

# HOUSE OF DEPUTIES COMMITTEE ON THE STATE OF THE CHURCH

## Membership

The Rev. Winnie S. Varghese, <i>Chair</i>	New York, II	2018
The Rev. Ernesto R. Medina, <i>Vice-Chair</i>	Nebraska, VI	2018
Ms. Sarah E. Lawton, <i>Secretary</i>	California, VIII	2018
The Rev. Gary Commins	Los Angeles, CA, VIII	2018
Mr. Cliff Craig	Northwest Texas, VII	2018
The Rev. Kim Fonder	South Dakota, VI	2018
The Rev. Evan D. Garner	Alabama, IV	2018
The Rev. Jane S. Gould	Massachusetts, I	2018
Mr. Roger Graham	West Texas, VII	2018
The Rev. Ivette Linares	Puerto Rico, IX	2018
The Rev. Eric Metoyer	California, VIII	2018
Mr. Gary A. Moore	Central Gulf Coast, IV	2018
Mr. Brendan O’Sullivan-Hale	Indianapolis, V	2018
Ms. Laura Russell	Newark, NJ, II	2018
The Rev. Patrick F. Strohl	Central Pennsylvania, III	2018
Ms. Bonnie Weaver	Southeast Florida, IV	2018
The Rev. Gay Clark Jennings, <i>Ex-Officio</i>	Ohio, V	2018

## CHANGES IN MEMBERSHIP

Mr. Cliff Craig was appointed to the committee by President of the House of Deputies Gay Jennings in November 2016.

## Commission Representation at General Convention

Deputy Sarah Lawton is authorized to receive non-substantive amendments to this report.

## Mandate

The mandate of the House of Deputies Committee on the State of the Church, per Canon 1.6.5(b), is to prepare and present to the next meeting of the House of Deputies a report on the State of the Church; which report, when agreed to by the said House, shall be sent to the House of Bishops. The State of the Church Committee is also charged to set the form of the Parochial Report with the final approval of the Executive Council. At the beginning of this triennium, the President of the House of Deputies charged the committee to focus on three (3) areas: Social Justice and Advocacy Ministries in the Episcopal Church, Multicultural and Ethnic Ministries, and the needs and work of the Church Pension Group and its services as they relate to the changing church.

The Commission began its work at an in-person meeting in Baltimore, Maryland, from November 19-21, 2015. We met in person for two (2) additional meetings: in Chicago, Illinois, from November 3-5, 2016, and in Seattle, Washington, from September 28-30, 2017. We also convened by video/teleconference for an additional fourteen (14) short meetings: February 11, 2016; May 5, 2016; December 12, 2016; January 9, 2017; February 13, 2017; March 13, 2017; April 10, 2017; May 8, 2018; June 12, 2017; July 10, 2017; August 14, 2017; September 11, 2017; October 9, 2017; and November 13, 2017.

The Commission was referred, and took action on, one (1) resolution from the 78<sup>th</sup> General Convention, Resolution 2015-A084, to modify the Parochial Report to include worshipping communities not reported upon previously and to expand upon the extent of mission and ministry within congregations. We proposed the following change to the Parochial Report for 2017: languages used in worship, emerging worshipping communities, activities other than Sunday services and direct outreach. This addition was accepted by the Executive Council at their June 2017 meeting and is included in the most recent version of the Parochial Report.

## Summary of Work

### OVERVIEW

The mandates to the committee are focused on areas that reflect the rapidly changing context of The Episcopal Church. The report on overall membership, stewardship, and average Sunday attendance, which can be found here <https://www.episcopalchurch.org/research-and-statistics>, tells a story of modest decline in relation to the recent past, a story of radical decline when compared to the post-World-War-II heyday of the 1950s and early 1960s, and a profound and shocking decline when compared to the growth in population of the United States. In 1960, the population of the United States was one hundred and eighty (180) million. It is now three hundred and twenty-six (326) million.<sup>1</sup> The parochial report data, when compared to the population of the United States which grows by one (1) person every fifteen (15) seconds, tells us that we are roughly 0.5% of the population of the United States in 2016.

From the census site you can also see in what regions of the country the population is growing; who we are as a nation by gender, as the census records gender; and who we are becoming as a nation by race and immigration, again as the census records such. These are descriptive, not proscriptive facts about The Episcopal Church in the U.S. context. We are not here offering census data on those parts of the Episcopal Church outside of the U.S., which tell their own stories of migration and population shifts.

One of the interesting issues that the census does point us toward is that we are growing by births, which just barely outpace deaths in the United States, but we continue to grow even more quickly by

immigration. The charge to look at the state of Ethnic and Multicultural ministries is timely. As a Church, more and more of our congregations are visibly diverse, and we must equip ourselves to minister effectively in contexts in which there are multiple social norms, and the weight of discrimination and privilege in society present themselves to us in our congregations.

The Episcopal Church has a strong history of speaking both practically and prophetically as “tall steeple” churches and community leaders in the public square. That work is ably led at the national level by the Office of Government Relations and informed by the General Convention. The committee explored how we might better connect, communicate and strengthen the usually local work of service and advocacy with the historic influence of The Episcopal Church for these deeply troubled and divisive times.

