

M E M O R A N D U M

TO: The 2012 Convention of the Diocese of New York
FROM: The Budget Committee of the Diocese of New York
Date: September 20, 2012
RE: 2013 Narrative Budget

INTRODUCTION

This memorandum seeks to provide a narrative for the 2013 budget of the Diocese of New York. Our goal is to offer a starting point for clarity and openness in the diocesan budget process. We hope to explain in general the receipts and disbursements of the diocese; in other words, where the money comes from and how it is spent. When possible and where applicable, we have included the assigned staff members for each program, mission, or office. This narrative is designed to be read as a companion to the budget. That said; it might be helpful to have on hand a copy of the 2013 budget and also a copy of the Diocesan Canons.

If you have questions or concerns that require a more detailed explanation of a specific office or program, please contact the appropriate staff member. If you have other questions please contact a member of Diocesan Council.

The Budget Committee met numerous times throughout the summer of 2012. Our meetings took place in person and by phone, and we also had correspondence through email. The phone meetings were particularly productive due to the ability for every committee member to have remote viewing access to budget files on Mr. Allen Barnett's office computer. We are very grateful to the time and energy that Mr. Barnett, the staff member who was assigned to assist the Committee, put in working with the Committee this summer. We are also grateful for the work of the 2011 Budget Committee, and Chair, the Rev. Michael Philips, for their work on the 2011 narrative which was the starting point for our narrative.

This report is divided into three major sections:

- 1) Executive Summary (PAGE 1)
- 2) Receipts (PAGE 3)
- 3) Disbursements (PAGE 5)

SECTION 1: EXECUTIVE SUMMARY

In 2012 the Diocese of New York elected a new Bishop Coadjutor. The Right Reverend Andrew M. L. Dietsche will be installed as the Diocesan Bishop of New York on February 2, 2013, when the Right Reverend Mark S. Sisk retires. The Budget Committee was given the task by Bishop Sisk and Bishop Dietsche to provide a budget for 2013.

At the start of our process we met with Bishop Dietsche for several hours to discuss 2013 and the budget. Bishop Dietsche and the Committee agreed that the 2013 budget is a transitional budget. On the one hand, it is the product of years of decisions, and it reflects the priorities of the leadership of the diocese over the last decade. On the other hand, it is also the budget for what will be his first year as Diocesan Bishop, and as such the 2013 budget would in some ways begin to reflect the priorities of his

Episcopacy. Bishop Dietsche did not direct us to increase or decrease any line item, but he did ask, if possible, that we attempt to address a few issues that he felt were important.

In no specific order, we discussed the following with Bishop Dietsche:

- that we try to budget for a full time assisting Bishop to replace Bishop Sisk following Bishop Sisk's retirement (thus maintaining the current Episcopal coverage of two full-time Bishops and one 1/4 -time Bishop);
- that we refrain from budgeting for a Canon for Pastoral Care in 2013 since Bishop Dietsche does not intend to fill that position;
- that we try to budget the full asking of the Provincial Synod which the Diocese of New York had underpaid in recent years;
- that we try to increase the budget for the asking of The Episcopal Church which the Diocese of New York had underpaid in recent years;
- that we divide the Hispanic Grants budget line by separating the amount that is spent on clergy compensation from the amount that is given for other grants, and that we try to increase the amount budgeted to Hispanic Grants for grants other than clergy compensation;
- that we try to add a budget line supporting one time targeted grants to assist clergy and congregations through growth transitions.

Recent diocesan budgets (and 2013 is no exception) were greatly influenced and shaped by the economic crisis of 2008: for the fourth year in a row income is not projected to increase in 2013, and for that reason, any increase in one line of the budget necessitates a decrease in another area. We do not know what 2013 will look like, but we hope that this budget will allow time for discernment as we transition away from being forced to do more with less to doing what we are called by Jesus Christ to do with the resources and gifts that we have been given.

We spent the summer of 2012 combing through the budget, and we were able to find ways to include almost everything about which we had spoken with Bishop Dietsche. Two staff positions have been eliminated in 2013; that combined with continued tightening in every other area allowed us to fulfill our obligations to the Provincial Synod, come closer to fulfilling our obligations to The Episcopal Church, and expand funding for direct congregational support through grants.

In summary, the budget is balanced. The total amount of revenue and expense budgeted for 2013 is \$9,365,000. This represents a 0.4% increase from the 2012 budget (\$9,325,000). The significant changes and adjustments that we have made moving into 2013 include (in no particular order):

- We have budgeted for a full time assistant bishop.
- We have zeroed out the line item for the Canon for Pastoral Care.
- We have zeroed out the line item for Region 2 Coordinator.
- We have reduced receipts from and disbursements to the Congregational Support Plan (CSP) in 2013 matching the reduced number of congregations on the CSP.
- We have increased the amount budgeted to the full asking for the Provincial Synod.
- We have increased the amount budgeted to 81% of the asking for The Episcopal Church.
- We have divided the former Hispanic Grants line into two lines. The first represents salaries funded through Hispanic Grants. The second represents non-compensation Hispanic Grants.
- We have increased the amount budgeted to non-compensation Hispanic Grants by \$75,000. The line funding salaries through Hispanic Grants remained at \$350,000.

- We have added a new line item for the Ecumenical and Interfaith Commission which, for the last couple of years, has been placed in the "Commissions of Convention" budget line. No increase or decrease has been made for this Commission, and the corresponding amount was deducted from the Commissions of Convention line item.
- We have added a new budget line item for Transitional Assistance Grants. The amount budgeted for 2013 is \$100,000.

For detailed information on any of these changes, please see below in the appropriate section.

NOTE: The budget and a draft of this narrative were presented by email to the Council of the Diocese of New York on September 8, 2012. At the September 19, 2012, meeting of the Council of the Diocese, a resolution approving the budget was passed. Council also passed a resolution “commending the Budget Committee for increasing our giving to the Episcopal Church, and that it is the desire of the Diocesan Council that we continue to work towards giving the full asking to the National Church in future budgets.”

