

2009 Budget and ACG Reduction Recommendation**Be it resolved that:**

The Diocesan Council is directed to adopt, after such consultation with the Diocesan Finance and Audit Committee (DFAC) as Council deems necessary, a 2009 budget in which total expenses are at least 15% below the projected level of actual expenses in 2008. In preparing this budget, the Diocesan Council and the DFAC shall preserve all existing staff positions in the Department of Congregational Development and the Department of Indian Work.

The reduction in expenses required by the preceding paragraph shall be accompanied by an equivalent reduction in the budgeted amount of revenues to be derived from the Apportionment for the Common Good (ACG). The diocesan financial staff is directed to limit the 2009 ACG assessment of each church in the diocese to no more than 85% of the amount that would otherwise be assessed to that church for 2009 according to the formula published in the 2008 Journal and Directory of the Episcopal Diocese of Minnesota.

Reasons for the Resolution:

1. The report of the Bishop's Commission on Mission Strategy, approved at the 150th Convention of the Diocese in October 2007, stressed the need to "re-conceive and redevelop the diocese as a network of congregations and ministries" and to "design a diocesan budget that focuses on supporting local mission and ministry through emerging networks and hub congregations."
2. Floor debate at the 2007 Diocesan Convention and comments at the May 2008 Diocesan Finance Summit demonstrated that the current ACG system is widely regarded as unsustainable, both for the Diocese and for many, if not most, individual parishes. The current level of assessment for ACG is considered by many to be a burden that congregations are increasingly unable to bear and that is impeding their growth and, in many cases, contributing to their decline.
3. Although the exact future form of diocesan structure and staffing will be guided by the Mission Strategy Network process that is intended to recommend how to implement the BCMS goals and strategies, there is no reason why first steps toward reform should not be taken now. A "business as usual" approach to diocesan budgeting that assumes ever-increasing diocesan expenses sustained by ever-increasing ACG assessments, is no longer acceptable. Change must begin now, and it can be achieved if this Convention exercises bold leadership.
4. The resolution requires Council to preserve the existing staff positions in the Department of Congregational Development, i.e., the canon missionaries, and the Department of Indian Work because these are the diocesan employees who are engaged most directly in support and development of congregational ministry. While the resolution does not otherwise instruct Council concerning the means by which the required expense reduction should be achieved, it is worth noting that many of the salaries in the Department of Finance, the Department of Administration, and the Office of the Episcopate significantly exceed the highest salary paid for similar positions in comparable dioceses of The Episcopal Church. In addition, Council may wish to consider whether the level of staffing in some administrative departments is excessive.

*Submitted by John Beukema
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