

Narrative Budget 2020: Strong Branches and Deep Roots

I pray that you, being rooted and established in love, may have power, together with all the Lord's holy people, to grasp how wide and long and high and deep is the love of Christ, and to know this love that surpasses knowledge — that you may be filled to the measure of all the fullness of God. – Ephesians 3:17-19

Jesus calls us to live a life of love. We are called to the way of love by Christ. He says that we must love one another as we love ourselves. We, as the people of the Diocese of the Rio Grande, are trying to live into the way of love and generosity. We are hungering for deeper relationships with our Bishop, within our Churches, and within our communities. We want to be filled with the fullness of God. Love is the water, the soil, and the sunlight that will deepen our roots and build our strong branches.

During the past few months, the Bishop, his staff, and members of the Budget Committee, Standing Committee, and Diocesan Council engaged in a listening process with members of the Diocese of the Rio Grande. **We listened as you told us your priorities.** We prayed with you about the troubles and pains of the past, and we worked with you to discern our way through the creation of the new 2020 budget, and as we worked with you this year to build this budget, a new bolder vision for the Diocese of the Rio Grande emerged.

We began our collaborative discernment process around the 2020 budget with the knowledge that we face a ten percent decrease in the 2020 budget because of the depletion of the St. Clement Settlement Fund. Diocesan leaders worked diligently this spring to revise, rework, and reallocate funds in the 2020 budget so that it can better nourish the Diocese as a whole. But more importantly, as we worked together on this budget, we learned a new way of being with each other. We turned toward God, toward each other, and toward the Holy Spirit to discern what we needed in the budget for our churches to thrive. The work has been hard. It has taken perseverance, patience, and prayer and it is not over. As we move to convention to vote on the 2020 budget, we will continue to need your feedback. Over the spring and into the summer, the Bishop, his staff, and Diocesan Leaders heard through the listening sessions that there are five major priorities that for the 2020 budget. We are using these priorities as lines of effort for the Diocese and we will focus on these five priorities for the coming year:

Supporting Congregations So They Thrive!

Support for Youth and Young Adult Ministry

Support for Hispanic/Latino Ministry

Support for Borderland Ministry

Support for Indigenous Ministry

As we move through the year and beyond, these five lines of effort will be assessed and evaluated by the Bishop and Diocesan Council to see how we are meeting our goal of helping congregations prosper. The 2020 Budget reflects a commitment to the identified priorities, and while still living within our means, our shared vision is to be bold and to create a healthier Diocese of the Rio Grande, one with deep roots and strong branches, one that can offer sanctuary and shelter to “the least of these”. We have worked collaboratively since January to put it all together. This is just the start. But we have revised, combined, and reallocated our resources so that we can better care for the tree. There are pieces of the budget that will look different and some that will look the same. However, it is our hope that you will look the budget over carefully and give us feedback about what you see. The Holy Spirit is guiding us as we do Diocese “differently”.

With this budget we are doing four bold new things:

First, we are shifting the focus of our Diocesan staff across the board — asking them to travel more in support of our congregations.

Second, we are proposing a full-time youth and young adult Missioner to improve our Diocesan youth events and help congregations with local formation ministry.

Third, we are proposing a new pilot project to help small rural churches thrive by having a curate whose focus will be caring for three or four small churches under the guidance of an experienced priest. We propose starting with a three-year commitment in the Big Bend area. If this model works in the Big Bend, we are confident it will work in other parts of the Diocese.

Fourth, this budget changes how we, as a Diocese, fund local outreach ministry. Instead of funneling money through the Poverty and Outreach Board, this budget will use the Diocesan staff to help each congregation focus on its own health and vitality. Thriving congregations are able to discern and fund their outreach ministries without POB grants. However, they may need help accessing grants from other agencies within the Episcopal Church or beyond. Diocesan staff can offer tangible help. One message we heard clearly in the Budget Roadshows was a nearly unanimous frustration with the way we’ve been using the Diocesan budget to offer POB grants to local congregations.

Our Resources: As noted, we face a ten percent decrease in our resources, because of the depletion of the St. Clement Settlement Fund. The last payment out of the fund was used in the 2019 budget. Therefore, it is important that we work hard to leverage and reallocate our resources so that we can support the identified priorities and all of the congregations in the DRG.