This report attempts to look at the new realities of part time, bi-vocational, and non-stipendiary clergy filling key leadership roles in congregations, often as the solo priest. This is not a new way of being the Church, but it has not been the “norm” for some time, and that appears to be changing. There are implications for our Pension Fund and its products as the expectations of full time, compensated employment for clergy in the Episcopal Church changes. In addition, the rapidly changing healthcare landscape in the United States has placed the Episcopal Church’s attempts at parity in an entirely different landscape than when they were first envisioned. It is time to revisit what we mean by parity.

Finally, the committee came to the conclusion that the Parochial Report needs a substantial overhaul. Statisticians tell us “we value what we measure.” It seems clear that our local understanding of vitality is not yet adequately recorded, reported and communicated by the current Parochial Report. We ask the next State of the Church committee to propose substantive changes to the Parochial Report to center its questions on what we as Episcopalians believe to be signs of faithfulness in our congregations by identifying data and methods of obtaining and sharing that data that are the most useful to congregations, dioceses and seekers; and reported through the Episcopal Asset Map.

### **ETHNIC AND MULTICULTURAL MINISTRIES**

For the purposes of clarity, we have chosen to define Ethnic and Multicultural Ministries under the titles assigned by The Episcopal Church Center. These include: Latino/Hispanic Ministries, Asian Ministries, Black Ministries, and Native American Ministries.

Our work began with an exploration of how each of the Ethnic and Multicultural Ministries began in official roles out of The Episcopal Church Center. We interviewed Church leaders to learn about the recent and current dynamics and strategies of the various ministries. Finally, we sought to understand the current direction of church leadership with respect to Ethnic and Multicultural Ministries.

Our most important finding is that racism is active within the structures of The Episcopal Church [TEC]. The Ethnic Ministries of The Episcopal Church are as defined by the values of the larger culture as any other ministries.

The genesis of each of the ministries, although unique, share the reality that each was founded on the Doctrine of Discovery rather than a model of shared and mutual ministry. The significant consequence is that work with what is seen as marginalized communities are “siloe” by limiting definitions of race or ethnicity, and have not had the freedom to move across categories to fully develop and share the gifts diverse communities bring to the Episcopal Church.

## History

“The Episcopal Church has been involved in ministry, particularly health and education programming, among Black and Native American communities since the nineteenth century.”<sup>2</sup> This statement by TEC accurately describes the perception of the Church’s outreach to people of color in traditional missionary terms of ministry to those people: bringing the Gospel of Jesus Christ to these communities and building agencies and institutions to provide for health care, education and social welfare, from the dates of the first ordained clergy charged with serving them (the Rev. Absalom Jones (deacon 1795, priest 1804) and the Rev. Enmegahbowh (deacon 1859, priest 1867). The clergy served the people of the Church through their work as ministers and community leaders; however, advocacy of and by the communities was carried out outside the formal structure of the Church. In the African American Church, the Conference of Church Workers Among the Colored People [CCWACP] was founded in 1883 by the Rev. Alexander Crummell, and the Rev. Winston Ching led the founding of the Episcopal Asiamerica Ministry in the 1970s. These and other groups became advocates for their particular communities outside the formal Church structures.

Within the TEC structure, the Civil Rights’ Movement of the 1960s led the Episcopal Church’s Executive Council to “shape policy toward ethnic minority communities.”<sup>3</sup> Funding from General Convention supported work of ethnic commissions whose members were appointed by Executive Council and General Convention and supported by a staff officer (for the purpose of this report, these multicultural missionaries are referred to as ‘ethnic desks,’ a term widely used within the structures of the Church). Each of the four (4) commissions, overseeing Black, Native American, Hispanic and Asian ministries, were chartered under what came to be called the Standard Ethnic Charter of the Executive Council. The charter directed funding to and policy toward the ethnic minority communities in TEC. Meanwhile, advocacy for these minority communities remained outside Episcopal Church offices in groups such the Union of Black Episcopalians [UBE] (UBE, successor to CCWACP).

## More Recent History

Clearly our Church has been a prophetic voice in calling out the sin of racism in our society. Through our governing structures and offices, we have studied, prayed, preached and written pastoral letters

speaking against racist events in our communities. Our Church leaders post on a variety of social media the shock of how racism is active around us and how it is necessary to preach against this sin. And yet little is heard when it comes to exploring the realities within our own Church. Here are just a few of our observations:

- Our biases inform our outreach in mission and ministry, and our churches, as a whole, do not reflect the diversity of their local communities.
- Clergy from non-dominant cultures continue to face unequal access to theological education, unequal compensation, and unequal training and continuing education.
- The current structure of the Ethnic Ministries Offices of the Episcopal Church assume that each office serves a unified community, failing to allow for the multinational, multilingual and multicultural contexts of each area.
- The distinct contexts of the non-U.S. dioceses in the Episcopal Church are not adequately supported in our current structures.
- Mutuality of exchange of gifts, skills, grants and financial gifts are necessary for healthy ministries, but the way the work has been structured historically, and the way we tend to tell our stories, assumes that gifts flow from the dominant to “ethnic” ministries.
- We rarely acknowledge that, while it has been the dominant ecclesiastical culture, the white part of the Church is also “ethnic ministry.” We all bring our ethnicity(ies) to the Table.

