

Episcopal Diocese of Maryland
2011 Budget
12/06/2010

Line Item Explanations:

INCOME:.....\$4,529,163

Total income is derived from both restricted and unrestricted sources. *The following details anticipated revenue sources for the 2011 budget. Funds from restricted sources are noted.*

1. Congregational Allocations.....\$3,323,901

Congregational Allocations is our main source of unrestricted revenue or 73% of the budgeted revenue.

The Allocation formula is derived from resolutions presented to and approved by the annual Diocesan Convention. It is based on the calculation originally devised in 1985 with a change approved at the Diocesan Convention 2007. The latest change, in 2007, increased the categories allowed in the deduction to include Diocesan Allocations paid by year end and budgeted outreach.

Congregation allocations are the **lesser** of the results of the following two equations:

18% of the three year average Normal Operating Income (years 2007, 2008, and 2009) less 4% of the prior year's normal operating expenses (including Diocesan allocation and Outreach) and less \$2,860.

Or

18% of the prior year's Normal Operating Income (2009) less 4% of the prior year's normal operating expenses (including Diocesan allocation and Outreach) and less \$2,860.

The calculations result in a graduated allocation reflecting 1% to 13% of Congregation's 2009 Net Operating Income with an average of 12%.

2. Endowment Withdrawal.....\$492,315

The endowment withdrawal is a percentage of the projected income from the investments. The percentage used in the 2011 budget is 5% of the three year average ending balance in our both unrestricted and restricted endowments. The restricted portion of this line is used in accordance with donor restrictions and noted in the expense portion of the budget accordingly. Parts of these funds are for restricted use aligned with certain budget lines.

3. Development Income.....\$212,282 (Restricted Funds)

This line represents the \$175,000 in anticipated funds to be raised through development efforts in 2011 and \$37,282 of grant funds raised in previous years. A few of the ministries supported by these efforts include Johns Hopkins Hospital Chaplaincy, Social Ministry Grants, Prison Ministries, Youth Ministries, Urban Ministries. Please note: while the Bishop Claggett Center is one area addressed in the Bishop's Appeal, income anticipated from this effort is reported on the Center's operating budget and not within this budget. However, the expenses associated with raising these funds are reported in this budget and not on the Center's budget.

4. Communication Revenue.....\$2,800

Advertising revenue from Maryland Church News and the Website is listed in this category. The income in this category comes from advertising fees and supports costs associated with producing the Maryland Church News.

5. Restricted Income:\$466,852 (Restricted Funds)

This category reflects income from various sources. These sources include restricted endowments, specific use grants, and restricted donations. Examples of some of these funds include Endowment Grant Funds, Bishop’s discretionary endowment funds, Deacon Program donations, and Latino Ministry Grants. The Bishop’s Discretionary endowment funds include Whitridge, Arrowsmith, Allison, S&D, and Ihloff funds. These funds are available to assist clergy, support congregational development, and aid new initiatives.

6. Other Income.....\$31,013

This category includes funds received from donations for use of Diocesan owned buildings and other miscellaneous donations.

EXPENDITURES:.....\$4,529,163

The following expenditures are supported by designated, restricted, and unrestricted funds listed above.

Proclamation.....\$755,906

8. Communications & Public Relations/MCN.....\$55,000

The Maryland Church News budget line has been merged with this line. All cost to maintain the Diocesan website is listed in this category. Also, included are the costs of diocesan e-mail, computer service, and internet support at the Diocesan Center. Costs of producing and distributing the Maryland Church News multiple times annually is included in this category.

9. Episcopal Service Corp.....\$500

The Episcopal Service Corp is a new initiative. This program aligns youth service workers with community service projects. The money represented on this line will cover the annual membership fee.

10. Horizons 2015 – Proclamation.....\$1,700

New to the 2011 budget are Horizon 2015 budget lines designed to provide initial funding enabling the diocese of Maryland to reach the PEACE goals. The use of these funds will be determined by each subcommittee.

