



The
Episcopal Diocese
of New York

2015 Proposed Diocesan Budget: Narrative

2015 Narrative Budget

Presented to the 2014 Convention of the Diocese of New York
By the Budget Committee of the Diocese of New York

INTRODUCTION

This Narrative Budget is designed to be read as a companion to the 2015 Budget. The Narrative Budget offers detail about the individual lines in the Budget Spreadsheet. In Section 1, Executive Summary, we look at the past year and ahead to 2015, and all major changes from last year's budget are discussed. In Section 2, Receipts, detail is offered for every income line in the budget. In Section 3, Disbursement, detail is offered for every expense, office, program, grant, and mission. Where applicable, the assigned staff members for each program, mission, or office are included.

If you have questions or concerns that require a more detailed explanation of a specific office or program, please contact the appropriate staff member or the Chair of the Budget Committee.

The Budget Committee met numerous times throughout the summer of 2014. Budget meetings took place in person and by phone. Additionally, there was a significant amount of Budget Committee email correspondence throughout the summer. We are very grateful to the time and energy that Mr. McPherson, Mr. Barnett, and Mr. Acuzar, the staff members who were assigned to assist the Committee, put in working with the Committee this summer.

The Budget Committee was appointed by the Right Reverend Andrew M. L. Dietsche to provide a budget for 2015. Members of the Committee:

The Rev. Keith Johnson
Sister Faith Margaret, CHS, *Treasurer of the Diocese of New York*
The Rev. Kathleen Liles
The Rev. Betty McWhorter
The Rev. Matthew Mead, *Chair of the Budget Committee*
Ms. Marsha Ra
Mr. Tom VanWort

Staff assigned to support the Committee:

Mr. Michael McPherson, *Interim CFO (June 2014 to present)*
Mr. Allen Barnett, *CFO (officially through June 2014, but also as needed in July & August)*
Mr. Roget Acuzar, *Controller*

This report is divided into three major sections:

- 1) Executive Summary**
 - 2) Narrative Detail for Receipts**
 - 3) Narrative Detail for Disbursements**
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SECTION 1: EXECUTIVE SUMMARY

INTRODUCTION OF EXECUTIVE SUMMARY

The Budget Committee report to the 2013 Diocesan Convention anticipated that “2014 would be a transition year where the Diocese would prepare for the challenges of the future.” In his address at that 2013 Convention Bishop Dietsche addressed the transitions that would take place by outlining the ways that the makeup and function of the Diocesan staff would be altered over the course of 2014, and indeed 2014 saw the elimination of several diocesan staff positions, retirements and departures of a number of diocesan staff members, and the creation of several new diocesan staff positions.

The 2013 Convention passed the 2014 Diocesan Budget with the knowledge that these planned transitions would require midyear adjustment to numerous lines in the 2014 budget. These adjustments are reflected in the 2014 Estimated Projection. Overall the 2014 Estimated Projection notes a 2% increase in disbursements, the bulk of which is caused by two things: 1) the lack of provision for Medical Insurance Increases in the 2014 Budget (this provision is included in the 2015 Budget) and 2) the temporary duplication of staff members when an outgoing staff person and an incoming staff person overlapped.

The 2015 Budget builds upon the transition that was accomplished in 2014. For that reason, it is impossible to understand the 2015 Budget without first understanding the adjustments that were made throughout 2014. Therefore, this executive summary will examine each line that was adjusted in 2014, explain the adjustment, and then explain any changes budgeted for 2015.

RECEIPTS – NET ASSESSMENTS

For this budget we have displayed Gross Assessments, Projected Unpaid Assessments, and Net Assessments. Thus: Gross Assessments + (Projected Unpaid Assessments) = Net Assessments.

For 2015 we project that 20% or \$1,873,800 of Assessments will not be paid. A very significant portion of this amount is due to the fact that several of the largest assessment congregations were forced to temporarily reduce their assessment contributions. The Adjustment Board, the Bishop, the retired CFO, and the interim CFO have been in regular dialogue with these congregations. We had hoped that several would be on track to pay more of their assessments by 2015, but that hope has not yet become reality. The expected increase from one of these congregations has been delayed until 2016 (e.g. a newly negotiated rental agreement assures that payment will increase considerably, as well as full payment of arrears). The others remain in regular dialogue with the Adjustment Board, the Bishop, and the Interim CFO. As of December 31, 2013, total Assessment arrears were approximately \$5,065,000.

RECEIPTS – CONGREGATIONAL SUPPORT PLAN CONTRIBUTIONS & PROJECTED UNPAID CSP CONTRIBUTIONS

For this budget we have displayed Gross CSP Contributions, Projected Unpaid CSP Contributions, and Net CSP Contributions. Thus: Gross CSP Contributions + (Projected Unpaid CSP Contributions) = Net CSP Contributions.

We project that 32% of our CSP Contributions will not come in. The Diocese is attempting to address this ongoing reality by finding more appropriate ways of supporting congregations that might be called strategic missions. As of December 31, 2013, total Unpaid CSP arrears are approximately \$660,000.

RECEIPTS – ALLOCATION FROM INVESTMENT INCOME & RENTAL INCOME

Allocation from Investment Income represents the income from investments controlled by the diocese. The lines for “Investment income” and “Rental income” were adjusted to reflect the still ongoing sale of

buildings on West 108th Street. We expect the sale to increase the Diocese investment portfolio to allow for an increased draw of \$555,000 in 2015.

RECEIPTS – TRUST INCOME

Trust Income represents income the diocese receives from Trusts not under the control of the diocese – nearly all of them are controlled by the Trustees of Estate and Property (aka DIT). Previously income from these Trusts was used as an auxiliary monetary account to cover unexpected expenses. The Trustees suggested that it be incorporated in the budget, and it is incorporated into the 2014 Projected Estimates and the 2015 Budget.

RECEIPTS – FEE INCOME

This is the income from a variety of fees, for example: Payroll processing, income from the Cathedral (while we pay the Cathedral for being on the Close, they pay us some money for providing services such as the Mail room, etc.) etc. Fee income from Diocesan Convention is listed as a negative expense below the expense line for Diocesan Convention (see disbursements lines 75 and 76).

RECEIPTS – TRANSFER FROM DIOCESAN RESERVES

The 2015 budget reduces the drawdown on reserves from \$353,000 to \$274,000. The decision once again to draw down on reserves was not an easy one. That said, we are satisfied that we are moving in the right direction by planning to draw down \$79,000 less from the reserves. Additionally, because 2014 is expected to end in a deficit, we anticipate our net drawdown from the reserves in 2015 to be far less than 2014.

The continued drawdown from reserves is directly related to the fact that our Assessment and CSP Contributions are underpaid. For this reason we are forced to choose either to draw down on our reserves or cut support to our congregations (staff support, direct support to congregations, CSP, grants, etc.). We have chosen to draw from reserves because we do not think that the already reduced support offered to our congregations should be decreased any further.

RECEIPTS – TOTAL OPERATING INCOME

Overall, income is expected to increase slightly. For additional, expanded detail on all receipts see Section 2 below.

DISBURSEMENTS – MISSIONS AND PROGRAMS OUTSIDE THE DIOCESE

In 2015 the only planned budget change is an increase of \$18,000 in our Contribution to TEC/ECUSA. All other lines under “MISSIONS AND PROGRAMS OUTSIDE THE DIOCESE” are budgeted as in 2014. Details are below.

