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Presbyterian Mission Agency Board confronts financial realities

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There are hints that serious budget difficulty is looming for the Presbyterian Church (U.S.A.)

Marilyn Gamm, chair of the Presbyterian Mission Agency Board, has called it the "fiscal cliff" - when the denomination runs out of restricted reserve funds, probably by the end of 2016, if not sooner.

Earline Williams, the PC(USA)'s chief financial officer, gave a budget presentation to the board's executive committee that focused on 2015 financial performance through August 31. While things look good so far this year (with spending below budget), Williams warned that shouldn't "create a false sense of security." When the reserves are gone, the denomination will have to "live into our financial reality, that we cannot spend more than we receive, much like in our own households," she said.

Heath Rada, moderator of the 2014 General Assembly, said when he convened a task force to discuss ways to raise money for PC(USA) World Mission, the conversation quickly turned to a lack of trust in the denomination. Projections show that World Mission may face a \$4.5

million shortfall by 2017, which would force the PC(USA) to recall about 40 of the 162 mission co-workers it now has assigned internationally.

People are not giving to the church because of a "lack of trust," including mistrust of the PC(USA)'s national staff in Louisville, Rada said, and from "a total desire to see where we're going on the part of members of our denomination before people want to give money."

Rada issued a call for change - for "bold and immediate steps," and for a churchwide conversation.

When it came time to talk about the rapidly dwindling reserves, however, the Presbyterian Mission Agency Board closed its meeting Sept. 25 to receive what Gamm called "sensitive financial information" from Williams.

At its next meeting in February, the board is expected to consider a Mission Work Plan to govern the work of the Presbyterian Mission Agency over the next two years. At its April meeting, the board likely will vote on a mission budget for 2017 and 2018, which could mean more budget cuts and possible layoffs for the PC(USA)'s national staff.

In anticipation of that, at this meeting board members participated in a “priorities exercise” – a hypothetical drill of distributing limited resources among ministries whose work currently relies on the diminishing unrestricted dollars. Real money was not at play (the board members were instructed to divide 100 points among a list of ministry work areas) but one participant described the effort to decide which ministries got what – even in theory – as “hard.”

Here are details on some financial matters the board discussed:

2016 adjustment. The board adjusted the mission budget for 2016 to \$77.49 million, a net decrease of just over \$528,168.

Foundation. The board’s finance committee spent about an hour asking questions of Presbyterian Foundation representatives about the performance record of investments the Foundation holds – revenue from which is used to help fund Presbyterian Mission Agency work.

Reserve formula. Previously, some board members have voiced concerns that the reserves are dangerously low, and there’s been discussion about the possibility of asking the 2016 General Assembly to change the formula for calculating how much unrestricted revenue needs to be kept in reserve. The General Assembly set that formula in 1990, and the finance committee set up a subcommittee “to develop strategy about unrestricted reserves and the possible update of the 1990 GA action.” Those serving on the committee are board members Raul Santiago-Rivera, Melinda Sanders, Tom Fleming and Kenneth Godshall.

Special Offerings Task Force. Mike Kruse, a former chair of the Presbyterian Mission Agency Board, reported that the task force is early in its work – with the responsibility of looking at what can be affirmed and where questions or concerns need to be raised. Kruse said the task force has heard “so much good feedback” regarding Special Offerings’ new giving catalog and that there is still some unfamiliarity with new Peace and Global Witness Offering. (“It’s going to take

a while for people to get used to those two great things going together,” Kruse said, sort of like initial skepticism for a maple-bacon doughnut.) Another concern: Can the PC(USA) meet its goal of raising \$20 million a year from Special Offerings by 2020?

Fundraising. Terri Bate, the PC(USA)’s senior director of funds and development, reported to the executive committee that fundraising revenue for 2014 “was under what we hoped and expected for our work.”

Reports presented to the board show:

- From January through July 2015, giving to the PC(USA)’s Special Offerings was up about 3.7 percent from the same time period in 2014 – with \$6.72 million given in the first seven months of 2014 and \$6.97 million in 2015. The goal for 2015 is to raise \$12.3 million. Donations to One Great Hour of Sharing and the Pentecost Offering both were up from 2014 levels, but combined giving to the Peacemaking and the Peace and Global Witness offerings (the Peacemaking Offering is being phased out) was down nearly 3 percent, and giving to the Christmas Joy Offering decreased as well.
- Fundraising for World Mission in the first seven months of 2015 was up more than \$617,000 over the levels given in the same time period for 2014. The goal is to raise \$7.3 million in 2015 – and through July just over \$4 million had come in, with \$1.4 million donated by individuals and \$2.6 million from congregations.
- Fundraising for new initiatives is coming slowly – with fundraising expenses outstripping revenue raised so far in all five of the following areas: Office of Public Witness/United Nations; 1001 New Worshiping Communities; Company of New Pastors; Racial, Ethnic and Women’s Ministry; and the Young Adult Volunteer Program. ●