



Know Jesus. Change the World.

EPISCOPAL DIOCESE OF PENNSYLVANIA

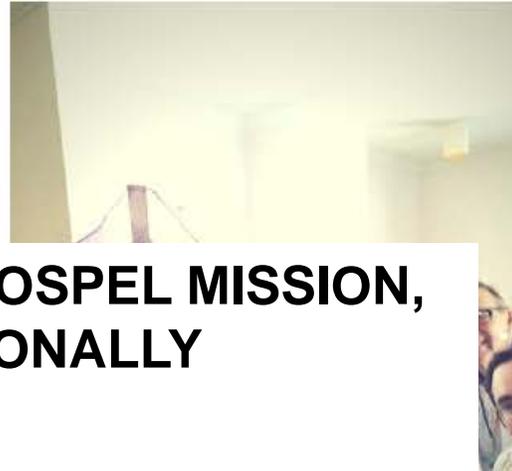
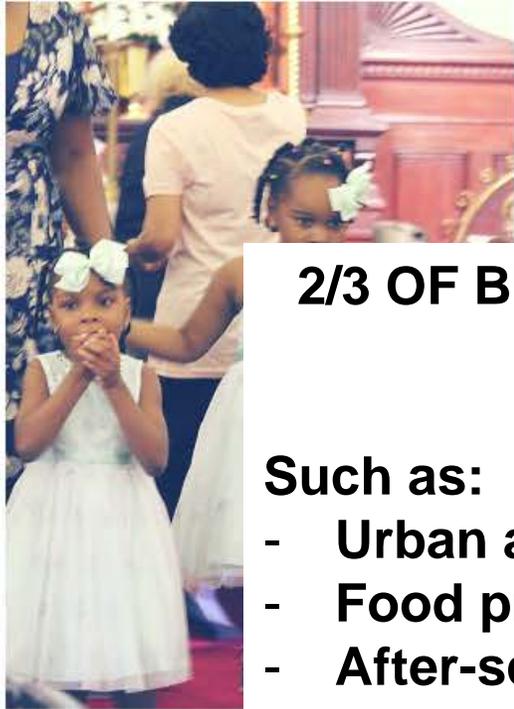




Draft Budget Hearing Proposed 2019 Budget





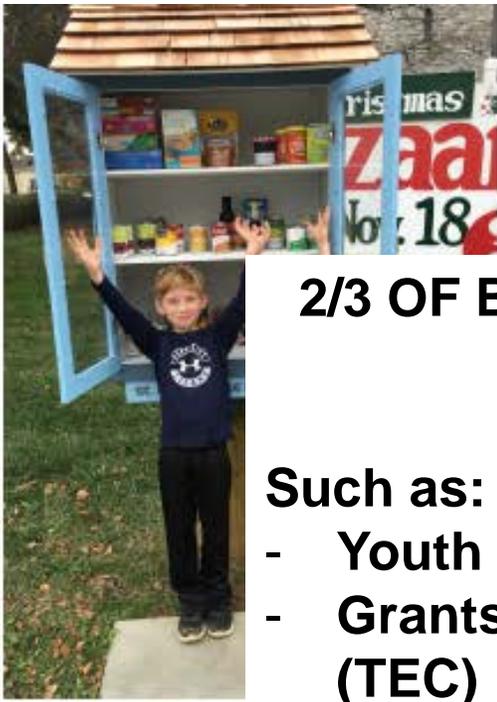


2/3 OF BUDGET PAYS FOR GOSPEL MISSION, LOCALLY AND NATIONALLY

Such as:

- **Urban and Latino ministries**
- **Food programs for youth and adults**
- **After-school programming, computer literacy**
- **Youth ministry (City Camps, VBS)**
- **Anti-racism trainings and outreach**
- **Parish wellness centers**
- **Veteran's ministries**
- **Church planting**
- **Evangelism**





2/3 OF BUDGET PAYS FOR GOSPEL MISSION, LOCALLY AND NATIONALLY

Such as:

- Youth formation (TEC)
- Grants and scholarships for new ministries (TEC)
- Funding of rural ministries, domestic poverty ministries (TEC)
- Federal and armed forces ministries (TEC)
- The Office of Gov't Relations and the Episcopal Public Policy Network (TEC)



OVERVIEW

- **Addressing broken budget model**
 - Transfer from Endowment funds never directed to distribute to balance the budget and not ask parishes to give more.
 - Goal over next five years is to gradually increase sacred giving to normalize Endowment spending.
- **No increase in church assessments while making \$1.5M in grants available to churches**
 - Bishop's commitment not to increase in '18 or '19.
 - Beginning in '20, we need to balance mission budget.
 - Growth Development Fund provides infrastructure grants for ministerial growth.
- **Reduced and restructured staff to serve congregations, while keeping costs flat**
 - Eliminated 1.25 staff positions.
 - At his request, Bishop's salary will not increase for second year in a row.
 - Reduced support positions.
- **Increased participation/engagement in the wider Church**
 - We are the largest diocese that is failing to meet its obligation to TEC.
- **Closed churches/property producing income and/or looking to stay vital**
 - 4 churches currently closed, new activity, looking for new ministry or reuse.
 - Wapiti, being used for rentals, available for sale, new envisioning.