Line 6: Contribution to TEC/ECUSA

The contribution from the Diocese of New York (EDNY) to the Episcopal Church (TEC) is again budgeted to move toward full payment of our Asking to TEC.

- In 2013 EDNY paid 81% of its requested Asking to TEC. In 2014 EDNY paid 84% of its requested Asking to TEC.
- In 2015 funding is increased to 86% or \$850,000 in 2015.
- The Asking to TEC percentage is expected to be reduced at the 2015 General Convention, and the budgeted 2015 contribution is expected to cover more than 100% of the Asking to TEC in 2016.

Line 9: Social Concerns

This is projected to be over budget by \$7,000 in 2014. We do not anticipate any lines under “MISSIONS AND PROGRAMS OUTSIDE THE DIOCESE” to be over budget in 2015.

Lines 10 & 11: Global Mission & Christian Formation for Youth/Young Adults

These are projected to be under budget in 2014. For 2015, both are budgeted as in 2014.

DISBURSEMENTS – DIRECT SUPPORT PROVIDED CONGREGATIONS

Several lines under “DIRECT SUPPORT PROVIDED TO CONGREGATIONS” are projected to increase or decrease for a net decrease of approximately \$151,000 in 2014. An additional net decrease of approximately \$39,000 is budgeted for 2015. Details on these changes are below.

Line 16: Assistance Provided to CSP Congregations

2014 Estimated Projection:

- Projected to decrease by \$350,000. This reflects fewer full/part time clergy serving congregations in the Plan. Supply priests are not covered by the Plan.

2015 Budget:

- Funding is decreased another \$250,000. The additional decrease is because some congregations currently receiving financial support from the CSP are budgeted to receive financial support from the Regional Pastorate line (line 20 below).

Line 17: The Harlem Initiative

2014 Estimated Projection:

- The line “Harlem initiative” is projected to increase approximately \$127,000. This money was spent on clergy coverage at three Harlem congregations. This was an increase from one priest in 2013.

2015 Budget:

- Increased to continue to support the presence of clergy at three churches in Harlem.

Line 20: Regional Pastorate

2014 Estimated Projection:

- The line “Regional Pastorate” was added in mid 2014 and funded at approximately \$33,000. This is money spent on clergy coverage in Mount Vernon and was outlined in the Bishop’s address in 2013.

2015 Budget:

- Increased to support the presence of clergy at regional pastorates in Mount Vernon and Sullivan County throughout 2015. This increase offsets a similar decrease in the CSP (Line 16 above).

Line 22: Hispanic Compensation

This line has been adjusted every year to reflect automatic increases in compensation and healthcare coverage.

2014 Estimated Projection:

- Increased to cover projected compensation and benefits.

2015 Budget:

- Budgeted to cover projected compensation and benefits.

Line 23: Growth Transitional Grants

2014 Estimated Projection:

- Under budget by approximately \$16,500 because the entire grant was not used.

2015 Budget:

- Budgeted at 2014 levels.

DISBURSEMENTS – MISSIONS AND PROGRAMS TO THE DIOCESE

2014 Estimated Projections include a 3% salary increase (except the Bishop) and increased costs for healthcare benefits for all staff members. This 3% increase was strongly recommended in 2013 by the Budget Committee, Diocesan Council, and spoken in favor of on the floor of Convention.

Several lines under “MISSIONS AND PROGRAMS TO THE DIOCESE” are projected to increase or decrease for a net increase of approximately \$12,000 in 2014. An additional net increase of approximately \$89,000 is budgeted for 2015. The lines for CSP Coordinator, Archdeacon for Mission, Canon for Transition Ministry, Canon for Ministry, Mid Hudson, and Property Support were adjusted in 2014 to cover projected office expenses, compensation and benefits. These lines were all budgeted for 2015 at 2014 Estimated Projection levels. Details on any other changes are below.

Line 30: Congregational Development

2014 Estimated Projection:

- Not funded because the positions of two halftime Canons for Congregational Development were eliminated prior to 2014 (as announced by the Bishop at 2013 Convention).

2015 Budget:

- All funding for this line now supports the work and programs offered by the Congregational Development Commission.

Line 31: Canon for Congregational Vitality

2014 Estimated Projection:

- A line for this new position was added and funded for part of the year (as announced by the Bishop at 2013 Convention).

2015 Budget:

- Funded for a full year.

Line 32: Campus Ministry

2014 Estimated Projection:

- Increased to cover chaplains at New Paltz and Vassar.

2015 Budget:

- Budgeted at 2014 Estimated Projection levels.

Line 33: Canon for Christian Formation

2014 Estimated Projection:

- This position was eliminated in mid 2014 funded for only half of the year (as announced by the Bishop at 2013 Convention).

2015 Budget:

- Not funded.

Line 37: Canon for Pastoral Care

2014 Estimated Projection:

- A line for this new position was added and funded for the entire year (as announced by the Bishop at 2013 Convention).

2015 Budget:

- Budgeted at 2014 Estimated Projection levels.

DISBURSEMENTS – EPISCOPATE AND SUPPORT

2014 Estimated Projections include a 3% salary increase (except the Bishop) and increased costs for healthcare benefits for all staff members. This 3% increase was strongly recommended in 2013 by the Budget Committee, Diocesan Council, and spoken in favor of on the floor of Convention.

Several lines under “EPISCOPATE AND SUPPORT” are projected to increase or decrease for a net increase of approximately \$138,000 in 2014. A net decrease of approximately \$130,000 from the 2014 Estimated Projections is budgeted for 2015. Details on any changes are below.

Line 43: Bishop Dietsche

2014 Estimated Projection:

- Increased to cover projected compensation and benefits.

2015 Budget:

- Budgeted at 2014 Estimated Projection levels.

Line 44: Bishop Shin

2014 Estimated Projection:

- Increased to cover projected compensation and benefits for part of a year.

2015 Budget:

- Increased to cover a full year of compensation and benefits.

Line 45: Bishop Knudson

2014 Estimated Projection:

- Decreased to cover projected compensation and benefits for part of a year.

2015 Budget:

- Not funded.

Line 46: Bishop's Office

2014 Estimated Projection:

- Increased to cover projected office expenses, compensation, and benefits.

2015 Budget:

- Budgeted to 2014 Estimated Projection levels.

Line 47: Bishop Suffragan's Office

2014 Estimated Projection:

- Decreased to cover projected office expenses, travel expenses, compensation and benefits.

2015 Budget:

- Budgeted for a full year.

Line 48: Assistant Bishops' Office

2014 Estimated Projection:

- Increased to cover projected office expenses, compensation and benefits.

2015 Budget:

- Not funded.

Line 50: Shared Travel

2014 Estimated Projection:

- This line is over budget by \$14,000. Most of this is due to increased expenses from the House of Bishop's meeting in Taiwan.

2015 Budget:

- Budgeted to cover standard travel for two Bishops including General Convention.

Line 51: Canon to the Ordinary

2014 Estimated Projection:

- Changes in personnel of the Canon to the Ordinary required duplication of staff when the outgoing staff person and the incoming staff person overlapped which resulted in one-time expenses that are not reflected in the 2015 budget.

2015 Budget:

- Budgeted (without any staff duplication) to cover projected office expenses, compensation and benefits.

DISBURSEMENTS – DIOCESAN ADMINISTRATION

2014 Estimated Projections include a 3% salary increase (except the Bishop) and increased costs for healthcare benefits for all staff members. This 3% increase was strongly recommended in 2013 by the Budget Committee, Diocesan Council, and spoken in favor of on the floor of Convention.