SECTION 2: RECEIPTS

Assessments (Congregation’s Apportioned Share)

The Congregation’s Apportioned Share (see Canon 18, Section 1.2, of the Canons of the Diocese of New York) is commonly called an assessment. The assessments of the Diocese of New York make up the vast majority of the income for each year’s annual budget. To be blunt, without payment of assessments, the Diocese shuts down, people lose their jobs, and all funding supporting many of the congregations and mission work in the diocese stops. Unlike some dioceses the Diocese of New York does not have voluntary assessments; unlike The Episcopal Church and the Provincial Synod the Diocese of New York also does not have a suggested asking amount.

The assessment which is calculated for each congregation is based on a formula agreed upon by resolution of Diocesan Convention and set forth in the Canons of the Diocese of New York and applied to that congregation’s average Normal Operating Income (as defined in Canon 18, Section 2.3, of the Canons of the Diocese of New York) for the last two years. According to Canon 18, Section 2.1, of the Canons of the Diocese of New York, the Apportionment Formula for assessment is:

- 4% of income from \$1 to \$50,000, plus
- 10% of income from \$50,000 to \$200,000, plus
- 15% of income from \$200,000 to \$500,000, plus
- 20% of all income above \$500,000

The Trustees are authorized from time to time to increase the dollar amounts that divide the brackets in the above formula to take into account inflation in the cost of the major items making up the budgets of congregations in the Diocese of New York.

Payments of assessments are due quarterly. Consequences for non-payment are determined by resolution of Convention and set forth in detail in Canon 18, Section 4, of the Canons of the Diocese of New York.

Since 2008 most of the congregations in the diocese, including but not limited to the majority of the congregations that pay the largest assessments, have struggled to pay their full assessments. Many have opted to appeal their assessments. Any congregation may appeal its assessment to the Adjustment

Board, a Committee of the Diocesan Board of Trustees (see Canon 18, Section 1.3, of the Canons of the Diocese of New York); the Adjustment Board will affirm or reduce a congregation's assessment at a requested hearing. Any congregation may appeal the Adjustment Board's decision to the Trustees.

The result of these appeals is that the diocese has three completely different numbers when considering and budgeting for the assessment of each congregation. The first is the amount that is actually assessed for each congregation. The second is the amount that a given assessment has been modified through appeal. The third is the amount that the diocese can reasonably expect to receive. The budget takes this into account by noting a negative line item (see below: "Unpaid Assessment Income") for a projection of assessments that we may not expect to receive in 2013. As the congregations in the diocese have had to trim their budgets and make sacrifices, so too has the diocese. Our common life (as well as the diocesan budget) is shaped by the reality that there isn't as much money in many of our congregations as there was several years ago.

Congregational Support Plan Contributions

The Congregational Support Plan (see Canon 18, Section 3, of the Canons of the Diocese of New York) helps to provide clergy for a number of congregations in the Diocese of New York. Any congregation may apply for entry into the Plan with a request to the Congregational Support Plan Committee. Congregations in the Plan receive money from the Diocese to help pay the salary and benefits of their priest. Congregations in the Plan do not pay an Apportioned Share or assessment, but they do pay into the Plan 50% of their Normal Operating Income.

Congregational Support Plan income represents the second greatest source of income to the assessment budget. However, the combined total of income and expenses of the Congregational Support Plan is a net expense for the diocese since more money is spent supporting congregations than is received from congregations being supported.

On January 1, 2011, there were 36 congregations in the Plan. On January 1, 2012, there were 31 congregations in the Plan. The Congregational Support Plan expects that there will be no more than 28 congregations in the Plan on January 1, 2013. Currently (as of June 19, 2012) there are 24 full-time clergy positions supported by the Plan, the others are part-time or half-time.

Though there have been fewer congregations in the Plan each of the last few years, the total expense of the Plan has not gone down dramatically. Fewer congregations in the Plan necessitates that less money is being paid into the Plan. In general, the congregations that are in the Plan in 2013 are receiving a greater net benefit from the diocese than those that have transitioned out of the Plan. With this in mind, the Congregational Support Plan Committee has tried to ensure that each congregation in the Plan has the right clergy coverage (full-time, part-time, etc.).

Investments and Rental Income

The Diocese has an unrestricted investment portfolio of approximately \$10 million at December 31, 2011. In 2013, a draw down from a portion of these funds, based on the guideline of 4.5% of the 3 year moving average principle, is included in the diocesan budget.

The remainder of the investment portfolio consists of restricted or dedicated funds, meaning that money from those funds can only be used in certain ways. This income is not included in the budget.

The Diocese owns a building at West 108th Street which produces rental income of approximately \$500,000.

Reserves for Unpaid Assessments

As noted above, the money budgeted from assessments is based on what the diocese expects to receive after assessments and appeals. We expect that some of our congregations will be unable to pay their full/appealed assessment, and this anticipated amount of unpaid assessments is entered into the Assessment Budget as negative income, offsetting expected income from the Assessment line above. Negative income is indicated by placing the amount in parentheses.

SECTION 3: DISBURSEMENTS

MISSIONS & PROGRAMS

The following budget line items include money spent on missions, programs and grants inside and outside of the Diocese. Technically all of these items are discretionary. This money is used by the Commissions and Committees of the Diocese. The work of all of these Commissions and Committees is done by volunteers from around the Diocese who have either been elected to the Standing Committee, to the Diocesan Council or to the Diocesan Trustees or who have been appointed by the Bishop. Each Committee and Commission has one or more Diocesan staff members who assist the Committee or Commission as needed.

Support for The Episcopal Church

As the congregations in the Diocese of New York have canonically agreed to support the Diocese through each congregation's apportioned share, so too the Dioceses have agreed to support The Episcopal Church. Since 2009, the Diocese of New York has not paid the full percentage of its asking to The Episcopal Church. At the start of the budget process one of the lingering questions from 2011 was whether budgeting a lower-than-asked-for asking to The Episcopal Church was something the diocese should continue doing or not. It was determined that, if possible, the diocese should not continue this practice.

