

The Joint Standing Committee on Program, Budget and Finance

MEMBERSHIP

Mr. Vincent Currie, Jr., *Chair*, Central Gulf Coast
The Reverend Ann S. Coburn, *Vice-Chair*, Connecticut
The Right Reverend Don A. Wimberly, *Secretary*, Lexington
The Reverend Lloyd E. Allen, Honduras
Ms. Bonnie Anderson, Michigan
The Right Reverend John F. Ashby, Western Kansas
The Right Reverend David C. Bowman, Western New York
Ms. Marge Christie, Newark
Mrs. Betty Connelly, Los Angeles
Mrs. Nicholas T. Cooke III, *Treasurer*
Charles E. Hawtrey, M.D., Iowa
The Right Reverend George N. Hunt, Rhode Island
The Venerable C. Eugene Jennings, West Texas
The Right Reverend Charles I. Jones III, Montana
The Right Reverend Robert L. Ladehoff, Oregon
The Reverend Canon Kermit L. Lloyd, Central Pennsylvania
B. Frank Mackey, Jr., Esq., Arkansas
The Reverend Canon James W. McLeod, El Camino Real
Mrs. Nancy L. Moody, Northern Indiana
Russell V. Palmore, Jr., Esq., Virginia
Ms. Diane B. Pollard, New York
Mr. Byron Rushing, Massachusetts
The Right Reverend Victor A. Scantlebury, Panama
Señora Catherine Saucedo, Western Mexico
The Right Reverend C. Cabell Tennis, Delaware
Mrs. Anne B. Tomlinson, North Carolina
The Reverend Robert G. Two Bulls, South Dakota resigned, *replaced by*
The Venerable Philip Allen, Minnesota
The Right Reverend William Wiedrich, Chicago

Committee members continuing from the past triennium met as a nominating committee at the Episcopal Church Center in New York on January 30-31, 1992. The Right Reverend George Hunt, as senior bishop, convened the meeting. The following were nominated to be officers of the Joint Committee for the triennium, subject to the approval of the full Committee.

Chair: Mr. Vincent Currie, Jr.
Vice-Chair: The Reverend Ann S. Coburn

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Secretary: The Right Reverend Don A. Wimberly

Subsequently, the full Committee ratified their election by mail vote.

The following chairs of the several sections of the Committee were nominated and subsequently ratified by the full Committee by mail vote:

Audit Section Chair: Ms. Diane Pollard
Program Section
Chair: The Right Reverend George N. Hunt
Vice Chair: Ms. Bonnie Anderson
Expense Section
Chair: The Right Reverend C. Cabell Tennis
Vice Chair: Mrs. Betty Connelly
Funding Section: Russell Palmore, Jr., Esq.
Presentation: Mrs. Nancy L. Moody
Structural Reform
Co-Chairs: The Reverend Ann S. Coburn
Mr. Byron Rushing

The Executive Committee was appointed as follows: Mr. Currie, Mrs. Coburn, Bishop Hunt, Mrs. Moody, Mr. Palmore, Ms. Pollard, Mr. Rushing, Bishop Tennis, and Bishop Wimberly.

A schedule of meetings to do the work of the triennium was established and the Committee organized into working groups as follows:

- I. Program B. Anderson - L. Allen, M. Christie, G. Hunt, E. Jennings, C. Jones, A. Tomlinson, P. Allen
- II. Planning B. Connelly - J. Ashby, R. Palmore, B. Rushing, C. Saucedo, C. Tennis
- III. Office of the Presiding Bishop D. Bowman - V. Currie, R. Ladehoff
- IV. General Convention K. Lloyd - A. Coburn, C. Hawtrey, N. Moody, V. Scantlebury
- V. General Management F. Mackey - J. McLeod, D. Pollard, W. Wiedrich, D. Wimberly

The work of the Program, Budget and Finance Committee for the triennium was clearly outlined at the 1991 General Convention. The theme was "Structural Reform and the Delivery of Ministry." Representatives from Program, Budget and Finance were involved in most discussions around these issues during the triennium. The Committee shared a working relationship with the Administration and Finance Committee of the

Executive Council in monitoring the current budgets and proposing the budget for the next triennium. Program, Budget and Finance was actively represented on the Presiding Bishop and President of the House of Deputies Committee on Structural Reform. There were also representatives on the Council of Advice to the President of the House of Deputies. The Executive Committee received reports from its liaison to Executive Council, the Right Reverend Don Wimberly, at every meeting.