Mission Revenue

DRAFT

Diocese of Pennsylvania

Mission

1
 2 **Sacred Gifts for Mission Revenue**
 3 Sacred Gifts for Mission
 4 Less-Allowance for non-payment
 5 **Net Sacred Gifts for Mission**
 6 **Dedicated Mission Revenue**
 7 Diocesan Annual Fund
 8 Anti-Racism
 9 Young Adult and Campus Ministry
 10 Youth Ministry
 11 City Camp
 12 Episcopal Mission Center
 13 Servant Year
 14 ECS Darby Mission Contribution
 15 Parker Bulmer - Outreach Funds
 16 Growth Development Fund
 17 **Total Dedicated Mission Revenue**
 18
 19 **Total Mission Revenue**

	2018 Budget	2019 Budget	2019 Budget vs 2018 Budget	
\$ 690,000	\$ 690,000	\$ -		
(50,000)	(50,000)	-		
\$ 640,000	\$ 640,000	\$ -		Maintain same level of giving from parishes
\$ 5,000	\$ 5,000	\$ -		
1,800	1,800	-		
15,000	15,000	-		
20,880	20,900	20		
75,751	63,700	(12,051)		
-	-	-		
124,291	-	(124,291)		Outsourced to St. Mark's & St. James School - No revenue
-	5,000	5,000		
90,000	90,000	-		Funds restricted to senior outreach - handled by ECS
300,000	300,000	-		New 5 yr. parish capital program established by Bishop. \$300k per year. \$30k maximum grant
\$ 632,722	\$ 501,400	\$ (131,322)		
\$ 1,272,722	\$ 1,141,400	\$ (131,322)		Servant Year outsourced



Mission Expenses – Diocesan Ministries

Diocese of Pennsylvania		2018 Budget	2019 Budget	2019 Budget vs 2018 Budget	DRAFT
20	Mission Expenses				
21	Diocesan Ministries				
22	Anti-Racism	\$ 25,000	\$ 40,000	\$ 15,000	provides training & consultation
23	Diocesan History Commission	2,000	3,000	1,000	preservation & promotion
24	Ecumenical/Interfaith Council	3,000	3,000	-	promotes dialogue & cooperation
25	Absalom Jones Festival	5,000	5,000	-	annual celebration
26	Anti-Human Trafficking	7,500	7,500	-	promotes awareness & advocacy
27	Hispano Latino Ministries	5,000	25,000	20,000	promotes outreach to those communities
28	Veterans' Ministry Initiative	4,200	11,500	7,300	promotes ministry to veterans
29	Global Mission Commission	1,000	5,000	4,000	coordinates & promotes international mission initiatives
30	Total Diocesan Ministries	\$ 52,700	\$ 100,000	\$ 47,300	Increase in Anti-Racism, Hispano Latino Ministries & Veterans' Ministry Initiative



Mission Expenses – Grants to Congregations

Diocese of Pennsylvania		2018 Budget	2019 Budget	2019 Budget vs 2018 Budget	DRAFT
31	Grants to Congregations				
32	Christ Church, Pottstown	\$ -	\$ -	-	
33	Church of the Advocate, Phila.	-	10,000	10,000	Outreach coordinator
34	Darby Mission	-	20,000	20,000	Mural program
35	Emmanuel Resurrection, Holmesburg	2,000	-	-	
36	Holy Trinity, Lansdale	15,000	15,000	-	Sandwich Ministry,VBS, sunday school
37	Incarnation Holy Sacrament	-	8,000	8,000	Discipleship/christian ed
38	Incarnation, Morrisville	-	3,000	3,000	VBS
39	Parishes of Wissachickon Deanery	-	-	-	
40	Resurrection, Rockdale	-	-	-	
41	St. Francis in the Fields, Malvern	11,200	-	(11,200)	
42	St. James School and Church	5,000	-	(5,000)	
43	St. James the Greater, Bristol	-	-	-	
44	St Luke's, Germantown	-	10,000	10,000	Various meal services
45	St. Mark's, Frankford	15,000	-	(15,000)	
46	St. Mary's, Chester	15,000	15,000	-	VBS, camp, etc
47	St. Mary's, Hamilton Village	12,000	-	(12,000)	
48	St. Mary's, Wayne	-	-	-	
49	St. Paul's, Chester	17,000	-	(17,000)	
50	St Paul's, Elkins Park	-	4,000	4,000	Onstage program director
51	St. Peter's, Phoenixville	5,000	5,000	-	Pantry meals
52	St. Simon the Cyrenian, Phila.	-	9,000	9,000	Feeding program
53	St. Stephen's, Clifton Heights	-	2,400	2,400	Homeless program
54	St. Stephen's, Norwood	2,500	5,000	2,500	Supper program
55	Trinity, Boothwyn	-	-	-	
56	Trinity, Coatesville	2,400	5,000	2,600	Vets brunch
57	Total Grants to Congregations	\$ 102,100	\$ 111,400	\$ 9,300	



