

THE 2011 EPISCOPATE BUDGET

BACKGROUND:

The purpose of the Episcopate Budget is to assure that the office of the Episcopacy is provided with adequate resources to meet its responsibilities to the Diocese. It is the joint responsibility of the Bishop and Standing Committee to prepare the Episcopate Budget. Although the Episcopate Budget had been largely completed prior to Bishop Bennison's return in August, he did review the budget with Standing Committee last month, and this budget has the support of both the Bishop and Standing Committee.

REVENUE:

Historically, there have been two streams of revenue: Assessment for the Support of the Episcopate (Canon 7.2) and Fund for the Endowment of the Episcopate (Canon 7.1). Note that this year the Assessment remains the same as last year, \$868,660.00. The Endowment income is expected to increase by \$40,000.00 over last year. This year we have added a revenue line of \$200,000.00 from the Property Fund ("Funding for Diocesan Property Maintenance - Churches") which will be used for Diocesan Property maintenance of churches only. Note that this same \$200,000.00 is listed under expenses as a new line-item: "Diocesan Property Maintenance of Churches from Property Fund". These funds will be used for emergency building maintenance and repair issues, safety, rain damage, boiler mishaps, etc. If the Bishop's Revolving Loan Fund is not available for these maintenance issues, these funds could be used after review as to need and appropriateness by committees charged with this responsibility. The Property Fund has been used by the Ecclesiastical Authority for loans and grants, but these actions have taken place in previous years off budget. We hope this addition to the budget will be another step forward in increasing trust and transparency in the allocation of our funds.

STAFF:

All support and clerical staff in this budget will receive a 2% increase in salary. The cost of health benefits is budgeted to increase 10% next year except for retired lay medical insurance, which will be 5%. These increases are based on the latest estimates for 2011 provided by Parke Rouse, Administrator for the Diocesan Health and Welfare Benefits Trust. The visitation cost of \$19,200.00 is based on 48 parish visits @ \$400 per visit. This cost does not include visitations that may be made by Bishop Bennison or Bishop Michel.

Support Staff include deployment officer, clerical and financial staff, as well as those positions of archdeacon, archivist, real estate, sexton, receptionists, and administrative assistants.

OTHER EXPENSES

The cost of Church House Operations is shared with Program Budget. This includes operating expenses and major expenses regarding repairs and equipment.

The increase in Ordination Process Costs is due to the increase in the number of people seeking ordination. This expense primarily covers psychological testing of nominees, the pre-postulancy conference, and ongoing process and ordination-related expenses.

The reduction in Church House Maintenance can be justified as the air-conditioning system is being replaced in 2010, and the anticipated expenses for 2011 can be applied to the "Church House Operations" expense.

The following items reduced expenses for 2011 as compared to 2010:

- A reduction in personnel cost by not funding the Canon for Administration and Communications for 2011.
- Reduction in the cost of Church House maintenance.

The following are the items in the 2011 budget which represent the most significant increase compared to 2010:

- Increased health care benefit costs.
- Funding the management of archives at Lutheran Seminary.
- Restoration of Travel Expenses not budgeted in 2010.
- Increased Ordination Process expenses that result from a larger number of people either now in the process or expected to be in the process in 2011.
- Addition of the line item to show projected "Diocesan Property Maintenance of Churches from Property Fund" expenses.

The net effect is that the Episcopate Budget is up over last year by about \$110,000.00.

The Standing Committee is painfully aware of the financial climate the congregations are experiencing and was committed from the beginning of the budget process this year to keep the assessment revenue as low as possible and to eliminate unnecessary expenses.

We thank you for your past support of this budget and ask for it again this year.

-Submitted by the Bishop and Standing Committee