Several lines under "DIOCESAN ADMINISTRATION" are projected to increase or decrease for a net increase of approximately \$78,000 in 2014. A net decrease of approximately \$26,000 from the 2014 Estimated Projections is budgeted for 2015. The lines for Office Services – Compensation, Public Affairs & Archives – Compensation, Office Services, IT Expenses, Public Affairs Expenses, Episcopal New Yorker, Overhead and Fixed Obligations, Web Management, Archives were adjusted in 2014 to cover projected office expenses, compensation and/or benefits. These lines were all budgeted for 2015 at 2014 Estimated Projection levels. Details on any other changes are below.

Line 56: Administration - Compensation

2014 Estimated Projection:

- Changes in personnel of the Chief Financial Officer required duplication of staff when the outgoing staff person and the incoming staff person overlapped which resulted in one-time expenses.

2015 Budget:

- Budgeted to cover projected compensation and benefits (there is staff duplication for half of 2015).

Line 59: Administration Expenses

2014 Estimated Projection:

- Professional expenses were higher than anticipated in 2013.

2015 Budget:

- Budgeted at 2014 Estimated Projection levels.

DISBURSEMENTS – CATHEDRAL COST SHARING AND RENT (LINE 68)

No change from the 2014 Estimated Projections is budgeted for 2015.

DISBURSEMENTS – PROVISION FOR MEDICAL INSURANCE INCREASES (LINE 70)

This was not budgeted in 2014, which accounted for a portion of any increase in 2014 Estimated Projections for a given office. In 2015 we have budgeted \$78,000 which is 10% of the total health insurance cost for the current year for the entire staff and also salaries paid through some grant and support programs (Hispanic Grants, etc.).

DISBURSEMENTS – CONVENTION COSTS AND MEETINGS

Several lines under “CONVENTION COSTS AND MEETINGS” are projected to decrease by a net total of approximately \$43,000 in 2014. A net increase of approximately \$13,000 from the 2014 Estimated Projections is budgeted for 2015. The lines for Delegates to Provincial Synod, Journal and Directory were adjusted in 2014 to reflect actual expenses. Both lines were budgeted for 2015 at 2014 Estimated Projection levels. Details on any other changes are below.

Line 75 & 76: Diocesan Convention & Diocesan Convention (Fee Income)

2014 Estimated Projection:

- The 2014 Convention is in Tarrytown, and more fees are anticipated.

2015 Budget:

- The 2015 Convention is assumed to take place at the Cathedral. Both fee income and the cost of the Convention are decreased.

DISBURSEMENTS – RESERVES

Several lines under “RESERVES” were increased by a net total of about \$5,000 in 2014. The Trustees increased these lines with projected savings from CONVENTION COSTS AND MEETINGS. A net increase of \$4,000 from the 2014 Estimated Projections is budgeted for 2015.

Line 84: Reserve for Future Episcopal Elections

2014 Estimated Projection:

- The trustees increased this line to begin to build up reserves for future elections which were depleted following two Episcopal elections. The midyear increase was made by using projected savings from CONVENTION COSTS AND MEETINGS.

2015 Budget:

- The line for Reserve for Future Episcopal Elections is budgeted with an additional increase to build up reserves for future elections which were depleted following two Episcopal elections. The Budget Committee strongly encourages the 2016 Budget Committee to increase this line next year.

Line 85: Reserve for Lambeth Conference

2014 Estimated Projection:

- The trustees increased this line to begin to build up adequate reserves for the next Lambeth Conference. The midyear increase was made by using projected savings from CONVENTION COSTS AND MEETINGS.

2015 Budget:

- The line is budgeted with an additional increase to build up adequate reserves for the next Lambeth Conference.

CONCLUSION OF EXECUTIVE SUMMARY

The 2015 Budget builds on the transitions begun in 2014 and it is a financially sound budget:

- The EDNY Contribution to TEC/ECUSA moves closer to full payment of our Asking to The Episcopal Church, and we expect changes enacted at General Convention in 2015 will ensure that we can pay 100% of our Asking in 2016 without further increasing our contribution.
- Aside from the CFO, no staff transitions for the coming year have been announced, and it is not expected that there will be significant overlap of staff during that transition.
- The majority of existing offices, programs, grants, and ministries are budgeted at the levels projected for 2014.
- Expected decreases in certain areas of direct support for congregations (e.g. the CSP) are offset by increases in other areas of direct support for congregations (e.g. Regional Pastorate, Harlem Initiative, etc.).
- A Provision for Medical Expense increases has been included in the 2015 budget.
- A significantly smaller draw on Diocesan Reserves is budgeted.
- Reserves funds are budgeted at levels that will ensure they will be available when needed.

We are very optimistic looking ahead to 2016:

- The 2015 Budget allows the diocese to continue to support the ministries, missions, and programs that our congregations rely on, and also fund and expand the transitions begun in 2014.
 - The Bishop, CFO, and Adjustment Board anticipate increased Assessment payment from one of our larger churches and continue to work with others.
 - It is anticipated that the diocese will be able to pay 100% of our Asking to TEC in 2016, with some money to spare.
 - All of that should enable the diocese to again decrease our draw on reserves (ideally to \$0).
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SECTION 2: NARRATIVE DETAIL FOR RECEIPTS

Assessments and Projected Unpaid Assessments

These two lines are to be understood together. The first line (Assessments) is the full amount assessed or modified by the Adjustment Board. The second line (Projected Unpaid Assessments) is the amount the diocese does not expect to receive; this is a negative line item and reflects a bad debt expense. If every congregation paid its full/appealed assessment, then this amount would disappear. Prior to the 2015 budget, Projected Unpaid Assessments was netted with Assessments. We have chosen to list the entire amount assessed to make it clearer that about 20% is not being paid by congregations.

The Congregation's Apportioned Share (see Canon 18, Section 1.2, of the Canons of the Diocese of New York) is commonly called an assessment. The assessments of the Diocese of New York make up the vast majority of the income for each year's annual budget. Unlike some dioceses the Diocese of New York does not have voluntary assessments; unlike The Episcopal Church and the Provincial Synod the Diocese of New York also does not have a suggested asking amount.

The assessment which is calculated for each congregation is based on a formula agreed upon by resolution of Diocesan Convention and set forth in the Canons of the Diocese of New York and applied to that congregation's average Normal Operating Income (as defined in Canon 18, Section 2.3, of the Canons of the Diocese of New York) for the last two years. According to Canon 18, Section 2.1, of the Canons of the Diocese of New York, the Apportionment Formula for assessment is:

- 4% of income from \$1 to \$50,000, plus
- 10% of income from \$50,000 to \$200,000, plus
- 15% of income from \$200,000 to \$500,000, plus
- 20% of all income above \$500,000

The Trustees are authorized from time to time to increase the dollar amounts that divide the brackets in the above formula to take into account inflation in the cost of the major items making up the budgets of congregations in the Diocese of New York.

Payments of assessments are due quarterly. Consequences for non-payment are determined by resolution of Convention and set forth in detail in Canon 18, Section 4, of the Canons of the Diocese of New York.

Any congregation may appeal its assessment to the Adjustment Board, a Committee of the Diocesan Board of Trustees (see Canon 18, Section 1.3, of the Canons of the Diocese of New York); the Adjustment Board will affirm or reduce a congregation's assessment at a requested hearing. Any congregation may appeal the Adjustment Board's decision to the Trustees.