### Signs of Hope

In the Presiding Bishop’s “The Beloved Community” plan, we see progress toward understanding the complexity and need for mutuality in Ethnic and Multicultural Ministries. By asking the question, “Where is Jesus in this community?” we shift from the assumption that we are bringing Jesus to the assumption that Jesus is already there with and in the people.

We made interesting discoveries during our interviews with the four (4) Multicultural Missioners. On one hand, we found that their current job frameworks and mission structures are not designed to share the gifts of the staff, leadership and communities from non-dominant cultures with each other or the rest of the Church. The structures have been historically designed to hold each program as a distinct area, to fold into the dominant culture, not share back. On the other hand, the four (4) Missioners understand that each is individually ministering to diverse communities, diverse groups of nationalities and cultures. The result has been the development of strong skills of how to successfully deal with a pluralistic community. This is a skill set greatly needed by the Church as a whole.

In addition, we discovered that these communities, which are in many ways marginalized, also offer distinctive skills/gifts:

1. Ministry among diverse populations.
2. Highly developed collaborative skills.

### 3. Tools for the empowerment of the laity.

It is important that structures and processes be created to bring mutuality in sharing to the wider Church. The Episcopal Church has gifts for collaborative ministries across cultures—truly multicultural ministry. Our church wide staff are uniquely positioned to identify, share and support these opportunities for learning as the wider Church. Additionally, the current staff structures do not take advantage of the unique position for advocacy that The Episcopal Church's ethnic missioner positions make possible. A holistic vision of mission, program, and social justice advocacy invites The Episcopal Church to use the breadth and depth of its connections in community for justice.

#### Coming to Terms

The committee believes that the Church is called to a more radical inclusiveness as an institution.

For many generations, The Episcopal Church has thrived in multicultural churches and communities, but we have hidden the light of these communities instead of bringing them to the center of Church life. The Episcopal Church can do much more in exploring the abundance of God's grace found in others, especially when it takes us out of our comfort zones, a Church that over the decades has moved forward in grace one step at a time.

At the end of this report, we offer several resolutions to strengthen Ethnic and Multicultural Ministries. These are focused as steps that can be taken on the church wide level, recognizing that there also needs to be articulation of this work from our Church wide structures to our dioceses and congregations in their local contexts. These resolutions are far from comprehensive; they will not solve the sin of racism for our Church. We propose our resolutions as practical and doable steps of commitment on a long journey that has already been undertaken and will go on for a long time, a journey that can begin to help us open up the deep gifts of developing bridges and mutual accountability and communication.

#### **SOCIAL JUSTICE AND ADVOCACY WORK OF THE CHURCH**

The Social Justice and Advocacy subcommittee explored the commitment and involvement of the wider Church and our congregations in social justice. To this end, we spoke to various staff at The Episcopal Church Center and electronically distributed a survey seeking to discern what dioceses and parishes were doing in furtherance of social justice ministries. In this survey, we asked respondents to think about distinguishing between charity and justice work (understanding that some programs have elements of both), and also making distinctions among work that the congregation created and nurtured, work that was being done by individuals in congregations, and work that utilized congregational space.

## Theology of Social Justice

In our survey of the Church, we discovered that definitions and understandings of “social justice” vary broadly. We heard from many congregations with ministries that would traditionally be called “charity” as compared to “justice;” we defined justice work as acts to address and heal the root cause of the injustice which prompted our need for charity in the first place. This distinction caused anxiety for some who filled out the survey, both in terms of trying to define charity work as “justice” and from some who do not believe the Church should be doing justice work. Comments in response to our survey stated with some frequency that the Church should “remove itself from politics and get on the work of social justice.” Bishop Barbara Harris has commented that the Church tends to confuse the charge of the prophet Micah as we “love justice and do kindness.” In preaching, teaching and praying, we use prophetic language about doing God’s work of justice; yet responses to our social justice survey suggest that our actions across the Church tend to fall more often into the realm of alleviation of suffering and the work of charity than the work of justice.

Speaking about justice work, Archbishop of Canterbury Justin Welby said, “When Christians speak in public about community flourishing or about justice, there’s always someone who will pop up and ask why we’re sticking our noses in, as if these things were miles away from the proper concerns of Christianity... Stick to God, we are told. So we do, and we find not only the passages I have mentioned, but Jesus saying: Love God, love neighbour... The common good of the community and justice are absolutely central to what it means to be a Christian.” And furthermore, “We don’t speak about common good and justice because we think we have some automatic right to be heard,” he said, “but because loving our neighbor places responsibilities upon us. We have responsibilities to speak, even when it might be easier to stay quiet, to point to injustice and to challenge others to join us in righting it.”<sup>4</sup>

Nevertheless, we heard anxiety from the grassroots of the Church and, to some extent, a sense of being disconnected from the words of the wider Church and General Convention on the theology of social justice. For example, some felt that social justice preaching should not advocate a particular view on reform or that the emphasis should be on “outreach ministry” but not social justice. We heard concerns that social justice is “only about politics.” In our Church wide discussions, we talk about justice in terms of promoting social change and responding to long-term needs in combination with work to alleviate the suffering before us.

