

## BUDGET NARRATIVE

*We are partners in Christ with the love of God on our lips and in our lives.*

### ***Income***

The ministry of the Diocese of Central Pennsylvania is funded through three sources: parish fair share contributions, investment income and special contributions. Of these three, by far the largest single source is the fair share.

The fair shares are determined by the Diocesan Finance Committee's recommendation to Convention. Convention itself formally adopts both the budget and the individual parish's fair share to support the budget \$1,911,123 (Line item 16). Acknowledging concerns that have been expressed by several parishes this past fall as well as in recognition of the current state of the economy, for 2011, once more the Finance Committee is proposing an alternative for fair share askings. The proposed fair share asking for 2011 continues the custom of a trailing four year average of a parish's normal operating income plus using a graduated percentage scale based upon the size of a parish's total operating budget. The proposed fair share formula asks 12% of the first \$40,000 four year average of net operating income, 14% of \$40,001 to \$80,000 four year average of net operating income and 18% of \$80,001 and above four year average of net operating income as indicated in this report.

An important source for our ongoing ministries of the Diocese continues to come through proceeds from *Sharing the Vision*. The proposed budget reflects a draw of \$40,000 from *Sharing the Vision* (Line 38) Meanwhile, much of the funds generated from *Called to Grow* have already been expended for the Youth portion and thus only \$10,000 is budgeted (Line item 41) to help fund the half time position called for in this proposed budget. In addition to these proceeds, *Called To Grow* funds continue to be available to assist with the cost of maintaining the Diocesan Center. This is represented in the Building Fund Transfer line, and for 2011 will be \$35,000 (Line item 54). In addition, income is drawn from the Kermit Lloyd Fund in the amount of \$5,000 (Line item 57). These funds help with the cost of education of those preparing for the ordained ministry. \$10,000 income is drawn from the Bishop McNutt World Mission fund (Line item 58) to support our efforts with our companion Diocese.

Other ministries are supported through appeals and fees, including Operation Understanding Alleluia Appeal of \$16,000 (Line item 33), the School of Christian Studies tuition of \$8,125 (Line item 34), Tidings Subscriptions of \$18,000 (Line item 36) to assist in the underwriting of the various communications efforts and Youth receipts of \$58,375 (Line item 47). Conferences and seminars receipts are budgeted at \$1,400 (Line item 49). The actual amounts for these line items will vary according to what is actually received. Likewise, on the expenditure side, the corresponding categories will vary accordingly.

## *Expenditures*

The Expenditures portion of the budget has three main components:

1. Unity
2. Formation
3. Mission

### **Unity**

This portion of the budget supports those ministries that serve to unite the Diocese. These items are ones associated with drawing us all together as a Diocesan family. Included here is the office of the Bishop, Diocesan staff, the costs associated with running the Diocesan Center and other office expenses, including the annual audit as well as assistance offered to retiree clergy. Traditionally, the Diocese has assisted our retired clergy through paying the premiums for their supplement to Medicare offered through Church Medical Trust (Line item 94). Two new line items are *Bishop Election Reserve* (Line 84) and *Bishop Spouse's expenses* (Line item 88). The first new line item election reserve is proposed for the purpose of accumulating an appropriate amount for the next election. The cost associated with an election and consecration exceeds \$100,000. By beginning a reserve the Diocese will have sufficient resources available at the time of our next election. The second new line item Bishop Spouse expenses is designed to assist the Bishop's wife for services requested by the Presiding Bishop. Mrs. Baxter has been asked to represent our Diocese and coordinate activities with other diocesan bishops' spouses. As with last year, salary increases are budgeted. However, as with last year, a final decision on any increases will be made by the finance committee and Council in January. Last year no salary increases were given to the Bishop or the Canon to the Ordinary.

The total for this portion of the budget is **\$802,758** which represents **42%** of the budget.

### **Formation**

This portion of the Diocesan Budget centers on those aspects of our life that encourage our formation in faith. Included here is support for Convention, Council and various Diocesan Commissions along with Children's Ministry work, Youth Commission, Diocesan Communications, the School of Christian Studies and Continuing Education of laity and clergy.

