

**GENERAL CONVENTION OF THE EPISCOPAL CHURCH 2018
ARCHIVES' RESEARCH REPORT**

RESOLUTION NO.: 2018-B001
TITLE: Set Rates for Funding Church Budget
PROPOSER: The Rt. Rev. Scott Benhase
TOPIC: Budget

Directly Related: (Attached)

2015-C001 Set Rates for Diocesan Funding of the Church Budget
2012-A005 Adopt the Budget of The Episcopal Church
2012-B016 Express the Mind of the House of Bishops on Diocesan Budget Commitments
2000-C005 On the Topic of Funding the National Church Through a Diocesan Tithe (Rejected)
1994-D131 Adopt Funding Policy for the 1995-1997 Budget as a Single Asking

Indirectly Related: (Available in the [Acts of Convention](#) database, searchable by resolution number)

1994-A143 Adopt the 1995-1997 Budget as a Single Asking for Program and Expense

In preparing this report, the Archives researched the resolutions in the Acts of Convention database for the period 1976 through 2015, selecting "direct" resolutions that have a substantive bearing on the proposed legislation. The "direct" resolutions are attached and "indirect" resolutions are available in the Acts of Convention database. Committee members who require other research assistance should contact the Archives at 800-525-9329 before Convention or at Convention in the General Convention Secretariat.

B001 Set Rates for Funding Church Budget

Proposer	The Rt. Rev. Scott Benhase
Topic	Budget
Endorsed by	Skirving, The Rt. Rev. Rob; Tarrant, The Rt. Rev. John
Sponsored by	
Page numbers	Blue Book: p. N/A; Constitution & Canons: p. N/A
HiA / Leg. Cttee	HD / 21 - Joint Standing Committee on Program, Budget and Finance
Current Status	Resolution Filed
Version	Original (as filed)
Review Status	Not yet reviewed

RESOLUTION TEXT

- 1 *Resolved*, the House of _____ concurring, That the 79th General Convention adopt a system of diocesan funding of the Church triennial budget based on how much each diocese spends on average per congregation in their annual budget; and be it further
- 2 *Resolved*, That the rate be set for 2019-2021 as follows: For dioceses spending \$1 - \$5,000 the rate will be 2.5%. For dioceses spending \$5,001 - \$10,000 the rate will be 5%. For dioceses spending \$10,001 - \$15,000 the rate will be 7.5%. For dioceses spending \$15,000 - \$20,000 the rate will be 10%. For dioceses spending \$20,001 - \$25,000 the rate will be 12.5%. For dioceses spending \$25,001 - \$30,000 the rate will be 15%. For dioceses spending \$30,001 - \$35,000 the rate will be 17.5%. For dioceses spending more than \$35,001 the rate will be 20%; and be it further
- 3 *Resolved*, That the member dioceses of this Church commit to pay the full percentage assessment as established by the budget approved by the 79th General Convention for the coming triennium (2019-2021) if their financial circumstances so permit; and be it further;
- 4 *Resolved*, That those dioceses unable to make this commitment by 2021 submit a hardship waiver request to Executive Council for review; and be it further
- 5 *Resolved*, That the Executive Council has authority to grant such a hardship waiver as necessary and when accompanied by an action plan appropriate to the circumstances of the diocese seeking the hardship waiver that will work toward full participation in the covenanted asking commitment by a set date.

EXPLANATION

A flat rate on all dioceses of 15%, like a flat rate in secular personal income tax, does not take into consideration the vast disparity in resources of those paying the rate. In TEC, there is a great inequality in revenue available to dioceses through congregational assessments, endowments, and other sources. We create a more progressive system of assessment when we account for these disparities in assigning rates at different levels of assessment based on how much a diocese spends per congregation through their annual budget. Dioceses that spend more revenue on average per congregation than others that spend less would have a higher assessment percentage.

This progressive system will actually produce a modest increase in triennial income from the current formula. This will allow the Church to continue all her current commitments and even slightly expand in her mission work.



Resolution Number: 2015-C001
Title: Set Rates for Diocesan Funding of the Church Budget
Legislative Action Taken: Concurred as Amended
Final Text:

Resolved, That the 78th General Convention direct the Executive Council to prepare and the Joint Standing Committee on Program, Budget and Finance to present a budget to the 79th General Convention in which Diocesan Commitments for funding the budget are set at a rate no higher than 15% beginning with the next triennium (2019-2021); and be it further Resolved, That the member dioceses of this Church commit to paying the full asking, with the expectation that the minimum commitment from each diocese of this Church shall reach the asked level during the 2019-2021 triennium.

Citation: General Convention, *Journal of the General Convention of...The Episcopal Church, Salt Lake City, 2015* (New York: General Convention, 2015), p. 381.



Resolution Number: 2012-A005
Title: Adopt the Budget of The Episcopal Church
Legislative Action Taken: Concurred as Substituted
Final Text:

Resolved, That the 77th General Convention adopt the 2013–2015 Budget for the Episcopal Church as presented by the Joint Standing Committee on Program, Budget and Finance.