11 - 13. Proclamation Staff Costs.....\$698,706

These lines represent the compensation of diocesan staff that fulfills the Proclamation portion of the PEACE initiative. Included in these lines are the Bishop, Assisting Bishop, Canon to the Ordinary, and Communication staff. (\$650,106); Mileage reimbursement, travel expenses, and other business expenses of the Proclamation Staff. (\$31,000); Professional expenses are included in the amount of \$17,600. Classified in this expense is continuing education and attendance at seminars and conferences.

Evangelism.....\$287,366

14. Education for Ministry (EFM).....\$2,500

Membership fee for all the congregations in the Diocese to participate in this educational program includes a 4-year Scripture and Church History study combined with ministry examination and affirmation.

15. Liturgy and Music.....\$2,000

Expenses for Diocesan Confirmation Services held at the Cathedral, support for the Leadership Program for Church Musicians Serving Small Churches (LPM Program), workshops and the ADLMAC membership.

16. Evangelism.....\$2,000

This line represents funds to assist in creating evangelism programs that further the PEACE initiative.

17. Latino Ministry.....\$85,000

Funding on this line is to be used towards the support of the growth of Spanish-speaking congregations in Maryland.

18. The Korean Congregation.....\$0 (Restricted Funds)

This line contains the Diocesan support for a future Korean Congregation in Maryland. As this program has not yet been started, funding has not been designated from the operating budget. Restricted income will be available in the event a new congregation is started.

19. Sudanese Congregation.....\$6,600 (Restricted Funds)

This line contains the Diocesan support for the Sudanese Congregation. This is paid for 100% from restricted funds from the Arrowsmith Fund.

20. Western Maryland Missioner.....\$76,410

Support for the compensation of a priest in Western Maryland to serve four congregations, mentor other priests, and continue with the development of mutual ministry.

21. Horizons 2015 – Evangelism.....\$1,700

New to the 2011 budget are Horizon 2015 budget lines designed to provide initial funding enabling the diocese of Maryland to reach the PEACE goals. The use of these funds will be determined by each subcommittee.

22 - 24. Evangelism Staff Costs.....\$111,156

These lines represent the compensation of diocesan staff that fulfill the Evangelism portion of the PEACE initiative. Included in these lines is the evangelism staff. (\$102,456); Mileage reimbursement, travel expenses, and other business expenses of the Evangelism Staff. (\$7,500); Professional expenses are included in the amount of \$1,200. Classified in this expense is continuing education and attendance at seminars and conferences.

Action.....\$498,696

25. Camp Amazing Grace.....\$5,000

This line funds a summer camp for children with Parents or Guardians in prison. The majority of funding for this program is derived from the Bishop’s Appeal. This program is supported by restricted funds from previous years as well as this line item.

26. Camp Excel.....\$3,000

Instructional materials and field trip costs for a summer program aimed at high risk children. This category also includes reading and math tutoring, instruction in anger management and conflict resolution and development of appropriate social skills. This program is held at Holy Covenant Church on The Alameda.

27. Committee on Older Adult Ministry.....\$600

This line contains the expense of communication and training material purchased for outreach to an aging community.

28. Copley Kids.....\$5,000

Grant to help cover the costs of staffing, operations and program activities for an after school mentoring and support program held at Resurrection Church, Joppa.

29. Diocesan Memberships.....\$6,100

Interfaith Action for Racial Justice, Ecumenical Advocacy Council, Maryland Interfaith Legislative Council, Global Episcopal Ministries, Call to Renewal, Diocesan Jubilee Ministries, Central Ecumenical Council, Episcopal Network for Economic Justice, BUILD

30. Environmental Ministry\$2,000

This budget line reflects a new initiative to encourage “green” action and education around the diocese.

31. Episcopal Resettlement Center-Cathedral.....\$4,000

Provides workshops, legal aid and loans for immigrants and refugees. ERICA is a program of the Cathedral of the Incarnation.

32. Harford Family House.....\$8,000

This is ongoing financial support for this ministry which provides temporary housing for homeless families with children.

33. Homework Club-Guardian Angel.....\$2,100

This line contains the cost of partial support for a program to assist underprivileged middle and high school students in the Remington area in improving their academic achievements. The summer program contains mentoring and tutoring for students in the third through fifth grades.