*Diocesan Council & Committees, Conferences/Seminars, Convention & Journal* (Line items 99-101) These line items fund the activities of various commissions, council, convention, and journal. Much of Line 101 is offset by income from Line 51. In recent years, we have been able to keep the cost associated with this line item down through reducing printed material and increasing the use of our Diocesan web site. We've also been able to curtail costs of the Convention Journal through reducing it to a disk and by publishing hard copies at the Diocesan Center rather than through a commercial printer. *Throughout the budget one will note different items with a STV notation. This indicates that a portion of the cost of the item will be paid for through proceeds from Sharing the Vision.*

*Diocesan Events* (Line item 103) Expenditures for special activities sponsored by the Diocese are allocated through this line item. The annual renewal of clergy vows is an example of event covered in this line item. The Presiding Bishop's visit last fall with ministry fair at Trinity Lutheran Church in Camp Hill is another example. When such events are planned, this proposed budget anticipates special receipts to be generated to underwrite costs. (Line 44)

*Department of Youth* (Line item 105) Funds are used to support the various youth conferences held in the diocese as well as to support other undertakings among the youth of the Diocese. We continue to experience growth in participation and enthusiasm for the variety of offerings afforded through the Diocesan Department. A portion of this line item is offset by funds from *Sharing the Vision* as well as event registration fees (Lines 38 and 47) .

*Commission for Children's Ministries* (Line item 106) The large increase in this line item will provide funds for a major effort in training of commission members. It is anticipated that the 2012 budget will be smaller. This line item also provides scholarships for Camp Mount Luther. Moving our annual conference here several years ago has allowed us to extend camping opportunities to a larger range of students than was feasible at Wesley Forest.

*Youth Leader* (Line 108) Responding to requests both from last year's Diocesan Convention as well as from the Strategic Plan and Youth Task Force recommendation, this line item reflects funding a half time position for youth leader. Following the objectives established in the Strategic Plan, among other things this position will help identify leadership needs that will assure a continual growth in opportunities for youth throughout the Diocese. The youth leader and Youth Commission members will be responsible for visiting and building rapport with every congregation and support leadership and program development in local congregations and convocations. The Youth Leader position will be a shared ministry both with the Youth Commission and Children's Commission.

*Planned Giving* (Line item 112) The Planned Giving Commission is a special area of stewardship that centers on providing resources to parishes and individuals in helping address this important ministry of the Church. Our planned giving officers have visited several of our parishes by invitation to introduce ways in which individuals may provide planned gifts.

*Department of Communications* (Line items 114,115) This area of the budget funds the efforts of the Diocese in communications including the publication of *Tidings* and webpage. The Communications Department spent much of 2009 establishing communication priorities for the Diocese and exploring cost effective ways to meet those priorities. This work, combined with the decisions of the last General Convention to reduce their use of print, have led to a new emphasis on the Diocesan web site and other electronic communications as our primary method of routine communication to and from parishes and their members. In 2010, the Diocese began working with Digital Faith, which operates a web site service for dioceses that is used by more than 1,000 Episcopal congregations. This work follows the goals established by our Diocesan Strategic Plan in area IV. The 2011 budget reflects continued use of this service, as well as the publication of a thematic, quarterly print publication. These changes will alter our overall expenditures very little, but they will enable the Diocese to provide much expanded services – including individualize consultation for congregations wishing to create or improve their own web sites – to our people and parishes. In addition to this primary focus on different ways of communicating news and information, this department also continues an exploration of teleconferencing for

meetings. Being so spread out geographically as a Diocese, teleconferencing a meeting enables individuals to participate in meetings without having to drive several hours to attend. The Diocesan Council and several commissions have already utilized this approach and our hope is to expand such opportunities.

*Training and Deployment* (Line items 117 - 120)

These line items go to support continuing education opportunities for both clergy and laity in the Diocese. It also supports staff professional development. Portions of these line items are offset through funds from *Sharing the Vision* (Line 38).

*Spouse of Clergy Conference* (Line item 121) As its name implies, this line item covers the cost for the clergy spouse conference. The cost of this is offset by Line 50.

