

Presbytery of Scioto Valley 2020 Budget and Per capita Narrative
Notes from Commission for Presbytery Operations
Robert J. Gustafson, Chair (gustafson15@gmail.com)

The Presbytery budget is our tool for planning fiscal support of our programs across the full spectrum of the Presbytery. It represents our values and how we want to implement them within the Presbytery. CPO has worked with each of the Commissions and the Coordinating Team in development of the 2020 budget. Please recognize that if we did not believe that the work represented by the budget numbers is necessary to support your work and the witness of Jesus Christ in the world, we would not be sending this request to the Presbytery. The budget of course continues to be open to discussion. The following is information that it is hoped will be helpful in understanding our current budget situation.

Three items that are primary drivers for change at this time are:

1. A significant reduction in General Mission giving to the Presbytery.
2. An accelerated loss in membership within the Presbytery.
3. Need to rectify deficit spending of current year. Our Treasurer estimates our per capita for 2019 would have needed to be approximately \$40 (rather than \$35.75) to have a balanced budget in 2019.

Budget as presented for 1st reading and the September Presbytery meeting is available for download at <https://psvonline.org/publication/2020-budget-for-first-reading-september-17-2019/>

Slides from a presentation by CPO chair Bob Gustafson documenting the current situation are available for download at <https://psvonline.myworshiptimes31.com/wp-content/uploads/sites/81/2019/09/Rept-of-CPO-to-Sept-Presbytery-Meeting-reduced.pdf>

The following additional information may be of help in consideration of the proposed 2020 budget and per capita.

Some Underlying Conditions

Primary sources of income for the Presbytery are:

- *Per capita* contributed on a per member, voluntary basis from the churches. The Presbytery historically has overall received about 75% of the total amount allotted. More about Per capita is available at <https://psvonline.org/presbytery-leadership/church-professionals-commission/documents-resources/percapitabrochure0218/per-capita/> Per capita per person proposed for 2020 is \$45.00. This breaks out as \$32.80 for the Presbytery; \$8.95 for General Assembly; 3.25 for Synod.
- *General Mission* Contributions from the Churches. Unless designated by the church, this is allocated 67% to PSV, 32% to General Assembly, 1% to Synod.
- *Events and Activities Income* is income from registration fees and other sales in the Presbytery.
- *Transfers from Designated (D) and Restricted (R) funds* The Presbytery has 17 Designated or Restricted funds used to support the budget. The Presbytery has no endowed funds.

The following table is a breakdown of sources projected for the 2020 Budget with and without the Ministry Initiative Program (MIP). The MIP is new for 2020. Approved by Presbytery in 2018. Funded from Church Development Fund for up to \$150,000 per year for five years.

Income Source	2020 Draft Budget	Percent of Budget	2020 Draft Budget w/o MIP	Percent of Budget w/o MIP
Per capita	\$506,621	54%	\$506,621	64%
General Mission	103,000	11%	103,000	13%
Transfer from D & R Funds	291,000	31%	141,000	18%
Income from Events, etc.	36,7000	4%	36,700	5%
Total	937,321		787,321	

The following table is a breakdown of expenditures projected for the 2020 Budget with and without the new Ministry Initiative Program (MIP).

Category/Commission	2020 Draft Budget	Percent of Budget	2020 Draft Budget w/o MIP	Percent of Budget w/o MIP
Nurture and Outreach	\$65,000	7%	\$65,000	8%
Congregational Life	252,500	27	102,500	13
Church Professional	43,100	5	43,100	5
Coordinating Team	13,900	1	13,900	2
Operations w/o per capita	390,050	42	390,050	50
GA Per capita	134,348	14	134,348	17
Synod Per capita	36,589	4	36,589	5
Total	935,487		785,487	

Primary Changes Impacting the 2020 Per capita proposed

- *Decreasing Contributions to General Mission* through Presbytery. 2019 has seen a significant decrease in General Mission giving to the Presbytery. This is resulting in an increased deficit in 2019 and is expected to continue in 2020.
- *Decreasing number of members* in the Presbytery. Membership in our churches has decreased from 20,512 in 2012 to 15,215 in 2019, with recent years being at an accelerated rate. Chart of this available in slide set mentioned above.
- *Lack of full Per capita participation* in the Presbytery. Per capita contribution across the Presbytery is approximately 75%. Despite efforts of the commission for Presbytery Operations to better communicate per capita information to all and work directly with selected churches, the rate has stayed relatively constant.

At current contribution rate (75%) and Presbytery membership (15,000); \$1.00 in per capita is approximately \$11,250 in income the Presbytery.

Values Projected in the Budget

Programs of the Presbytery have been carefully reviewed by each Commission and are of value to our connectional body.

Some years ago, the Presbytery as a body made the decision to pay the full GA and Synod per capita independent of what was contributed by the churches.

This does mean that the full body bears the burden for non-contributing churches. In recent years, uncollected per capita for the Synod has not been forwarded to the Synod. Rather it has been used to build up a GA 2022 Fund to pay expenses the Presbytery will incur when General Assembly meets here in 2022.

Per capita to GA and Synod: The projected GA Per capita paid to GA but not collected for 2020 is \$33,587. The projected Synod per capita set aside in the 2022 GA Fund but not collected for 2020 is \$12,196.

Fund the new Mission Initiative Program (MIP) fully from Church Development Funds (not per capita or general mission).

The goal of the MIP is revitalization of existing and growth of new programs and congregations. The five-year allocation, if fully expended, would equal approximately 50% of the currently available dollars in the Church Development Fund.

Desire is to have a balanced budget without further depleting reserves or restricted/designated funds. Our current reserve balance to approximately \$350,000.

Desire to fairly compensate personnel.

The budget uses the same recommended increase for Presbytery staff as recommend by CCP for minimum pastor compensation (2.6%). In 2020 a 1% increase in compensation results in \$2,270 increase in budget.

11/5/2019