Mission Expenses – Missional Congregations & Youth

Diocese of Pennsylvania		2018 Budget	2019 Budget	2019 Budget vs 2018 Budget	DRAFT
58	Missional Congregations				Includes: salaries, pension, healthcare, dental, life & disab ins, employer taxes, expense allow.
59	Mission Vicar Compensation & Benefits				2% pay increase, 1% COLA, 7% healthcare increase, includes total compensation & expenses
60	Christ and St. Ambrose, Philadelphia	\$ 117,145	\$ 145,000	\$ 27,855	
61	Church of the Advocate, Philadelphia	125,289	136,000	10,711	
62	Church of the Advocate, Phila. - Lay	38,054	-	(38,054)	Lay P/T Business Manager - proposed support discontinued in 2019
63	Free Church of St. John, Philadelphia	88,620	100,500	11,880	
64	St. Dismas Prison Mission	2,600	2,700	100	travel expenses
65	St. Gabriel's, Philadelphia	125,034	130,600	5,566	
66	St. Mary's, Chester	101,654	106,400	4,746	Re-established in 2018. Discontinued without process in a prior year
67	Total Mission Vicar Compensation	\$ 598,396	\$ 621,200	\$ 22,804	2% pay increase, 1% COLA, 7% healthcare increase, includes total compensation & expenses
68	New Ministries & Plants Vicar Comp. & Benefits				Includes: salaries, pension, healthcare, dental, life & disab ins, employer taxes, expense allow.
69	Darby Mission	\$ 88,919	\$ 98,800	\$ 9,881	Launching a new congregation
70	St. John's Norristown	61,671	57,400	(4,271)	Previously closed restarting with concentration on building a hispanic congregation & new ministries
71	St. Stephens, Philadelphia	30,300	31,200	900	Previously closed restarting with concentration on new ministries
72	New Minist. & Plants Vicar Comp. & Ben.	\$ 180,890	\$ 187,400	\$ 6,510	
73	Emergency Property Repairs Mission Congr.	35,000	35,000	-	
74	Total Missional Congregations	\$ 814,286	\$ 843,600	\$ 29,314	
75	Youth Ministries				
76	Administration	\$ 9,900	\$ -	\$ (9,900)	
77	Youth Ministry	28,175	28,200	25	
78	City Camp	82,766	82,800	34	
79	Episcopal Church Camp Scholarships	10,000	10,000	-	
80	Episcopal Mission Center	-	-	-	
81	Campus Ministry (3)	25,075	15,000	(10,075)	Advocate; Trinity, Swarthmore; St. Mary's, Hamilton Village
82	TEC and Province III (includes EYE)	6,575	6,600	25	
83	Servant Year	122,732	20,000	(102,732)	Outsourced to St. Mark's & St. James School - support fee
84	Total Youth Ministries	\$ 285,223	\$ 162,600	\$ (122,623)	Servant Year outsourced

