



# The Episcopal Diocese of Northwestern Pennsylvania Narrative Budget 2024

## Overview

Thanks to our diocesan partnership with the Diocese of Western New York, in which we share a bishop and staff, we have lowered our operating budget and freed up money for mission strategy. In 2024, as in the last several years, our partnership will make it possible to allocate more resources to supporting local congregations and regional partnerships and sustaining key initiatives, like our commitment to dismantling racism and discrimination.

In our 2024 summary budget, adopted by Diocesan Council in September, we maintain our commitments to investing in congregations through leadership training and coaching; transition ministry; postulant and clergy formation, and other resources for ministry in a changing world.

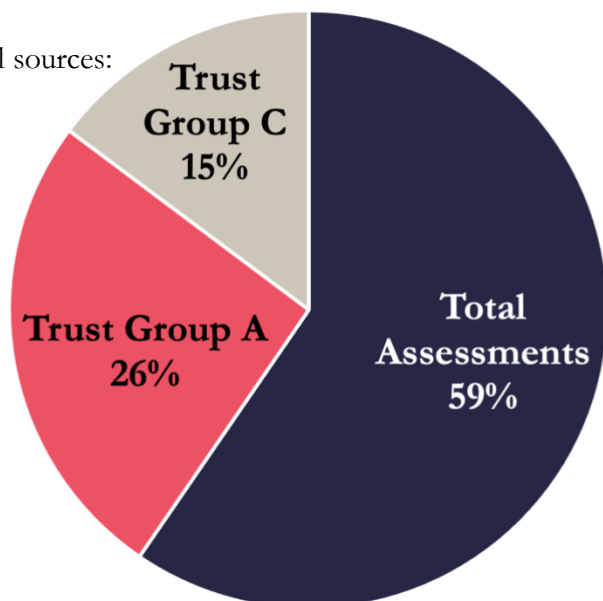
As in the past several years, we will continue to deploy diocesan staff to congregations as needed and share staff positions with congregations. By adopting this approach, our staff has the flexibility to support congregations making transitions or exploring new ministries while staying rooted in the day-to-day realities of congregational ministry.

In 2024, we will also invest in developing and redeveloping congregations in key parts of our region. The comprehensive evaluation of our partnership with the Diocese of Western New York will also begin next year, and funds to support that work are included in this budget.

## Income

The diocesan budget includes income from several sources:

- Trust Group A endowments - Income from investments used to support the diocese's operating budget.
- Trust Group C endowments – Income from funds used to support outreach.
- Support of congregations – A percentage of each congregation's total operating revenue assessed annually.



In addition, our strategic initiatives budget is funded by:

- Trust Group B - Income from investments set aside for strategic initiatives.
- Trust Group E – Bishop’s discretionary funds, included in this budget as strategic initiative funding.

## Endowments and Investments

The diocesan endowment was established in 1932. Its value on August 31, 2023, was approximately \$ 15.67 million. The funds referred to as “Trust Group A” and “Trust Group C” in the budget are part of the endowment. For 2024, we anticipate using \$164,962 of endowment income for operating expenses and \$297,146 to support program and strategy.

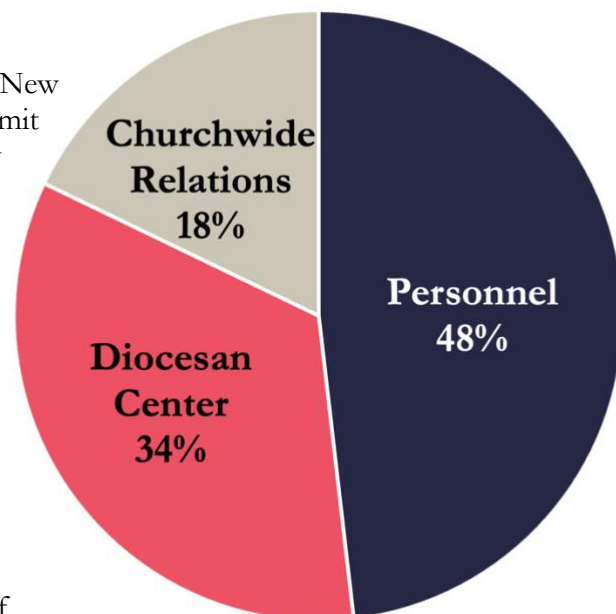
In 2024 we will also commit \$385,000 of investment income to several strategic initiatives. This income is available thanks to long-term strategic financial planning and COVID savings.

## Support of Congregations

Approximately 80.5% of the diocese’s operating income comes from congregations, which are assessed a percentage of their budget on a sliding scale in accordance with diocesan resolutions. For 2024, we project that this amount will total \$680,767. That amount is a slight decrease from 2023’s budget and represents a trend that we anticipate will continue as congregations adjust to post-pandemic realities.

## Operating Expenses

Our partnership with the Diocese of Western New York continues to make it possible for us to limit our operating budget while increasing capacity to fund mission and train leaders. In 2024, we will continue deploying staff in congregations and augmenting our congregational development capacity, as needed, with consultants and experts who can provide assistance as needed when congregations are in transition or have other urgent issues.