EXECUTIVE COMMITTEE

The Executive Committee met February 23, 1992, May 21-22, 1992, October 15-16, 1992, March 19-20, 1993, and October 7-8, 1993.

The meeting on May 21-22, 1992, at the Episcopal Church Center was to organize the work of the full Committee. The primary responsibilities of the Joint Standing Committee are to recommend funding and spending policies on program, expense and budget to each General Convention for the succeeding triennium and, between General Conventions, to maintain the balanced budget policies, assuring that income is equal to proposed expenditures each year; monitor the priorities established by General Convention and give advice to Executive Council with regard to any adjustments in priorities; and require and receive an audit by a Certified Public Accountant, of all aspects of operations.

At its October 8, 1993, meeting the Executive Committee approved the Treasurer's decision to spend \$350,000 (or all the funds available) in this triennium for the design, application and implementation of the automation plan for the General Convention, which covers the Journal of General Convention, work between General Conventions and work during the General Convention. The Archivist of the Church constructed the index to the database of past actions of General Conventions. By August 1994 the texts of six General Conventions in resolution form will be available for retrieval and research. The next triennium will see an electronic network and bulletin board with all dioceses, electronic voting, and the Blue Book and the 1994 Journal automated.

On January 3-4, 1994, the Executive Committee voted to recommend to the Executive Council, its Standing Committee on Administration and Finance, and the full Committee on Program, Budget and Finance that the General Convention adopt a unified budget, funded by an asking based on diocesan income, including revenues from unrestricted investments. It was felt that by combining all operations into one budget, and funding it with one asking, the financial understanding of the national Church would be made clearer. The Executive Committee is also reviewing the work of all committees, commissions and interim bodies and taking a closer look at their purpose, with emphasis on which ones should continue to be funded and which may be "sunsetting."

The Executive Committee recommends moving to a unified budget with the funding formula to reflect parochial giving to dioceses, plus unrestricted income with four tiers. The funding would be a single asking based on each current year's diocesan income from parochial giving and all unrestricted general operating investment income. This asking will be on a graduated percentage basis established within the following four income ranges:

- 15% of income from \$0 to \$500,000
- 17% of income from \$500,001 to \$1,000,000
- 19% of income from \$1,000,001 to \$2,000,000

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- 21% of income from \$2,000,001 and over

The Executive Committee also recommends a unified budget that will include the categories "Canonical" (General Convention, Office of the Presiding Bishop) and "Corporate" (The Domestic and Foreign Missionary Society) as a priority. A portion of the budget designated as "Program/Planning" will be subject to such considerations as available funding and changes in priorities.

FULL COMMITTEE

The full Committee met March 20-21, 1993, and will meet on April 15-17, 1994, to receive the program and budget proposals of the Executive Council. A full day has been set aside at the April 1994 meeting to address racism and inclusivity and how the Committee can be sensitive to those issues in doing its work and in our broader ministries in the world. The main work of the Committee is done at General Convention. Members are being oriented for the work ahead. The Program Section of PB&F will be organized as a "committee of the whole," allowing the entire Committee to be familiar with all budget issues.

In the last three trienniums, the Expense Section of the Program, Budget and Finance Committee has used the challenge process as an opportunity for chairs to meet and, in a collegial fashion, review funding and allocate any lapsed balances to appropriate new requests and/or to support work under way and required by action of General Convention. In lieu of a traditional challenge process, all interim body chairs met with the Presiding Bishop and President of the House of Deputies on March 18, 1993, in New York, to review their work to date and request additional funding if necessary. Additional funding requests were reported to the full PB&F Committee by the chair, and the following mid-term adjustments were approved:

- \$10,000 for the Standing Commission on Music;
- An additional \$13,200 for a total of \$29,900 to cover expenses in the Nominations Committee for 1993 and 1994;
- \$3,010 for the Joint Commission on AIDS to meet the costs of the September, 1993 meeting in Panama;

Also, the Committee, at its March 20-21, 1993, meeting approved the following:

- Fund an Advisory Council on Sexual Exploitation in the Office of the Presiding Bishop in 1993—a total of \$125,000 for the 1992-94 triennium;
- \$40,000 additional for the interim meeting of the House of Bishops in the year 1994 in preparation for the 1994 General Convention;
- Exhibitor booth rentals at the 1994 General Convention:
 - Affiliated organizations will be increased to \$700 from \$650,
 - Programs and activities of the General Convention and the Executive Council will be increased to \$650 from \$600,
 - Commercial exhibitors charges will be \$900;

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- \$150 a day per deputy, for food and lodging, up to \$7,500, so that orientation for the deputies from Province IX can take place the day before the General Convention begins.

