

WNY & NWPA The Episcopal Diocese of Western New York

EPISCOPAL Narrative Budget 2024

Overview

Thanks to our diocesan partnership with the Diocese of Northwestern Pennsylvania, in which we share a bishop and staff, we have lowered our operating budget and freed up money for mission strategy. In our 2024 budget, adopted by Diocesan Council in September, 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.

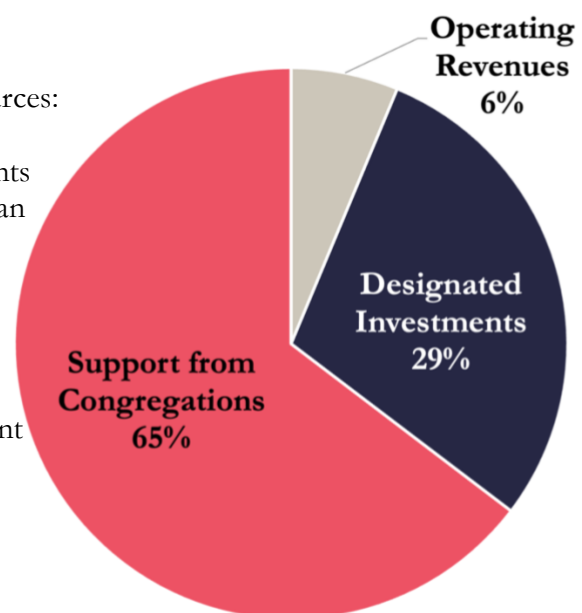
As in the past several years, we will continue to deploy diocesan staff to congregations as needed and share staff positions with congregations. By adopting this approach, our staff can have the flexibility to support congregations making transitions or exploring new ministries and also stay rooted in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

In 2024, we will also invest in developing and redeveloping regional ministries and providing grant support for congregations addressing physical plant issues. The comprehensive evaluation of our partnership with the Diocese of Northwestern Pennsylvania will also begin next year, and funds to support that work are included in this budget.

Income

The diocesan budget includes income from three sources:

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



Designated Investments

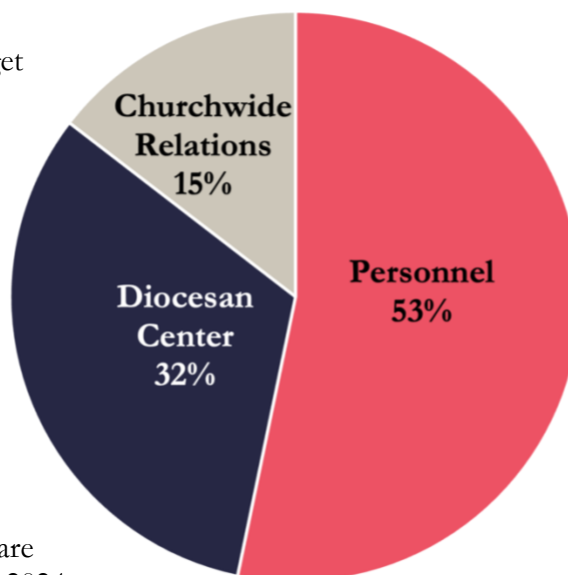
The diocesan endowment, begun in 1934, comprises funds donated to the diocese for its ongoing support. Each year, the trustees allocate a portion of the funds' investment income to support the diocesan budget. The amount, determined by the trustees' investment advisor, is set at a level that ensures the funds will remain sustainable for the long-term. The value of the funds on August 31, 2023, was \$10.52 million. For 2024, we anticipate that the fund will contribute a total of \$385,681 to support the diocese's budget. The Trustees have approved a draw of up to 5% on the endowment.

Support from Congregations

Approximately 91% of the diocese's operating 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 2024, we project that this amount will total \$857,267; a 3% percent increase over the 2023 budget.