A little background may be helpful in understanding how the diocese got to where it is with our asking to The Episcopal Church and where the diocese hopes to go.

The Episcopal Church passes a three year budget at each General Convention and includes a formula for calculating the asking of each diocese for those three years. In 2009, the three year budget that was passed asked for varying amounts for each year. In 2010 the asking was 21% of the operating budget of each diocese. In 2011, that asking was reduced to 20%. In 2012 the asking was again reduced to 19%. Note: the formula is more complicated than a simple percentage: there are exceptions, averages of years, a lag time, and a number of different things that complicate how each diocese's operating budget is calculated, and the asking is the agreed on percentage of that final calculated amount.

Because the formula operates on a two year lag (for example, the 2012 assessment is based on 2010 numbers), and because there is no mechanism for appealing an asking at the (inter)national level, The Episcopal Church assumes a far greater amount of financial stability than reality sometimes allows.

When confronted with the economic crash in 2008, the budget committee was unable due to the Canons of the Diocese to modify the 2009 Budget prior to Convention. The budget passed with the knowledge that it would be dramatically changed, as allowed by Canon law, by the Trustees of the Diocese. The Trustees of the Diocese did in fact make a number of major adjustments to the budget throughout 2009. Many of those changes continued to be reflected in the budgets prepared for 2010, 2011, and 2012. One such change included lowering the amount paid to The Episcopal Church, and that change was made in part because, according to the Chief Financial Officer of the Diocese of New York, the diocese overpaid our asking to the Episcopal Church for a number of years.

In 2008 the Diocese of New York paid \$1,525,000 to The Episcopal Church. The 2009 Diocesan Convention passed a budget planning to pay \$1,698,691 to The Episcopal Church. In fact, we paid \$1,328,000 which required dipping deeply into our limited investment reserves and endowed funds. In 2010 we budgeted \$950,000 and paid \$900,000. In 2011 we budgeted and paid \$700,000. In 2012 we budgeted and paid \$600,000. It is important to note that the entire budget of the diocese also decreased dramatically over these years.

This change was made out of necessity, not because The Episcopal Church asking was expendable or considered a discretionary expense. One can make the argument that The Episcopal Church asking is too high, or that the money The Episcopal Church spends should be spent on other things, but we strongly believe that those arguments ought to take place within the forum of General Convention as our ecclesiology and polity requires, and as such they should be made to our Deputies to General Convention and the Bishops of the Diocese of New York so that they can bring such concerns to The Episcopal Church.

Going into 2013, the diocese can no longer make the case that it has overpaid, and the Budget Committee, with full support of the Bishops, believes that it is important for the Diocese of New York to move quickly towards paying its full asking. Aside from the fact that we believe that it's the right thing to do, we understand that it is very difficult to ask congregations within the Diocese of New York to pay their full assessments if the diocese does not pay its full asking.

The 2012 General Convention budget requests 19% from every diocese every year. The asking for the Diocese of New York in 2013 is \$925,000. The only way to budget the full asking of The Episcopal Church in 2013 is to lay off staff, cut necessary support to our own congregations, cut essential mission programs, or dip into our limited investment reserves and endowed funds.

We have budgeted \$750,000. In 2012 we paid about 11% (versus the 19% requested), which would be 58% of the asking. In 2013 the Support for The Episcopal Church budget line includes 15% of the operating budget which is 81% of the asking. In reality, this is still an underpayment, but it is a step in the right direction. As noted, we increased spending in support of congregational growth and development, and we think that investment in our own congregations goes hand in hand with supporting the mission of The Episcopal Church.

We know that 2014 will require hard decisions if we are to continue moving towards paying our full asking. It is our hope that by increasing our assessment in 2013 we will ensure that paying the entire asking of The Episcopal Church remains a priority in the future.

Provincial Synod Assessment

The Venerable William C. Parnell, Archdeacon for Mission

This line helps cover expenses associated with the work of Province II. The figure is determined by a formula. For the last five years the Provincial Synod assessment was budgeted at 2008 levels. The full asking has been budgeted in the 2013 budget. Our Province II assessment has to do with our faithfulness to the wider Episcopal Church and should be maintained in full.

Council of Churches

The Venerable William C. Parnell, Archdeacon for Mission

The Diocese of New York is by charter a member of both the New York City and New York State Council of Churches, which include other Protestant and Orthodox churches. We are currently meeting our charter obligations to both bodies. We have a very good relationship with each one and it would be very damaging to our ecumenical relationships if we were not to fund this line in full. The Archdeacon represents the Bishop on both the city and state councils. The councils engage in ecumenical dialogue on subjects of common concern and then translate that dialogue into engagement with city and state government on important issues of public policy such as racism and poverty. The councils vet chaplains for city and state prisons, and have recently become involved with issues of farm labor rights. The State Council of Churches, in particular, has carried out a vital role in recent months with regard to state prison chaplaincies in the face of cuts in the state budget. The state council is the accrediting body for all Protestant chaplains. Our presence on these councils is highly valued.

Social Concerns

The Venerable William C. Parnell, Archdeacon for Mission

The Social Concerns Commission includes membership in national and local organizations that promote important social work of the diocese. In addition to the work of various committees, this line item includes our support of the Millennium Development Goals (General Convention in 2006 recommended 0.7% as an appropriate amount of each diocesan budget through 2015). Some of the Social Concerns Commissions areas of focus include children's advocacy, anti-racism conversations, study of reparations for slavery, HIV/AIDS, protection of the environment, and accessibility. In the coming year the Archdeacon hopes to see new energy around our diocesan witness on immigration and violence against women, and these areas might well fall under the auspices of the Social Concerns Commission.