*Annual Clergy Conference* (Line item 122) This line item covers the costs associated with the annual clergy conference held early each year. The cost of this conference is offset by Line 45, Winter Clergy Conference receipts.

*Liturgy and Church Music* (Line item 123)

This item focuses on offering resources for worship in our congregations. Among its activities, the commission is involved with Diocesan Liturgies, provides training for Lay Eucharistic Visitors, teaches the course in Liturgy for the School of Christian Studies and presents programs for growth in involvement in liturgy and music.

*School of Christian Studies* (Line items 124)

The School offers a program of study for both those interested in learning more about the Christian faith as well as those studying for the vocational diaconate. This line is largely offset by tuition to the Diocesan School of Christian Studies (Line 34).

The total for this portion of the budget is **\$311,315** which represents **16 %** of the budget.

## **Mission**

Expenses for mission fall under two broad categories - World Mission and Diocesan Mission. Together, they represent the largest single portion of the diocesan budget.

### **World Mission**

This portion of the budget supports the Episcopal Church at the National and Provincial levels, and our ecumenical efforts through the Pennsylvania Council of Churches.

*National and World Mission* (Line item 132)

This figure represents our contribution to the work of the National Church. Our Diocese is one of 110 dioceses that constitute the National Episcopal Church. When dioceses throughout our Church group together as the Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the United States of America, we are able to support church-wide ministries beyond our borders as well as the work of the Anglican Communion. This budget reflects the full asking of General Convention for the Diocese's support of the National Church. Just as we ask

each congregation to contribute its full fair share to support the Diocesan program budget, so we have always committed ourselves to meeting our obligations to the National church. A portion of this line item is offset through funds from *Sharing the Vision* (Line 38).

*Reserve accounts: General Convention, and Lambeth, (Line items 133-134)*

These line items set funds aside for gatherings that occur at different times. General Convention normally meets once every three years. The costs to pay for our deputies expenses accumulate over a three-year period. The Lambeth Conference, which is a world-wide gathering of all diocesan bishops, meets every ten years and so funds are accumulated over a ten year period to defray costs.

*House of Bishops: (Line 135)* Generally, the House of Bishops meets twice a year. This line item underwrites the cost for attendance at such meetings.

*Province of Washington (Line item 136)*

In the Episcopal Church a Province is a subset of the National Church. Our Province consists of the thirteen dioceses of Pennsylvania, Maryland, Delaware, West Virginia, Virginia and the District of Columbia. The Province assesses each diocese to support its regional work. Our Province maintains networks among such important ministries as Episcopal Church Women, Commission on Ministry, college work, youth, Christian Education, Peace and Justice and Commission on Ministry.

*Companion Diocese (Line item 137)*

This line item assists with the ongoing companion relationship with the Diocese of Sao Paulo, Brazil. The companion relationship has led to several fruitful parish to parish relationships between our two dioceses. It also has enabled visits to and from our companion diocese. Part of this line item is offset by funds from *Sharing the Vision* (Line 38) as well as the *Bishop McNutt Endowment for World Mission* (Line 58).

*HIV/AIDS Commission (Line 141)*

This commission is charged with the responsibility to provide leadership in the Diocese to heighten awareness of HIV/AIDS and encourage a compassionate response. Funds from this line item are to go toward a variety of efforts including support for the Bishop Maseraka Foundation.

The total for this portion of the **Mission** budget is **\$322,769**.

## **Diocesan Mission within the Diocese**

The second portion of the Mission budget centers on our efforts at mission within the Diocese.

### *Archdeacon and Associates for Congregational Development* (Line item 147,148)

These particular line items are to pay the expenses for 3 part time personnel handling congregational issues.

### *Congregational Development* (Line items 149-154)

This department's mission statement asserts that its purpose is to inspire hope and confidence that congregations can thrive and grow; help congregations identify and celebrate their strengths; assist congregations in sharing our Anglican tradition; be a resource center of ideas, models and tools and provide forums for sharing. It also has responsibility for overseeing both operating and project grants to congregations. A traditional important part of post-seminary training within the Diocese has been accomplished through the transitional diaconate. Line 152 is to help parishes with the cost of the newly ordained.