Operating Expenses

Staff operating expenses in the 2024 operating budget are less than 2023 as we continue to realize the benefit of deploying staff to congregations and regional initiatives. Otherwise, the 2024 operating budget is largely unchanged from 2023, although it does reflect some modest increases in buildings and grounds costs at our diocesan center in Tonawanda; increased insurance costs; and funds for the bishop, staff, and deputies to attend the 81st General Convention.



Personnel

Our diocese continues to share a staff with the Diocese of Northwestern Pennsylvania. 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.

Overall, the diocese's expenses for staff are down 6.8% over 2019, when the diocesan partnership began. Staff expenses are found in the operations budget (administrative and office staff) and in the program budget (transitions, formation, pastoral care, congregational support). Many staff are deployed in congregations or collaborations or share their time with congregations in some way.

Staff costs are split evenly between the two dioceses. 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.

Professional Expenses

Although lawsuits related to historic sexual misconduct and abuse are largely concluded, we expect 2024 legal expenses to be about \$25,000 less than the budgeted amount for 2023.

Wider Church Apportionment

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 \$97,354, a figure calculated using our 2022 operating income.

Conferences and Conventions

As typically happens every three years, the conferences and conventions line of the 2024 operating budget includes expenses for the General Convention of the Episcopal Church, scheduled for June 2024 in Louisville, Kentucky.

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 35% as we shift some of our investment in leadership development to this area of the budget.

Personnel

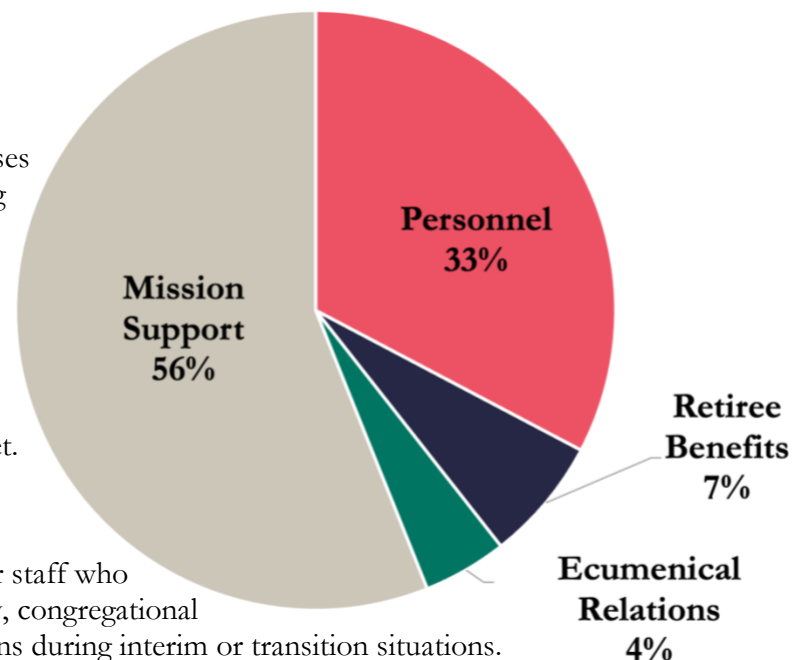
Program salary and benefits include expenses for staff who handle congregational transitions, youth ministry, congregational vitality, and are deployed to serve in congregations during interim or transition situations.

Retiree Benefits

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. Those expenses have risen by more than 65% since 2019.

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 \$45,000 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.

Ecumenical Relations and Community Services

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.

Strategic Initiatives

Strategic financial planning, plus savings from COVID years when travel and in-person gatherings were curtailed, has made it possible to invest in regional initiatives that are helping congregations explore new collaborative models for ministry. In 2024, we have allocated \$191,250 to these ongoing strategic efforts.

In 2024, we will support the development of new models in the Genesee Region and the Lake Ontario/Lockport Region. We will also continue to support congregations that have building and construction needs with funds distributed by the Grants Committee in consultation with the bishop and staff.

This area of the 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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