General Global Mission

The Venerable William C. Parnell, Archdeacon for Mission

The Global Mission Commission (formerly Congregational Life for Mission) coordinates our partnerships around the world including Tanzania, South Africa, India, the Diocese of Jerusalem and the Middle East, Haiti, and the Diocese of London. It works with the local Asia-America Ministry and Metropolitan Japanese Ministry, as well as our Global Women's Fund (which supports higher education for women) and the Global Hospitality Fund (which assists with welcoming Anglican guests who are visiting our diocese). The Commission also provides support for Young Adult Service Corps interns from the Diocese of New York who serve overseas (this year there will be two of them), and maintains contact with our diocesan missionaries (currently in China, Pakistan and the Philippines). This line supports travel and other details related to our global companions.

Christian Formation

The Rev. Canon Patricia Sobers Mitchell, Canon for Christian Formation

This line supports the annual Diocesan Summer Youth Conference at Incarnation Camp through scholarships, camp nurse and transportation. It also supports the Episcopal Service Corps in the Diocese of New York. Episcopal Service Corps is a program for young adults, who intern at congregations in the diocese. The program helps them discern their call to their life's work, and it assists them in developing the skills needed for a life of service. The Christian Formation Office also provides seed money to start new internship programs at congregations within the diocese and supports the interns in the form of a year-end stipend.

Rural and Migrant Ministry

The Venerable William C. Parnell, Archdeacon for Mission

Rural and Migrant Ministry is a multi-faith organization founded by the Diocese of New York and serving rural and migrant people in New York State since 1981 through programs of youth empowerment, education, and accompaniment, and legislative reform. It is an extremely important church organization which works throughout New York State to protect migrant workers. The Rev. Richard Witt, its Executive Director, is recognized as a leader in the area of justice for farm workers, and the organization also had a very important role in the recovery of rural communities from disastrous flooding from Hurricane Irene. In addition to funding support from the Diocese of New York, contributions are made from a variety of religious traditions and represent most regions of the State. Disbursements from the Assessment Budget cover expenses for administrative staff and operations – items not funded by most foundations.

Assistance Provided to CSP Congregations

The Rev. Dr. Richard Sloan, Plan Coordinator and Stewardship Officer

All expenses in the Congregational Support Plan line pay salary and benefits for parish clergy in congregations that are not yet self supporting. In exchange for clergy compensation Congregational Support Plan congregations make payments of 50% of their Normal Operating Income to the Assessment Budget. See *Congregational Support Plan* above in the *Receipts* section for more information.

First Step Grant

The Rev. Canon Dr. Williamson Taylor, Canon for Congregational Development

The Rev. Canon Claudia M. Wilson, Canon for Congregational Development

A First Step Grant acts as a catalyst for a congregation this is seriously committed to taking the first substantive steps toward a long-term growth strategy. Funds are awarded to support strategic activities that will result in quantifiable spiritual and numerical growth within congregations. First Step grants are not intended for general operation, on-going program support, or benevolence. Applications are made through the Congregational Development Commission. In 2011 the Congregational Development Commission received grant applications from 22 congregations for a total of \$92,956.37 and awarded 8 grants to congregations for a total of \$20,011. In 2012 the Congregational Development Commission received grant applications from 23 congregations for a total of \$93,491.88. The grant awards for 2012 were not final as of the writing of this budget narrative, but the budget for 2012 is \$20,000.

Next Step Grant

The Rev. Canon Dr. Williamson Taylor, Canon for Congregational Development

The Rev. Canon Claudia M. Wilson, Canon for Congregational Development

A Next Step Grant is given to support a congregation making the transition from pastoral to program size by providing temporary, partial funding for an assistant clergyperson. Between 2009 and 2011 Christ Church, Warwick, received a grant for an assistant clergyperson. The remaining \$15,000 was not enough for any one congregation to hire a clergyperson and so the remainder of the grant money was not used. In 2011 Christ Church received the last \$15,000 of its original grant. Grants for 2012 are in process and will be reported in full by December 31st, however, it is unlikely that there will be any Next Steps Grants awarded this year because the grant money is not enough to pay the entire cost of a clergyperson.

Transitional Support Grants

The Rev. Canon Dr. Williamson Taylor, Canon for Congregational Development

The Rev. Canon Claudia M. Wilson, Canon for Congregational Development

The Congregational Development Commission asked for means to assist congregations going through growth transitions. This line item greatly expands on the purpose of the Mission Initiatives line item that

was zeroed out in 2012 so that it could cover the expenses expected under the Hispanic Grants line item. Without grants of this sort a number of congregations have been unable to sustain growth that they have experienced, and so they eventually contract. Adding a line for Transitional Assistance Grants normalizes and establishes a mechanism for distributing money that is currently being asked for from other grants and through different committees. Adding this line also addresses an important concern shared by a number of our congregations and gives them support to maintain the growth they have experienced.

Hispanic Ministries Grants

The Rev. Canon Dr. Williamson Taylor, Canon for Congregational Development

The Rev. Canon Claudia M. Wilson, Canon for Congregational Development

This subcommittee overseen by the Congregational Development Commission meets to disburse these funds to Spanish-language/cultural congregations within the diocese. 11 Hispanic Ministries Grants were awarded in 2011 for \$257,943.07 to 11 congregations. Of those 11 grants, 6 paid for clergy compensation and benefits or for part time clergy for Hispanic congregations for a total of \$219,543.08, and \$38,399.99 was awarded for things other than clergy compensation and benefits. In 2012 the Mission Initiatives line was zeroed and a similar amount to that which was removed was added to the Hispanic Ministry Grants. Though not ideal it was necessary at the time, due to increasing amounts for benefits and compensation, to combine the Mission Initiatives into Hispanic Ministries Grants. With this increased total, 15 grants were awarded for Hispanic Ministries in 2012 for a total of \$387,014.57. Of those 15 grants, 9 paid for clergy compensation and benefits or for part time clergy for Hispanic congregations for a total of \$341,934.57, and \$45,080 was awarded for things other than clergy compensation and benefits. For the 2013 budget the Budget Committee separated non-salary grants and compensation into two line items. This item reflects grants that were given for all Hispanic Grants other than clergy compensation and benefits. The item below reflects grants given for clergy compensation and benefits.

