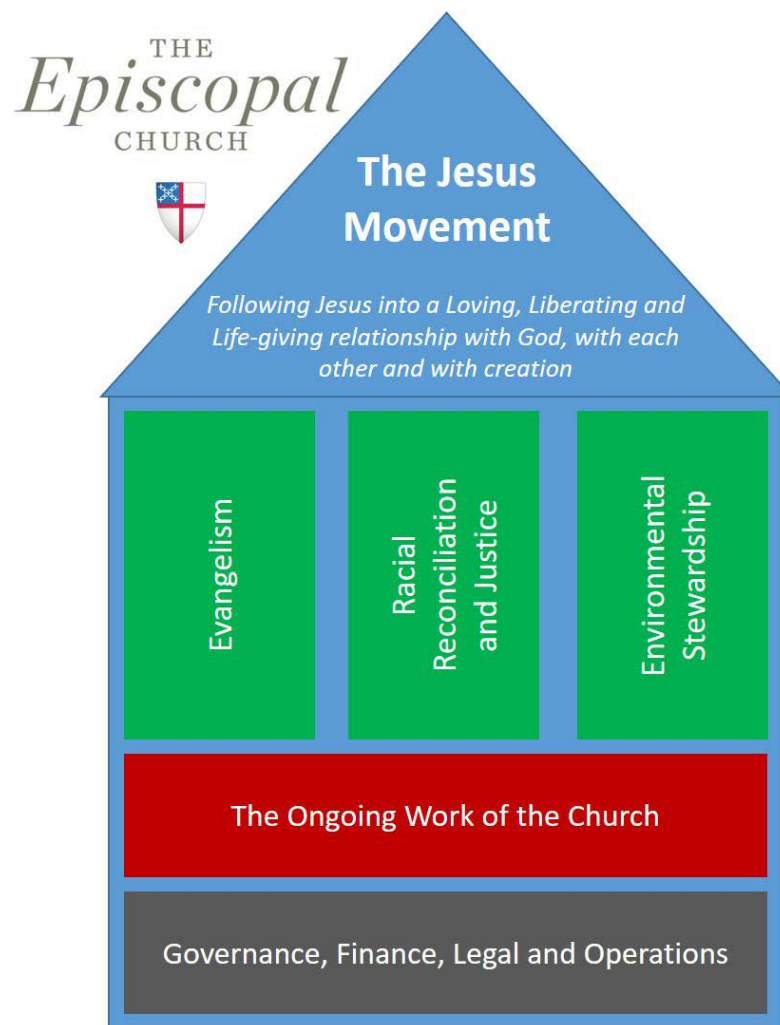


2023-2024 Narrative Budget

We on the Joint Standing Committee on Program, Budget, and Finance (PB&F) offer this narrative budget document to help members of the 80th General Convention understand and process the proposed budget presented to us by the Executive Council of The Episcopal Church. This is not intended to be an exhaustive explanation. Budgets are a means by which we “do the work that God has given us to do.” This budget should be seen as a whole, with the various sections working in concert with each other to support and fulfill the mission of the church. The 2023-2024 budget continues the “Jesus Movement” format of the current budget. The three pillars of Evangelism, Racial Reconciliation and Justice, and Environmental Stewardship (Creation Care) are supported by the foundational portions of the ongoing work of the Church (including mission work within and beyond The Episcopal Church, as well as the Office of the Presiding Bishop), Governance, Finance, Legal, and Operations. The sections listed below are categorized in the areas covered by each of PB&F’s subcommittees.



Income

The Income Subcommittee of PB&F is responsible for Income lines 1-32 of the proposed budget. The total income for these lines is \$100,722,151.

Income: The basic components of the income side of the budget remain the same. Diocesan assessments (line 3 = \$57,675,441) are at 15% and the amount exempt from that calculation has increased from \$140,000 to \$200,000 per diocese. It is expected that \$1.5 million (line 4) will be granted as hardship waivers to dioceses that request them. The percentage draw from DFMS trusts/endowments for budgetary use continues at 5% of a rolling five-year average. We also receive income as the beneficiary of trusts held by other organizations. (Lines 5 and 6 total \$26,531,575.) Economic Justice Loan income (line 7 = \$330,000) is from low interest loans that are part of an economic justice ministry to provide capital for communities and groups that lack full and equal access to financial resources. The Office of Development (line 9 = \$1 million) raises money to support the budget through its annual appeal; and raises other money to support numerous ministries beyond the DFMS budget. Also, \$5.0 million of the 2019-2021 budgetary surplus (line 11c) is being used to cover the deficit in this budget. See the Other Notes section of this document regarding line 697.

Evangelism, Racial Reconciliation & Justice, Creation Care, and Mission Beyond the Episcopal Church

This subcommittee of PB&F is responsible for Evangelism, lines 35-65; Racial Reconciliation, lines 66-162; Creation Care, lines 163-174; and Mission beyond the Episcopal Church, lines 411-511 of the proposed budget. The total expenses for these lines are \$23,570,775.

Evangelism: This includes three sections: 1) grants for new church starts and congregational redevelopment programs; 2) evangelism initiatives including training and resources, revivals, grants, and the Way of Love curriculum, resources, and events; 3) staff costs for the people working these issues.