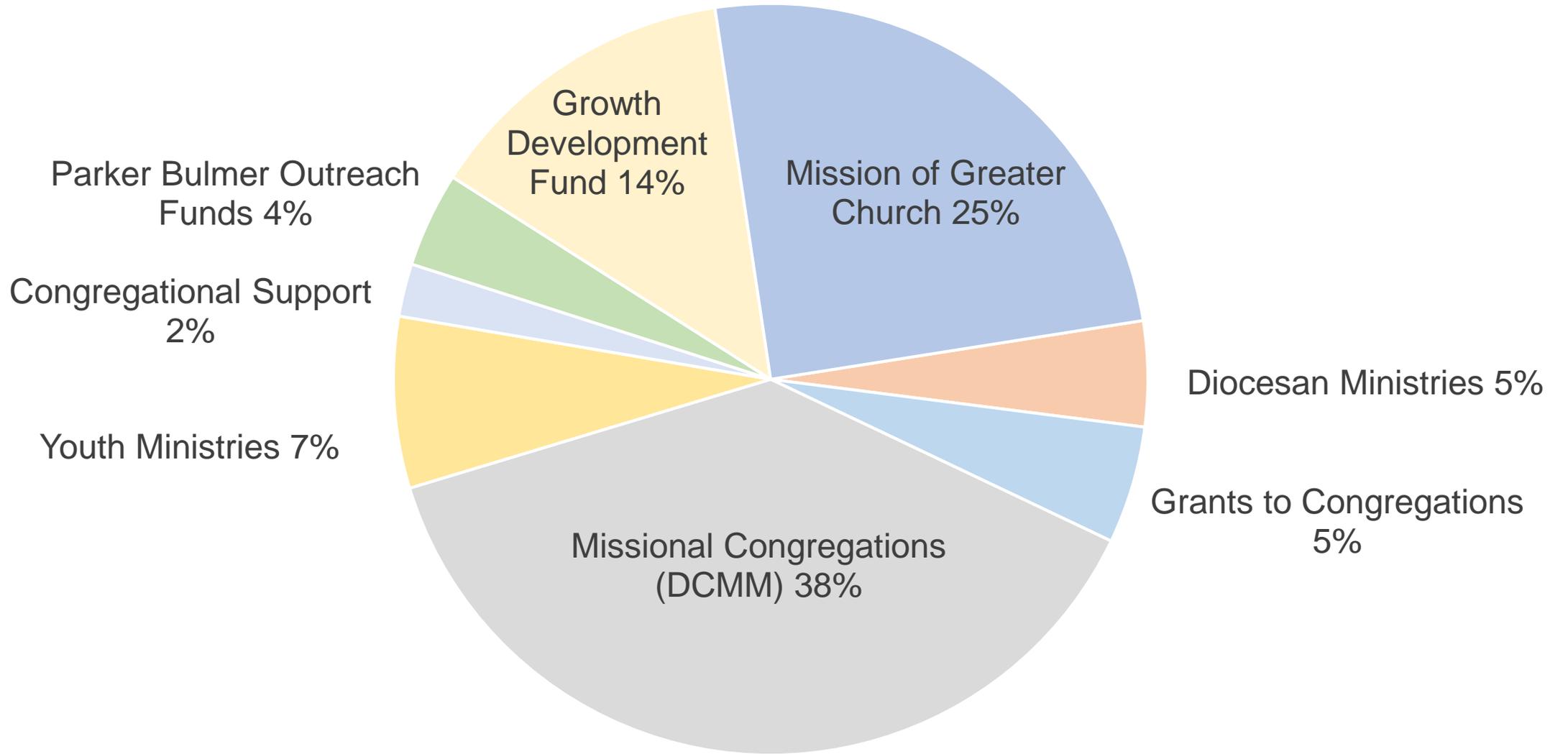


Mission Expenses – Congregational Support, Outreach, Growth Development Fund & Mission of Greater Church

Diocese of Pennsylvania				DRAFT
	2018 Budget	2019 Budget	2019 Budget vs 2018 Budget	
85	Congregational Development & Support			
86	\$ 50,000	\$ 50,000	\$ -	Consultants for congregations & parishes support
87	\$ 50,000	\$ 50,000	\$ -	
88	Parker Bulmer Mission - ECS Outreach Funds			
89	\$ 90,000	\$ 90,000	\$ -	Designated Endowment Funds used for senior outreach
90	\$ 90,000	\$ 90,000	\$ -	
91	Growth Development Fund			
92	\$ 300,000	\$ 300,000	\$ -	New 5 yr. parish capital program established by Bishop. \$300k per year. \$30k maximum grant
93	\$ 300,000	\$ 300,000	\$ -	
94	Mission of Greater Church			
95	\$ 365,000	\$ 515,000	\$ 150,000	Additional \$75k in 2018 & \$150k in 2019, total TEC DIOPA assessment for 2018 is \$880k
96	12,000	12,000	-	
97	8,000	7,500	(500)	
98	14,000	14,000	-	
99	\$ 399,000	\$ 548,500	\$ 149,500	Additional pledge to The Episcopal Church
100				
101	\$ 2,093,309	\$ 2,206,100	\$ 112,791	
102				
103	\$ (820,587)	\$ (1,064,700)	\$ (244,113)	Additional pledge to TEC \$150k, \$47k increase in Diocesan Ministries, \$29k Vicar pay & ben. incr



2019 Mission Budget



Support Revenue



Diocese of Pennsylvania

2018 Budget	2019 Budget	2019 Budget vs 2018 Budget	DRAFT
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Support

Support Revenue - Regular

Sacred Gifts for Support

Sacred Gifts for Support	\$ 1,537,467	\$ 1,537,500	\$ 33	
Less-Allowance for non-payment	(50,000)	(50,000)	-	

Net Sacred Gifts for Support

\$ 1,487,467	\$ 1,487,500	\$ 33	No increase for 2019, maintain 2017 level. NOTE 1
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Endowment Income

Endowment distribution	\$ 1,685,000	\$ 1,663,600	\$ (21,400)	Distribution spend rate 4.4%
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Endowment Income

\$ 1,685,000	\$ 1,663,600	\$ (21,400)	
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Transfers from Closed Church Prop. Fund	450,000	387,500	(62,500)	Transfers to cover closed church & Wapiti Retreat maintenance expenses
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Transfers from Property Fund

\$ 450,000	\$ 387,500	\$ (62,500)	
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Total Support Revenue - Regular

\$ 3,622,467	\$ 3,538,600	\$ (83,867)	
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Revenue - Special

Rent from Church Foundation	\$ 20,000	\$ -	\$ (20,000)	No rent will be charged in 2018 and 2019
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Flagg Trust Income	30,000	35,000	5,000	
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Diocesan Convention Revenue	36,000	38,000	2,000	
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Closed Church & Wapiti Rental Income	59,338	60,000	662	Rent charged for use of the closed churches and Wapiti
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Other Income	30,000	30,000	-	
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Total Revenue - Special

\$ 175,338	\$ 163,000	\$ (12,338)	
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Total Support Revenue

\$ 3,797,805	\$ 3,701,600	\$ (96,205)	Lower endowment distribution & transfers from Closed Church Fund
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NOTE 1 - Bishop has asked the parishes be given a break in the first few years of his Episcopacy by not increasing the Sacred Gifts for Support (formally the Episcopate Assessment). The proposed 2019 Sacred Gifts for Support are maintained at the 2017 budget level.



