

EXECUTIVE COUNCIL AND CHURCH PENSION GROUP MEMORANDUM OF UNDERSTANDING GROUP

Report respectfully submitted: January 27, 2024

Members

Executive Council Members

Devon Anderson (Co-Convenor)

Thomas Chu

Kent Anker

Anne Hodges-Copple

Michael Barlowe

Aaron Perkins

Annette Buchanan

Church Pension Group Members

Rosalie Simmonds Ballentine

Brian Prior

Diane Jardine Bruce

Greg Rickel

Ryan Kusumoto

Nancy Sanborn

Kathryn McCormick (Co-Convenor)

Mary Kate Wold

Mandate

On April 12, 2022, the Presiding Bishop and the President of the House of Deputies on behalf of the Executive Council and the Chair of the Board of Trustees on behalf of The Church Pension Fund (CPF) Board of Trustees agreed to a Memorandum of Understanding (MOU): a coming together during the 2022-24 biennium to share information, insights, and ideas to help each organization plan for the future, and address respective policy concerns posed by changing demographics, changing expectations of and for clergy and lay employees, and changing understandings of church in society.

The objective of the group was to provide opportunities for two-way conversation between Executive Council and the CPF Board of Trustees on major issues of mutual concern between meetings of General Convention.

- The document parsed out 10 topics for conversation during the biennium. These topics included:
- current and projected demographics of clergy and lay employees,
- clergy and lay compensation and issues around parity,
- Church Insurance companies including areas of tension with injured parties,
- Emerging risk factors resulting from climate change and empty churches,
- CPF investment performance,
- Feasibility and costs of, and obstacles to, implementing paid family leave, and
- the effects of pension, health care, disability, and other benefit plan rules, rates, and
- practices on clergy and lay professional recruitment and deployment, as well as on diocesan and congregational health and sustainability.

Meetings

Per the instructions of the MOU, the group met four times, three times in person and once on Zoom on the following dates:

- April 28-29, 2023 (in person)
- October 18, 2023 (Zoom)
- December 5, 2023 (in person)
- January 25, 2024 (in person)

Work

The group was faithful to the MOU, working its way down the list of 10 desired conversations~~s~~-topics over four meetings. Where applicable, the group received in-depth reports and presentations that preceded conversation and questions. Arguably more importantly, relationships were built intentionally with each other, across the two boards. We came to know each other as colleagues, fellow Episcopalians, Christians on the Way, and friends. At the conclusion of our last meeting, the group acknowledged that the relational breaches and conflicts that inspired the need for the MOU were felt to have been resolved and communications opened.

Finally, the MOU included a mandate that the Presiding Officers be invited to present at a CPF Board meeting (which occurred in early December 2023) and that the CEO and Board of Trustees Chair of the CPF Board of Trustees be invited to present at an Executive Council meeting (which occurred in January 2024).

Recommendations

Establish an Advisory Group

We recommend the bringing together of “top level strategic advisory” leadership across the church to discuss some of the comprehensive issues affecting the church as a whole and to offer itself to Executive Council and the Presiding Officers as thought partners in visioning and strategic planning for the whole church.

We suggest as partners the leaders of the following entities:

- Church Pension Group, CEO
- Episcopal Church Foundation, Executive Director
- Council of Episcopal Seminary Deans, Chair
- Episcopal Relief and Development, CEO

and others as needed.

The work of the Executive Council is to establish a structure within the church to engage with these partners in future strategic planning initiatives.

We encourage a movement from conversation to action with particular issues and share with the wider Episcopal Church issues that surfaced in this group. These include:

- a. Overall compensation for lay and clergy employees.
- b. Compensation for non-stipendiary clergy, including as it relates to the access to programs related to wellness such as CREDO and other programs related to financial planning and insurance.
- c. Addressing the needs of the lay employees and clergy who are not eligible for CPG benefits.

To that end, we recommend that these issues be referred to a specific joint standing committee of Executive Council, inviting CPG and other experts to consult as needed.

Interim Body to Work on Lay Compensation Parity

The group discerned that there needs to be an intentional focus on the needs of lay employees, especially as it relates to compensation and parity within the church. We tasked members of our group to write a resolution using the template for creating an Interim Body and including a rationale, based

on the model of the task forces on family leave and denominational health plan. The proposed resolution appears at the end of this report.

Continuing the Work Done by the MOU Group

The group was unanimous in recommending that the work done by the MOU group should continue and that we continue to find ways to maintain and strengthen the relationship between Executive Council and CPG. The group was not of one mind, however, that the work should continue as another MOU group. However, we are all in alignment that a) communication should continue informally based on relationships established, b) with senior leadership e.g. CEO & PB, visiting each other's board meetings when appropriate to address mutually relevant issues, c) the senior leadership of CPG engage with Executive Council, and *vice versa*, on issues relevant to the two organizations, enabling a flow of information and insights. Most importantly, we need to ensure that there is a more continuous exchange between CPG and Executive Council on issues relevant to the two organizations.

Proposed Resolution

A138: Task Force on Parity and Equity of Lay Compensation and Benefits

Resolved, That the 81st General Convention call upon the Presiding Bishop and the President of the House of Deputies to appoint a task force consisting of three (3) Bishops, (3) Presbyters or Deacons, and (6) lay persons who represent a wide range of expertise in church employment and church employment benefits for both lay people and clergy including Episcopal schools, parishes, dioceses, and other Episcopal entities. The task force shall, in consultation with the Office of General Convention and the Church Pension Group, study and report on issues regarding parity and equity of lay compensation and benefits across The Episcopal Church, including regional differences, and those based on part-time status, race, gender, class, LGBTQ+, position, authority, nature of institution (school, church, etc.) for consideration of the 84th General Convention.

Resolved, That the 81st General Convention request a budget allocation of \$40,000 for this task force, to include one in-person meeting and resources for outside consultation.