one diocese profoundly affects all of the other dioceses?

#### *Essential Elements of Mission Funding*

In addition to the issues noted above, we identified several elements essential to a consideration of mission funding: a) theology; b) leadership; c) education and communication; d) focus; e) effectiveness of the organization’s structure and design as related to its mission; and f) coherence and congruency.

A clearly articulated vision appears to be a key element in creating a cooperative understanding of why mission funding is necessary and why it is important for each diocese to participate in the life of the whole church. Our sense is that the kinds of structure and design necessary to live out such a vision can lead us either to a new way of budgetary funding or to a clearer understanding and commitment to the current formula.

#### *Where the Money Goes*

Three subgroups prepared reports for our second meeting. The first suggests that our commitment to funding the budget of The Episcopal Church (TEC) hinges on three fundamental understandings: 1) our commitments extend beyond the shores of the United States; 2) Jesus commands us to “do the works that I do; and greater works than these will he do...” (John 14:12, RSV); and 3) we are a hierarchical church which groups congregations into larger structures.

Pooling resources within our structures enables us to do the greater things that Jesus talks about. Local congregations often lack the resources for all they feel called to do. Grouping together into dioceses can foster larger ministries such as regional feeding programs and specialized chaplaincies. When dioceses group together as DFMS, we are able to support church-wide ministries and the work of the Anglican Communion.

#### *A Theology of Giving*

The second report reflected on an apparent gap between what we say and what we do when it comes to Christian stewardship. We often focus on individual giving rather than on corporate disciplines of giving in our lives together as the Body of Christ. Stewardship includes three theological principles, beginning with the “firstness” of our gifts. Within the Judaism of Jesus and life in the early church, gifts to God and the missionary work beyond the local congregation were understood to come first, off the top, not from what might be leftover. Vestries and dioceses often practice the opposite, doing exactly what we tell individuals not to do.

The second principle is percentage giving. General Convention continues to affirm the biblical tithe of ten percent as the minimum of our giving, not our goal. Perhaps, however, our focus on the ten percent tithe blinds us to Jesus’ repeated call for 100 percent.

Third, we need a deeper discussion of the concept of “gift.” Christ’s example asserts that gifts do not come with strings attached. Gifts are not leverage to get our way. Our giving, our stewardship, reflects who we are more than any other characteristic.

#### *Strategy for the Development and Support of Resources*

The third report observed that parishes, dioceses, and DFMS report feeling that their budgets are strained, and some express concern about the “fairness” of our current apportionment system.

At the core of our discussion and debate is a lack of clarity over which dimensions of the church—local, diocese and DFMS—can best organize and deliver programs supporting the mission of the church. If our dioceses are to continue, or increase, their support of our corporate ministry, we need a process that:

- Clarifies the vision of The Episcopal Church and its ministry;
- Revises the system of budget development, presentation, and communication so that it clearly links our stated vision priorities to concrete actions, programs and expenditures;
- Provides transparency and accountability to the wider church;
- Establishes an evaluative process that helps the church to understand the significance and results of its action;
- Communicates the process and results to the church.

We believe that together—as congregations, dioceses, and DFMS—we can continue Christ’s work of reconciliation in the world. This work requires us to reconcile among ourselves how we intend to fund our ministries and to eliminate the gap between what we say and what we do.

### **LOOKING AHEAD: WORK FOR THE 2007–2009 TRIENNium**

We have just scratched the surface of our charge, but we are well on the way to building a broad understanding of the current budgetary situation and outlining some positive steps to move us forward together. These are tasks we have identified for the next triennium:

- Continue theological reflection on questions of mission, who we are as a church, giving, and a theology of abundance in the context of an economy of scarcity.
- Examine what it means to be “efficient” and “effective” in light of the fact that the church is often most effective when it is least efficient.

- Gather information about best practices and examples of success where a theology of abundance is being put into practice.
- Meet with members of the Mission Funding Task Force to clarify differences in the scope of our work and share resources.
- Meet with a select number of dioceses, including some that do not participate at the full asking of 21 percent.
- Meet with those who have advanced the “10-10-10 Proposal.”
- Meet with staff at the Episcopal Church Center.
- Encourage the Presiding Bishop and President of the House of Deputies to meet with the Task Force and be a part of its deliberations.
- Set up an interactive website with our reports, findings, and suggestions.
- Prepare a report with recommendations for Executive Council and the Joint Standing Committee on Program, Budget and Finance in time for consideration in the budget preparation for the 2010–2012 triennium.
- Prepare a report for the 76<sup>th</sup> General Convention with possible action resolutions.

### **BUDGET APPROPRIATION**

If authorized to continue its work in the 2007–2009 triennium, the Budgetary Funding Task Force will meet approximately six times, in addition to field visits and interviews with existing bodies, during the next triennium. This will require \$20,000 for 2007, \$20,000 for 2008, \$20,000 for 2009 for a total of \$60,000 for the triennium.

#### **Resolution A151 Budgetary Funding Task Force**

*Resolved*, the House of \_\_\_\_\_ concurring, That the 75<sup>th</sup> General Convention authorize continuation of the Budgetary Funding Task Force, and that the Task Force report back to Executive Council in 2008 and to the 76<sup>th</sup> General Convention in 2009 on its findings and recommendations; and be it further

*Resolved*, That the General Convention request the Joint Standing Committee on Program, Budget and Finance to consider a budget allocation of \$60,000 for the implementation of this resolution.