

2025-2027 Narrative Budget

The Executive Council Joint Standing Budget Committee (Budget Committee or the Committee) offer this narrative budget document to help members of the 81st General Convention understand and process the proposed budget presented to us by the Executive Council of The Episcopal Church. This is not intended to be an exhaustive explanation. Budgets are a means by which we “do the work that God has given us to do.” This budget should be seen as a whole, with the various sections working in concert with each other to support and fulfill the mission of the church. The 2025-2027 budget continues the “Jesus Movement” format of the current budget. The three pillars of Care of Creation, Evangelism, and Racial Reconciliation and Justice are supported by the foundational portions of the ongoing work of the Church (including mission work within and beyond The Episcopal Church) as well as the Office of the Presiding Bishop, Governance, Operations, Finance, and Legal.

In order to formulate a balanced budget based on the projected income for the triennium, the Budget Committee asked of each of the Executive Leadership members to address ways to reduce costs, identify what was working programmatically and how they could provide data that exhibited success of programs implemented and identified programs that have become outdated and are no longer feasible to implement. Furthermore, examples of cost saving measures were identified that included sharing resources as well as identifying how we can work with our ecumenical partners on mutual or similar ministries. These efforts will continue overtime and can be shared in other areas.

Please remember that when comparing this working budget for 2025-2027 with the current 2023-2024 budget, you are comparing totals from a two-year budget (the column in blue) to a three-year budget (the working 10/06/2023 budget version).

This version of the budget is a working budget. The Budget Committee will be listening to comments from the wider church on this working budget. It will discern these comments and produce a final version of the budget that will be presented to the Executive Council in January 2024. EC will review and ultimately adopt a proposed budget that it will introduce to the General Convention as a resolution for consideration and adoption.

Income

The Income Subcommittee of the Joint Budget Committee is responsible for Income lines 1-32 of this proposed budget. The total income for these lines is \$145,256,157.

The income side of the budget is predicated on the following assumptions:

- Diocesan Assessment will remain at the current level of 15% (which was set at the 2015 General Convention where it was reduced from an 18% assessment at that time.)
- Anticipated growth in the DFMS investments would be 10% for 2023, 7.5% in 2024 and 2025
- The Episcopal Church will draw no more than 5% on a rolling average from the past 5 years of income derived from trust funds that support the budget.

Diocesan assessments/commitments (line 3 = \$93,648,240) are at 15% of the diocesan income less the \$200,000 exemption for each diocese. It is expected that \$300,000 (line 4) may be granted as waivers from the full 15% payment to dioceses that experience hardships. This waiver allotment is reduced from years past, based on the pattern of requests for exemptions over the past biennium. The percentage drawn from DFMS trusts/endowments income for general use continues at 5% of a rolling five-year average of the assets. We also receive income as the beneficiary of trusts held by other organizations. (Lines 5a and 6 total \$38,238,227.) Economic Justice Loan income (line 7 =

\$487,500) is from low interest loans that are part of an economic justice ministry to provide capital for communities and groups that lack full and equal access to financial resources. The Office of Development (line 9 = \$1,450,000) raises money in its BLESS annual appeal as well as raising other money to support numerous ministries within and beyond DFMS. Line 697 provides \$2,000,000 for undetermined General Convention Resolutions and Presiding Bishop initiatives and will be allocated after the General Convention. The Budget Committee will review all resolutions passed at the 81st General Convention that have budgetary implications to determine how those resolutions could be funded from the adopted budget.

EXPENSES:

Throughout the following areas of our mission/ministry, staff costs are higher due to the commitment to provide cost-of-living salary increases for DFMS staff of 3% per annum and increases in medical insurance costs of approximately 5% per annum.

Evangelism, Racial Reconciliation, and Creation Care

The total expenses for Evangelism, lines 35-65; Racial Reconciliation, lines 66-162; and Creation Care, lines 163-174 these lines are \$30,377,848.

Evangelism: This includes three sections: 1) grants for new church starts and congregational redevelopment programs; 2) evangelism initiatives including training and resources, revivals, grants, and the Way of Love curriculum, resources, and events; and 3) staff costs for the people working these issues. Increased Evangelism initiatives include focus on starting new congregations and church plants and the need to do church in new ways. Included too is the new initiative “Good News Gardens (line 52b) that is an evangelism/agrarian ministry that focuses on love of God, each other, and all of creation.

