

## Overview

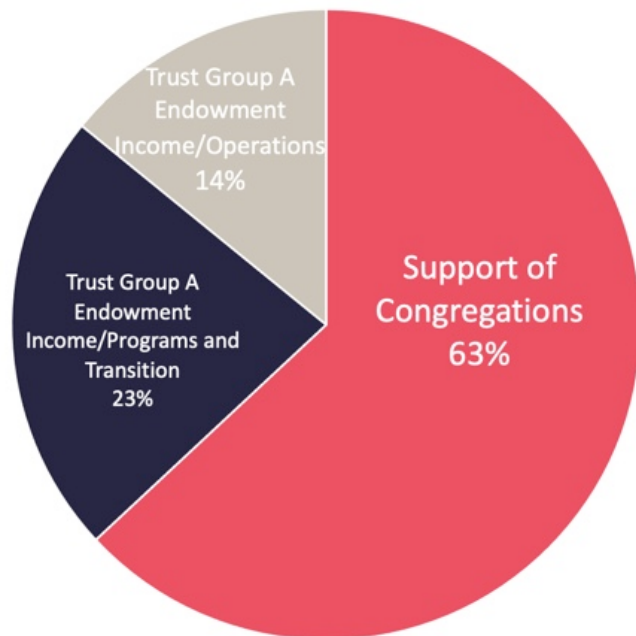
The 2021 summary budget, adopted by Diocesan Council in September, reflects the best efforts of Bishop Sean and the elected leaders of the diocese to predict how we can best participate faithfully in God’s mission in our region during what promises to be another unpredictable year.

By continuing to reduce expenses and build capacity for ministry where we need it most, the 2021 budget both funds our mission and takes a conservative fiscal approach that will help our diocese withstand economic volatility.

## Income

The diocesan budget includes income from three sources:

- Trust Group A endowments - Income from investments used to the support the diocese’s operating budget
- Trust Group A Sub-Account #198 endowments - Income from investments set aside for strategic initiatives
- Support of congregations - A percentage of each congregation’s total operating revenue assessed annually



## Endowments

The diocesan endowment was established in 1932. Its value on August 30, 2020, was approximately \$15.8 million. The funds referred to as “Trust Group A” in the budget are part of the endowment. For 2021, we anticipate drawing \$402,372 of income from the endowment to support the diocesan budget: \$154,072 for operating expenses and \$248,300 for programs and transition expenses.

# Income (continued)

## Support of Congregations

Approximately 64% of the diocese's income comes from congregations, which are assessed a percentage of their budget on a sliding scale in accordance with diocesan resolutions. For 2021, we project that this amount will total \$686,995, which reflects a modest increase over the last several years.

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## Operating Expenses

Our partnership with the Diocese of Western New York made it possible for us to reduce our operating budget by more than 6% in 2020 while increasing capacity to fund mission and train leaders. In 2021, we have planned an additional slight reduction in operating costs as we anticipate ministry in the post-COVID era.

*Operating costs  
continue to decrease as  
we fund ministry  
where we need it most.*

## Personnel

Our diocese continues to share a staff with the Diocese of Western New York. By eliminating vacant positions and reallocating staff capacity, our 2021 budget reduces our personnel costs by 2% over the 2020 budget while allowing us to continue supporting congregations, regional collaborations and community ministries.

## Diocesan Center Expenses

Some recurring expenses will not be necessary in 2021, and therefore, our expenses for the diocesan center in Erie are anticipated to be 18% lower than in 2020.

## Churchwide Relations

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 2021, that amount will be \$124,142, which is based on our 2019 operating income. In 2022, the assessment formula will begin to factor in the reductions in our operating budget that began in 2020, and as a result, this amount will decrease.

In 2021, we have allocated additional funds in the conferences and conventions line item for General Convention expenses as well as provincial meetings, meetings of the House of Bishops and expenses for the 2022 Lambeth Conference that must be paid in advance. If General Convention does not take place in 2021, we will carry these funds over to the 2022 budget.

# Program Expenses

Our program expenses will increase by 30% in 2021 as we invest in leadership development to support our existing and new mission initiatives and work for racial reconciliation.

## Youth and Young Adult Commission

These funds support diocesan programs for youth and young adults including our expanding summer camp, participation in the Episcopal Youth Event (EYE) and other programs.

## Leadership Development

This area of the program budget supports our work to strengthen congregations, develop leaders and pursue mission priorities. These expenses assist congregations in transition, support people discerning calls to ordained ministry, provide coaching for lay and ordained leaders and fund scholarships for retreats and training programs. In 2021, this budget line will increase by \$25,000 to provide more coaching and training for lay and clergy leaders and pay for evaluation of ministry initiatives.

## Racial Reconciliation

These funds will support our share of the diocesan partnership's renewed and expanding commitment to racial reconciliation and justice.

## Ecumenical Relations

These funds support our campus ministry at Edinboro University and Penn State, Behrend, and our participation in the Pennsylvania Council of Churches.

# Transition Expenses

As our partnership with Western New York becomes more established, our transition expenses will decrease by approximately 18.5%. During 2021, we will not have integration expenses, and our strategic mission development will conclude. In addition, congregational vitality work will increasingly be assumed by leaders in the diocese. Communications for the diocesan partnership will continue to be funded from this area of the budget in lieu of filling a vacant staff position in 2021. In future years, some of these expenses will continue to be reduced or eliminated, and 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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