Reconciliation and Justice: There are five sections: 1) grants and training resources under Poverty and Social Justice work; 2) Becoming Beloved Community grants and resources, racial justice audits, Sacred Ground program, Truth and Reconciliation campaign, dismantling racism (Absalom Jones Center) and other resources, and criminal justice ministries, all under Racial Justice and Reconciliation; 3) Ethnic Ministries include resources and networking under Indigenous Ministries, Asiamerican Ministries, Black Ministries, and Hispanic/Latino Ministries; 4) support for historically black Episcopal colleges and universities; 5) United Thank Offering expenses, which are offset in large part from trust funds (line 159); 6) plus staff costs spread throughout this area.

Creation Care: Includes funding for grants, networking, and resources, along with staff costs.

Mission Beyond The Episcopal Church: This area includes 1) direct funding for the work of the Anglican Communion; 2) unrestricted grants to nine provinces or organizations within the Anglican Communion, which were all established by earlier agreements; 3) covenant agreements with La Iglesia Anglicana de la Region Central de America (IARCA) and Liberia, (both amounts are being decreased each year); 4) grants and networking for the work under International Justice and Peacemaking and the United Nations presence; 5) refugee ministry not supported by government funding; 6) support of TEC's missionary service; 7) support of the Office of Government Relations; 8) support for the work of Ecumenical, Interfaith, and Global

Relations; and 9) a grant to Episcopal Relief and Development, which funds its rental costs in line 14; 10) plus staff costs throughout this area.

Mission Within the Episcopal Church

This subcommittee of PB&F is responsible for Communications, Formation, Transition Ministry, and Aided Dioceses lines 219-410 of the proposed budget. The total expenses in these lines are \$19,999,579.

Communications: The \$7.3 million budget proposed for the 2023-2024 period encompasses the work of 18 staff members carrying the voice of the Presiding Bishop—as well as the work of DFMS staff on General Convention priorities of evangelism, racial reconciliation, and creation care -- into the world. Major components of our messaging initiatives include:

- Launching a national research project
- Increasing public awareness through positioning The Church and Presiding Bishop as a strong, timely, distinctive moral voice in news media
- Producing more than 145 video messages with the Presiding Bishop
- 31 newsletters sent on behalf of DFMS departments
- Ongoing development and maintenance of episcopalchurch.org, Archives, and other DFMS websites
- The work of Episcopal News Service
- Development of sponsorship income from organizations wishing to have their name and work known to Episcopalians.

Formation: This funding is for the important work of Episcopal Service Corps, the Episcopal Youth Event, formation networks, and safe church training. The formation budget also funds the cost of church-wide curriculum development in areas prioritized by General Convention.

Transition Ministry: The Office for Transition Ministry works with Diocesan Transition Ministers across the Church and maintains an online database to assist both clergy and congregations with their search efforts.

Aided Dioceses: The Episcopal Church's aided dioceses in Indigenous Areas, Latin America, and the Caribbean, supports dioceses in areas that cannot independently sustain the presence of The Episcopal Church in their locales. The General Convention budget grants are unrestricted and are used mostly for the stipends of clergy, lay ministers, and diocesan staff; to cover taxes; to support diocesan programs and ministries such as evangelism and youth; and to partner with other agencies in outreach and community development. Since the onset of COVID-19, resources for ministry have also provided pastoral care and assistance, acquiring needed technology (both equipment and software), and developing skills to use them in theological education, bible studies, liturgy, vestry meetings, and much more.

Presiding Bishop's Office, Finance, Legal, Governance and Operations

This subcommittee of PB&F is responsible for the Presiding Bishop's Office, lines 175-218; Finance, Legal and Operations, lines 568-696b; and Governance, lines 512-567 of the proposed budget. The total expenses in these lines are \$55,127,206.

While these sections, aside from the Office of the Presiding Bishop, don't directly "do mission", they definitely support all mission by providing governance and infrastructure to "keep the church running".

Presiding Bishop's Ministry: These lines describe the work and expenses of the Office of the Presiding Bishop. Included in these lines are travel costs and the total staff costs of that Office, which for 2023-24 are budgeted at \$4,178,113, without any increase in net staff personnel.

Other areas under the umbrella of the Presiding Bishop's Office are: the House of Bishops, Pastoral Development, Armed Forces and Federal Ministries, and the General Board of Examining Chaplains.

Finance, Legal, and Operations: These areas of the budget include the Development Office, the Controller's Office, the Treasurer's Office, the in-house Legal Office, the Chief Operating Officer, Human Resources, Information Technology, and Facilities (Building) Management. These areas are budgeted, again, with no increase in the net number of staff employed. Specific explanations of some items are noted in their respective enumerated lines.

Governance: This area covers the expenses of governance at all levels of the DFMS; most notably through General Convention, but also through the work that continues from one General Convention to the next. Important elements include the work and expenses of the Executive Council, all Interim Bodies, the House of Deputies (including the Office of the President of the House of Deputies), Provincial Coordination, and Archives.

Other Notes

Line 697 (in the income section) is in the proposed budget from Executive Council in the amount of \$2,000,000 for undetermined General Convention Resolutions and will be allocated at General Convention.

About 50% of the annual expenses of the Church are staff costs that show up throughout the budget sections. We note, of course, that ministry does not happen without people. This proposed budget continues the staff numbers unchanged but with costs adjusted for medical increases and modest cost-of-living adjustments.

Finally, we note that many expenses throughout the budget are partially offset by Program and Event related fees (Line 15-26).

We hope that this brief narrative has helped you understand the structure and content in the proposed 2023-2024 budget from the Executive Council. If you have any questions, please do not hesitate to contact any member of Program, Budget, and Finance. We are eager to work with you to craft a budget that will help us further the work of Jesus Christ and the Mission of the Church.