The Adopted Budget 2011

Executive Council
October 2010
Proposed Budget for 2011

• Honors the intentions of GC2009, making no radical changes to program
• Recognizes the realities of changes in available revenue
• Ensures that spending is designed to accomplish canonical requirements and strategic mission
• Enables the Society to stay on track to achieve a balanced budget for the 2010-2012 triennium
Proposed Budget 2011: Principal Revenue Changes

Income is reduced by $2.1 million (or 5.3% of non-Government revenue) due to

- An unpredictable delayed payment by one diocese
- Transition from print to digital news
- The closing of the bookstore and fulfillment business
- A reduction of income from digital media activities in early stages of development
Proposed Budget 2011: Comparison

GC Adopted Revenue $39.2 mil

Mission Funding: 67.3%
Mission Fees: 0.8%
Diocesan Commitments: 1.8%
EBaR: 23.7%
Digital Media: 1.1%
Rental: 2.4%
Episcopal Life: 1.5%
Investment: 23.7%
Ordination Exams: 0.3%

2011 Proposed Revenue $37.2 mil

Mission Funding: 69.2%
Mission Fees: 0.2%
Diocesan Commitments: 1.7%
EBaR: 1.1%
Digital Media: 0.2%
Episcopal Life: 0.2%
Rental: 2.6%
Investment: 25.6%
Ordination Exams: 0.3%
Other: 0.0%
Mission Funding Fees: 0.2%
Diocesan Commitments: 69.2%
Proposed Budget 2011: Principal Expense Changes

Presiding Bishop’s Office

– Funding for Haiti coordinators
– Expected lower expenses for legal assistance to dioceses and Title IV activity

Mission Program

– Assumes $790K of cost reductions while retaining the most strategic activities of mission (e.g., Hispanic evangelization; Native Americans; young adults)
– Maintains virtually all funds to covenant and block grant partners
Proposed Budget 2011: Principal Expense Changes

Cease publication of *Episcopal News Monthly* and *Episcopal News Quarterly*

– Completes the transition from print to digital envisioned in the budget adopted by General Convention 2009
– The print newspaper and magazine are essentially diocesan publications. Current subscription base represents fewer than 5% of Episcopalians
– The DFMS will continue to provide content at no charge
– News team can focus on improving and expanding online news coverage, including more multimedia coverage -- 21st Century evangelism
Proposed Budget 2011: Principal Expense Changes

Cease operations of Episcopal Books and Resources

– EBaR was the result of a merger in 2005 of the Episcopal Church Center bookstore and Episcopal Parish Services
– Managing a retail bookstore in Manhattan in the current climate is extremely difficult
– EBaR currently provides distribution/fulfillment service for three church agencies. Customers will be migrated to one or more other vendors

Develop the Digital Media Business

– Webcasts for dioceses. Did four in 2010; expect to do at least 8 in 2011. Staffing is primarily freelance/non-staff; costs are flexible
– Revenue for Episcopal News includes website online classified and banner advertisements. More focused approach to attracting new advertisers
Proposed Budget 2011: Principal Expense Changes

Debt Financing and Repayment

– Finance Office has negotiated replacement credit facilities

– Budget reflects payments of approximately $1.1 million of interest and $1.2 million of principal for the $37 million outstanding related to the Episcopal Church Center renovation

– Revenue from operating a parking lot provides interest payments and modest principal repayments for the $10.0 million property acquired for the future potential relocation of the Archives. These revenues and charges are separate from the operating budget.
Proposed Budget 2011: Principal Expense Changes

Migration Ministries

- Due to EMM performance in resettling refugees, Government now asks EMM to resettle close to 5,000 refugees annually vs. less than 3,000 a few years ago
- Government awards for each refugee have doubled
- EMM activities are breakeven – increased costs equal increased revenues
Proposed Budget 2011: Principal Expense Changes

**GC Adopted Expenses $38.7 mil**
- Admin: 13%
- PB Office: 10%
- General Convention: 9%
- Finance: 13%
- Communication: 9%
- Mission Program: 46%

**2011 Proposed Expenses $37.0 mil**
- Admin: 13%
- PB Office: 10%
- General Convention: 10%
- Finance: 14%
- Communication: 8%
- Mission Program: 45%