1. Fair Share lines [001- \$1,375,584]

Eighty-one percent of projected Diocesan income in 2020 will come from our parishes’ Fair Share contributions. These contributions exemplify the covenant that we, as Diocesan members, make to our life as a Diocesan family. Just as an individual family in a parish church looks at its budget and discerns through prayer and conversation what to give to that church, we, as a Diocese, have had to pray and discern how to best support congregations and fund the priorities we have identified. These priorities include the central administration needed for linking parishes to TEC resources for Christian formation as well as support for a variety of important missional Diocesan activities such as helping

aided parishes, youth and young adult ministries, congregational vitality and development, and support for Borderland, Navajo land, and indigenous and Hispanic/Latino ministries. No longer having extensive Diocesan endowments, the Diocese of the Rio Grande depends heavily on congregational Fair Share contributions to support its operations. We have budgeted no increase in fair share for this year; instead, we have worked hard to leverage our resources by creating bold new initiatives that will leverage our more limited resources for 2020 to best serve our needs.

2. Investment Income Funds: lines [003-009]

- **Advancement Fund [003]** was established to provide support for new construction for congregations of the Diocese. The Advancement Fund holds mortgages for nine Diocesan congregations and the interest from these loans total \$20,000.
- **Endowment Fund [004]** is made up of a portion of the investments held by the Diocese managed through Morgan Stanley. The Endowment Fund was established in 1900 to support the Bishop and the Bishop's staff. Income from the fund must be reinvested, and use of the funds is governed by the Investment Board of the DRG. The draw from the Endowment Fund is limited to four percent of the year-end value over a three-year rolling average. The draw 2020 for will be \$50,000.
- **Wellspring Fund [005-009]** was established by Bishop Terence Kelshaw in the 1990s to provide funds for new ministries in the Diocese. The fund provides support for the operational budget of the Diocese for mission and ministry. The draw from the Wellspring Fund is currently limited to five percent of the yearend value of the fund. For 2020, the Wellspring contribution to the budget was just over \$55,050.

Leveraging Our Resources for Stronger Branches and Deeper Roots:

The Diocesan Leadership of the Rio Grande has heard during the listening sessions that there is a need for a bold new plan to support local congregations in spreading the word of God, teaching children and youth, and reaching out to and retaining young adults. We have also heard a deep commitment for reaching out to Hispanic/Latin and Indigenous communities within the Diocese and strengthening our relationship with indigenous people. These communities comprise a significant percentage of the population of New Mexico and West Texas, but are underrepresented in our congregations. Moreover, several of the current Diocesan programs, such as Borderland Ministries, have been identified as vitally important priorities in need of specific support.

The Diocese takes seriously our obligation to the wider church. But more than that, we, as Episcopalians, are called to participate in the wider church's governance structure. We have a participatory form of governance for both the clergy and lay orders. These governing bodies meet regularly to discuss, debate, and discern what God is calling our Diocese to do in order to strengthen, comfort, and minister to the members of our congregations and to the communities we serve. In order to do this spiritual work, we have a number of important gatherings of lay and clergy leaders, such as Deanery Meetings, Clergy Conference, General Convention, and our own Annual Convention. These functions, gatherings, and the administrative work needed to support them all require funding for their successful operation.

Our Priorities by the Numbers:

1. Supporting Congregations so they Thrive: \$92,900 [29-51]

Nurturing our individual and common life in the DRG's congregations and strengthening these relationships are top priorities for Bishop Hunn and our new Canon to the Ordinary, the Rev. William Lee Curtis III. Our Bishop and Diocesan leaders listened carefully and learned about the experiences of our member parishes and heard how individuals in these parishes have experienced our common life. Some parishes are thriving, others are just focused on survival, and others fall somewhere in between. Many parishes worry about not having the resources to pay their parish priest or keep their doors open and the lights on.

In order to address the needs of struggling parishes, we need to develop a Diocesan strategy to support these congregations. This means making sure that all churches have the clergy and lay leaders they need to thrive. During the listening sessions, people in many different regions of the Diocese expressed the need for help of “shared expertise” in the form of more programmatic support, more priests to celebrate the Eucharist, and more deacons to keep congregations focused on the needs of the world. We heard clearly that most churches do not want “cash” in the form of a check, but more tangible help from the Diocese.

In response to this need for tangible help, the Archdeacon’s role will be expanded. She will be tasked with building a network of deacons and outreach committees across the Diocese, so that each church has the resources it needs to do the outreach ministries it feels called to do.

