

Joint Budget Committee of Executive Council

July 14-15, 2025

Linthicum Heights, Maryland

Minutes

Present: Diane Jardine Bruce (chair), Patty Downing (vice chair), Eric Metoyer (vice chair), Gina Angulo, Thomas Brown, M.E. Eccles, Jeff Fisher, Timothy Gee, Warren Hawk (chaplain), Deborah Jackson, Tess Judge, Chris Lacovara, Brian Martinez, Patrick Haizel, Molly James, Rebecca Wilson

Zoom: Julia Ayala Harris, Kurt Barnes

Support: Betsey Bell, Cecy Alomia, Rosanne Andreoli

The meeting began with Warren Hawk reading the Land Acknowledgment and Morning Prayer led by Eric Metoyer.

The chair, Diane Jardine Bruce, welcomed everyone, reviewed the agenda, and reminded members this is a new process. With the assistance of the changes to the Executive Council by Laws, the new Chief Financial Officer (CFO) and the Joint Budget Committee (JBC) will now be responsible for both the annual and the triennial budgets. She then introduced the committee norms and asked for any additions. Hearing none, the norms as suggested on the agenda were adopted.

Vice-Chair Patty Downing led the committee through an ice-breaker activity where members shared memories, both positive and negative, around money.

The chair called on the CFO to introduce the purpose of the meeting and the plan to accomplish it. He shared the committee would begin by getting a collective understanding of the existing budget, beginning with a line-by-line review of the current budget in the current format. This process will be followed by some forward-looking, including an introduction to several of the Presiding Bishop's initiatives and a proposed new format for the 2027 annual budget and the next triennial budget. In the end, the goal is to have a budget that lines up with our theology, where the budget and the financials reports all line up in a clear format.

Timothy Gee, as chair of the Joint Standing Committee on Finance (FIN), introduced the [By Law](#) changes adopted at the last meeting of Executive Council. The CFO, with input from staff, will draft the 2026 annual budget for the JBC. The JBC will review and finalize the annual budget and present it to FIN. FIN will then present the budget to the full Executive

Council for adoption. This will be the same process for the triennial budget. And, with several members of FIN – including the chair and vice chair – on JBC, FIN will have the information needed to approve the budget. This will allow FIN to focus on non-budgetary fiduciary work and will allow the JBC to have consistent budget information instead of coming in mid-triennium to create the next General Convention Budget. The committee has agreed to document each step of the new process as they live into their new responsibilities.

Following a break, the committee chaplain Warren Hawk set a prayerful framework for the line-by-line review of the full 2025 budget. The CFO, Chris Lacovara, led the JBC through the entire budget beginning with income.

As Diocesan Assessments make up the largest percentage of the annual income, Chris began by sharing two handouts: The [Diocesan Commitments](#) and the [Diocesan Waivers](#). He clarified for members the formula for determining the annual assessment, including the impact of waivers, block grants, and other adjustable factors. He also explained that waivers granted to diocese are a direct loss of income to the budget, and the currently budgeted \$100,000 is well below the requested needs. Patty Downing, as chair of the Assessment Review Committee, explained their process and agreed more funds would be needed up to \$1,000,000.00. Chris noted this for the 2025 and 2026 budgets. .

The next source of income is [Trust Income](#). The CFO reviewed the different types of trust income and expressed concern that the current 5% draw may need to be lowered based on the last 5-10 years of returns. This would also directly impact the final income available for allocation.

There was discussion on the purpose and history of restricted trust funds funding non-budget expenses. There is a desire for more transparency and that these funds should be listed and tracked with the full budget. The finance and legal departments are reviewing all restricted trust funds to ensure funds are being used as designed.

A discussion on the Coalition Funds ensued. As restricted funds are being reviewed, it has become clear that perhaps some trust fund income should not be included in the total from which the Coalition Funds are calculated. If the base amount is adjusted, the Church will need an explanation from the JBC for any lower amounts allocated to the Coalition. No final decision has been made as the review process continues.

The afternoon was spent going line by line through the [2025-2027 Triennial Budget](#). During the review of each department's expenses several themes emerged. Travel is the second

largest expense, after salaries and benefits. The total travel expense is not always easy to find in the budget, as there are inconsistencies in how different travel expenses are submitted for reimbursement. Travel is one of the areas that leadership will be focusing on, to decrease expenses.