Hispanic Ministries Clergy Compensation

The Rev. Canon Dr. Williamson Taylor, Canon for Congregational Development

The Rev. Canon Claudia M. Wilson, Canon for Congregational Development

For the 2013 budget the budget committee separated non-salary grants and compensation into two line items. This item reflects grants that were given for Hispanic clergy compensation and benefits. See the line above for more information.

Property Support Grants

Mr. Michael Rebic, Director of Property Support

Details for 2012 will be available at year's end. In 2011, Property Support awarded 44 grants totaling \$350,000 to 34 congregations throughout the Diocese of New York. One emergency grant was issued to restore heating to a church during the mid-winter; four energy grants were awarded to assist congregations in lowering utility bills; and three material grants were made available to congregations whose members were willing to donate volunteer labor to undertake projects pre-approved by Property Support. Included in the total grants awarded are 2 annual matching grants totaling \$27,217 to congregations enrolled in the roof reserve program. The remaining grants funded various projects ranging from masonry work, heating systems, roof repair and replacement, steeple restoration, exterior painting, rectory renovations, sidewalk repairs and essential mandated safety issues. Also included in the above grants are 18 consulting grants made to congregations enabling them to hire outside expertise to evaluate conditions, help plan and prepare building documents as well as to supervise projects. In addition to the grant program, the Property Support Office also provided \$290,000 in loans to 14 parishes through the Revolving Loan Fund. As part of its mandate, the Property Support Office conducted site visits to parishes to investigate building-related problems and review proposed projects

and provide technical advice. Together with the Chancellor's Office and the Standing Committee, Property Support fielded numerous legal inquiries from parishes regarding questions ranging from the renting of parish properties, tenancy issues to the sale of property. The Property Support Office also worked with parishes to raise money from non-diocesan organizations; approximately \$60,000 was raised in Fiscal Year 2011 from philanthropic organizations to assist parishes with building repairs. In addition to the above, the Property Support Office also provided oversight for property owned by the diocesan Board of Managers; this included the closing of St. David's Church in Highland Mills, the distribution of its contents among local congregations and the preparation of the church and rectory buildings for their proposed sale. Property Support also participated in a variety of diocesan-sponsored workshops as well as provided staff support to the diocesan Environmental Committee.

Episcopal Charities

Ms. Mary Beth Sasso

Episcopal Charities, an independent 501(c)(3) organization, currently supports 90 community outreach programs in partnership with Episcopal congregations throughout the Diocese of New York. Programs are available to all persons in need regardless of faith or church affiliation. Granting programs include: Basic Human Needs; Youth Opportunity, All Our Children and Capacity Building Grants. Financial support from the diocese is essential to soliciting funds from other sources.

DIOCESAN STAFF, OFFICE & TRAVEL EXPENSES

The Diocese of New York employs 24 full-time employees and 6 part-time employees who administer and support the missions and programs of the diocese. Please note that expenses and staff for the Cathedral Church of Saint John the Divine are not listed here since the Cathedral and its staff are not paid for by the Diocese of New York.

CSP Coordinator & Stewardship

The Rev. Dr. Richard Sloan, Plan Coordinator and Stewardship Officer

The Congregational Support Plan (CSP) Coordinator is the staff member and administrator of the CSP program who serves as the primary connector between the diocese and CSP congregations. The CSP Coordinator provides information to, supports, and assists the CSP Committee and its Chair. The CSP Coordinator advises the bishops regarding CSP congregations and leadership, and assists other diocesan staff in their ministries with CSP congregations. Expenses covered by this line include compensation and benefits for a full-time CSP Coordinator, travel expenses, office expenses, and the costs associated with Committee meetings. As the Stewardship Officer, he consults with congregations and individuals in the Diocese of New York regarding all forms of stewardship, including annual giving, capital campaigns, and planned giving. The Stewardship Officer works with clergy, vestries, and parish stewardship committees.

Congregation Development

The Rev. Canon Dr. Williamson Taylor, Canon for Congregational Development

The Rev. Canon Claudia M. Wilson, Canon for Congregational Development

Until 2010 the diocese employed three half-time Canons for Congregational Development, however, due to financial constraints the decision was made not to replace the third Canon in this area of ministry when he transitioned to another diocese. The two canons each serve the diocese as consultants in congregational development, and each also serves half time at a congregation (one in Putnam County, the other in the Bronx). In 2011 the Canons held many Vestry workshops and Clergy and Vestry consultations in every region of the diocese. Expenses covered by this line include compensation and benefits for two half-time Canons for Congregational Development, office expenses, travel expenses, costs for conferences, and training.

Campus Ministry

The Rev. Canon Patricia Sobers Mitchell, Canon for Christian Formation

The Canon for Christian Formation oversees campus ministry in the diocese and serves as staff liaison to the Committee for Campus Ministry. The Diocese of New York has chaplains at 6 (one of the six is currently vacant) campuses within the Diocese of New York. The Committee for Campus Ministry supports the work of the current chaplains, advises the bishops regarding Episcopal ministry to students, faculty and staff of various colleges within diocesan boundaries and serves as a resource about campus ministry for congregations within the diocese. Members of the Committee are appointed by the Bishop and serve three-year terms. The campuses currently being served include:

- Columbia University (volunteer interim): The Rev. Dr. Richard Sloan
- Cornell University - Weill Medical College (part-time): The Rev. Curtis W. Hart
- Manhattanville College (part-time): The Rev. Gawain de Leeuw
- Canterbury Downtown (Canterbury Club at New York University, New School, Cooper Union, Pace University) (full-time): The Rev. Mary Catherine Young
- State University of New York at New Paltz (part time): Vacant
- United States Military Academy, West Point (part-time): The Rev. Judy Ferguson

Expenses covered by this line provide compensation and benefits for the chaplains and program support.

