

Overview

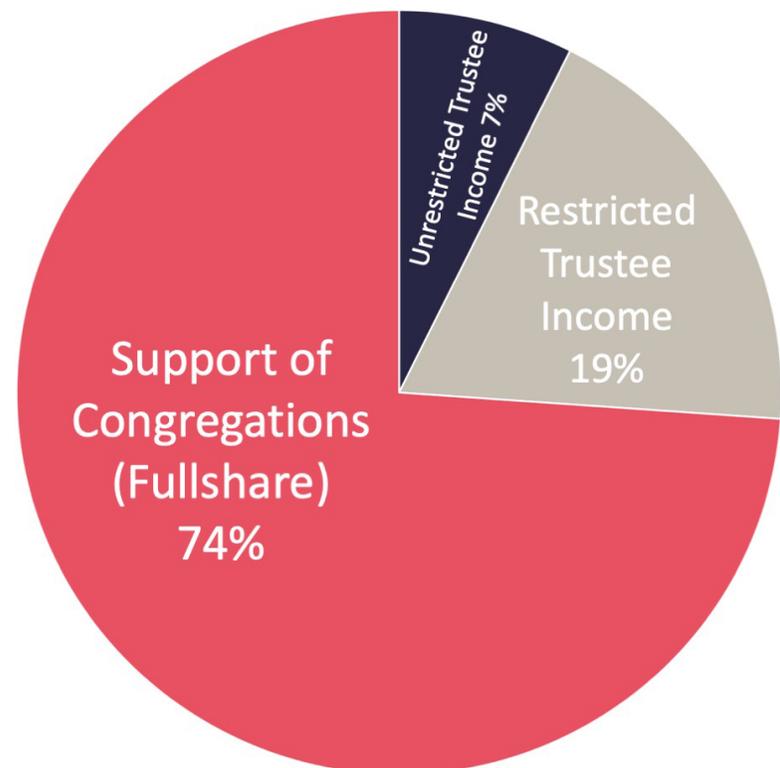
The 2020 summary budget, adopted by Diocesan Council in October, is presented in a new format designed to increase transparency and understanding. It reflects the ways that Bishop Sean and the elected leaders of the diocese believe we can best invest our income to support congregations and undertake the mission of God in our region.

Last year, as Bishop Sean and the leaders of the Dioceses of Northwestern Pennsylvania and Western New York considered the opportunity for partnership between the two dioceses, they identified freeing money for mission as a top priority. The Diocese of Western New York's 2020 budget makes substantive progress toward that goal.

Income

The diocesan budget includes income from three sources:

- Unrestricted trustee income - Income from investments managed by the trustees of the diocese that can be used for any purpose
- Restricted trustee income - Income from investments managed by the trustees of the diocese that can only be used for certain donor-defined purposes
- Support of congregations - Thirteen percent of each congregation's "normal operating income," which is assessed each year in accordance with diocesan canons



Income (continued)

Trustee Income – Restricted and Unrestricted

The diocesan endowment, begun in 1934, comprises funds donated to the diocese for its ongoing support. Each year, the trustees allocate a portion of the funds' investment income to support the diocesan budget. The amount, determined by the trustees' investment advisor, is set at a level that ensures the funds will remain sustainable for the long-term. However, in 2020, we will draw less than the recommended maximum amount from restricted funds in order to conserve money for future mission strategy. The value of the funds on June 30, 2019 was \$13.9 million. For 2020, we anticipate that the fund will draw a total of \$328,773 to support the diocese's budget.

Support of Congregations

Approximately 74% of the diocese's income comes from the diocesan "full share," the current form of which was adopted by diocesan convention in 2012 and fully implemented in 2017 as a simple and equitable way for congregations of all sizes and financial means to contribute proportionally to the ministry of the bishop and the diocese. Each congregation's full share is 13% of its "normal operating income," a term drawn from the Episcopal Church's parochial report form that each congregation is required to complete annually. For 2020, we project that this amount will total \$931,000, which reflects a modest increase over the last several years.