For example, we have many important congregation-level food pantries, which help to alleviate hunger for a short period of time (a week or a month), but we also provide funding for an Episcopal Public Policy Network and several statewide coalitions that advocate for systems-level change to address hunger. These networks call on Episcopalians to advocate for strong public benefits such as school meals and food benefits for families in poverty and for better minimum and living wage policies so that working families do not run out of food money before the end of the month. In the survey, we did not see many responses connecting these two (2) types of ministries.

## Social Justice Ministries of the Church

The survey was helpful in encapsulating our existing social justice ministries at the local and diocesan levels. The survey was disseminated to every diocese, and then forwarded to all congregations through their dioceses. We received one thousand two hundred and eighty (1,280) responses from congregations. Of these, thirty-two (32) percent reported social justice ministries in their congregations. The vast majority of churches reported on charitable ministries such as food pantries, thrift shops and shelter ministries. Justice ministries included advocacy work for immigrants, refugees, and the homeless; advocacy centers to assist with public benefits, health care, and wage reform; yoking with public schools and a focus on education reform; and work to reduce mass incarceration. The social justice ministries as reported were diverse, with no one kind of work predominating; the amount of each kind of work was overall very small.

According to the survey responses, our social justice ministries tend to be lay-created and lay-led; very few were reported as having been created by clergy. However, although we are doing many different types of work, social justice work is not robust across the Church. If we extrapolate the answers to the wider Church, with a ten (10) percent margin of error, just thirty-two (32) percent of congregations have an active social justice ministry.

Many of the respondents noted their congregations are trying to do this work. They described their congregations as small but wanting to help; many of those who are doing social justice work are joining with other congregations (some from other denominations and other faiths in community organizing networks) to make a difference. The survey respondents are eager for resources, suggestions and people to reach out to for help. Almost all who responded acknowledged a need for this work and many a desire to do it. They wanted to connect with others doing this work but did not know how to find them.

Other responses showed disconnectedness between the layers of the Church. For example:

- Only a few respondents used the resources of The Episcopal Church Center or knew what they were, with only twenty-nine (29) percent finding them useful.
- Few believed General Convention resolutions informed their work, with only twenty-two (22) percent stating they were helpful for their ministries (though many acknowledged having no knowledge of particular resolutions).
- Over fifty (50) percent stated that the Church needs more social justice resolutions from General Convention.
- Many others stated that there should be more public awareness of General Convention and the work of The Episcopal Church on public policy and social justice resolutions.



- Most who answered indicated they do not have a clear understanding of the work at The Episcopal Church Center or to whom they might reach out with questions.
- A few who answered thanked organizations that work in the social justice field on a national level, including official offices and networks of TEC such as the Office of Government Relations and the Episcopal Public Policy Network, as well as groups outside the official structures such as the Episcopal Peace Fellowship and the Episcopal Network for Economic Justice.
- Many sought a clearinghouse of resources and knowledge to assist in their ministries.

Here is one vivid example of the disconnectedness between what the Church says and what the congregations know about what the Church says: One congregation stated they did work with immigrants and also stated that General Convention did not pass resolutions that helped their work. The same respondent urged General Convention to pass more resolutions relating to immigration. A quick search of the Episcopal Archives reveals thirty-nine (39) resolutions on immigration that have been passed by General Convention. It seems that the resolutions passed by General Convention may not have been communicated to the people in the pews. The survey responses also indicated a hunger for more information and more communication about the work that is being done both on the Church wide level and by other congregations across the Church. Resolutions to strengthen Church wide support of social justice work, create a task force with a charge to study our Church's theology of social justice and an amendment to the Rules of Order to task deputies with reporting the work of General Convention to their dioceses can be found at the end of this report.

### **CHURCH PENSION AND DENOMINATIONAL HEALTH PLAN**

One of the three (3) areas that our committee explored was the extent to which the Church Pension Group is meeting the needs of The Episcopal Church [TEC] in the 21<sup>st</sup> century. In that process, many questions have been raised: Do the investments and business methods of the Church Pension Group [CPG] reflect the values of the Church? Did the establishment of a mandatory lay pension system achieve parity between lay and ordained church workers? Does the Denominational Health Plan [DHP] serve a useful purpose since the Affordable Care Act has been enacted? We summarize our findings below and propose two (2) resolutions as a result.