Support Expenses – Staff & Operations

DRAFT

Diocese of Pennsylvania

		2018 Budget	2019 Budget	2019 Budget vs 2018 Budget	
126	Support Expenses	Compensation & Benefits includes: salaries, pension, healthcare, dental, life & disability insurance & employer taxes			
127	Staff Compensation & Benefits				No pay increase for Bishop, 2% staff salary increase, 1% COLA, 7% healthcare increase
128	Bishop	\$ 260,769	\$ 290,700	\$ 29,931	SECA reimbursement mistakenly not budgeted in 2018, COLA increase in July
129	Youth	245,683	48,300	(197,383)	Canon Ivey moved to Canons for G, S & M. City Camp Supervisor. Youth Missioner position cut.
130	Canon to the Ordinary	172,797	175,500	2,703	Canon Wamsley
131	Canons for Growth, Support & Mission (3)	239,876	366,900	127,024	Canons Berlenbach, Ivey & Smyth
132	Finance and IT (3.5)	346,102	348,300	2,198	Canon for Finance, Senior Accountant, Acctg. Spec., & P/T IT
133	Deployment & Transition (2)	180,043	216,500	36,457	Canon Benoit Joseph & Assistant
134	Administrative Support (3)	246,676	262,500	15,824	Bishop's Executive Assistant, Asst to the Canon to the Ordinary, Recept.
135	Diocesan Property Manager	198,559	119,300	(79,259)	Wapiti Property Manager moved to Property Expenses
136	Assisting Bishops: TBD	20,000	20,000	-	
137	Education and Communication (2.25)	200,671	241,300	40,629	Canon Tucker, Communications Specialist & P/T Web/Data Admin
138	Archivist and Retired Clergy Chaplain (2)	56,359	61,600	5,241	
139	Total Staff	\$ 2,167,535	\$ 2,150,900	\$ (16,635)	Position cuts offset by pay & benefit increase
140	Operations				
141	Occupancy	\$ 283,516	\$ 289,300	\$ 5,784	3717 rent, property & casualty insurance, cleaning
142	Professional and Legal Fees	70,000	50,000	(20,000)	Chancellors fees and financial investigation
143	Archives (United Lutheran Seminary)	15,000	16,000	1,000	Archives for the Office of the Diocese and parishes
144	Financial Audit	50,500	51,000	500	
145	Office & Operations	131,921	174,500	42,579	New: cloud database, website support, demographic analysis software, project tracking software
146	Miscellaneous	5,000	5,000	-	
147	Expenses for Title IV Intake Officer	5,000	5,000	-	
148	Deployment and Ordination Costs	66,000	50,000	(16,000)	
149	Retired Lay Medical Insurance Premiums	45,000	65,000	20,000	Benefits are being stepped down through 2019
150	New Bishop Search	-	-	-	
151	Total Operations	\$ 671,937	\$ 705,800	\$ 33,863	



Proposed 2019 Staff Expense Allocation	% of Time Allocated
<u>Mission</u>	
Bishop	80%
Youth	80%
Canon for Administration	50%
Canons for Growth, Support & Mission	87%
Finance and IT	14%
Deployment & Transition	75%
Administrative Support	16%
Diocesan Property Managers	30%
Assisting Bishop - TBD	100%
Education and Communication	25%
Archivist and Retired Clergy Chaplain	70%
Total Mission Staff Expense Allocation % of Total Staff Expense	50%
<u>Support</u>	
Bishop	20%
Youth (City Camp, Youth Mission)	20%
Canon for Administration	50%
Canons for Growth, Support & Mission	13%
Finance and IT	87%
Deployment & Transition	24%
Administrative Support	84%
Diocesan & Wapiti Property Managers	70%
Assisting Bishop - TBD	0%
Education and Communication	75%
Archivist and Retired Clergy Chaplain	30%
Total Support Staff Expense Allocation % of Total Staff Expense	50%
Total Proposed 2019 Staff Expense	100%