Congregational Support Plan Contributions and Projected Unpaid CSP Contributions

These two lines are to be understood together. The first line (Congregational Support Plan Contributions) is the full amount "assessed" to CSP congregations. The second line (Projected Unpaid CSP Contributions) is the amount the diocese does not expect to receive; this is a negative line item and reflects a bad debt expense. If every CSP congregation paid its full contribution, then this amount would disappear. Prior to the 2015 budget, Projected Unpaid CSP Contributions was netted with Congregational Support Plan Contributions. We have chosen to list the entire amount assessed to make it clearer that about 32% of the amount assessed is not being paid.

The Congregational Support Plan (see Canon 18, Section 3, of the Canons of the Diocese of New York) helps to provide clergy for a number of congregations in the Diocese of New York. Congregations in the Plan receive money from the Diocese to help pay the salary and benefits of their priest. Congregations in

the Plan do not pay an Apportioned Share or assessment, but they do pay into the Plan 50% of their Normal Operating Income. Going into 2015 a number of congregations in the Plan do not have full or part time clergy serving, but rather are served by supply priests. Supply priests are not covered by the Plan, so those congregations do not receive anything from the Plan, nor do they pay into the Plan.

A total of 64 congregations have been in the CSP since its inception. Since 2009, the number of congregations being supported by the plan has decreased: 52 congregations as of January 1, 2009; 40 congregations as of January 1, 2010; 36 Congregations as of January 1, 2011; 31 Congregations as of January 1, 2012; 28 Congregations as of January 1, 2013; 27 Congregations as of January 1, 2014.

Allocation from Investment Income

The Diocese has an unrestricted investment portfolio of approximately \$17 million at December 31, 2013. In 2014, a draw down from a portion of these funds, based on the guideline of 4.5% of the 3 year moving average principle, is included in the diocesan budget.

The remainder of the investment portfolio consists of restricted or dedicated funds, meaning that money from those funds can only be used in certain ways. This income is not the purview of the Budget Committee and is not included in the budget.

With the expected sale of the 108th Street property (see Rental Income below for details), we anticipate the total amount in the portfolio to increase significantly. Details on that amount are not available until after the sale.

Rental Income

The diocese owns a property on 108th street which had been rented for an approximate annual income of \$500,000. When the tenant informed the diocese that it would not renew for 2014, other options were explored for the property by a taskforce. The taskforce determined that it was financially untenable to renovate a property for potential diocesan use or for another potential tenant. The taskforce determined that selling the property is the best option and the increase to annual diocesan investment income should more than offset the income lost from rent. Sale of any diocesan property must be approved by the Bishop and the Trustees and is not the purview of the Budget Committee. We expect the sale to increase the Diocese investment portfolio to allow for an increased draw of \$555,000 in 2015. We anticipate that the sale to be complete by the end of 2014.

Trust Income

Trust Income represents income the diocese receives from Trusts not under the control of the diocese – nearly all of them are controlled by the Trustees of Estate and Property (aka DIT).

Fee Income

This is the income from a variety of fees, for example: Payroll processing, income from the Cathedral (while the Diocese pays the Cathedral for being on the Close, the Cathedral pays the Diocese some money for providing services such as the Mail room, etc.) etc. Fee income from Diocesan Convention is not listed here. Fee income from Diocesan Convention is listed as a negative expense on the line below the expense line for Diocesan Convention.

Transfer from Diocesan Reserves

The Diocese has an unrestricted reserve account of approximately \$4,200,000. When there is a surplus, the reserves are built up. When there is a deficit, the deficit is drawn from the reserves.

SECTION 3: NARRATIVE DETAIL FOR DISBURSEMENTS

MISSIONS & PROGRAMS OUTSIDE DIOCESE

Contribution to TEC/ECUSA

As the congregations in the Diocese of New York have canonically agreed to support the Diocese through each congregation's apportioned share, so too the Dioceses have agreed to support The Episcopal Church. Since 2009, the Diocese of New York has not paid the full percentage of its Asking to The Episcopal Church.

The Episcopal Church passes a three year budget at each General Convention and includes a formula for calculating the asking of each diocese for those three years. In 2009, the three year budget that was passed asked for varying amounts for each year (from 21% to 20% of the operating budget of each diocese). In 2012 the Asking of The Episcopal Church was set at 19%. It is expected that the Asking of The Episcopal Church will be lowered by the 2015 General Convention to 16% beginning in 2016.

Note: the formula is more complicated than a simple percentage: there are exceptions, averages of years, a lag time, and a number of different things that complicate how each diocese's operating budget is calculated, and the asking is the agreed on percentage of that final calculated amount. Because the formula operates on a two year lag (for example, the 2014 assessment is based on 2012 numbers), and because there is no mechanism for appealing an Asking at the (inter)national level, The Episcopal Church assumes a far greater amount of financial stability than reality sometimes allows.

When confronted with the economic crash in 2008, the Budget Committee was unable, due to the Canons of the Diocese, to modify the 2009 Budget prior to Convention. The budget passed with the knowledge that it would be dramatically changed, as allowed by Canon law, by the Trustees of the Diocese. The Trustees of the Diocese did in fact make a number of major adjustments to the budget throughout 2009. Many of those changes continued to be reflected in the budgets prepared for the years following 2009. One such change included lowering the amount paid to The Episcopal Church, and that change was made in part because, according to the Chief Financial Officer of the Diocese of New York, the diocese overpaid our Asking to the Episcopal Church for a number of years.

In 2008 the Diocese of New York paid \$1,525,000 to The Episcopal Church. The 2008 Diocesan Convention passed a budget planning to pay \$1,698,691 to The Episcopal Church in 2009. In fact, we paid \$1,328,000 which required dipping deeply into our limited investment reserves and endowed funds. In 2010 we budgeted \$950,000 and paid \$900,000. In 2011 we budgeted and paid \$700,000. In 2012 we budgeted and paid \$600,000. It is important to note that the entire budget of the diocese also decreased dramatically over these years. This change was made out of necessity, not because The Episcopal Church asking was expendable or considered a discretionary expense. One can make the argument that The Episcopal Church asking is too high, or that the money The Episcopal Church spends should be spent on other things, but we strongly believe that those arguments ought to take place within the forum of General Convention as our ecclesiology and polity require, and as such they should be made to our Deputies to General Convention and the Bishops of the Diocese of New York so that they can bring such concerns to The Episcopal Church.

Going into 2013, the diocese could no longer make the case that it had overpaid, and the Budget Committee, with full support of the Bishops, believed that it was important for the Diocese of New York to move towards paying its full asking. In 2012 the diocese paid \$600,000 which was about 58% of the asking. In 2013 the diocese paid \$750,000 which was about 81% of the asking. In 2014 the diocese will

pay \$832,000 which is about 84% of the asking. In 2015 budget continues movement toward paying the full asking: \$850,000 represents 86% of the asking.

The overall Asking percentage is expected to be reduced by General Convention in 2015, and it is anticipated that the budgeted increase in 2015 will more than cover 100% of our Asking in 2016.

Ecumenical and Multi-faith Councils

The Venerable William C. Parnell, Archdeacon for Mission

This line was formerly titled "Council of Churches". The line has been renamed to more accurately reflect its purpose. The Diocese of New York is by charter a member of both the New York State Council of Churches and the Council of Churches of the City of New York, which include other Protestant and Orthodox churches. The Archdeacon represents the Bishop on both the city and state councils. The councils engage in ecumenical dialogue on subjects of common concern and then translate that dialogue into engagement with city and state government on important issues of public policy. The New York State Council of Churches has been an important advocate for economic justice, criminal justice, anti-violence initiatives and environmental stewardship, and the Council is the credentialing body for chaplains in NYS correctional facilities and other state institutions. Our presence on these councils is highly valued. In addition to these bodies, the Archdeacon has in recent months been involved in the creation of a new multi-faith council of religious leaders for the City of New York. This new organization will share in funding from this line as its formation progresses.