2. The Curacy Program Pilot: \$15,214 [52-53]

Another new initiative is to place curates in our small rural congregations under the guidance of senior priests and with the support of the Canon to the Ordinary. The curates will work with congregations in small towns to strengthen spiritual community, provide pastoral care, and help with Christian formation. This pilot project will begin in the Big Bend region of our Diocese — an area with five mission churches spread out across far West Texas. The largest mission, St Paul’s in Marfa, owns a vicarage which the Bishop’s Committee is willing to use to house a curate. That curate would spend one Sunday a month and one day each week at St. Paul’s. She or he would spend one day each week at Fort Stockton, one in Lajitas and Terlingua, and one in Alpine. In each community the curate, working with congregational leaders, would help to strengthen the spiritual community by connecting the congregations, empowering lay leaders, and supporting and revitalizing the Big Bend area ministry. Supply clergy would still have a role in the area, but the point would be to build a team of clergy and lay leaders that work together out of five locations with each congregation having its own mission and ministry. If this pilot project works, it will be employed in other areas that need this type of direct support.

3. Deaneries: \$17,000 [54-59]

The four Deaneries of the DRG provide opportunities for local inter-congregational community development, and coordinate mission activities in their respective geographic areas within the DRG. Our Diocesan funds need to be focused on helping all of our congregations move from struggling to thriving and Deaneries serve a vital role in discerning how to distribute this funding.

4. Mission, Poverty & Outreach: \$51,750 [60-66]

These line items are for poverty and outreach grants, DRG mission development, Mission to the Displaced, Mission to Military/Veterans, Intergenerational ministries, the CATO's discretionary fund, and Diocesan Outreach rental of the Bosque center.

5. Youth, Young Adults, and Millennials: \$97,560 [96-106]

Reflected in the 2020 budget is a Diocesan staff position dedicated to youth and young adult ministry. This new staff person will help parishes connect and develop capacity for this type of ministry in their own churches by gathering and providing resources, creating strong networks to build community, and strengthening programs for youth and young adults in our churches. Also, these funds support our younger DRG members and reach out to those attending educational campuses. At critical points in our lives as Christians, we benefit from the support and ministry of the Church. The young and those in need of Christian formation need physical spaces to learn, grow, and thrive in this Diocese. The Camp Stoney Summer Program and Bishop's Ridge are partially funded with these monies.

6. Growing Church and Lifting up the Body: \$44,500 [106-112] We have identified a number of priorities that minister to those living beyond the walls of our church buildings: Indigenous Ministries, Borderland Ministries.

- Indigenous ministry \$2,500 [106-107]
- Hispanic/Latino Ministry \$17,000 [108-110]
- Borderland Ministries \$25,000 [111-112]

Diocesan Governance: \$82,506 [113-131] We as a body are committed to meeting together annually at our Diocesan convention. Canonical bodies also have to meet to carry out the mandates of the general convention through out the year. We as a Diocese are part of the larger body of the Episcopal Church. In order to participate in the governance of the Church as a whole we send a deputation to the General convention and to our Province VII meetings. This way we can participate in voting on policy and procedures that effect the Church as a whole. This part of the budget also pays for the election of a new bishop. We have completed the search and elected a new bishop for the Diocese, Bishop Michael Hunn+. Therefore, this line item is currently at zero.

1. Diocesan Convention [113-116]:

An essential characteristic of The Episcopal Church is the participatory nature of its governance, including lay and clergy, to set missional goals and approve budgets for the coming year. Our annual convention provides a robust means of strengthening our relationship to Christ and one another by bringing together delegates from all of our congregations. Our super-sized Diocese needs time dedicated to worshipping together, learning from one another, and creating healthier relationships and networks. This is our

annual retreat time to discern God's plan and path for the Diocese and hear about our mutual ministries, thereby strengthening the roots and branches that make up the DRG. Convention expenses for 2018 totaled \$33,806.42. Delegate and Vendor registration fees totaled \$32,977.83.

2. Canonical Bodies and Services: \$48,700 [117-124]

Council, Archives, Standing Committee, the Investment Board, and the Trustees, COMB, the Finance/Audit Committee, and canonical rental of the Bosque center, extend the work of Diocesan Convention throughout the year. These Canonical Bodies work to implement the mandates of Convention, address particular situations as they arise between conventions, track the progress of the budget each month, give advice and consent to the Bishop on program and governance issues, and provide the means of support for ministries to both lay and clergy.

3. The Larger Church: \$76,750 [125-131]

The DRG values our membership in the bodies of the wider church and our full participation in General Convention. We will be incrementally increasing our contribution to TEC. We will strive to meet the 15% overtime and as our circumstances allow. For this year we are not increasing our fair share. We are working with TEC for a yearly waiver, as we discern how to increase fair share in the future. The DRG participates in General Convention for the wider Church every three years, the wider Church's periodic Province VII meetings, and programs, and in the joint ecumenical efforts with other denominations in New Mexico and beyond.