1.0 The Budget for the Episcopal Church for the period January 1, 2013 through December 31, 2015, which shall be a unified budget including Canonical, Corporate, and Program (mission) portions, is adopted at a total of \$111,546,000.00.

1.1 The Canonical portion, providing for the contingent expenses of the General Convention, the stipend of the Presiding Bishop and the expenses of that office, the expenses of the President of the House of Deputies, and Church Pension Fund assessments is adopted at a total of \$ 20,125,000.00 as follows:

For the year 2013 \$ 5,871,000.00

For the year 2014 \$ 5,941,000.00

For the year 2015 \$ 8,313,000.00

1.2 The Corporate portion, providing for the for the administrative support of the Domestic & Foreign Missionary Society offices, is adopted at a total of \$33,997,000.00 as follows:

For the year 2013 \$ 11,226,000.00

For the year 2014 \$ 11,325,000.00

For the year 2015 \$ 11,446,000.00

1.3 The Program (mission) portion, providing for support for the mission and ministry (restricted and unrestricted) of the Church, is adopted at a total of \$57,394,000.00 as follows:

For the year 2013 \$ 18,882,000.00

For the year 2014 \$ 19,061,000.00

For the year 2015 \$ 19,451,000.00

2.0 The funding policy for the period January 1, 2013 through December 31, 2015 is adopted based on a single Asking of the dioceses. After a \$120,000 exemption from total income, a single asking shall be applied at a flat rate of 19% of the balance of income to the diocese, reported in the diocesan financial statements for the year two years prior to the year to which the pledge is applied [e.g.: 2013 Askings are to be based on 2011 actual income figures]. “Income” includes (1) all congregational giving to the diocese, (2) all unrestricted investment and endowment income to the diocese, (3) restricted investment and endowment income to the diocese which covers costs in the operating budget, and (4) other earnings from investments or enterprises. It is intended that income shall include revenues that fund normal operating and program expenses of the dioceses. It is not intended to include pass-through income that is used for expenses for programming that are simply administered by the dioceses, or that would not be otherwise funded by contributions from parishes or out of investment income.

2.1 We rejoice with dioceses that have moved toward, and those that give at and above 19%. Such giving creates a strong financial basis for vital mission and witness of the Episcopal Church. We encourage all our dioceses to adopt the 19% Asking; then we

could allocate an additional \$8.2 million dollars each year toward fulfilling the mission priorities which we have embraced in this 77th General Convention.

2.2 For the budgetary period income from diocesan commitments, totaling \$73,500,000.00 is anticipated as follows:

For the year 2013 \$ 24,752,000.00

For the year 2014 \$ 24,507,000.00

For the year 2015 \$ 24,241,000.00

2.3 For the budgetary period 2013-2015, payment by the dioceses of the Askings shall be made in twelve equal monthly payments.

2.4 All additional income, other than from the Askings of the dioceses, totaling \$38,046,000.00, is projected as follows:

For the year 2013 \$ 12,292,000.00

For the year 2014 \$ 12,292,000.00

For the year 2015 \$ 13,462,000.00

2.5 A General Ordination fee is hereby authorized, which fees shall be added to the funding from dioceses and applied to the expenses of examination as appropriated in the budget. A candidate for Holy Orders eligible for examination and so certified by the diocesan bishop shall not be disqualified for examination because the fee has not been paid.

2.6 General Convention registration and exhibitors fees are hereby authorized, which fees shall be added to the funding from dioceses and applied to the expenses of the 2015 General Convention, and for no other purpose.

3.0 In the exercise of their respective authorities, the Executive Council of the General Convention and the Joint Standing Committee on Program, Budget and Finance shall be subject to the following policies:

3.1 Each year, the Executive Council, with the advice of the Joint Standing Committee on Program, Budget and Finance, shall adjust the budget to the assured income of the Executive Council so as to carry out the Budget for the Episcopal Church for that year on a balanced budget basis.

3.2 The fiscal year shall begin January 1.

3.3 If in any year the total anticipated income for budget support is less than the amount required to support the budget approved by the General Convention, the Canonical portion of the Budget for the Episcopal Church shall have funding priority over any other budget areas.

3.4 Undesignated bequests and legacies received during the budgetary period shall be set aside in the general endowment fund of which only the income shall be used for the general purposes of the Society.

3.5 Designated bequests and legacies received during the budgetary period shall be set aside in specific funds of which only the income shall be used for the purposes so designated.

3.6 Each Committee, Commission, Agency and Board (CCAB) proposing to the General Convention any resolution with funding implications shall present to the Standing Committee on Program, Budget and Finance a detailed budget in support of its plan(s), including cost estimates from contractors and suppliers for all goods and services, by no later than six months before the opening day of the General Convention

3.7 Subsequent editions of the *Report and Proposal of the Presiding Bishop and Executive Council to the General Convention* contain the following information for each year of the preceding triennium:

- **A description of the actual income and expenditures of the DFMS, relating the expenditures to the Church's priorities with accompanying narrative.**
- **Endowment balance and total investment return, with accompanying narrative.**
- **Posting of this report on the DFMS website when it is released to the Bishops and Deputies.**

Citation: General Convention, *Journal of the General Convention of...The Episcopal Church, Indianapolis, 2012* (New York: General Convention, 2012), pp. 273-275.