Provincial Synod

The Venerable William C. Parnell, Archdeacon for Mission

This line helps cover expenses associated with the work of Province II. The figure is determined by a formula. The full asking was budgeted in the 2013 and 2014 budgets after five years of partial funding. The full asking is also budgeted for 2015. Our Province II assessment has to do with our faithfulness to the wider Episcopal Church and should be maintained in full. The purpose and mission of Province II, the International Atlantic Province, is to foster and support the Church's mission and ministry in a regional coalition of the Dioceses in the States of New York and New Jersey, Haiti and the Virgin Islands, and the Convocation of Episcopal Churches in Europe, by providing regular channels and systems of communication, promotion, support, education and fellowship.

Social Concerns

The Venerable William C. Parnell, Archdeacon for Mission

The Social Concerns Commission includes membership in national and local organizations that promote important social witness by the diocese. In addition to the work of various committees, this line item includes our support of the Millennium Development Goals (General Convention in 2006 recommended 0.7% as an appropriate amount of each diocesan budget through 2015). Some of the Social Concerns Commission's areas of focus include children's advocacy, anti-racism conversations, study of reparations for slavery, LGBT concerns, protection of the environment, and domestic violence prevention and awareness.

Global Mission

The Venerable William C. Parnell, Archdeacon for Mission

The Global Mission Commission coordinates and encourages our partnerships around the world including Tanzania, India, the Diocese of Jerusalem and the Middle East, Haiti, and the Diocese of London. It works with the local Asia-America Ministry and Metropolitan Japanese Ministry, as well as our Global Women's Fund (which supports higher education for women) and the Global Hospitality Fund (which assists with welcoming Anglican guests who are visiting our diocese). The Commission also provides support for Young Adult Service Corps interns from the Diocese of New York who serve overseas. The work of the Global Mission Commission is being restructured to form networks for congregations and

individuals who are involved (or wish to be involved) in particular regions of the world. The Commission itself will be composed of persons with significant experience in global partnerships, and will focus on training us all to be better mission partners, promoting opportunities for young persons such as the Young Adult Service Corps and Episcopal Service Corps, and raising funds for major grants to our partner dioceses and organizations.

Christian Formation for Youth and Young Adults

The Right Reverend Allen K. Shin, Bishop Suffragan of New York

This line was formerly titled “Christian Education”, but it was renamed for clarity. This line supports the annual Diocesan Summer Youth Conference at Incarnation Camp through scholarships, camp nurse and transportation. It also supports the Episcopal Service Corps in the Diocese of New York. Episcopal Service Corps is a program for young adults, who intern at congregations in the diocese. The program helps them discern their call to their life's work, and it assists them in developing the skills needed for a life of service. The Christian Formation Office also provides seed money to start new internship programs at congregations within the diocese and supports the interns in the form of a year-end stipend.

Rural and Migrant Ministry

The Venerable William C. Parnell, Archdeacon for Mission

Rural and Migrant Ministry is a multi-faith organization founded by the Diocese of New York and serving rural and migrant people in New York State since 1981 through programs of youth empowerment, education, and accompaniment, and legislative reform. It is an extremely important church organization which works throughout New York State to protect migrant workers. The Rev. Richard Witt, its Executive Director, is recognized as a leader in the area of justice for farm workers, and the organization also had a very important role in education and youth empowerment. In addition to funding support from the Diocese of New York, contributions are made from a variety of religious traditions and represent most regions of the State.

DIRECT SUPPORT PROVIDED CONGREGATIONS

Assistance Provided to CSP Congregations

The Rev. Dr. Richard Sloan, Plan Coordinator and Stewardship Officer

This line funds salary and benefits for parish clergy in the Congregational Support Plan (CSP). The CSP includes a number of congregations that are not yet self supporting. In exchange for clergy compensation Congregational Support Plan congregations make payments of 50% of their Normal Operating Income to the Assessment Budget. See *Congregational Support Plan* above in the *Receipts* section for more information.

The Harlem Initiative

The Venerable William C. Parnell, Archdeacon for Mission

This line funds a clergy presence at several churches in Harlem. In 2014 funding supported priests at two churches in Harlem. In 2015 it is anticipated that funding will support a third congregation in Harlem. The Harlem Initiative is part of the Bishop's strategic vision to stabilize and build up the Episcopal Church presence in Harlem.

First Step Grant

The Rev. Canon Altigracia Perez-Bullard, Canon for Congregational Vitality

A First Step Grant acts as a catalyst for a congregation that is seriously committed to taking the first substantive steps toward a long-term growth strategy. Funds are awarded to support strategic activities that will result in quantifiable spiritual and numerical growth within congregations. First Step grants are not intended for general operation, on-going program support, or benevolence. Applications are made through the Congregational Development Commission. In 2014 seven grants were awarded.

Next Step Grant

The Rev. Canon Altagracia Perez-Bullard, Canon for Congregational Vitality

A Next Step Grant is given to support a congregation making the transition from pastoral to program size by providing temporary, partial funding for an assistant clergyperson. Between 2009 and 2011 Christ Church, Warwick, received a grant for an assistant clergyperson. No grant was awarded in 2012 or 2013. In 2014 Christ Church, Stone Ridge, received a grant to help support a “millennial missionary”.

Hispanic Ministries

The Rev. Canon Altagracia Perez-Bullard, Canon for Congregational Vitality

The Hispanic Grants Committee, a subcommittee overseen by the Congregational Development Commission, meets to disburse these grants to Spanish-language/cultural congregations within the diocese. In 2011, five Hispanic Ministries Grants were awarded for \$38,399.99 for things other than clergy compensation and benefits. In 2012, six Hispanic Ministries Grants were awarded for \$45,080 for things other than clergy compensation and benefits. In 2013, thirteen Hispanic Ministries Grants were awarded for \$74,936 to fourteen congregations. In 2014, eleven Hispanic Ministries Grants were awarded for \$75,000 to 14 congregations.

Hispanic Compensation

The Rev. Canon Altagracia Perez-Bullard, Canon for Congregational Vitality

This line funds Hispanic clergy compensation and benefits as determined by the Hispanic Grants Committee, a subcommittee overseen by the Congregational Development Commission. In 2011 six Hispanic Ministries Grants were awarded for clergy compensation and benefits for a total of \$219,543.08. In 2012 nine Hispanic Ministries Grants were awarded for clergy compensation and benefits for a total of \$341,934.57. In 2013 nine congregations received clergy support for a total of \$314,500. In 2014 ten congregations received clergy support for a total of \$392,773. The line has increased most years to reflect a growing concern for Hispanic ministry in the Diocese of New York and also because the benefits (primarily healthcare) it supports have increased each year.

Transitional Growth Grants

The Venerable William C. Parnell, Archdeacon for Mission

This line is given at the discretion of the Bishop to support congregations that are going through growth transitions. In 2014 it supported a church in Region 2, as it transitioned from a half-time clergy presence to a full-time clergy presence.