Canon for Christian Formation

The Rev. Canon Patricia Sobers Mitchell, Canon for Christian Formation

The Canon for Christian Formation provides on-site consultations with clergy and congregational committees and with regional and diocesan leaders to develop, promote and organize congregational and regional Christian formation programs. The Canon for Christian Formation organizes diocesan-wide youth events, formation conferences and workshops and is the staff member who oversees campus ministry and supervises the college chaplains on behalf of the Bishop. Expenses covered by this line include compensation and benefits for a full-time Canon for Christian Formation, office expenses, travel expenses within the diocese, travel expenses to conferences, educational materials, honoraria for guest speakers, diocesan wide licenses (EFM, Happening, etc.), diocesan sponsored workshops, and scholarship aid to attend events.

Archdeacon for Mission

The Venerable William C. Parnell, Archdeacon for Mission

The Archdeacon for Mission serves as advisor to, and representative of, the bishops regarding our witness to Christian ethics, mission and outreach. He assists the bishops in focused mission initiatives that honor and celebrate diversity through cultural sensitivity, training, planning, and leadership development. The Archdeacon serves as the staff contact with the Social Concerns Committee, the General Global Missions, the Reparations Committee, the Astor Fund Advisory Board, the Children's Advocacy Committee, the Anti-racism Committee, and other committees as assigned. The Archdeacon is the primary representative from the Diocese of New York to the New York State Council of Churches, the Commission of Religious Leaders of New York City, the various denominations and faiths of the metropolitan area, and also city, state and federal officials, representing the bishop where needed. The Archdeacon, along with the bishop's office, is a primary contact for the Diocese of New York with The Episcopal Church and the rest of the Anglican Communion and supports our partnerships with other provinces and dioceses of the Anglican Communion (e.g. – Africa Committee, India Network, China, Haiti Network, Diocese of London, Dominican Republic, Honduras and other connections that will emerge and develop). Expenses covered by this line include compensation and benefits for a full-time Archdeacon, travel expenses, office expenses, and the costs associated with committee meetings.

Deployment Officer

The Rev. Canon Thomas Orso, Canon for Deployment

Mr. Alito Orsini, Assistant to Canon for Deployment, Assistant to the Canon for Ministry

The Canon for Deployment assists congregations searching for ordained leadership, helps oversee every search process, and advises clergy seeking placement. The Canon for Deployment remains in contact with deployment officers in other dioceses and manages such matters as background checks, Safe Church workshops, and other elements important to employment in the Diocese of New York. Expenses covered by this line include compensation and benefits for a full-time Canon for Deployment, compensation and benefits for a half-time assistant (shared with the Office for Ministry who pays the other half), travel, workshops, and office expenses.

Canon for Ministry

The Rev. Canon Constance C. Coles, Canon for Ministry

Mr. Alito Orsini, Assistant to Canon for Deployment, Assistant to the Canon for Ministry

The Canon for Ministry works with the Bishop and the Commission on Ministry to assure that the selection and formation of future ordained leadership from within the Diocese meet the requirements and needs of the Church. The Canon for Ministry supports the Bishop in decision-making regarding Nominees (applicants), Postulants, Candidates and Ordinands. With and on behalf of the Bishop, the Canon for Ministry guides and supports people in discernment for ordination to the priesthood and vocational diaconate, through the time of formation in seminary or the Diaconal Formation Program, and for two years after ordination. The Bishop and/or the Canon for Ministry visit annually with seminarians at their seminaries. The Office of Ministry annually prepares and sends application materials for financial aid grants to Postulants and Candidates, receives completed requests for funding, and the Canon for Ministry and members of the Commission on Ministry determine grants to individual seminarians. The Canon for Ministry administers the Diaconal Formation Program, working with its Director, the Rev. Deborah Tammearu. Grants for continuing education for clergy are also administered through this office. As of June 2012, the Office of Ministry is engaged formally with at least 56 individuals (Nominees, Postulants, Candidates and newly ordained priests and deacons). In 2012, 1 vocational deacon was ordained, and 5 transitional deacons were ordained. God willing, 7 priests will be ordained. Expenses covered by this line include compensation and benefits for a full-time Canon for Ministry, compensation and benefits for a half-time assistant (shared with the Office for Deployment who pays the other half), travel, workshops, Fresh Start Program for the newly ordained, meals for the Gay and Lesbian Clergy group, office expenses, and partial costs for diocesan ordinations.

Canon for Pastoral Care

The Right Reverend Andrew M. L. Dietsche, formerly the Canon for Pastoral Care, was elected Bishop Coadjutor in 2012. No money has been budgeted for this position in 2013. The Canon for Pastoral Care served as the Bishop's first line of contact for pastoral concerns relating to diocesan clergy.

Mid Hudson Regional Office

Ms. Val Stelcen, Executive Assistant to the Bishop

The Mid Hudson Regional Office coordinates the workings of the Region and assists in the day to day life of congregations in the Counties of Orange, Sullivan, Ulster, and Dutchess, which includes 59 congregations (including 3 Spanish language congregations). The program life of the Region is exercised in three categories: Adult Programming, Youth Committee, and Latino Ministry. Expenses for this line include compensation and benefits for a full-time Regional Administrator, telephone, office expenses, utilities, mailings, travel reimbursements, meetings, conferences (clergy day, new clergy welcome, lay worship leader training, etc.), and approximately \$15,000 in program money.

Region II Regional Office

Prior to 2012 the Region II Regional Office oversaw the administration in the counties of Rockland, Westchester and Putnam. Expenses for this line included compensation and benefits for a full-time Regional Administrator, office expenses, telephone, utilities, mailings, travel reimbursements, meetings and conferences (clergy day, new clergy welcome, lay worship leader training, etc.). That office transferred out of Region II and into the main Diocesan offices. Support for Region II is now being done directly through the Bishop's Office.