34. Hopkins Chaplaincy.....\$77,713

Compensation package costs for an Episcopal chaplain at Johns Hopkins Hospital. \$77,713 is covered by restricted income from endowment for 2011, much of which was raised by the support committee themselves, in addition to the efforts of the Episcopal Appeal.

35. Port Chaplaincy.....\$15,000

This category contains contribution towards compensation for a chaplain to work with the Seafarer's Ministry at the Port of Baltimore. This is a ministry of hospitality and outreach with particular emphasis on advocacy in justice related issues involving wage disputes, living conditions and safety aboard ship.

36. Public Policy Office.....\$8,790

Honorarium and business expenses for Public Policy Officer to attend sessions of the Maryland General Assembly and to keep the Bishops/Council informed of pending legislative action pertinent to the church, particularly regarding issues of peace and justice.

37. Rainbow Camp.....\$23,000

This line funds aid and other support for a one-week residential camp for the benefit of predominantly inter-city children who are infected or affected by HIV/AIDS. This program is also funded through Bishop's Appeal and other donations. Any amount not funded by these donations is covered by Diocesan operating funds.

38. Safe Church.....\$760

Any necessary materials and training for the volunteers who are called in to help when sexual misconduct occurs or is alleged involving lay or clergy employees or volunteers within the congregational setting or program.

39. Samaritan Community.....\$8,000

The cost of compensation assistance for staffing a team to provide crises intervention and empowerment counseling to Baltimore City families and individuals in need. Services also include some residence support, financial aid, groceries and enriching family experiences and adventures. This ministry is served by Memorial Church, Bolton Hill.

40. Social Ministry Grants\$55,439

This budget line represents only one of the four categories supported by the Endowment Grant Funds (Cross Roads Endowment).

41. St. Mary's Outreach Mission Center, Hamden.....\$10,000

Operating expenses, including compensation for a director, to develop the outreach ministries at St. Mary's, Hampden.

42. Truth and Reconciliation Commission.....\$6,000

Program mandated by Convention 2005. Expenses include materials, speakers and workshop costs.

43. Urban Missions.....\$129,787

Contribution to clergy compensation for providing supportive program to urban ministries related to poverty. Support of this program is just one of the way in which the Diocese serves Mission Strategy's goal of Urban

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Ministry. This budget line also reflects funding to support St. Luke's, Franklin Square and Holy Nativity Pimlico. This line represents the cost of financial assistance designed to enable the continuation and to extend ministries of music, pastoral care and community activities for children and adults in these intercity neighborhoods. Lines for Urban Ministry – Remington and West Baltimore have been merged into this one line.

44. Horizons 2015 – Action.....\$1,700

New to the 2011 budget are Horizon 2015 budget lines designed to provide initial funding enabling the diocese of Maryland to reach the PEACE goals. The use of these funds will be determined by each subcommittee.

45 – 47. Outreach Staff Costs.....\$126,717

These lines represent the compensation of diocesan staff that fulfill the Action portion of the PEACE initiative. Included in this line is the action staff. (\$117,417) Mileage reimbursement, travel expenses, and other business expenses of the Action Staff. (\$7,500) Professional expenses are included in the amount of \$1,800. Classified in this expense is continuing education and attendance at seminars and conferences.

Christian Formation.....\$424,155

48. Christian Formation – J2A Licenses.....\$800

This line represents the cost of congregation J2A License renewals. The cost of this is unknown, but not expected to be great.

49. Christian Formation-Resource Center.....\$7,000

For the acquisition of resources and the costs of quarterly workshops, annual ministry retreat, education consultation, Children's Sabbath, education practicum, parish education day, discipleship support, communications, furnishings and professional memberships.

50. Congregational Development.....\$53,885

The cost of the mutual ministry's Lifecycle's program is listed here. Although \$65,000 is budgeted for this category only \$53,885 is listed on this line. \$35,000 of this money will be distributed in the Ihloff Fund Grant process and the other \$30,000, is represented on another line, will be used to support the new the Canon for Evangelism and Ministry Development.