### *St. Barnabas Center* (Line item 157)

The Saint Barnabas Center for Ministry is a joint venture between our Diocese and the Lower Susquehanna Synod of the Evangelical Lutheran Church of America. The goal of this shared ministry is to reach at risk youth in the uptown area of Harrisburg and provide them with opportunities for intellectual growth, spiritual development, and the building of teamwork skills.

*York Springs* (Line item 158) This line item supports the upkeep of the historic church at York Springs.

### *Higher Education* (Line item 160)

The mission of the Higher Education Commission is to facilitate ministry to students, faculty, and staff at academic institutions in collaboration with parishes adjacent to or affiliated with them. A hope of the Higher Education Commission is that more parishes with colleges in their communities will develop outreach programs to students. While this request calls for the expansion of three campus ministry grants, the total amount requested is actually less than in 2010.

*Penn State Chaplaincy* (Line items 161-164) These line items reflects the continued support of a part time chaplain for the main campus of The Pennsylvania State University. Part of this ministry as well as the ministries to other college campuses is supported through proceeds from *Sharing the Vision* (Line 38).

*Christian Social Ministry Program* (Line 168) This line item goes to pay for the administrative support of the Christian Social Ministry, primarily the cost of mailing the annual appeal.

### *Operation Understanding Grants* (Line items 173,174)

This Commission on Christian Social Ministries' purpose is to assist the people, parishes and convocations of the Diocese identify and effectively respond to the social concerns and needs of the poor and disadvantaged. It has been the major vehicle for outreach within our Diocese. Grants are made to congregations. Support for these programs come from proceeds from the Alleluia Appeal (Line 33) and Bishop Stevenson Fund (Line 32)

*Pennsylvania Council of Churches* (Line 176)

The Diocese has long been active in supporting the vital ministries of the Pennsylvania Council of Churches. The Council enables churches from many faith traditions to unite to foster a common witness to the Gospel through many ministries throughout the Commonwealth. Partnership ministries facilitated by the Council continue to meet people in fields and orchards, while they travel over the state's highways, in mental health and mental retardation facilities and youth development centers, and at leisure in public and private campgrounds and parks. Through this commitment to state-wide ecumenism, our Diocese joins with 41 other church bodies in a commitment to "unity in faith, partnership in ministry." However, once more unfortunately, this budget reflects a cut in support from what had been requested. This reduction was necessary to help balance the proposed budget.

*Parish Health Commission* (Line item 178)

This Commission seeks to promote health ministry (wholeness and well-being of mind, body and spirit) in parishes within the Diocese reclaiming the Gospel mission of health and wholeness within congregations. It plans to offer a Prayer and Healing Seminar as well as to visit as many parishes as possible to encourage the development of this ministry.

*Ecumenical Affairs* (Line item 179)

The Ecumenical Affairs commission charge is to encourage efforts at the local and Diocesan level in achieving Christian unity. Activities of the commission include furthering the Covenant shared with the Roman Catholic dioceses and Lutheran Synods within our Diocese (L.A.R.C.) and active participation in the national workshop for Christian Unity as well as support for the Episcopal Diocesan Ecumenical Officers organization.

*Ministry Support* (Line items 181 -184)

These line items include the Bishop's, Canon to the Ordinary's, archdeacon's, deployment associates', chaplain to the Bishop's ministry expense reimbursement. and Episcopal Assistance.

*Commission on Ministry and Candidates for Ministry* (Line items 185 - 186)

These line items include support for the Commission on Ministry in its work with candidates for ministry in their training at seminary and ordination expenses. This is supported in part by the Kermit Lloyd Fund (Line 57)

*Episcopal Home* (Line item 188)

This line item represents the Diocesan contribution to the ministry at our Episcopal Home in Shippensburg, the only institution of our Diocese. The home provides quality personal care living in a home-like environment. Fully one third of the Home's residents receive care and services they cannot afford. A portion of these funds comes from *Sharing the Vision* (Line 38).

The total of this portion of the **Mission** budget is **\$474,281**. The Total **Mission** portion of the budget is **\$797,050** which represents **42%** of the budget.

Total Operating Budget     **\$1,911,123**