MISSIONS AND PROGRAMS TO THE DIOCESE

Property Support Grants

Mr. Michael Rebic, Director of Property Support

Details for 2014 will be available at year’s end. In 2013, Property Support awarded 59 grants totaling \$416,000 to 49 congregations throughout the Diocese of New York. Eight energy grants were awarded to assist congregations in lowering utility bills and undertaking approved energy audits; and six material grants were made available to congregations whose members were willing to donate volunteer labor to undertake projects pre-approved by Property Support. The remaining grants funded various projects ranging from masonry work, heating systems, roof repair and replacement, steeple restoration, exterior painting, rectory renovations, and stained glass restoration. Also included in the above grants are 18 consulting grants made to congregations enabling them to hire outside expertise to evaluate conditions, help plan and prepare building documents as well as to supervise projects. In addition to the grant program, the Property Support Office also provided \$360,000 in loans to 11 parishes through the Revolving Loan Fund. As part of its mandate, the Property Support Office conducted site visits to parishes to investigate building-related problems and review proposed projects and provide technical

advice. Together with the Chancellor's Office and the Standing Committee, Property Support fielded numerous legal inquiries from parishes regarding questions ranging from the renting of parish properties, tenancy issues, to the sale of property. The Property Support Office also worked closely with the Standing Committee to develop guidelines for property matters under that committee's purview. In addition to the above, the Property Support Office also provided oversight for property owned by the diocesan Board of Managers; this included the sale of St. David's Church in Highland Mills. Property Support also participated in a variety of diocesan-sponsored workshops as well as provided staff support to the diocesan Environmental Committee.

Episcopal Charities

Ms. Mary Beth Sasso

Episcopal Charities, an independent 501(c)(3) foundation, supported 93 community outreach programs in 2013, in partnership with Episcopal congregations throughout the Diocese of New York. Programs are available to all persons in need regardless of faith or church affiliation. Grants are made to the following types of programs: Feeding, Skills Building, Health & Wellness, Children's Arts, Children's Academic Enrichment and Summer Recreation. These programs address locally identified needs and also serve as ready resources during times of particular urgency ... as they did following 9/11 and Hurricanes Irene and Sandy. In 2013 Episcopal Charities granted nearly one million dollars in funding to help sustain and strengthen programs. Financial support from the diocese is essential to soliciting funds from other sources.

CSP & Stewardship

The Rev. Dr. Richard Sloan, Plan Coordinator and Stewardship Officer

The Congregational Support Plan (CSP) Coordinator is the staff member and administrator of the CSP program who serves as the primary connector between the diocese and CSP congregations. The CSP Coordinator provides information to, supports, and assists the CSP Committee and its Chair. The CSP Coordinator advises the bishops regarding CSP congregations and leadership, and assists other diocesan staff in their ministries with CSP congregations. Expenses covered by this line include compensation and benefits for a full-time CSP Coordinator, travel expenses, office expenses, and the costs associated with Committee meetings. As the Stewardship Officer, he consults with congregations and individuals in the Diocese of New York regarding all forms of stewardship, including annual giving, capital campaigns, and planned giving. The Stewardship Officer works with clergy, vestries, and parish stewardship committees. Doctor Sloan also serves as the Episcopal Chaplain for Columbia University. More information on that is below.

Congregational Development

The position of Canon for Congregational Development has been removed. The Congregational Development Commission and the Canon for Congregational Vitality have oversight of Congregational Development. All funding for this line now supports the work and programs offered by the Congregational Development Commission.

Canon for Congregational Vitality

The Rev. Canon Altagracia Perez-Bullard, Canon for Congregational Vitality

The Canon for Congregational Vitality will provide leadership to the areas of Congregational Development and Latino Ministries in the Diocese. A more complete job description will be available after Canon Perez-Bullard has begun her work in the Diocese of New York.

Campus Ministry

The Right Reverend Allen K. Shin, Bishop Suffragan of New York

The Diocese of New York has chaplains at seven campuses within the Diocese of New York. The Committee for Campus Ministry supports the work of the current chaplains, advises the bishops regarding

Episcopal ministry to students, faculty and staff of various colleges within diocesan boundaries and serves as a resource about campus ministry for congregations within the diocese. Members of the Committee are appointed by the Bishop and serve three-year terms. The campuses currently being served include:

- Columbia University (in addition to his duties as the Stewardship Office and CSP Coordinator):
The Rev. Dr. Richard Sloan
- Cornell University - Weill Medical College (part-time): The Rev. Curtis W. Hart
- Manhattanville College (part-time): The Rev. Gawain de Leeuw
- Canterbury Downtown (Canterbury Club at New York University, New School, Cooper Union, Pace University) (full-time): The Rev. Mary Catherine Young
- State University of New York at New Paltz (part time): Temporarily vacant.
- United States Military Academy, West Point (part-time): The Rev. Judy Ferguson
- Vassar College (part-time): The Rev. Jennifer McG. Barrows

Expenses covered by this line provide compensation and benefits for the chaplains and program support.

Canon for Christian Formation

The Canon for Christian Formation position has been removed. The Bishops' Office has oversight of Campus Ministry and Christian Formation.

Archdeacon for Mission

The Venerable William C. Parnell, Archdeacon for Mission

The Archdeacon for Mission serves as advisor to, and representative of, the bishops regarding our witness to Christian ethics, mission and outreach. He assists the bishops in the development of strategic mission initiatives within the diocese, including regional partnerships and congregational development/redevelopment, and in focused mission initiatives that honor and celebrate the diversity of our diocese. The Archdeacon serves as the staff contact with the Social Concerns Commission, the Global Mission Commission, the Ecumenical and Interfaith Commission, the various committees that are under the aegis of those bodies, and other responsibilities as assigned. The Archdeacon is the primary representative of the Bishop and Diocese of New York to, the various denominations and faiths of New York State and the metropolitan area, host to ecumenical and interfaith visitors to the region, and liaison to city, state and federal officials. The Archdeacon, along with the bishop's office, is a primary contact for the Diocese of New York with The Episcopal Church and the rest of the Anglican Communion. The Archdeacon has been responsible for coordinating the Indaba process which began in 2013. Expenses covered by this line include compensation and benefits for a full-time Archdeacon, travel expenses, office expenses, costs associated with committee meetings, and the consultant who supports global partnerships.

Canon for Transition Ministry

The Rev. Canon Deborah Tammearu, Canon for Transition Ministry

Mr. Alito Orsini, Liaison, Ministry Office and Transition Ministry Office

This line item and office was formerly titled: "Deployment Officer". The Canon for Transition Ministry assists congregations searching for ordained leadership, helps oversee every search process, and advises clergy seeking placement. The Canon for Transition Ministry remains in contact with transition officers in other dioceses and manages such matters as background checks, Safe Church workshops, and other elements important to employment in the Diocese of New York. Expenses covered by this line include compensation and benefits for a full-time Canon for Transition Ministry, compensation and benefits for a half-time assistant (shared with the Office for Ministry who pays the other half), travel, workshops, and office expenses.