## Personnel

Our diocese shares a staff with the Diocese of Western New York. Many staff are deployed part-time in congregations; as a result, our 2024 budget keeps personnel costs roughly equal to 2023 despite an 8% increase in health insurance costs. After freezing salary and pension increases for senior staff since 2019, the 2024 budget includes a 3% cost-of-living increase for all clergy staff except Bishop Sean, whose compensation will remain unchanged, and a 3.5% cost-of-living increase for lay staff.

## Diocesan Center Expenses

With thanks for the resumption of in-person work, we anticipate that our staff travel expenses will increase by about 25% in 2024.

## Churchwide Relations

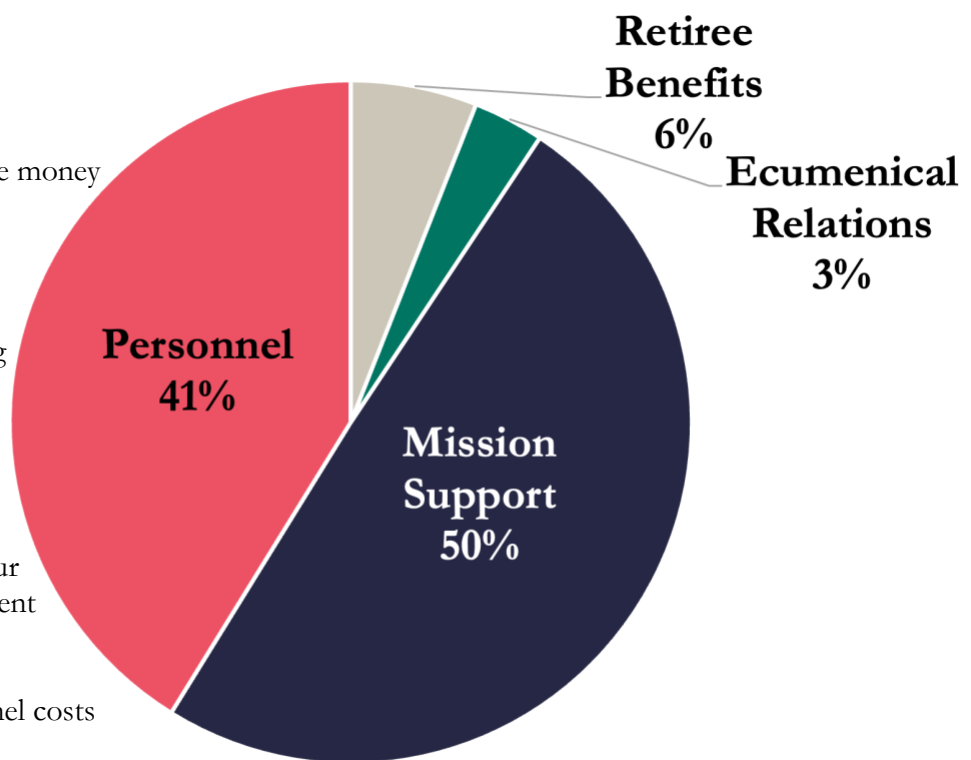
Just as congregations support the diocesan budget, we support the budget of the Episcopal Church by paying a mandatory 15% assessment on our operating (but not program or strategy) income after an exemption of \$200,000. In 2024, that amount will be \$80,382, a figure calculated using our 2022 operating income.

In 2024, we have allocated additional funds in the conferences and conventions budget line to cover General Convention expenses.

## Program Expenses

This area of the budget includes the money we spend, over and above the core operating expenses of the diocese, to do the work that God is calling us to do. These expenses include antiracism work; leadership training and coaching; congregational support; clergy transition grants; postulant and clergy formation, and more. In 2024, our program expenses will increase by about 35% in 2021 as we shift some of our investment in leadership development to this area of the budget.

As in previous years, some personnel costs appear in the program and strategy budget, indicating those for staff who are directly supporting mission strategy and ministry in local congregations.



## Youth and Young Adult Commission

These funds support diocesan programs for youth and young adults, including our expanding summer camp and churchwide programs.

## Leadership Development

The diocesan partnership invests in coaching and training lay and clergy leaders in congregations to build capacity for responding to the challenges facing the church and our communities. For example, our staff and consultants help congregations conduct Mutual Ministry Reviews, lead vestry and other workshops, address congregational conflict, and respond to inquiries related to governance, canons, liturgy, and administration.

In 2024, this budget line will increase by \$40,000 to provide additional capacity for congregations and diocesan programs that most need support. These funds will allow us to be responsive to the needs of congregations while keeping the diocesan staff at a sustainable size.

## Racial Reconciliation

These funds support our share of the diocesan partnership's longstanding 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.

## Strategic Initiatives

Our diocese's long-term financial strategy has made it possible to make significant investments in developing and redeveloping congregations in key geographic regions in our diocese. In 2024, we have allocated \$385,000 to these ongoing strategic efforts.

These funds will allow us to continue investing in the Erie Episcopal partnership as a regional anchor for ministry. In 2024, we also anticipate investing in new models of ministry in the New Castle and Hermitage region.

The strategic initiatives budget also supports the work of the diocesan partnership's Culture Committee, formed in the spring of 2023 to promote a proactive, team-oriented diocesan culture in which people's gifts and skills are used for ministry and mission that strengthens God's people. Funds for the evaluation of our diocesan partnership are also included in the strategic initiatives budget.

To learn more about the budget, talk with:

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