The Joint Standing Committee also adopted a recommended change in the Rules of Order, Joint Rules, to reflect its current practice and to facilitate its organization at the beginning of each triennium. The proposed resolution is shown at the end of this report.

FUNDING SECTION

As a follow-up to the Open Hearing on Funding held by the full Committee at the 1991 General Convention in Phoenix, the Funding Section of the Committee held an Open Hearing on October 7, 1993, in Chicago, Illinois, for the purpose of listening to representatives from throughout the Church regarding funding the national Church program. The Committee heard from fourteen dioceses representing the Church-at-Large. Without exception, these speakers called for a new system of funding, preferably a system based on money available to the dioceses versus the Net Disposable Budget Income (NDBI) of congregations. Generally, dioceses wanted to support the national Church, but are in a financial squeeze when the asking is based on a formula over which they have less control. This Open Hearing heavily influenced the Program, Budget and Finance Committee to recommend a change in the funding formula.

AUDIT SECTION

The Audit Section met May 19, 1992, June 4, 1992, October 9, 1992, December 10-11, 1992, May 17, 1993, November 8, 1993, and April 14, 1994. The Audit Committee carried out its canonical function of making timely reports to the Executive Council, having reviewed and accepted the reports of the external auditors for the years ended December 31, 1991, and December 31, 1992. Except for depreciation on certain long lived assets the Society complies with fund accounting principles and received a clean opinion. The Audit Section maintained close contact with the internal auditor and external auditors during the triennium and served as a Council of Advice to the Treasurer. The Audit Committee also implemented with the external auditors a plan for Operational Reviews which would go beyond financial accounting in the units of the Episcopal Church Center. The Committee is requesting proposals from auditing firms for the year 1995.

PRESENTATION SECTION

Technicians and artists are coordinated for the newsprint presentation to the General Convention in Indianapolis. The presentation will follow the format that was so well received at the previous General Convention, with minor alterations. Recycled paper will be considered. for use.

Resolution #A111

1 *Resolved*, the House of ____ concurring, **That the following additions (shown in italics)**
2 **become a part of Rules of Order, Joint Rules II:**

3 **II. Joint Standing Committee on Program, Budget and Finance**

4 **10 (a). (Second Paragraph)** *The Presiding Bishop, President*
5 *of the House of Deputies, Secretary of the General Convention,*

6 **(b). Organization. (Second Sentence)** *These elections shall be*
7 *accomplished by March 31, of the year following General*
8 *Convention.*

9 **(B). Organization. (Third Paragraph)** *There shall also be an*
10 *Executive Committee whose membership shall include, but not be*
11 *limited to, the officers of the Committee, the chairs of the several*
12 *sections, and the ex officio members of the Committee.*

13 *(i) This Committee shall serve in its capacity until new*
14 *members of the Executive Committee are appointed or*
15 *elected.*

16 *(ii) This Committee shall act as the nominations*
17 *committee for new committee officers and section*
18 *chairs for the ensuing triennium. Election of*
19 *committee officers and the section chairs shall be by*
20 *the whole committee, either in meeting assembled or by*
21 *a vote by mail.*

22 **(The remainder of the Rule remains the same.)**

Resolution #A112

1 *Resolved*, the House of ____ concurring, **That \$118,000 be appropriated for the work of**
2 **the Joint Standing Committee on Program, Budget and Finance for the 1995-97**
3 **triennium.**

| | | | |
|---|-----------|-----------|-----------|
| 4 | 1995 | 1996 | 1997 |
| 5 | \$ 18,000 | \$ 40,000 | \$ 60,000 |

Expenditure for the 1992-1994 Triennium

| | | |
|--------------------|--------------------|----------------------|
| <i>Actual 1992</i> | <i>Actual 1993</i> | <i>Proposed 1994</i> |
| \$ 15,653 | \$37,803 | \$ 58,890 |