

A Narrative to Accompany Executive Council's Draft Proposed Budget for 2013 - 2015

Our common life as The Episcopal Church is marked by our capacity to faithfully engage change. We are in an in-between time that requires creative, adaptive approaches to the work of the Church. As a church we have opportunities to be in relationship with one another, develop leadership, and do mission in new ways.

This awareness should drive how we as a church plan our coordinated church-wide efforts through The Episcopal Church's budget. Why? Because the proposed budget funds the work that General Convention coordinates for The Episcopal Church.

The Executive Council proposes a budget that responds to the changes facing us by funding the development of new kinds of resources for congregations, dioceses and provinces. These resources enable us to increase capacity, foster relationships, generate leadership, and imagine a new way of being the church together.

We are a church rich in mission and service. The majority of the work of the church in mission and administration happens among Episcopalians organized in congregations and other kinds of local institutions. The majority of the resources we raise, contribute, and spend remain at that very local level. In 2010, it is estimated that annual operating revenue for all Episcopal churches was \$1.6 billion. That is money generated and dispersed by local communities for the ministry of The Episcopal Church. That does not count our considerable volunteer time and talent. A small percentage of our resources is allocated for church-wide work. We propose a \$35 million annual budget or a \$105 million budget over the 2013-2015 triennium based upon a 19% asking of the dioceses of The Episcopal Church for church-wide canonical, administrative and programmatic work.

A considerable portion of those resources is used for the effective governance of our church. These funds enable the national, international, participatory, and democratic functioning of The Episcopal Church, bringing many voices and all orders to the table. This is our heritage as a church that originated in this hemisphere during a time of great social upheaval; seeking to be faithful to the history of both freedom and oppression in our origins; and seeking to be ever transformed toward the reign of God.

The triennial budget must fund church-wide work in such a way that it can be done adequately and creatively. As new tools for communication emerge, we intend to support staff and committees to empower the most diverse array of voices while maintaining the gifts of our heritage.

In the presentation of this budget we have, under the first tab at the bottom of the excel sheet, a collapsed budget that we understand to be a more adaptive, rather than technical response, to change. It is adaptive because we hope that organizing our work within broad categories can create flexibility for Executive Council to work with staff to organize and adapt to the work throughout the triennium as ministry opportunities emerge. The next tab reveals the detailed lines that inform these larger categories in the collapsed budget. You will see some lines that remain the same, some lines zero-ed out, and other lines added. These lines do not reflect our understanding of the value of these ministries or staff roles but rather at what level (parish, diocese, province, or church-wide) ministry is "best done" according to the survey of the church we undertook as a part of our budget process. The Executive Council's budget preparation process

began with the formation of an Executive Committee to organize, facilitate and communicate the budgeting process. A church-wide survey was conducted to evaluate at which level (parish, diocese, province, church-wide) members understood ministries to be best supported. The survey was distributed by the Office of Public Affairs through the leadership of General Convention Office and was available through an online link. We had a good response. With this information in hand, the Executive Council participated at its Fall meeting in plenary conversations identifying budgeting principles. Staff leadership at The Church Center were consulted and informed throughout the process. The Executive Committee worked through in-person meetings, including a retreat, and through conference calls. After preparing an early set of draft budgets, the Executive Committee guided, The Executive Council in an intentional, substantial conversation in committees, plenary and table groups. Executive Council attempted to engage honestly where our congregations seek resources for ministry and where the church understands ministry to be initiated and supported. We have discerned that we are in an “in-between” time in terms of how we organize ourselves to engage mission. We are concerned that priorities established by General Convention in 2010-2012 without a supporting budget item have been lost. We want to create the flexibility to prevent that from happening again. Finally, we believe that this budget is designed to begin a restructure process, not complete it. In doing so we feel we must increase our resources for partnerships and networking.

We hear from you that the church is participating in new ways of being church and should support new ways of doing ministry on a church-wide level. These new ways include changes in the role of church-wide staff, provinces and the emerging voices of other kinds of networks. That is why funding is reduced for mission that we were told was best done on a local level.

Transition has been made a priority by adjustments that

- fund a church-wide consultation
- create space for creative approaches to work by leaving some areas of funding in larger blocks to be organized by staff under the guidance of Executive Council in response to General Convention
- and expand the contexts in which we work and from which we are informed.

We are strategically initiating new work; investing in emerging church networks and supporting existing networks; generating relationships for leadership and transformation; and empowering local ministry. You will notice significant investment in the ministry of Communications, including the Episcopal News Service, as a primary resource for Evangelism and to ensure Episcopalians everywhere have the information they need to create the networks necessary to do the work of mission.

Below we highlight three lines as examples of new work that we believe must be coordinated church-wide. These lines are small first steps, but we hope they mark a shift in this budget towards prioritizing networks and emerging ministries that can be empowered by the church-wide budget.

New lines include:

Line 84 “Church-wide Consultation” to fund a conversation to support the significant structural change we believe must be our faithful response to our changing context. We envision a creative process that invites the church on all levels and orders to the conversation.

Line 357 “Episcopal Co-op” seed money to increase our capacity as The Episcopal Church to create arrangements for services like bookkeeping, phone contracts and office supplies purchasing. These services provide cost savings to dioceses, congregations and other Episcopal organizations and utilize our collective power or existing networks to increase our buying power locally and minimize duplicating efforts.

Line 716 supports a covenant with the Episcopal Service Corps (<http://www.episcopalservicecorps.org/>), a federation of local initiatives of young adult internships across the Episcopal Church which invites young adults to a year of intentional simple living, service to community, rule of life, theological reflection and discernment. This organization will enter a covenant relationship with the church from 2013-2015 to develop their capacity to plant new programs and strengthen the resources offered to new programs with the goal of concluding the grant and covenant with the church in 2015 and continuing their work as an independent network of the church, developing and supporting programs as a sustainable organization empowering local ministry with a church-wide focus. This funding line will be a source of support for other emerging networks that want to covenant towards increased effectiveness or sustainability.

The charts under the final tab in the budget file illustrate the percentages of the overall budget allocated to corporate, canonical and program areas. We believe the breakdown is in keeping with best practices of non-profit organizations of similar scope and mission.

This report concludes the work of the Executive Council in developing the proposed 2013-2015 budget. The report and the budget detail attached are submitted to the Joint Standing Committee on Program, Budget and Finance of the General Convention who will carry this process forward and engage the General Convention. We invite you to engage this process in this critical period of change and transformation in The Episcopal Church.