51. Garrett County Missioner – Helen Stewart Fund.....\$1,807 (Restricted Funds)

This line is funded by restricted funds designated for ministry in Garrett County.

52. Ministry Grants.....\$40,241

This budget line represents only one of the four categories supported by the Endowment Grant Funds (Cross Roads Endowment).

53. Ordained Ministry Grants.....\$34,267

This budget line represents only one of the four categories supported by the Endowment Grant Funds (Cross Roads Endowment).

54. Post Ordination Training.....\$50,731

Support for congregations in which transitional deacons and first year clergy have been placed for training. This expense is covered by restricted investment income.

55. Youth Camp Scholarship\$4,000

Funds for this budget line are derived from our endowment for youth programs.

56. Youth Ministry.....\$25,000

This category contains cost youth activities; youth workers' cost to attend conferences; participate in trips and to hold several youth events during the year. This line item receives funding from gifts in the Bishops' Appeal for youth ministry and youth mission.

57. Horizons 2015 – Christian Formation.....\$1,700

New to the 2011 budget are Horizon 2015 budget lines designed to provide initial funding enabling the diocese of Maryland to reach the PEACE goals. The use of these funds will be determined by each subcommittee.

58 – 60. Christian Formation Staff Costs.....\$204,725

These lines represent the compensation of diocesan staff that fulfills the Christian Formation portion of the PEACE initiative. Included in these lines is the Christian Formation staff. (\$193,825) Mileage reimbursement, travel expenses, and other business expenses of the Action Staff. (\$7,900) Professional expenses are included in the amount of \$3,000. Classified in this expense is continuing education and attendance at seminars and conferences.

Education.....\$204,111

61. Bragg Scholarship.....\$9,523

This line represents the scholarship program for disadvantage youth. This program is 100% from restricted endowment funds.

62 – 65 Campus Ministry-Towson, UMBC, Morgan State.....\$48,443

These lines contain compensation and business expenses for the Lay Chaplain at Towson State University, UMBC, and Morgan. While Frostburg Campus Minister has been funded through the budget in past years, this is the first year they have had their own budget line.

66. Clergy Training.....\$1,200

Expenses Fresh Start are represented by this budget line.

67. Committee on Higher Education.....\$0

Office support, communications and support for smaller ministries within the campus environment. This line is not funded in the 2011 budget because of budget cuts.

68. Continuing Education Grants.....\$10,322

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Scholarship aid provided by income from the Bishop's Guild and other scholarship funds. Grants are decided by a committee and, as much as possible, are divided equally between lay and clergy applicants.

69. Deacon Training.....\$29,600

Costs related to training vocational deacons are on this line. With the fees paid by students and supporting congregations, the program is almost self supporting.

70. Scholarship for Clergy's Children.....\$19,659 (Restricted Funds)

This budget line represent the amount of restricted income distributed for clergy children scholarships.

71. Theological Education.....\$53,210

Listed in this category are scholarship aid for seminarians, medical and psychiatric exams, attendance at Convention, some travel expenses and Ordination expenses. This expense is covered by restricted investment income.

72. Urban Education Project.....\$500

This budget lines represents the support of an urban feasibility study started in 2009 and will carry over in 2011.

73. Horizons 2015 – Education.....\$1,700

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74 – 76. Education Staff Costs.....\$29,954

These lines represent the compensation of diocesan staff that fulfills the Education portion of the PEACE initiative. Included in these lines are the Education staff compensation (\$29,354), Mileage reimbursement, travel expenses, and other business expenses of the Action Staff. (\$600).

Ministry Operations.....\$1,041,680

77. Diocesan Convention.....\$3,000

This funding will come from the amount in a convention surplus fund.

78. Diocesan Council and Standing Committee.....\$2,000

This line contains financial assistance available to representatives in need, for the annual retreat and Diocesan Convention.

79. Diocesan Subscriptions.....\$1,230

All business and technical subscriptions are represented on this cost line.

80. Director's and Officer's Liability Insurance.....\$4,500

Liability insurance coverage is for staff, Convention officers, Standing Committee, Diocesan Council, canonical committees and various Boards. This was included previously with the Property & Liability insurance included in Diocesan Center costs.