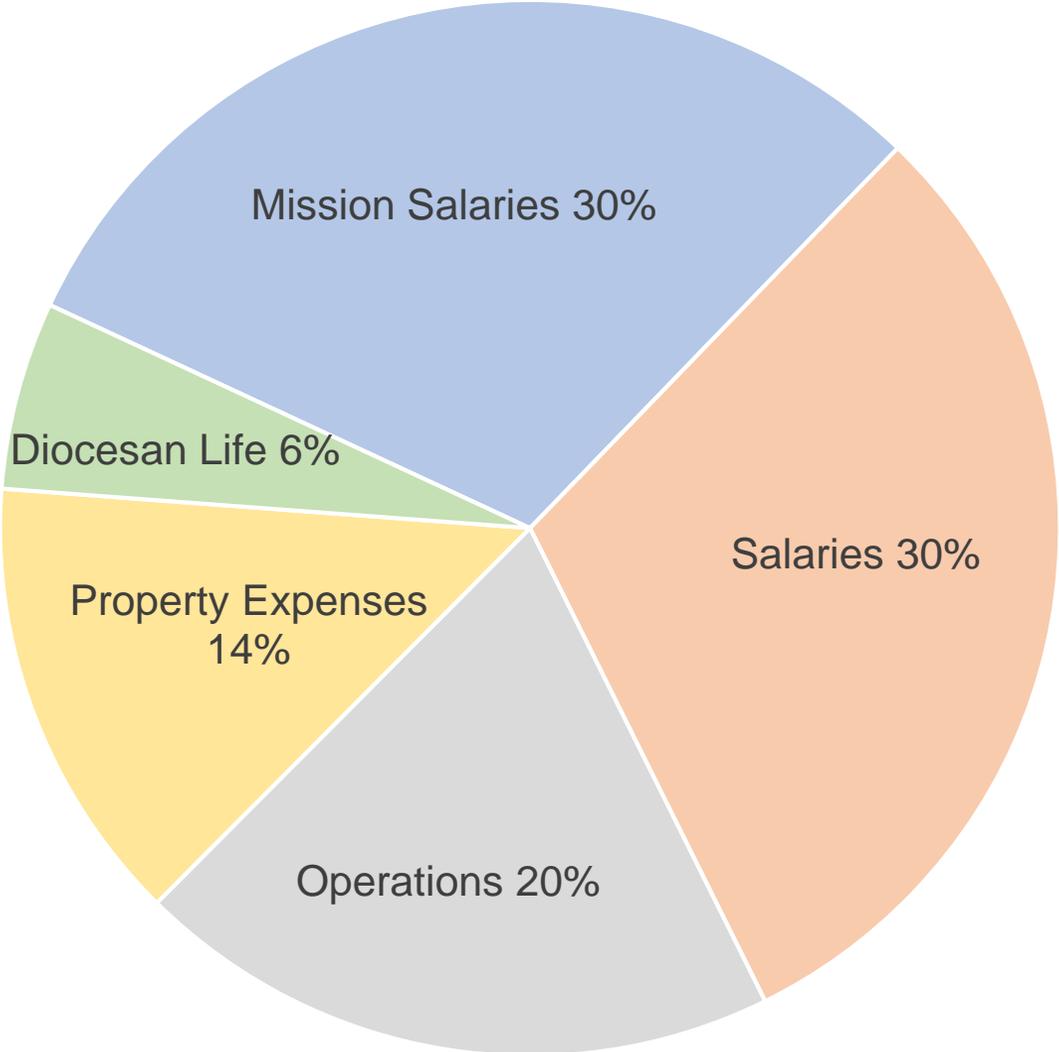
Support – Property & Diocesan Life

Diocese of Pennsylvania		2018 Budget	2019 Budget	2019 Budget vs 2018 Budget	DRAFT
152	Property Expenses				
153	Closed Church Property Expenses	\$ 395,956	\$ 300,000	\$ (95,956)	All expenses to maintain & operate all closed churches
154	Wapiti Property Expenses	-	110,000	110,000	All expenses to maintain & operate Wapiti Retreat
155	Wapiti Property Manager	-	37,500	37,500	Half time manager, previously full time reported in Staff Compensation & Benefits
156	Total Property Expenses	\$ 395,956	\$ 447,500	\$ 51,544	Wapiti Expenses added
157	Diocesan Life				
158	Education	\$ 8,500	\$ 8,500	\$ -	
159	Communication	30,000	35,000	5,000	Caminos, Spanish translation, video costs, outsourced design
160	Travel for Mission & Administration	42,200	65,000	22,800	Bishop: College of Bishops, Recruitment@ Seminaries & Conferences, Canon visits, parish support
161	Diocesan Events	24,100	40,000	15,900	speakers, venues, food, supplies ex. Chrism Service, Stewardship, Lent Retreat, Teaching Days
162	Diocesan Convention	40,000	45,000	5,000	Higher costs anticipated from electronic voting service
163	General Convention	16,000	12,000	(4,000)	Next convention in Baltimore, expenses s/b lower
164	Total Diocesan Life	\$ 160,800	\$ 205,500	\$ 44,700	Accurate increase in travel budget for Bishop & Canons, higher event costs
165	Total Support Expenses	\$ 3,396,228	\$ 3,509,700	\$ 113,472	Wapiti Expenses added in 2019, higher software support & mission travel
166					
167	Support Surplus/(Deficit)	\$ 401,577	\$ 191,900	\$ (209,677)	
168					
169	Total Surplus/(Deficit)	\$ (419,010)	\$ (872,800)	\$ (453,790)	
170					
171	Non-distributing Endowment Fund Transfer	\$ 420,000	\$ 873,700	\$ 453,700	Note 2 - Transfer from a non-distributing endowment fund to balance Mission for 2019
172					
173	Total Surplus (Deficit)	\$ 990	\$ 900	\$ (90)	