### **Socially Responsible Investing**

There appears to be a considerable gap between the General Convention's expressed values and some of the specific investments held by the Church Pension Fund [CPF]. While CPF is to be commended for making a major commitment to investments with a positive social impact, CPF has declined to consider requests for divestment from companies or industries whose activities may be contrary to the teachings of our faith, reflecting a gap in both communication and questions of how the values of the Church are expressed in the use of its funds. These gaps, and the responses of the General Convention,

the Domestic and Foreign Missionary Society [DFMS], and CPF to them, suggest that there are deeper issues of collaboration, authority and responsibility that have not been adequately addressed.

In conversations on these topics, CPF appeals to its fiduciary obligation to plan participants. CPF correctly points out that the assets held in the plans are not assets of TEC but rather are assets held in trust for the benefit of current and future retirees; therefore, CPF would be remiss to invest in a manner that jeopardizes its ability to make good on its obligations to retirees. With respect to socially responsible and impact investing, CPF is willing to commit plan funds to such investments only to the extent they are expected to offer returns commensurate with or superior to other market opportunities.

CPF has made considerable efforts to align a significant portion of its assets with issues of interest to TEC. Currently approximately \$1 billion of the fund's assets are invested in opportunities expected to offer both attractive investment returns and a positive social impact. The small scale of many of the individual investments that comprise this portfolio means it takes a serious commitment of resources to build and maintain a portfolio of this size and CPF is to be commended for its efforts.

Additionally, CPF, in partnership with the Executive Council Committee on Corporate Social Responsibility and other ecumenical bodies, uses its influence as a direct shareholder of publicly traded companies to influence corporate activity around issues of climate change, corporate board diversity, and human trafficking; through direct corporate engagement and proxy voting. As an example, senior staff described to us interactions they had with one (1) portfolio company, an airline, to convince them to adopt policies to help identify passengers who may be victims of human trafficking.

Taken together, the pool of individually held stocks that allow opportunities for shareholder engagement and the positive impact portfolio amount to around twenty (20) percent of CPF's assets. With its remaining assets, CPF makes no affirmative effort to ensure funds are invested with an eye to advancing the values of the Church. This stance is not limited to CPF, but reasonably represents the Church's overall investment approach. Indeed, CPF notes that though it offers a socially responsible fund option focused on U.S. equities within its defined contribution plans, only about five (5) percent of plan participants invest in this fund. As with the defined benefit plan, the behavior of defined contribution plan participants reflects the competing goals of values investing and retirement readiness.

For its part, the Church needs to do a better job at clearly articulating what values it expects to be expressed through the investment portfolio. To date, the will of General Convention has been expressed in piecemeal resolutions on corporate engagement or divestment related to companies including but not limited to those profiting from the Israel/Palestine conflict, fossil fuel extraction and private prisons. While piecemeal approaches may always be necessary to some degree because emergencies come up, the Church can and should be able to articulate an overarching vision of how

its values should be reflected in investments it or its agents make. This should be articulated in a fashion executable by professional investors, with appropriate flexibility to allow for various strategies such as divestment, corporate engagement or other approaches to maximize the desired impact; and include a reporting mechanism back to the Church. The guidelines should be informed by the experience of other religious and secular institutions seeking to align their investments with their values. Finally, in articulating a values-based investment philosophy, the Church must offer compassionate and practical pastoral guidance to both its members and the broader public whose livelihoods depend on industries or companies identified for some form of investment action. This committee proposes a resolution establishing a task force to create such investment guidelines, whose membership should ideally include representatives of CPF and stakeholders of other major church investment pools, and should include expertise in the legal issues at hand.

In order for productive conversation to happen around these topics, it is important for deputies and other interested parties to fully understand CPF's point of view. In an environment where most headlines about pensions are about how future benefit obligations dwarf the ability of their assets to pay them, the clergy pension plan is in surplus according to GAAP, and the lay plan is near full funding. CPF management observes that the particulars of our plan demographics mean that GAAP overstates the value of the clergy plan surplus, but in any event it is safe to say that the Church's pensions are in far better financial shape than in the pension world at large.

Senior CPF staff insist that protecting the plans' strong financial position is of paramount importance in order to keep the promises made to the plans' beneficiaries, and they have good reason for their position. Underfunded secular pension plans can appeal to the deep pockets of a corporate plan sponsor or the tax base of a municipality to make up funding shortfalls, or at the worst can rely on the Pension Benefit Guaranty Corporation [PBGC] to insure against a total loss for beneficiaries in the event of plan failure. As a church plan, our plans are exempted from both the requirements and protections of PBGC, and TEC and its constituent entities are not in a sufficiently strong financial position to make up a potential funding shortfall. In other words, other than the eighteen (18) percent and nine (9) percent contributions to the clergy and lay plans, respectively; CPF is operating without a net in the event of a shortfall. Therefore, CPF desires maximum flexibility with respect to its investments in order to minimize the probability of such an event.

Fiduciary obligation is generally defined as maximizing return for a given level of risk, with risk generally defined as a particular level of volatility of returns. For the Church, risk might also reasonably include using assets invested in our name in a way that compromises our commitment to the teachings of our faith. There is also a secular argument for using ESG standards in investing, under the theory that companies participating in destructive industries, subpar governance or labor standards, should generally be worse investments over the long term. Actual data on this point is inconclusive.