81. General Convention/Lambeth.....\$0

This category contains funds set aside to cover the costs of sending the Bishops, Retired Bishops, deputies and first alternate to General Convention and the delegates to Triennial. The Convention takes place every three years. Also represented in this line are the funds set aside for the Bishop’s attendance at Lambeth which takes place every ten years. It is not funded this year because of reduced revenue.

82. Legal Honorarium.....\$6,000

This amount is the stipend paid to Venable, LLP for legal services and advice rendered through out the year.

83 - 90. Office Expenses & Equipment.....\$174,288

Includes the usual office supplies, telephone expenses (including two 800#’s), copier leases, computers and maintenance, software, postage, furniture, and computer support.

91. Property Committee.....\$162,836

Cost of major repairs & maintenance for grants to the 12 mission churches, Diocesan Center, and other Diocesan-owned properties are represented in this category. Also included is money for capital improvements for these properties. Also included in this funding category are the following:

Cemeteries

Costs of mowing the cemetery, trimming trees and shrubs and removing debris are contained on this line item. This does not include any gravestone repair. St. Mary’s Hamden, St. Mark’s Petersville, and St. Stephens Crownsville are Diocesan owned cemeteries that require constant care. There are limited perpetual care funds for these cemeteries.

Property Tax

Property tax is assessed to vacant property and property not utilized to house congregations. Such properties include St. Luke’s Brownsville.

Property Insurance

This line covers property insurance costs for all diocesan owned locations (except the Bishop Claggett Center) plus umbrella coverage and business insurance less D & O insurance represented by another line in our budget.

92. Diocesan Center Expenses (net).....\$220,960

Cost of utilities, grounds/tree/shrub care, snow removal, security, water treatment, supplies (housekeeping, lighting, janitorial, facility paper, maintenance, hospitality), pest control, carpet/floor maintenance, maintenance contracts, general minor repairs, heat/air conditioning maintenance, elevator maintenance, property manager, archive supplies, and property management fee. This amount represents the gross facility expenses less \$93,000 of shared maintenance cost paid by the Cathedral.

93. Province Dues/Attendance.....\$7,100

Costs for a representation of the Deputies to attend the Province 3 meetings annually and to pay the annual dues assessed for the Diocese of Maryland.

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94. Search & Consecration.....\$5,422

The committee decided it is best to put money aside each year in anticipation of future expenses in order to not overly tax the operating budget in any particular year due to the search process. For 2010, the amount allocated was \$20,000. In 2011 this funding was reduced to \$5,422.

95 – 97. Ministry Operations.....\$449,177

These lines represent the compensation of ministry operations diocesan staff (\$430,527). Mileage reimbursement, travel expenses, and other business expenses of the ministry operation staff. (\$12,050) Professional expenses are included in the amount of \$6,600. Classified in this expense is continuing education and attendance at seminars and conferences.

98. Other Personnel Expenses.....\$19,800

This category contains various employee expenses such as the relocation allowance for the new Assisting Bishop, a flexible spending plan, and payroll fees.

99. Worker’s Insurance.....\$17,923

This category contains both Worker’s Compensation insurance and State Unemployment Insurance.

Other Programs.....\$799,749

100. The Episcopal Church\$ 546,142

Calculation of our pledge is based on a formula established by Executive Council/General Convention Office and approved by General Convention. The asking is for 20% of the Net Operating Income from 2009. Normally we stay in compliance with this request; however, we are lowering this amount to 19% of 2009 unrestricted income for the 2011 budget.

101. Millennium Development Goals Grants.....\$23,395

This budget line represents .7% of our unrestricted budget to be used toward supporting the UN Millennium Goals as approved by the National and Diocesan Convention in 2006.

102. Global Mission Links\$1,000

This line represents anticipated costs for visitations and communications with our supported international Anglican relationships.