Property Support Coordinator

Mr. Michael Rebic, Director of Property Support

The Director of Property Support formulates, implements, and manages the diocesan Property Support program and oversees real property held by the Board of Managers. The Director manages the diocesan grant and loan program, conducts site visits, works with clergy and congregational leadership in planning and implementing projects and identifying funding sources; evaluates grant and loan requests; reviews proposed work; provides technical assistance; develops program initiatives; reviews long-term real property transactions; serves as staff to the Property Support Committee; organizes workshops; assists congregations in the preparation of grant applications; produces technical documents and works cooperatively with outside funding organizations seeking to preserve religious buildings. In addition, the Director oversees diocesan-owned investment properties, works closely with congregations applying to the Standing Committee for real property matters and advises the Bishop and Standing Committee concerning proposed real property transactions requiring diocesan approval. Expenses for this line include compensation and benefits for a full-time Director of Property Support, office expenses, travel, mailings, etc.

Bishop of New York

The Right Reverend Mark S. Sisk, Bishop of New York

The Right Reverend Andrew M. L. Dietsche, Bishop Coadjutor

Bishop Sisk serves as the Ordinary and chief pastor of the Diocese of New York, and represents the Diocese in the national and international arenas. He hires and oversees the work of diocesan staff and presides over the process for candidates to ordained ministry, as well as the calling of clergy to serve the nearly 200 congregations of the diocese. Every Sunday the Bishop is in a different congregation in the diocese on an official visitation. Expenses for this line include compensation and benefits for Bishop Sisk from January 1, 2013 until February 2, 2013 when he will retire. Expenses also include Bishop Dietsche for the full year.

Bishop Coadjutor

The Right Reverend Andrew M. L. Dietsche, Bishop Coadjutor

Bishop Dietsche serves the Coadjutor of the Diocese of New York, and represents the diocese in the national and international arenas. Every Sunday the Bishop is in a different congregation in the diocese on an official visitation. He will become the Ordinary on February 2, 2013, when Bishop Sisk retires, and assume all of the responsibilities and authority of the Diocesan Bishop. Since Bishop Dietsche will become the Ordinary on February 2, 2013, his expenses have been included above.

Assistant Bishop Part Time

The Right Reverend Andrew D. Smith, Assistant Bishop

The Assistant Bishop is appointed by the Diocesan Bishop and serves part time (8 days each month). Principal duties include assisting with Episcopal visitations and confirmations, and taking responsibility for other diocesan ministries as determined by the Diocesan Bishop. Expenses for this line include compensation and benefits for an Assistant Bishop for a 40 week year, which excludes the summer months.

Assistant Bishop Full Time

The Assistant Bishop is appointed by the Diocesan Bishop and serves full time. Principal duties include assisting with Episcopal visitations and confirmations, and taking responsibility for other diocesan ministries as determined by the Diocesan Bishop. Expenses for this line include compensation and benefits for a full time Assistant Bishop beginning after February 2, 2013.

Shared Travel

The Right Reverend Mark S. Sisk, Bishop of New York

The Right Reverend Andrew M. L. Dietsche, Bishop Coadjutor

The Right Reverend Andrew D. Smith, Assistant Bishop

Assistant Bishop to be named in 2013

In addition to regular travel for Episcopal visitations and other diocesan business, this line also covers travel on behalf of the diocese for meetings of the House of Bishops and other national and international meetings, ordinations, and presence. Expenses for this line include a transportation pool of funds for the Diocesan Bishop, Bishop Coadjutor, and Assistant Bishops.

Diocesan Bishop's Office

Mrs. Margaret Nodine, Executive Assistant to the Bishop

Ms. Arlene Bullard, Administrative Assistant Bishop Sisk's Office

This line provides clerical assistance for the Diocesan Bishop and his office. The office helps keep the Bishop's calendar for both Diocesan and extra-diocesan events, and handles the registration of confirmands and ordinands, and the licensing of lay ministers, among other duties. Expenses for this line include compensation and benefits for two full-time assistants and all office expenses.

Canon to the Ordinary

The Rev. Canon John A. Osgood, Canon to the Ordinary

The Canon to the Ordinary in the Diocese of New York is a primary assistant to, and a representative of, the Bishop of New York. This priest primarily supervises the work of the office of the Bishop, synchronizing various endeavors with the other Bishops and functioning much as a "chief of staff" in the supervision, coordination and assistance of the diocesan staff. Urgent matters, emergencies and disciplinary situations are directed by the Canon to the Ordinary, who also serves as the Intake Officer for the Diocese. Various related roles are filled such as draft writer, research, protocol, Canon Law, policy setting and implementation. Additionally, the Canon currently serves as the primary office of contact for the Chancellor and Vice-Chancellors, for all Deacons of the diocese, for the Solitaries [and the discernment process for the Solitary Life] of the diocese, and for items connected to The Episcopal Church and the Anglican Communion. Expenses for this line include compensation and benefits for a full-time Canon to the Ordinary, travel, and all office expenses.

Office services

Mr. W. Allen Barnett, Chief of Finance and Operations

This line includes the basic expenses of operating the Diocesan offices. Expenses for this line include compensation and benefits for a full-time office manager, a full-time assistant to the office manager, and one full-time mail room worker.

Administration

Mr. W. Allen Barnett, Chief of Finance and Operations

This line provides salary and benefits for the persons employed in the necessary administrative tasks in maintaining normal business practices. There are currently five persons employed in the Administrative Office who help with the creating of all budgets, accounting services for the diocese and for Episcopal

Charities, payroll services, Board of Managers/Trustees support, DIT, and health insurance administration.

Public Affairs & Archives

Mr. Nicholas Richardson, Communications Director & Editor, The Episcopal New Yorker

The Public Affairs department is responsible for the vital job of communicating programs and activities of the diocese both internally and externally using media, including website (functionality and updating,) email, social media, postal mail, and events. The Communications Director is also responsible for handling all press inquiries that come into the diocesan offices.