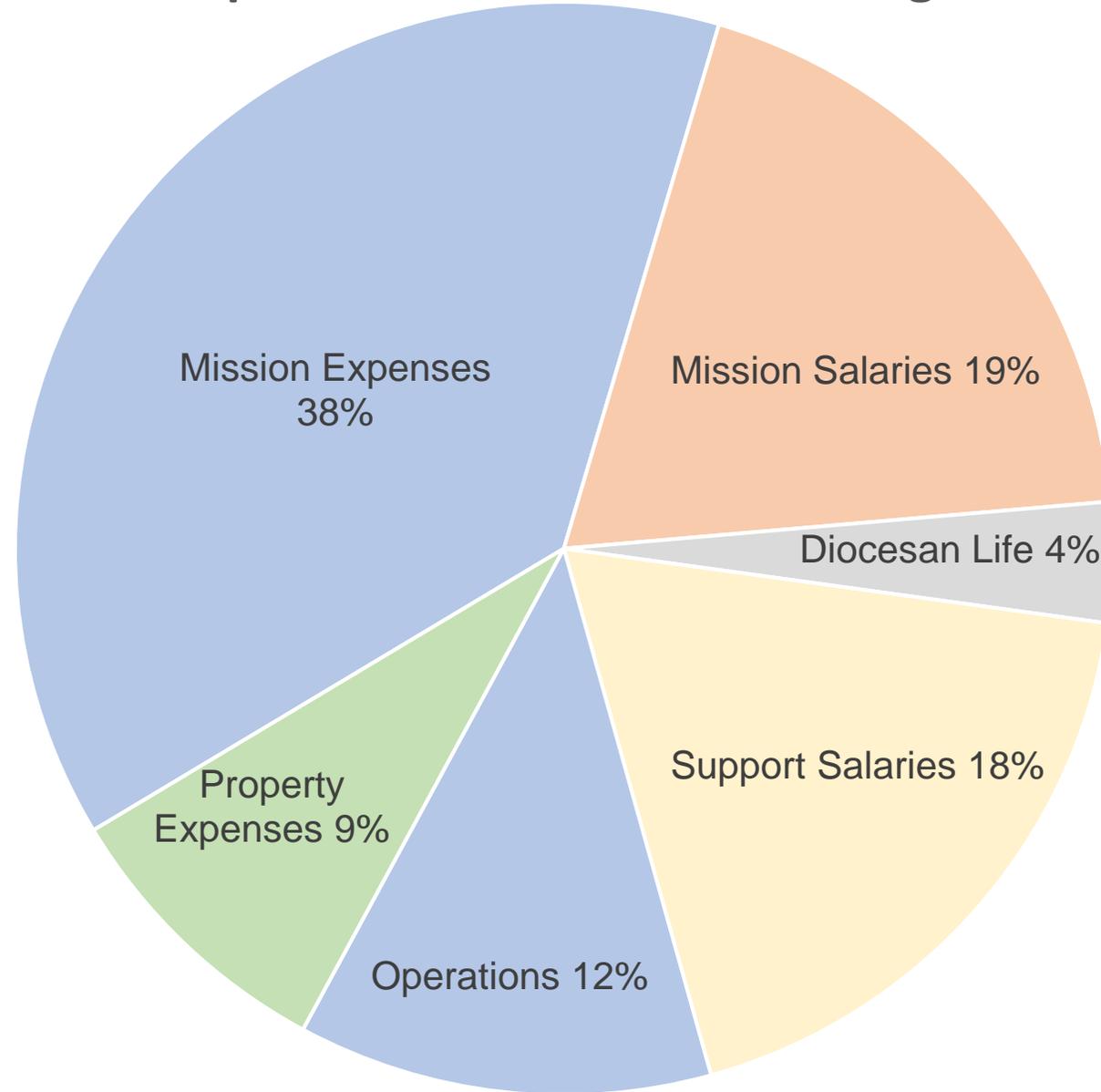
NOTE 2 - The shortfall in Mission is being covered by a transfer from a non-distributing endowment fund. This is a one time event where a non-distributing endowment fund transfer will be used to balance the Mission budget with no increase in the asking from parishes. In succeeding years there will be a slow balancing of parishes being asked to contribute more to balance the Budget with endowment spending returned to normal distribution levels.



2019 Support Budget



Proposed 2019 DIOPA Total Budget



CANON RESPONSIBILITIES



Rev. Arlette Benoit-Joseph, canon for transition: can help you find clergy for your congregation; apply for grants for continuing ed. and sabbaticals; and help individuals who are discerning a call to ordained ministry.



Doug Horner, canon for finance and business: can help you with Sacred Gifts for Mission & Administration; parochial reports and audits; commercial insurance, benefits and pensions through Church Pension Group; endowments and investments; parish financial management and operations; property issues and tenant leases and licenses to use; and employment and human resource policy.