Reconciliation and Justice: There are five sections in this category (lines 66-101): 1) grants and training resources under Poverty and Social Justice work; 2) Racial Justice and Reconciliation that includes Becoming Beloved Community grants and resources, racial justice audits, Sacred Ground program, Truth and Reconciliation campaign, dismantling racism (Absalom Jones Center) and other resources, and criminal justice ministries, 3) Ethnic Ministries, 4) Historically Black Colleges and Universities, 5) United Thank Offering, and 6) LBGTQ+ and Women’s Ministry.

Areas of interest in this section include:

- The eventual onboarding of the new Gender Services Staff officer, a position that was approved at the 80th General Convention, is expected to begin by the first quarter of 2024. Funding also includes the costs associated with starting up this office. (lines 161a-161d)
- Funding of Historically Black Colleges and Universities is maintained as Educational Enterprise grants were combined with the regular grants. These grants also provide support for Episcopal clergy at the schools.
- United Thank Offering administrative and meeting expenses are offset in large part from trust funds found under line 159.

Creation Care: Funding (line 164) reflects an additional focus on this ministry that includes funding for grants, networking, and resources. Episcopal **Coalition for Racial Equity & Justice (line 89b)** Funding of this newly formed Coalition arising from 2022 General Convention on line 89b as calculated from the formula set forth in the resolution (estimated \$835,000 allocated per year).

Ministry of the Presiding Bishop

The Presiding Bishop's Ministry includes the areas of 1) the Presiding Bishop's Office, 2) the House of Bishops, 3) Armed Forces and Federal Ministries, and 4) the General Board of Examining Chaplains. Overall, funding for these areas has been reduced.

Presiding Bishop's Office

Funding in this area has been kept at basically the same level to provide adequate funding for the new Presiding Bishop to begin their ministry. However, reductions were made in other areas that include hospitality and entertainment (line 181) and travel (line 183).

Pastoral Development

Funding for this office includes the addition of the new Intake Officer that was approved by the Executive Council to assist the Title IV officer by assuming the pastoral care functions of the office (please see the comments on line 194). Furthermore, the cost for Title IV training materials is increased to cover the costs of maintaining current training materials for use at the wider church as well as provincial and diocesan levels of governance. This is necessitated by changing laws and the cost to produce materials in different languages.

Armed Forces and Federal Ministries

This is an area that has been underfunded. With the installation of the new Bishop in this area, there is a need to increase funding for this ministry for the following reasons:

- There are only 100 military chaplains to serve all our armed forces around the world. We need to recruit new chaplains to meet our needs.
- The bishop is required to visit all the military bases and federal facilities under her watch. This has not been done in the past.
- There is a need to train and provide on-going education to our chaplains who often provide not just pastoral care for our troops but also often are the first line of contact to identify persons who may have mental health needs.
- This ministry not only cares for our military troops but also all Veterans Hospitals and Federal prisons.

General Board of Examining Chaplains (line 212)

Funding is decreased in this area due to the decrease in the number of people going through the ordination process.

Mission Within the Episcopal Church (Lines 219 to 410)

The Mission Within includes Communications, Formation, Transition Ministry, and Aided Dioceses lines 219-410 of the proposed budget. The total expenses in these lines are \$27,687,142.

Communications: The \$9.160,435 budget proposed for the 2025-2027 period encompasses the work of its staff members carrying the voice of the Presiding Bishop—as well as the work of DFMS staff on General Convention priorities of evangelism, racial reconciliation, and creation care, into the world. Major components of our messaging initiatives include:

- Increasing public awareness through positioning The Church and Presiding Bishop as a strong, timely, distinctive moral voice in news media.
- Ongoing development and maintenance of episcopalchurch.org, Archives, and other DFMS websites and the work of Episcopal News Service.

- Development of sponsorship income from organizations wishing to have their name and work known to Episcopalians.

Formation: The work of formation funds important programs such as the Episcopal Service Corps, the Episcopal Youth Event, formation networks, campus ministry, and safe church training. The formation budget also funds the cost of church-wide curriculum development in areas prioritized by the General Convention. Funding for the Evento de Jovenes Episcopales (lines 361c and 361d) is being shifted from the 2024 budget to 2025.

A Lilly Foundation grant of \$1.25 million for Formation will be used to fund work outside of the budget for Christian formation in families.