Resolution Number: 2012-B016
Title: Express the Mind of the House of Bishops on Diocesan Budget Commitments
Legislative Action Taken: Adopted
Final Text:

Resolved, That the 77th General Convention direct the Executive Council to prepare and the Program, Budget and Finance Committee of General Convention to present a budget to the 78th General Convention in which Diocesan Commitments for funding the budget are set at a rate no higher than 15% for each year of the triennium (2016-2018); and be it further
Resolved, That the member dioceses of this Church commit to pay the full asking percentage as established by the budget approved by the 77th General Convention for the coming triennium (2013-2015) if their financial circumstances so permit; and be it further
Resolved, That the member dioceses of this Church commit to paying the full asking in the 2016-2018 triennium so long as that asking is no higher than 15% for each year of the triennium, with the expectation that the minimum commitment from each and every diocese of this Church shall be at the asked level no later than 2016; and be it further
Resolved, That those dioceses unable to make the minimum commitment by 2016 submit a hardship waiver request to Executive Council for review; and be it further
Resolved, That the Executive Council has authority to grant such a hardship waiver as necessary and when accompanied by an action plan appropriate to the circumstances of the diocese seeking the hardship waiver that will work toward full participation in the covenanted asking commitment by a set date.

Citation: General Convention, *Journal of the General Convention of...The Episcopal Church, Indianapolis, 2012* (New York: General Convention, 2012), p. 334.



Resolution Number: 2000-C005

Title: On the Topic of Funding the National Church Through a Diocesan Tithe

Legislative Action Taken: Rejected

Text of the Resolution:

Resolved, the House of Bishops concurring, That the 73rd General Convention initiate the process by which the Church at the National level is funded by apportioning a tithe upon the income of the several dioceses thereof; and be it further

Resolved, That this General Convention direct the appropriate standing commission to develop the process and procedures by which this action can be accomplished; and be it further

Resolved, That realizing such a substantive change will require a period of time for conversation, we recommend that the process be presented to the General Convention of 2003, and the implementation be completed by the General Convention of 2009.



Resolution Number: 1994-D131
Title: Adopt Funding Policy for the 1995-1997 Budget as a Single Asking
Legislative Action Taken: Concurred
Final Text:

Resolved, That

2.0 The funding policy in support of the General Convention budget for the period January 1, 1995 through December 31, 1997 is adopted as a single Asking from each Diocese, to which is added all other revenue for the budgetary period 1995-1997.

2.1 The single Asking is based upon a choice of either the 1994 combined Apportionment/Assessment payment by each Diocese or a graduated percentage basis established on five incremental income ranges, based on each current year's diocesan income from parochial giving and all unrestricted general operating income.

2.1(a) For the budgetary period 1995-1997 the graduated percentages applied to each current year's diocesan income shall be as follows:

- 16% of the first \$500,000 of income
- 19% of the next \$500,000 of income
- 22% of the next \$1,000,000 of income
- 25% of the next \$2,000,000 of income
- 20% of income over \$4,000,000

2.1(b) In 1996 and 1997, if the diocesan choice is based on the 1994 commitments, a three percent adjustment increase will be applied each year.

2.2 For the budgetary period 1995-1997 and in accordance with the funding policy described in Section 2.0 and Section 2.1(a), the projected Askings are a total of \$85,168,969, as follows:

- For the year 1995 Askings of \$27,425,656
- For the year 1996 Askings of \$28,378,381
- For the year 1997 Askings of \$29,364,932

2.3 For the budgetary period 1995-1997 and in support of the funding policy described in Sections 2.0, 2.1(a) and 2.1(b), payment of the Askings by Dioceses shall be made in twelve monthly payments.

2.4 All other revenue for the budgetary period 1995-1997 is estimated using prior years' experience as a guide for a total of \$45,952,025 as follows:

- For the year 1995 Other income of \$14,944,929
- For the year 1996 Other income of \$15,177,588
- For the year 1997 Other income of \$15,829,508

2.5 A General Ordination Examination fee is hereby authorized which fees shall be added to the funding from Dioceses and applied to the expenses of examination as appropriated in the budget. A candidate for Holy Orders eligible for examinations and so certified by the Diocesan Bishop shall not be disqualified for examination because the fee has not been paid.

2.6 General Convention registration and exhibitors fees are hereby authorized, which fees shall be added to the funding from Dioceses and applied to the expenses of the 1997 General Convention, and for no other purpose.

2.7 All Special Offerings and Restricted Funds received during the budgetary period 1995-1997 shall be used for the purposes designated, and for no other purpose.

Citation: General Convention, *Journal of the General Convention of...The Episcopal Church, Indianapolis, 1994* (New York: General Convention, 1995), pp. 196-97.