Operating Expenses

By sharing a bishop and a staff with Northwestern Pennsylvania, the diocese has reduced its operating budget by more than 8% while substantially increasing the staff capacity available to support congregations and mission projects, train leaders, and find new ways to experiment and collaborate for the sake of the gospel.

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Personnel

Our diocese now shares a staff of 10 full-time equivalents with the Diocese of Northwestern Pennsylvania. As a result, *our 2020 budget's personnel costs are 11% lower than 2019*, while we now have greater staff capacity to serve congregations and advance mission. Included in this line is a 24% increase in benefits that results from having more staff positions that qualify for benefits.

Operating Expenses (continued)

Diocesan Center Expenses

In 2020, our expenses for the diocesan center in Tonawanda are anticipated to be 25% lower than in 2018 and 17% lower than in 2019. This decrease is the result of work done during the past two years to address deferred maintenance and update the house on the diocesan campus, which is now occupied by Canon Cathy Dempsey-Sims.

Mission Discernment and Planning

As a diocese of the Episcopal Church, we share authority among the bishop, clergy and laypeople, and we participate in regional and churchwide structures and in the Anglican Communion. In 2020, we have allocated funds for meetings of our diocesan governance bodies, for participation in Province II of the Episcopal Church, and for Bishop Rowe and Carly Rowe to participate in the Lambeth Conference of Bishops that will take place in England in August.

Just as congregations support the diocesan budget, we support the budget of the Episcopal Church by paying a mandatory 15% assessment on our operating (but not program or transition) income. In 2020, that amount will be \$132,065, which is based on our 2018 operating income. It will decrease beginning in 2022 when our 2020 reduction in operating costs is realized in the calculations.

Because diocesan convention provides a time for the people of both dioceses to gather and discern the mission to which God is calling us, we have increased the convention budget so that it can include more opportunities for education, mission strategy planning, partnership exploration, and worship and make better use of technology.

Support Services

A modest line item in the budget provides the bishop with as-needed consulting services in finance and human resources and supports the work of the diocesan chancellor. Fees of the accounting firm that conducts the annual audit of the diocese's financial records are also paid from this portion of the budget.

Programming Expenses

Thanks to efficiencies achieved in our partnership with Northwestern Pennsylvania, our program expenses will decrease by 9.5% in 2020.

Retiree Benefits and Support

In order to honor agreements made in the past, the diocese contributes to the cost of benefits and other expenses for some retired clergy or lay employees.

Programming Expenses (continued)

Leadership Education and Training

The diocese's program budget supports the work that the bishop and his staff do to strengthen congregations, develop leaders, and pursue diocesan priorities like anti-racism work and youth ministry. This work includes assisting congregations in transition, supporting people discerning calls to ordained ministry, and providing scholarships to camps, retreats and training programs. The 22% decrease in this area reflects cost savings that result from our collaboration with Northwestern Pennsylvania.

Community Support and Networking

We participate in ecumenical work through the Network of Religious Communities and the New York State Community of Churches, and within the Episcopal Church, we support the work of the United Thank Offering and Episcopal Relief & Development. The expenses associated with these relationships are supported by this portion of the budget.

In addition, expenses of the Hope Center in Amherst, a recovery ministry of the diocese and the Genesis Center in South Buffalo, are included in this budget category.

Transition Expenses

To support the development of our mission strategy and our partnership with Northwestern Pennsylvania, Bishop Sean has secured the services of several contract employees and consultants. These include Canon for Strategic Change Ruth Woodliff-Stanley, Director for Integration Danielle Dolin-Bane, Congregational Development Consultant Al Johnson, and Canticle Communications. During 2020, these specialists will help clergy and lay leaders in our dioceses build skills and develop new practices that will strengthen our partnership and mission. In future years, some of these expenses will be reduced or eliminated. Others may be reallocated or made part of the diocese's operating budget.

To learn more about the budget, talk with:

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