Transition Ministry:

The Office for Transition Ministry works with Diocesan Transition Ministers across the Church and maintains an online database to assist both clergy and congregations with their search efforts.

Aided Dioceses:

Unrestricted block grants to dioceses in Indigenous Areas, Latin America, and the Caribbean, enable these dioceses to sustain the presence of The Episcopal Church in these areas. The General Convention budget grants are used mostly for the stipends of clergy, lay ministers, and diocesan staff; to cover insurance and taxes; to support diocesan programs and ministries such as evangelism and youth; and to partner with other agencies in outreach and community development.

Mission Beyond the Episcopal Church (Lines 411 – 511) This area includes 1) the Anglican Communion, 2) Block Grants within the Anglican Communion, 3) Covenants within the Anglican Communion, 4) International Justice and Peacemaking/United Nations Presence, 4) refugee Ministry, 5) Missionary Service, 6) Office of Government Relations, 7) Ecumenical, Interfaith, Global Relations, 8) Ecumenical dues, and 9) Grants in form of contributed services support to affiliated organizations.

Discussions are being held regarding the services and staff support that are provided to Episcopal Relief and Development (e.g., accounting, banking, IT, building maintenance, etc.). The proposed budget includes charging ERD \$1.5 million for associated services Overall costs in this budget area reflect significant reductions in travel and other associated costs.

Governance

This area covers 1) the Office of the General Convention, 2) Provincial Coordination, 3) House of Deputies, and 4) Archives.

The General Convention Office lines cover the expenses of governance at all levels of the DFMS, most noticeably through the General Convention. A combination of in-person and virtual meetings are budgeted for interim bodies, the Executive Council and other affiliated groups. In the upcoming triennium, the Executive Council (line 514) is budgeted to move from three in-person meetings per year to two, moving the third to a virtual meeting. Translation and interpretation (line 534) costs do not have a drastic change in the budget, because while we have a greater need for these services, accomplishing tasks such as document translation have become more efficient in recent years which positively impacts our budget. Technology (line 533) is a key part of this budget, in order to ensure that our work and gatherings can be accomplished. Software updates and new software are included in this so that we accomplish our work and be more efficient.

The **House of Deputies** includes increased travel costs for meetings and events due to inflation. The Chancellor's fees and expenses include consulting fees, conference fees and related expenses. These lines also include costs of orientation for deputies to the General Convention and educational materials the parliamentarian provides for them. Increased costs for the parliamentarian provide for education and licensing.

Archives

Costs associated with the Archives reflect increased expenses that arise from:

- A relocation of the Archives in 2020 in Austin, Texas, to a larger and more efficient space, but with rent charges that will continue to increase significantly.
- The important work of digitizing the archives continues. While this line shows an increase, the Archives adopted technology early that has resulted in more favorable costs.

Finance, Legal, Development and Operations

These areas of the budget include the Development Office, the Controller's Office, the Treasurer's Office, the in-house Legal Office, the Chief Operating Officer, Human Resources, Information Technology, and Facilities (Building) Management. These areas are budgeted, again, with no increase in the net number of staff employed.

These sections support all areas of mission – and are the cost of “running the Church”. Furthermore, the functions of these areas support the work of all the other areas of Mission Within, Mission Beyond, the Presiding Bishop's office, Racial Equality and Justice, Evangelism, and Care of Creation.

Facilities management for the Church Center at 815 Second Avenue in New York City (lines 653-679) include not only costs for building maintenance and upkeep but also requirements to comply with building codes in New York City. These requirements are budgeted for this triennium with the expectation that the City will mandate work to be done. Other fees include plumbing, electrical, insurance, security, etc. These costs typically increase with inflation but are generally not as negotiable as other areas.

General Comments

Staff costs are 50% of the total budget. Management and directors continually evaluate these costs, but are aware that, as in parishes and dioceses, much of ministry is relational.

Many expenses throughout the budget are offset by income sources that are included and explained within those sections.

We hope that this brief narrative has helped you understand the structure and content in the proposed 2025-2027 working budget from the Executive Council's Budget Committee. If you have any questions, please do not hesitate to contact the Budget Committee at BudgetCommittee@episcopalchurch.org, to submit your comments or questions. You are also invited to attend our public hearings that are scheduled in November and December by registering by

[clicking here](#). We are eager to work with you to craft a budget that will help us further the work of Jesus Christ and the Mission of the Church.)

Respectfully Submitted,
The Executive Council Joint Standing Budget Committee