There are a lot of different grants scattered throughout, which represent a significant amount of money. A full review of the granting process is in process. Grants are extremely important to diocese, but the application and reporting processes are inconsistent and must be reviewed to ensure monies are going to the places most in need.

There are inconsistencies between departments regarding how salaries for employees and consultants are tracked. Moving forward the committee would like to see more consistency in the reporting process.

Throughout the line-by-line review, there were discussions about how initiatives will be different under the new administration; some programs will continue, some will remain but change, and others may have to sunset and be replaced by something new. Expenses across the board have been impacted by the staff re-alignment. Many of the re-alignment expenses are currently in the Presiding Bishop's budget lines, but they will be allocated to others to more accurately depict how the funds have been spent. The staff and departmental changes, as well as several external partnerships, were shared with the committee, which will have implications on the 2026 annual budget. The staff re-alignment process should save more money than was budgeted.

There were also discussions around Block Grants, Covenant Agreements and Ecumenical Agreements. These are all areas that will be reviewed, and any recommendations will be shared with the JBC. Block Grants are essential to our non-domestic and smaller domestic dioceses, but like all other grants, the reporting and administration needs to be updated. Block grants are often used to assist with staff compensation, so the amounts should be reviewed for cost-of-living adjustments.

Following the deep dive into the budget and the Joke of the Day from the chair, the JBC adjourned until the next morning.

Day two began with Morning Prayer led by chaplain Warren Hawk.

The CFO began day two by reviewing the [Year to Date Forecast](#) using the current budgeting format. On the income front, the assumption is that commitments will come in as promised,

but there will be more waivers than budgeted. The dividend income assumes a 5% dividend draw, which may change. Rental income will be impacted by some tenant changes. On the expense side, each department forecast was reviewed. Some expenses were not used in the first half of the year, but he anticipates they will be used by year end. For example, several grant programs are just beginning the application process, but it is likely most funds will be disbursed. He will keep the JBC updated on staff cost savings as retirements and new hires level out.

Rebecca Wilson shared the new [Presiding Bishop Initiatives](#) and the estimated financial impact on the budget. There are plans to assist dioceses with in-kind services provided by DFMS departments, in addition to financial support.

Rebecca Wilson provided a historical account of the Archives, and finding a permanent home. Chris followed up with where we are now and explained the budget implications moving forward. The Archives relocation project should not impact the 2026 budget but will need to be monitored for the 2027 and triennial budgets. An explanation of the plan should be included in the budget narrative.

She highlighted some additional partnerships that are in the works, which could support several of the Presiding Bishop's initiatives. The JBC will be updated as plans are finalized, highlighting any financial implications, as the figures shared are estimates.

She also provided an update on the plans for a new TEC website and a churchwide identity campaign once the website is complete.

Following the discussion on Initiatives, Chris shared the [2026 Budget Look-Ahead](#) document, highlighting potential changes to both income and expenses. The list included decreasing the dividend draw amount, increasing the number of diocesan waivers, adjusting the A125 Coalition draw, and expense adjustments based on decreased travel and larger than budgeted staff realignment savings.

As former chair of the JBC, Patty Downing reviewed the changes made to the [2025 budget](#) that were adopted by Executive Council. She also shared a timeline for the 2026 budget creation. The CFO and staff will work on a draft budget over the summer and early fall, while sharing variance reports monthly with the JBC. The 2026 draft budget will be shared with the JBC no later than September 18, allowing for a full review at an extended Zoom meeting on September 22. Any changes will be made before sending the budget out for translation. The final draft in English and Spanish will be referred to FIN by October 6. Executive Council

will make recommendations back to the JBC, and the final budget will be voted on in December.

The chair led a discussion on the pros and cons of working on subcommittees and the JBC members decided, for now, committee would work as a whole. This will allow all members access to all information at the same time.

The CFO shared his recommendation for a new [Triennial Budget Design](#), which would potentially be used for the 2027 annual budget as well, but not for 2026. The new design was well received by the JBC as it makes reporting consistent across departments. There were some small suggestions made, but overall, the committee supported the design.

The meeting adjourned with Evening Prayer, and the Joke of the Day.

Next Meetings:

August 11, 1 -3pm ET Zoom

September 22, 11am-2pm ET Zoom