CPF's stated return target is CPI+4.5%. Investment success for CPF is therefore not maximum possible return; so long as church entities make the eighteen (18) percent contribution and the CPF achieves an average annual return of CPI+4.5%; CPF should be able to meet its obligations, assuming its actuarial assumptions are correct. A return above this level is desirable to provide a cushion to allow the fund to continue to pay benefits at the level promised during adverse economic environments such as the Tech Bust or the 2008 Global Financial Crisis, and to absorb potential future changes in actuarial assumptions, such as adjustments for changing lifespans. Additionally, to the extent that a reduction in the eighteen (18) percent assessment level while maintaining the same level of benefits is ever possible, there is no other possible source other than sustained outperformance of CPF's stated return target. However, we are not persuaded that outperforming the stated return target requires maximizing the clergy plan's investment return at the cost of failing to act out the disciplines of the Christian faith in all aspects of our common life.

With respect to meeting the stated needs and goals of the current pension system, we note with deep gratitude and appreciation the work of CPF. We also see a need for greater clarity in understanding the relationship between CPF and the Church. In a resolution presented below, we recommend the creation of a task force, whose members would be appointed by the Presiding Officers, to study and report upon the issues of collaboration, authority and responsibility between CPF and The Episcopal Church that are touched upon here, with recommendations to the 80<sup>th</sup> General Convention for improving, clarifying or effecting changes in that relationship going forward.

### Pension Parity

In 2009, the General Convention established a mandatory lay employee pension system through Resolution 2009-A138. Although this was an important step toward the full valuation of lay church workers by TEC, the lack of parity between the pension and related benefits of lay and ordained church workers persists.

In addition to this disparity, our committee also notes the lack of parity between the pensions of domestic and non-domestic Church workers and the fact that the current pension structure, which is based on a purely income-replacement model, perpetuates and reinforces in retirement the disparities of income incurred during active ministry, which are often manifest across gender and racial or ethnic lines. With an income-replacement model, these disparities in compensation produce proportionally disparate pensions.

During this triennium, we received survey responses from over one thousand three hundred (1300) Church workers (primarily deputies and bishops). In that survey, twenty-four (24) percent were very supportive, twenty-one (21) percent were slightly supportive, and twenty-four (24) percent were neutral towards a proposal to change the way that future pensions are calculated so that greater parity exists across income differences. The survey found that ten (10) percent were slightly

unsupportive and twenty-one (21) percent were very unsupportive of such a change. While not a clear mandate, this response has encouraged us to call for the exploration of new pension models that address ways in which the current model reinforces in retirement the income disparities incurred during active ministry.

We recognize that a call for true parity would represent a change in the stated goals of the pension and therefore must come from the General Convention. To that end, we recommend that the pension task force referred to above be given a second charge of exploring in depth; the lack of parity between lay and ordained Church workers, between domestic and non-domestic Church workers, and between Church workers of disparate incomes with a particular focus on how those disparities are manifest across gender and racial or ethnic lines. We encourage this task force to work with the Trustees and officers of CPF to develop new models for the pension system that are not necessarily focused purely on income replacement and to present those models to the next General Convention.

#### Denominational Health Plan [DHP]

In 2009, the General Convention called for the creation of the DHP through Resolution 2009-A177 with the stated goals of achieving cost containment and providing equal access to health care benefits for eligible clergy and lay employees, who were defined as those who worked at least one thousand five hundred (1500) hours per year. Since then, participation has grown to include all domestic dioceses, but not all parishes and dioceses have benefited. Our survey showed that twenty (20) percent of respondents who have health insurance through the Church Medical Trust wish that they could participate in a medical plan outside the DHP.

The Church Pension Fund reports that seventy-five (75) percent of dioceses have premium rates that are at or near the average for all DHP participants (from five (5) percent above to ten (10) percent below). The other twenty-five (25) percent pay premium rates that are lower than the average because they represent geographic areas where substantially lower costs could be attained outside the DHP. Furthermore, CPF reports that, when compared with plans available on the marketplaces created through the Affordable Care Act, ninety (90) percent of dioceses have competitive rates, and the remaining ten (10) percent pay no more than ten (10) percent more than rates available through the marketplace.

Our survey showed that the DHP has had other negative consequences. Of respondents who work for a church or church-related organization that provides health insurance through the Church Medical Trust, thirty (30) percent report reductions in the number of positions or compensated hours of paid positions as a direct result of Resolution 2009-A177.

At this point, however, we do not think that any legislative action is necessary. The Affordable Care Act has changed the landscape for health insurance, and it may be that in the future the DHP will no

longer serve a meaningful purpose, but, for now, despite acknowledging its limitations, we believe that it is beneficial for the whole Church.