Mr. Wayne Kempton, Archivist & Historiographer

The archives contain some 2,000 boxes of historical records, including some records for over 400 congregations and all of the original cathedral records. Sacramental records for about 80 congregations, including the cathedral, can also be found there, as well as the personal papers of our bishops and all manner of diocesan business files; legal documents, deeds, some blueprints, and trust fund materials as well. The diocesan archivist also acts as Registrar with respect to keeping the record of Episcopal Acts, like ordinations, confirmations, the issuance of lay licenses, etc. The preparation of finding aids for this material, its preservation, and the answering of all queries on all manner of church subjects from all manner of people is the responsibility of the archivist. The archivist also visits parishes wishing to consult on the care of their collections. The archivist also acts as records custodian for those parishes with special storage needs; that is, where their records may be in danger of being lost or not cared for, especially the sacramental records. Recent additions to the archives include an extensive collection of records for St. Ann's for the Deaf and the Church of the Intercession. Intercession's collection includes original blueprints by Bertram Goodhue. St. Ann's collection includes original materials belonging to the Rev. Thomas Gallaudet. In addition, sacramental and other records have been received from St. David's in Highland Mills; St. Peters, Westchester Square; Epiphany, Manhattan; and St. Andrews in Harlem.

DIOCESAN OFFICE EXPENSES

Please note that office expenses for the Cathedral Church of Saint John the Divine are not listed here since the Cathedral and its staff are not paid for by the Diocese of New York. Some line items share the same title as items above.

IT Expenses

In the past IT matters were assigned to a diocesan staff person, but this work is now contracted out to a professional agency, resulting in a cost savings. This line covers our contract for IT services.

Administration Expenses

This line covers office and administrative expenses directly related to the financial health and operation of the diocese by its staff.

Office Service

This line covers expenses related to the operation of the Diocesan offices, such as office supplies, license and registration, telephone, postage, shipping, computer, parking, security, etc.

Public Affairs Expenses

This line covers travel, telephone, and other related office expenses to run the Public Affairs Office.

Episcopal New Yorker

The ENY is the newsprint quarterly edition of Diocesan news. This line includes purchase of paper, printing, distribution, writing and editing of the newspaper. Reductions have been realized by publishing

fewer editions annually in favor of online news outlets. Further reductions could only come by increasing the number of advertisers.

Overhead and Fixed Obligations

This line allows for an annual audit, legal fees, new office furniture purchases, fidelity bond for all diocesan congregations, worker's comp of diocesan employees, unemployment insurance, and retiree health insurance.

Web Management

This line covers expenses associated with the hosting, design, updating, and trouble-shooting of the Diocesan website. The diocese also provides free website hosting and email hosting for any congregation that requests either service.

Archives

The budget line is used primarily for the purchase of archival supplies, folders, boxes, photo sleeves, digitization of audio tapes, and some conservation work done on oil paintings owned by the diocese. Computer equipment, including scanners and copiers, environmental controls like air conditioning, and maintenance for them are included in this line.

Cathedral Cost Sharing

The Diocese of New York utilizes a number of buildings owned and maintained by the Cathedral of St. John the Divine, including office and meeting spaces as well as a residence for Bishop Sisk. The diocese pays the cathedral for the use of the space.

Rent

The Diocese of New York rents two apartments in Diocesan House from the Cathedral of St. John the Divine, for the Bishop Coadjutor and Assistant Bishop.

CONVENTION & MEETINGS

Delegates to Provincial Synod

This line covers travel, meals, and lodging for our delegates to Provincial Synod.

Diocesan Convention

Ms. Sara Saavedra, Convention Officer - Assistant Secretary to Convention, Assistant to Chief of Finance and Operations, Diocesan Benefits Administrator

This line provides for the publication of the Journal of Convention as well as the Calendar of Business. It also offsets expenses associated with Convention such as security, electronic support, and building use in order to keep delegates' fees as low as possible.

Council/Convention Meeting

This line covers the costs of meetings of the Convention Planning Committee, the Standing Committee, the Council of the diocese, and the Commissions and Committees of the Council of the Diocese. Most of the cost is for refreshments, but also covers security for evening and weekend meetings as well as postage and copier charges related to the support of Council and Standing Committee.

Ecumenical & Interfaith Commission

The Venerable William C. Parnell, Archdeacon for Mission

In prior years the line item for the Diocese of New York Ecumenical and Interfaith Commission was listed as part of the "Commissions of Convention" budget line. We have added a new line to show the

work this commission does. The line item supports meetings with ecumenical dialogue partners. The funding also covers a commission lunch meeting in Donegan Hall five times a year and travel expenses of the Diocesan Ecumenical and Interfaith Officer, the Rev. Dr. Paul B. Clayton, Jr., and participation each spring in the annual meeting of the Episcopal Diocesan Ecumenical and Interfaith Officers (EDEIO). It also pays General Convention mandated dues of \$250 each year from each diocese to EDEIO.

Commissions of Convention

This line is primarily used to provide meals at the meetings of Commissions of Convention. Many commission members travel great distances to attend meetings which are often scheduled during lunch or dinner hours.

RESERVE FUNDS

The diocese has a several reserve funds which are annually funded by the diocesan budget. Not funding these reserves means being unable to pay for a necessary expense (such as an Episcopal search and election) in years to come.

Provision for Salary Increases

This line provides a reserve for increases in compensation for Diocesan staff, including health insurance increases, pension, and cost of living adjustments.

Discretionary Fund-Hospitality

This line allows the Diocesan Bishop to provide hospitality at his discretion.

Deputies to General Convention

This figure represents the annual contribution to a reserve fund which pays the expenses of our deputation (in 2012 all deputies and two clergy alternates and two lay alternates were sent) to General Convention. In order to make election to the deputation available to anyone in the diocese, it is important to provide funding for travel to and from the Convention city, as well as lodging and meals when Convention is in session.

Reserve for Future Episcopal Elections

No single year Assessment Budget could bear the cost of a search for a new bishop. Each year's budget makes a contribution to build up an adequate reserve. This fund covers the cost of surveys, Search Committee expenses and travel, as well as travel and hosting of the final candidates, as well as the liturgical and practical expenses of the bishop's ordination and installation.

Reserve for Lambeth

This reserve fund is maintained to pay travel, lodging, and meals for all of our bishops who attend Lambeth Conferences.