Canon for Ministry

The Rev. Canon Charles W. Simmons, Canon for Ministry

Mr. Alito Orsini, Liaison, Ministry Office and Transition Ministry Office

The Canon for Ministry works with the Bishop and the Commission on Ministry to assure that the selection and formation of future ordained leadership from within the Diocese meet the requirements and needs of the Church. The Canon for Ministry supports the Bishop in decision-making regarding Nominees (applicants), Postulants, Candidates and the newly ordained. With and on behalf of the Bishop, the Canon for Ministry guides and supports people in discernment for ordination to the priesthood and vocational diaconate, through the time of formation in seminary or the Diaconal Formation Program, and for two years after ordination. The Bishop and/or the Canon for Ministry visit annually with seminarians at their seminaries. The Office of Ministry annually prepares and sends application materials for financial aid grants to Postulants and Candidates, receives completed requests for funding, and the Canon for Ministry and members of the Commission on Ministry determine grants to individual seminarians from endowed funds for that purpose. The Canon for Ministry administers the Diaconal Formation Program, working with its Director. Grants for continuing education for clergy are also administered through this office. Expenses covered by this line include compensation and benefits for a full-time Canon for Ministry, compensation and benefits for a half-time assistant (shared with the Office for Transition Ministry who pays the other half), travel, workshops, Fresh Start Program for the newly ordained and costs for diocesan Discernment Conferences and Ordinations.

Canon for Clergy Pastoral Care

The Rev. Canon K. Jeanne Person, Canon for Pastoral Care

The Canon for Pastoral Care serves as the Bishop's first line of contact for pastoral concerns relating to diocesan clergy and their families. The ministry includes ongoing pastoral companionship, availability for confidential counseling, ministry in times of crisis such as illness, death or spiritual darkness, chaplaincy in times of alleged clergy misconduct, and referrals for therapists, spiritual directors and other resources for self-care. The Canon for Pastoral Care also assists the Bishop in preparation for sacramental ministry, such as by offering pre-marriage counseling for clergy and meeting with clergy to plan for the Bishop's parish visitations. Programmatically, the Canon for Pastoral Care seeks to develop workshops, retreats, and other opportunities helpful to clergy in their self-care and their own pastoral ministries. Expenses covered by this line include compensation and benefits for a full-time Canon for Pastoral Care, travel, meals and hospitality involving time with clergy, and office expenses.

Mid-Hudson Region

Ms. Val Stelcen, Executive Assistant to the Bishop

The Mid Hudson Regional Office coordinates the workings of the Region and assists in the day to day life of congregations in the Counties of Orange, Sullivan, Ulster, and Dutchess, which includes 59 congregations (including 3 Spanish language congregations). Expenses for this line include compensation and benefits for a full-time Regional Administrator, telephone, office expenses, utilities, mailings, travel reimbursements, meetings, conferences (clergy day, new clergy welcome, lay worship leader training, etc.), and approximately \$15,000 in program money.

Property Support Coordinator

Mr. Michael Rebic, Director of Property Support

The Director of Property Support formulates, implements, and manages the diocesan Property Support program and oversees real property held by the Board of Managers. The Director manages the diocesan grant and loan program, conducts site visits, works with clergy and congregational leadership in planning and implementing projects and identifying funding sources; evaluates grant and loan requests; reviews proposed work; provides technical assistance; develops program initiatives; reviews long-term real property transactions; serves as staff to the Property Support Committee; organizes workshops; assists congregations in the preparation of grant applications; produces technical documents and works

cooperatively with outside funding organizations seeking to preserve religious buildings. In addition, the Director oversees diocesan-owned investment properties, works closely with congregations applying to the Standing Committee for real property matters, advises the Bishop and Standing Committee concerning proposed real property transactions requiring diocesan approval and serves as staff liaison to the Diocesan Environmental Committee. Expenses for this line include compensation and benefits for a full-time Director of Property Support, office expenses, travel, mailings, etc.

THE EPISCOPATE AND ITS SUPPORT

Bishop Dietsche: Bishop of New York

The Right Reverend Andrew M. L. Dietsche, Bishop of New York

Bishop Dietsche serves as the Ordinary and chief pastor of the Diocese of New York, and represents the Diocese in the national and international arenas. He hires and oversees the work of diocesan staff and presides over the process for candidates to ordained ministry, as well as the calling of clergy to serve the nearly 200 congregations of the diocese. The Bishop is in a different congregation in the diocese on an official visitation nearly every Sunday. Expenses for this line include compensation and benefits for Bishop Dietsche.

Bishop Shin: Bishop Suffragan

The Right Reverend Allen K. Shin, Suffragan Bishop of New York

Bishop Shin serves as the Bishop Suffragan of the Diocese of New York, and represents the Diocese in the national and international arenas. Almost every Sunday the Suffragan, like the Diocesan, is in a different church in the Diocese on official visitation. The Bishop Suffragan, working with diocesan staff and parish clergy and lay leaders, has oversight responsibility for the coordination of ministries to young adults and college chaplaincies, and the development of a vision for our outreach to and shared ministry with young adults in the church and across our communities. The Suffragan also carries the oversight responsibility for congregational development in the diocese. As the structures of diocesan and parish ministries evolve, the Suffragan will be given particular oversight of the structures for the support of parishes, resources for vestry leadership, stewardship and evangelism, and the development of lay ministries. Expenses for this line include compensation and benefits for Bishop Shin.

Bishop Knudson: Assistant Bishop

The Assistant Bishop is appointed by the Diocesan Bishop. There has been no Assistant Bishop in the Diocese of New York since mid-2014.

Bishop's Office, Bishop Suffragan's Office, Assistant Bishop's Office

These lines in the budget are associated with the immediate staff support and clerical assistance for the Bishops, the Canon to the Ordinary, and their offices. The offices keep the Bishops' calendar for both Diocesan and extra-diocesan events, handles the registration of confirmands and ordinands, maintains the database that keep track of clergy, parishes and lay leadership, the licensing of lay ministers, among other duties. Expenses for these lines include compensation and benefits for three full-time assistants and all office expenses.

Discretionary Fund-Hospitality

This line allows the Diocesan Bishop to provide hospitality at his discretion.

Shared Travel

In addition to regular travel for Episcopal visitations and other diocesan business, this line also covers travel on behalf of the diocese for meetings of the House of Bishops and other national and international meetings, ordinations, and the Bishops' presence in the public sphere. Expenses for this line include a transportation pool of funds for the Diocesan Bishop and Bishop Suffragan.

Canon to the Ordinary

The Rev. Wm. Blake Rider, Canon to the Ordinary

The Canon to the Ordinary in the Diocese of New York is a primary assistant to, and a representative of, the Bishop of New York. The Canon to the Ordinary primarily supervises the work of the office of the Bishop, synchronizing various endeavors with the other Bishops and functions much as a “chief of staff” in the supervision, coordination and assistance of the diocesan staff. Response to urgent matters and emergencies are directed by the Canon to the Ordinary, who also serves as the Intake Officer (regarding clergy disciplinary situations) for the Diocese. Various related roles are filled such as draft writer, research, protocol, Canon Law, policy setting and implementation. Additionally, the Canon currently serves as the primary office of contact for the Chancellor and Vice-Chancellors, for all Deacons of the diocese, for the Solitaries [and the discernment process for the Solitary Life] of the diocese, and for items connected to The Episcopal Church and the Anglican Communion. Expenses for this line include compensation and benefits for a full-time Canon to the Ordinary, travel, and all office expenses. In 2014 the Canon to the Ordinary line covered the transition in of a new Canon to the Ordinary and the transition out of the retiring Canon to the Ordinary.

DIOCESAN ADMINISTRATION

Office services (Compensation)

Canon Michael McPherson, Interim Chief of Finance and Operations

This line includes the basic expenses of operating the Diocesan offices. Expenses for this line include compensation and benefits for a full-time office manager, a full-time assistant to the office manager, and one full-time mail room worker.