4. Bishop Election [132-136]: \$0

Diocesan Operations: \$129,705 [138-156] There are functions at the Diocesan level that must be funded in order to keep our far flung Diocese working smoothly. In order to do this we need office space for Diocesan Staff, communications that inform the member of the Diocese of important events and explain how our vision for the Diocese set at Annual Convention is playing out across the vast geographic area of New Mexico and far west Texas. We also provide special assistance to clergy in transition and benefits to the spouses of deceased clergy, and use this part of the budget to keep our Disaster Response Plan up to date.

1. Clergy Programs \$5,100 [138-142]

This part of the budget includes help for clergy who are in transition to a new cure and need financial assistance to make expensive moves with their families to the DRG, retired Clergy/Spouses Life insurance, and Widow/Widower Pension Fund, and will include funding for the Curate program in the future.

2. Diocesan House Lease \$65,000 [111-119]

The DRG currently pays for its use of the Bosque Center. This is our annual lease payment.

3. Diocesan Communications: \$61,855 [145-155]

Integral to growing healthy roots and branches is healthy and robust communication to all congregations. The long distances between our missionary outposts, make travel prohibitive. Therefore, we are leveraging contemporary media platforms, like “Zoom”, that reduce the number of in-person meetings needed in the DRG. Also, included in this category are the copying costs for the Annual Convention journal, postage, staff travel, and the formal communications for the DRG like *Together* and *In the Loop*. We also purchase bibles, prayer books, and subscriptions. We update and maintain the website. We also use these funds to keep the Diocesan Disaster Response Plan up to date.

Diocesan Administration: \$719,355 [157-194] A large part of the budget includes salaries and benefits for Diocesan staff. We also have expenses for continuing education of staff, bank and finance fees, as well as property taxes that fall under this category. Therefore, we carry differed expenses to cover the cost of events that do not occur every year like EYE, General Convention (This happens every three years), Lambeth Conference 2020, information upgrades, and expenses are set aside for a Bishop’s sabbatical in 2022/2023.

- 1. Personnel-Benefits and Salaries: \$648,945 [157-164]** These lines include the CATO’s and Bishop’s salaries and housing stipends and other benefits. The salaries and benefits for other Diocesan staff members. Worker’s compensation and FICA are also in this category.
- 2. Other Administration Costs: \$70,410 [165-182]** This includes Diocesan programs and activities, continuing education for the Bishop and staff, banking and finance fees, and maintenance of all office equipment, purchasing of supplies, and some IT upgrades. This category also includes LOC fees, legal fees, and property taxes.

3. Deferred expenses: \$36,300 [187-194]

These expenses include costs for 2021 General Convention, EYE, and the Lambeth Conference in 2020, the Capital Reserve Fund, information systems upgrade, and the Bishop’s sabbatical funding for 2022/2023. Supporting our work for the future by planning for financial outlays that do not occur each year, this category represents setting aside finds for these future expenses, such as the 2021 General Convention Deputation, the 2020 Lambeth Conference, information system upgrade, Bishop's sabbatical, and building maintenance reserve.

There are times in the life of a Diocese when we realize that the old ways of doing things aren’t going to help us do the work God is calling us to do in the future. Having listened carefully to the many voices of the Diocese of the Rio Grande, we believe now is the time to make bold changes in how we do our ministry together. We need a Diocesan staff that is focused on helping our congregations thrive and has the resources to travel the Diocese to help. We need to invest in our future by focusing on youth and young adults. We need to figure out a sustainable way to provide priestly ministry to small and rural congregations. And, we need to move away from the practice of passively receiving money to a practice of actively engaging in the resources that will grow us spiritually.

The process of getting to this budget together has not been easy. But now that we're on the other side of this process, we, as Diocesan Council, are excited about the future and eager to see God has in store for us. The collaborative spirit that this new way of working together has brought to our Diocese encourages us. We feel good that, even without the Settlement Fund contribution, we are able to present a balanced budget, one adds new commitments to helping all congregations thrive, a new commitment to youth and young adult ministry, and a pilot project to help small rural congregations. And, we feel especially grateful that we can do all of this without raising Fair Share.

As we deepen our spiritual roots and strengthen our congregations, our reach and our capacity to serve others will grow. In the years to come, we will be working more closely together, sharing one another's burdens and celebrating the wonderful things God is doing in our midst.