## Proposed Resolutions

### **RESOLUTION A053: DESIGN A NEW PAROCHIAL REPORT**

*Resolved*, the House of \_\_\_ concurring, that the 79<sup>th</sup> General Convention charge the House of Deputies Committee on the State of the Church to work with the Office of the General Convention and Executive Council to design a new parochial report appropriate to the current context of the Episcopal Church including but not exclusive to multicultural congregations; aging populations; outposts of ministry in challenging economic contexts; and creative use of space and local engagement, to be administered and shared in networked, visible tools such as the Episcopal Asset Map.

### **RESOLUTION A054: AN OFFERING OF PRAYER FOR THE WHOLE CHURCH**

*Resolved*, the House of \_\_\_ concurring, that the 79<sup>th</sup> General Convention invite the multicultural ministers of the Church who are tasked with supporting the work of the Church's Black, Latino/Hispanic, Asian American and Native communities to work with liturgists and ministers in their communities to create a small book of prayer, liturgy and music as a gift for the Church in recognition and witness to the presence of Christ in all of our communities, traditions, and cultural expressions, knowing that as we live, we pray, and that as we pray, we live; and be it further

*Resolved*, That the book they produce be presented to the 80<sup>th</sup> General Convention for use by the whole Episcopal Church; and be it further

*Resolved*, That the General Convention request the Joint Standing Committee on Program, Budget, and Finance consider a budget allocation of \$15,000 for the implementation of this resolution.

### **RESOLUTION A055: DEVELOP MULTICULTURAL MINISTRY PATHWAYS**

*Resolved*, the House of \_\_\_ concurring, that the 79<sup>th</sup> General Convention invite the multicultural ministers of the Church center to further develop channels and pathways for sharing the gifts of ministry that exist in abundance in our Black, Latino/Hispanic, Asian American and Native communities with the wider Church, such as: an expanded New Communities gathering; regional or provincial trainings for ministry development officers, to share best practices for multicultural leadership development; and new channels for sharing the gifts of lay-led multicultural ministry that are already well-developed in the dioceses of Province IX and in outlying communities throughout the Church; and be it further

*Resolved*, That the General Convention request the Joint Standing Committee on Program, Budget, and Finance consider a budget allocation of \$100,000 for the implementation of this resolution.

**RESOLUTION A056: CREATE TASK FORCE ON THEOLOGY OF SOCIAL JUSTICE ADVOCACY AS CHRISTIAN**

**MINISTRY** *Resolved*, the House of \_\_\_ concurring, the 79<sup>th</sup> General Convention direct the Presiding Officers of The Episcopal Church to appoint a Task Force on the Theology of Social Justice Advocacy as Christian Ministry, consisting of three (3) bishops, three (3) presbyters or deacons, and six (6) lay persons, who represent the diversity of the Church, to be tasked in this triennium to consider scripture, approved liturgical resources, other theological texts and previous actions of General Convention to summarize the ways in which The Episcopal Church understands the work for social justice as essential mission and ministry of the Christian Church; and be it further

*Resolved*, That the Task Force study how The Episcopal Church currently fosters theological understanding and leadership for social justice, and recommend ways to foster theological and practical conversation across the Church on this topic; and be it further

*Resolved*, That the Task Force be directed to report its findings and recommendations to the 80th General Convention; 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 \$15,000 for the implementation of this resolution.

**RESOLUTION A057: STRENGTHEN STAFF RESOURCES FOR NETWORKING**

*Resolved*, the House of \_\_\_ concurring, the 79<sup>th</sup> General Convention support the continued and additional strengthening of Church wide staff resources and collaboration to support the grassroots work of The Episcopal Church in the areas of social justice advocacy and ethnic and multicultural ministry across The Episcopal Church.

**RESOLUTION A058: ENCOURAGE USE OF ASSET MAP**

*Resolved*, the House of \_\_\_ concurring, the 79<sup>th</sup> General Convention challenge all congregations to fully complete their profile on the Episcopal Asset Map, a joint project of The Episcopal Church and Episcopal Relief & Development; and be it further

*Resolved*, That the House of Deputies State of the Church Committee analyze the Episcopal Asset Map and report on the level of engagement of social justice ministries by congregations within The Episcopal Church.

## **RESOLUTION A059: AMEND HOD RULES OF ORDER III - ADDITIONAL DUTIES OF DEPUTIES**

Resolved, That the House of Deputies hereby amends the Rules of Order to add III.C.1-4:

### *(C) Duties of Deputies*

- 1. Deputies shall be required to report to their Diocese within sixty (60) days after General Convention the legislation passed which is of interest to congregations in their Diocese. Deputies shall prepare a report, in an understandable format, outlining passed legislation and other topics of importance to the Diocese and shall disseminate this report to all congregations within the Diocese.*
- 2. Deputies shall put forth at their Diocesan Convention all General Convention legislation that should be adopted at the Diocesan level, and report to the Office of General Convention on the status of such legislation.*
- 3. Deputies shall continue to be a resource to their Diocese for information on legislation passed at General Convention until such time as a new deputation is elected.*
- 4. Deputies shall serve as a conduit to their Dioceses of any items of importance disseminated by the President of the House of Deputies until such time as their successors are elected.*

And be it further

Resolved, That pursuant to Canon I.1.2, this will remain in force until amended or repealed by the House.