Administration (Compensation)

Canon Michael McPherson, Interim Chief of Finance and Operations

This line provides salary and benefits for the persons employed in the necessary administrative tasks in maintaining normal business practices. There are currently eight persons employed in the Administrative Office who help with the creating of all budgets, accounting services for the diocese and for Episcopal Charities, payroll services, Board of Managers/Trustees support, DIT, and health insurance administration.

Public Affairs & Archives (Compensation)

Mr. Nicholas Richardson, Communications Director & Editor, The Episcopal New Yorker

The Public Affairs department is responsible for the vital job of communicating the programs, activities and policies of the diocese both internally and externally using all available media, including the diocesan website (functionality and updating,) microsites on an as-needed basis (for special events or programs), email (including the regular Online News listings email), social media (Facebook, Twitter, Vimeo), the Episcopal New Yorker (see below), postal mail, and events. The Communications Director also provides communications advice and practical assistance to diocesan staff, commissions and committees; provides and administers free Internet hosting for approximately 50 parishes and other diocesan organizations; and is responsible for handling all press inquiries that come into the diocesan offices.

Mr. Wayne Kempton, Archivist & Historiographer

The archives contain some 2,000 boxes of historical records, including some records for over 400 congregations and all of the original cathedral records. Sacramental records for about 80 congregations, including the cathedral, can also be found there, as well as the personal papers of our bishops and all manner of diocesan business files; legal documents, deeds, some blueprints, and trust fund materials as well. The diocesan archivist also acts as Registrar with respect to keeping the record of Episcopal Acts, like confirmations, the issuance of lay licenses, etc. The preparation of finding aids for this material, its preservation (purchasing archival boxes, photo sleeves and file folders), and the answering of all queries

on all manner of church subjects from all manner of people is the responsibility of the archivist. The archivist also visits parishes wishing to consult on the care of their collections, and acts as records custodian for those parishes with special storage needs; that is, where their records may be in danger of being lost or not cared for, especially the sacramental records. A major project this past year has been the establishment in the basement of diocesan house of a lateral file cabinet storage room for the diocesan financial offices. Records had to be boxed from 10 lateral file cabinets on the second floor and then unpacked back into the cabinets. Recent additions to the archives include an extensive collection of records from the Very Reverend James Parks Morton amounting to some 45 bankers' boxes and more than a dozen double cartons of audio recordings from his tenure as Cathedral Dean. The Archives also prepared a detailed box list for 50 bankers' boxes of Diocesan Investment Trust records and assisted in preparing them for shipment to off-site storage at Iron Mountain. Vestry Minutes and the document collection of the parish historian have been accessioned from St. Barnabas Church in Irvington as well.

Office Services

This line covers expenses related to the operation of the Diocesan offices, such as office supplies, license and registration, telephone, postage, shipping, computer, parking, security, etc.

Administration Expenses

This line covers office and administrative expenses directly related to the financial health and operation of the diocese by its staff.

IT Expenses

Prior to 2011 IT matters were assigned to a diocesan staff person, but this work is now contracted out to a professional agency, resulting in a cost savings. This line covers our contract for IT services.

Public Affairs Expenses

This line covers travel, telephone, and other related office expenses to run the Public Affairs Office.

Episcopal New Yorker

The ENY is the newsprint quarterly edition of Diocesan news. This line includes purchase of paper, printing, distribution, writing and editing of the newspaper. Reductions have been realized by publishing fewer editions annually in favor of online news outlets. Further reductions could only come by increasing the number of advertisers.

Overhead and Fixed Obligations

This line allows for an annual audit, legal fees, new office furniture purchases, fidelity bond for all diocesan congregations, worker's comp of diocesan employees, unemployment insurance, and retiree health insurance.

Web Management

This line covers expenses associated with the hosting, design, updating, and trouble-shooting of the Diocesan website. The diocese also provides free website hosting and email hosting for any congregation that requests either service.

Archives

The budget line is used primarily for the purchase of archival supplies, folders, boxes, photo sleeves, digitization of audio tapes, and some conservation work done on oil paintings owned by the diocese. Computer equipment, including scanners and copiers, environmental controls like air conditioning, and maintenance for them are included in this line. Expenses also include a subscription to a computer back-up service for detachable drives (216 GB worth of material), which do not get backed up by the diocese.

COST SHARING AND RENT

The Diocese of New York utilizes a number of buildings owned and maintained by the Cathedral of St. John the Divine, including office and meeting spaces as well as a residence for Bishop Dietsche. The diocese pays the cathedral for the use of the space. The Diocese of New York rents parking spaces and one apartment in Diocesan House from the Cathedral of St. John the Divine.

PROVISION FOR MEDICAL INSURANCE INCREASES

The budget includes a line representing 10% of the total health insurance cost for the current year for the entire staff and also salaries paid through some grant and support programs (Hispanic Grants, etc.).

CONVENTION AND MEETINGS

Delegates to Provincial Synod

This line covers travel, meals, and lodging for our delegates to Provincial Synod.

Journal and Directory

This line provides for the publication of the Journal of Convention as well as the Calendar of Business.

Diocesan Convention & Diocesan Convention (Fee Income)

Ms. Sara Saavedra, Convention Officer - Assistant Secretary to Convention, Assistant to Chief of Finance and Operations, Diocesan Benefits Administrator

This line provides for the cost of Diocesan Convention. It also offsets expenses associated with Convention such as security, electronic support, and building use in order to keep delegates' fees as low as possible. Fee income offsets the expense of providing Convention. A two day Convention is more expensive; that expense is offset by more fee income.

Council/Convention Meetings

This line covers the costs of meetings of the Convention Planning Committee, the Standing Committee, the Council of the diocese, and the Commissions and Committees of the Council of the Diocese. Most of the cost is for refreshments, but also covers security for evening and weekend meetings as well as postage and copier charges related to the support of Council and Standing Committee.

Commissions of Convention

This line is primarily used to provide meals at the meetings of Commissions of Convention. Many commission members travel great distances to attend meetings which are often scheduled during lunch or dinner hours.

Ecumenical & Interfaith Commission

The Venerable William C. Parnell, Archdeacon for Mission

The line item supports meetings with ecumenical and interfaith dialogue partners and councils. The funding also covers travel expenses of the Diocesan Ecumenical and Interfaith Officer, the Rev. Joseph Campo, and participation each spring in the annual meeting of the Episcopal Diocesan Ecumenical and Interfaith Officers (EDEIO). It also pays General Convention mandated dues of \$250 each year from each diocese to EDEIO. The Ecumenical and Interfaith Commission is engaged in fruitful dialogues with the Lutheran (ELCA), Roman Catholic, United Methodists and Eastern Orthodox churches, as well as with the Jewish and Muslim faith traditions.

RESERVES

Reserve for Deputies to General Convention

This figure represents the annual contribution to a reserve fund which pays the expenses of our deputation (in 2012 all deputies and two clergy alternates and two lay alternates were sent) to General Convention. In order to make election to the deputation available to anyone in the diocese, it is important to provide funding for travel to and from the Convention city, as well as lodging and meals when Convention is in session.

Reserve for Future Episcopal Elections

No single year Assessment Budget could bear the cost of a search for a new bishop. Each year's budget makes a contribution to build up an adequate reserve. This fund covers the cost of surveys, Search Committee expenses and travel, as well as travel and hosting of the final candidates, as well as the liturgical and practical expenses of the bishop's ordination and installation.

Reserve for Lambeth

This reserve fund is maintained to pay travel, lodging, and meals for all of our bishops who attend Lambeth Conferences.