103. ERD Coordinator.....\$650

For attendance at the Episcopal Relief & Development National Network meeting and for the mailings to congregations

104 - 105. Bishop Grants (Whitridge, S&D, Allison, Arrowsmith).....\$149,928 (Restricted)

This line represents the Bishop’s discretionary restricted endowment funds. Funds set aside from the S&D and Allison restricted for aid to clergy and their families in financial need for the use of the Bishop(s) to make grants as needed.

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106. F.O.C.U. S.\$17,500

This budget line represents funding for a chaplain for clergy spouses and other clergy family activities.

107. Clergy Deployment.....\$0

This category is represented in other categories in 2011.

108. Discerning Ordained Vocation.....\$14,400

Support for students seeking ordained ministry as they prepare through study, prayer and counseling to discern their call. The major portion of the expense is for psychiatric exams, trainers' fees and retreats. This funding represents costs not covered by participants going through the program.

109. Exploring Baptismal Ministry.....\$5,928

A comprehensive discernment program designed for laity to differentiate a call to ministry. Those called to ordained ministry move from the Exploring Ministry process to the Finding Our Way program. The major expense of the Program is for the trainers, the director's compensation, retreats at Claggett and the psychiatric exams. Half of the expense is covered by fees paid by the participants and congregations.

110. Ordained Ministry Commission.....\$5,000

This line contains costs for the Commission on Ministry and the cost for Clergy Events such as Clergy Conference. These costs include pre-ordination screening, the Dean and Chaplain for the Examining Chaplains and the interviewing and testing process for recommending postulants and candidates for Holy Orders.

111. Critical Issue Symposia\$0

This line is not funded in 2011.

112. Office of the Bishop/Strategic Vision.....\$0

This budget line is not funded in 2011.

113. Lay Pension (old plan-mandatory).....\$29,106

This is a mandatory expense line due to the difference in pension benefits for lay employee retirees who started on the pension plan with one company and were changed in 1980 to the plan with the Church Pension Group before retirement.

114. Mission Strategy Committee.....\$0

This budget line is not funded in 2011.

115. Horizons 2015 – Communication.....\$1,700

New to the 2011 budget are Horizon 2015 budget lines designed to provide initial funding enabling the diocese of Maryland to reach the PEACE goals. The use of these funds will be determined by each subcommittee.

116. Contingency.....\$5,000

This line is a small amount that has been reserved to address sudden and unexpected expenses.

Stewardship and Finance.....\$517,500

117. Audit.....\$34,000

This line contains the cost of an annual audit for the Diocese and the Bishop Claggett Center performed by independent auditors selected by the Audit Committee. The Sarbanes Oxley law has created additional requirements for auditors' compliance thus increasing the time spent on an annual audit and therefore the audit expense.

118. Bank Fees.....\$6,000

This line contains bank fees as a cost of doing business such as deposits, bank management, check processes, ACH, cash management.

119. Cash Borrowing Interest.....\$0

The amount on this line represents the cost of borrowing money from our line of credit. It is anticipated that the outstanding balance will be repaid as soon as possible thus minimizing this amount.

120 - 121. Claggett Property Loan Principle/Interest.....\$119,289

These lines represent the payment of principle and interest on the mortgage balance for the Bishop Claggett Center's Dinning Hall and Meeting facility. The full amount that will be paid in 2011 will be \$129,289 however the Board of the Bishop Claggett Center has contributed \$10,000 toward principle payment and this amount has been subtracted from the total amount that will be paid.

122. Fund Raising Expense.....\$19,000

This line contains the cost of fundraising in the Bishop's Appeal and the Development Directors business expenses. All fund raising expenses are addressed in this budget line including Bishop's Appeal for the Bishop Claggett Center.

123. Stewardship-Planned Giving.....\$5,000

Materials, publications, communications and mailings to congregations. Also includes an inaugural legacy reception for those who have included their parish or Diocese in their will.

124 - 126. Stewardship and Finance Staff Costs.....\$334,211

These lines represent the compensation of stewardship and finance diocesan staff (\$327,111). Mileage reimbursement, travel expenses, and other business expenses of the Stewardship and Finance Staff. (\$3,500) Professional expenses are included in the amount of \$3,600. Classified in this expense is continuing education and attendance at seminars and conferences.