## **RESOLUTION A060: CREATE A TASK FORCE TO STUDY CHURCH'S PENSION SYSTEM**

Resolved, the House of \_\_\_\_\_ concurring, That the 79th General Convention direct the Presiding Officers of The Episcopal Church to appoint a Task Force on the Church's Pension System consisting of three (3) bishops, three (3) presbyters or deacons, and six (6) lay persons, and that at least one (1) of the persons appointed to the Task Force be knowledgeable and experienced in the governance and structure of The Episcopal Church; at least one (1) of the persons appointed to the Task Force be knowledgeable and experienced in corporate and not for profit structures and governance; and at least one of (1) the persons appointed be knowledgeable and experienced in the law, structure, and/or governance of pension plans; and be it further

Resolved, That the Task Force be directed to study

- the history of the creation of The Church Pension Fund with an emphasis on its historical relationship to The Episcopal Church and the Church's involvement in its creation;
- its current structure, governance, and relationship to The Episcopal Church including but not limited to the right of the General Convention to direct The Church Pension Fund;
- the obligations and responsibilities of The Church Pension Fund owes The Episcopal Church;



- the ownership of the data provided by various persons and organizations of the Church to The Church Pension Fund in its capacity as the Recorder of Ordinations;
- the extent of the Church's right to set the terms and provisions of the pension plans and other benefit programs provided by or administered by The Church Pension Fund or any of its affiliates;
- the authority of the General Convention to limit or expand the businesses engaged in by The Church Pension Fund or any of its affiliates including providing products or services to groups or individuals not associated with The Episcopal Church;
- and such other issues as the Task Force identifies during its work; and be it further

*Resolved*, That the Task Force study the governing documents of The Church Pension Fund and all its affiliates, consult with the Board of Trustees and individual Trustees of The Church Pension Fund as well as its staff, consult as needed with legal, corporate, not for profit or pension experts; and be it further

*Resolved*, That the Task Force be directed to report to the 80<sup>th</sup> General Convention and make any recommendations it deems necessary including, but not limited to, recommendations for improving, clarifying or effecting changes in the relationship between The Church Pension Fund and The Episcopal Church; and be it further

*Resolved*, That the Task Force also be directed to study the current state of parity between the pensions of lay and ordained church workers, domestic and non-domestic church workers and church workers of disparate incomes with a particular focus on how those income disparities are manifest across gender and racial or ethnic lines; and to present to the 80<sup>th</sup> General Convention the specific ways in which the current pension system does and does not reflect parity across the church; and be it further

*Resolved*, That the Task Force be directed to seek input from the Trustees and officers of the Church Pension Group on new models for the pension system that would achieve true parity; and to present to the 80<sup>th</sup> General Convention its recommendation on the adoption of new models for the pension system that would achieve better parity; 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 \$50,000 for the implementation of this resolution.

**RESOLUTION A061: CREATE A TASK FORCE ON THEOLOGY OF MONEY**

*Resolved*, the House of \_\_\_ concurring, That the 79<sup>th</sup> General Convention direct the Presiding Officers of The Episcopal Church to appoint a Task Force on the Church's Theology of Money, consisting of four (4) bishops, five (5) presbyters or deacons, and six (6) lay persons, who represent the diversity of the Church; and be it further

*Resolved*, That the Task Force be directed to use scripture, approved liturgical resources, other theological texts, and previous actions of General Convention to summarize the ways in which The Episcopal Church values money and other resources of financial value; and be it further

*Resolved*, That the Task Force be directed to study the investments and other assets of the Episcopal Church, including but not limited to the holdings of the Church Pension Fund, to discern ways in which those investments and assets reflect the Church's theology of money; and be it further

*Resolved*, That the Task Force be directed to study the business practices used throughout the Church, including but not limited to the Office of the General Convention, the Executive Council, and the Church Pension Fund, and to discern the ways in which those practices reflect the Church's theology of money; and be it further

*Resolved*, That the Task Force be directed to present its findings and recommendations to the 80<sup>th</sup> General Convention; 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 \$30,000 for the implementation of this resolution.

## Endnotes

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<sup>1</sup> <https://www.census.gov>

<sup>2</sup> Historical Report on Ethnic Ministries May 20, 2016, The Archives of the Episcopal Church. Privately published document, Copyright 2016. The Archives of the Episcopal Church, DFMS p1

<sup>3</sup> Historical Report on Ethnic Ministries May 20, 2016, The Archives of the Episcopal Church. Privately published document, Copyright 2016. The Archives of the Episcopal Church, DFMS p1

<sup>4</sup> Archbishop of Canterbury Justin Welby, Keynote Address to the "Tackling Poverty Together" Conference of the Church Urban Fund, Old Town Hall, Stratford, London, UK, November 13, 2013. <http://www.archbishopofcanterbury.org/articles.php/5181/seeking-justice-is-absolutely-central-to-christian-faith-says-archbishop>