Rev. Kirk Berlenbach, canon for growth and support: can help you connect with the community; develop new and innovative ministries; and maximize use of church buildings and grounds



Rev. Betsy Ivey, canon for growth and support: can help you strategically think about how you want to change your parish ministry; and find supporting resources for ministry (websites, accounting, [grant-writing](#), sharing resources).



Rev. Toneh Smyth, canon for mission: can help connect you with trainings that focus on mental health and addiction concerns; Diocesan-wide missions/events that address national and global issues (e.g. poverty, racism, discrimination, health disparity, legislative changes, acts of violence); and with parishes doing similar mission work.



Jennifer Tucker, canon for communications: can help you with content creation; grassroots marketing; web site development; social media strategy; event planning; messaging; and crisis communications.



Rev. Shawn Wamsley, canon to the ordinary: can help answer questions about the operations of the Diocese; direct congregations to support and resources within the Bishop's office and questions about policy and procedure within the Diocese; and provide direct support for Evangelism ministries, initiatives and programs. |

Diocesan Owned Property

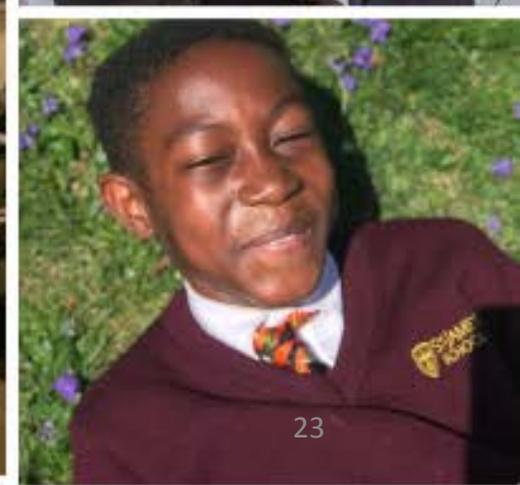
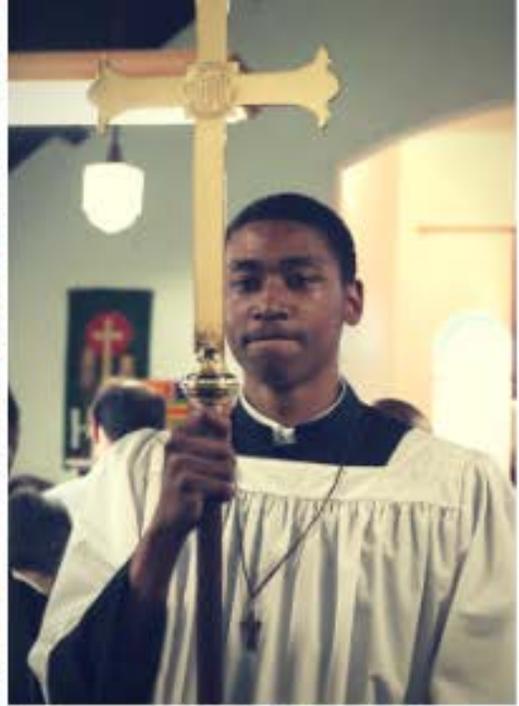
Church/Property	Address	Estimated Value
St. Mary's, Warwick Historic – designated Preaching Station	161 Warwick Road, Elverson, PA	\$175,000
St. Mary's, Warwick New Church - sold	61 Morningside Drive, Elverson, PA	Pending sale \$350,000
Church of The Crucifixion - new bread ministry forming there organized by St. Mark's	620 South 8th Street Philadelphia, PA	\$850,000 - \$1,200,000
St. Faith's, Havertown - school nursery program with well-established service	1208 Allston Road, Havertown	\$360,000
St. Philip's, Oreland - children's music program expanding in space	317 Oreland Mill Road, Oreland	\$1,000,000
Wapiti Retreat	North East, Maryland	\$4,500,000 (book value)



Other Restricted Fund Activity

	2017		
	Revenues	Expenses	Net Surplus (Deficit)
Committees			
Episcopal Church Women (ECW)	\$ 29,601	\$ 28,046	\$ 1,555
Church Training	96,282	124,100	(27,818)
Christmas Fund	150,153	64,940	85,213
Continuing Education	100,886	73,143	27,743
Aid to Theological Students (ATS)	75,489	45,647	29,842
Philadelphia Theological Institute (PTI)	32,420	-	32,420
	\$484,831	\$335,876	\$ 148,955
Restricted Revenue from Endowment	\$484,643		
Other Diocesan Activities			
Episcopal Clergy Association of PA (ECAP)	\$ 49,335	\$ 55,243	\$ (5,908)
Deacon Intern Fund	73,993	164,405	(90,412)
Bishop's Discretionary Fund	21,405	26,154	(4,749)
Nunn's Fund	373,908	163,827	210,081
	\$518,641	\$409,629	\$ 109,012
Restricted Revenue from Endowment	\$456,389		





QUESTIONS & COMMENTS

Please send all questions & comments to
Doug Horner, Canon for Finance
dhorner@diopa.org

