

Pacific Southwest District 2020 Operating Budget and Church Planting Support Budget, and 2021 Operating Expense Maximum

In the pages that follow you will find the proposed 2020 PSWD Operating Budget, the 2020 Church Planting Support Budget, and the recommended 2021 Operating Expense Maximum from the Policy Board. You may recall that in 2016 the Policy Board spent a significant amount of time looking at the District budget and the operating deficits that were represented in budgets over the last several years. The determination of the 2016 Policy Board was that continued deficits at this level would not provide a base of funding at which we could work to operate as a district with the kinds of programs and support that were desired. From that work they determined that the Operating Budget deficit each year should work to be not more than \$300,000. Last year they also brought to District Conference a proposal to name a 2019 Operating Expense Maximum of \$450,000 which was adopted setting the expense limits for the 2020 Operating Budget proposal which follows.

The Policy Board has continued conversation around lining up budget expenditures with areas of priority and focus for the ministry work of the PSWD as reflected in the document *Core Objective - A Circle of Support* which then provided broad guidance to the allocation of funds in the 2020 budget proposal.

2020 PSWD Operating Budget

In the spreadsheets that follow is the proposed 2020 District Operating Budget. The Policy Board is recommending a budget expense of \$462,029. This is \$12,029 above the Operating Maximum that was approved at the 2018 District Conference. The Board felt this necessary to continue to fund key commitments, including our commitment to fair compensation for the staff that works on our behalf. In the notes below you will get a glimpse of the choices that were made to create this budget, and the way in which our core objective and support foci guide us to the priorities that are supported. The anticipated deficit for 2020 is \$307,529, a small increase from the 2019 budget, but still significantly lower than prior years and in line with the sustainability goal that the Policy Board had articulated in 2016.

2020 District Operating Budget Notes

Commitments

Ministry Partnership Funds – These continue to grow in working with congregations to encourage entrepreneurial work to revitalize, grow, and try new ministries with shared financial support from the district. Funds are also available to support vital ministry in communities whose mission is with those who are on the economic margins. \$45,000 is marked for this work in 2020.

Ministry Training and Minister Support – Our work with providing training for those called into ministry continues to grow, and as some students finish their work other students are just beginning. It is a vital partnership - the district support of ministry training - that seeks to ensure we have strong pastoral leaders for the years to come. We also provide funds for the annual retreat for pastors and chaplains, a key week of spiritual and personal renewal, and for the professional growth event prior to District Conference.

Youth Leadership and Faith Development – We continue the process of budgeting in anticipation of the next National Youth Conference in four years. As a deposit on our support of NYC 2022 we have placed \$2500 in the 2020 budget which will begin to build the fund to send our youth that year. Additionally we continue to grow leaders through their participation on the Youth Cabinet and as Youth/Young Adult members of the Policy Board.

Congregational Mission and Transition Support – The work of our District staff represented in the Operating Ministry portion of the budget plays key roles in helping congregations in connecting to resources, supporting Boards and pastors, and working with congregations in pastoral transitions or evaluating future steps in ministry.

2020 Church Planting Support Budget

The Policy Board upon recommendation of the Executive Board set aside the funds (approximately \$123,000) from the sale of the New Harvest Lindsay church property to be used for Church Planting Support. About \$10,000 was used in 2018 and about will be used \$12,000 (of \$60,000 budgeted) in 2019. The Policy Board is recommending a 2020 budget of \$72,000 across the three church plants that are in operation.

Action Item: The Policy Board recommends to the District Conference the adoption of the 2020 Operating Budget and the 2020 Church Planting Support Budget as presented.

2021 Operating Expense Maximum

The recommendation for 2021 of \$475,000 is a \$13,000 increase over 2020 budget. This level will require the Policy Board to make strategic choices in budget planning next year. This level of expense holds us right in the area of an anticipated deficit very near the working deficit level identified by the Policy Board in their prior work.

Action Item: The Policy Board recommends to the District Conference that the expense maximum for the 2021 Operating Budget be \$475,000.

Pacific Southwest District Church of the Brethren Income & Expense Summary - Proposed 2020 Budget

		2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Budget	2020 Proposed
Contributions Income	4100	53,527	52,477	34,849	29,222	35,500	33,500
Interest and Other Income	4200	42,728	42,624	100,250	107,784	82,900	100,300
Participation Income	4600	20,829	19,394	15,337	21,983	24,600	20,700
Total Operating Income		117,084	114,494	150,436	158,989	143,000	154,500
Congregational Development Ministry	5005	158,127	133,052	117,390	36,540	48,500	46,500
Pastoral Leadership & Support	5300	22,015	37,137	21,198	31,014	29,500	30,400
District Empowering Ministry	5500	39,041	40,604	38,052	63,922	47,500	44,600
Partnership & Property Ministry	5700	121,202	55,103	126,640	42,708	22,750	23,805
Service Ministries	6300	2,244	3,111	3,365	5,471	9,000	9,500
District Operating Ministry	6500	292,632	295,224	290,799	299,085	288,677	307,224
Total Operating Expenses		635,261	564,231	597,444	478,740	445,927	462,029
Operating Deficit		-518,177	-449,737	-447,008	-319,751	-302,927	-307,529

PACIFIC SOUTHWEST DISTRICT OF THE CHURCH OF THE BRETHREN										
2016-2020, District Budget Overview										
Power Church Report Levels					PC	2016	2017	2018	2019	2020
1	2	3	4		Line #	Acutal	Acutal	Actual	Budget	Proposal
INCOME					4000					
MINISTRY INCOME					4010					
CONTRIBUTIONS INCOME					4100					
				Individuals	4110	337	1,667	838	2,500	1,200
				Congregations	4120	31,201	30,520	27,714	31,000	32,000
				Church Closure Contritribution	4125	17,880	0	0	0	0
				Groups	4126	0	100	0	0	0
				Subtotal Temp Restricted Income	4700	2,059	2,087	0	0	0
				CDS Children's Disaster Rapid Response	4135	0	0	670	0	300
				Other Income	4140	1,000	475	0	2,000	0
Subtotal Contributions Inc.					4100	52,477	34,849	29,222	35,500	33,500
INVESTMENT INCOME					4200					
				CHECKING/MONEY MKT INCOME	4210	2	1	0	0	52,000
				NOTES REC. INTEREST/FEES	4301	39,044	72,326	107,784	67,000	48,000
				SALE OF CHURCH PROPERTY	4500	0	0	0	0	0
				MISC. INCOME	4550	3,578	27,923	0	15,900	300
Subtotal Investment Income					4200	42,624	100,250	107,784	82,900	100,300
PARTICIPATION INCOME					4600					
				DIST CONF INCOME	4610	16,770	12,002	14,962	20,500	17,000
				EVENTS INCOME	4630	2,624	3,335	7,021	4,100	3,700
Subtotal Participation Income					4600	19,394	15,337	21,983	24,600	20,700
TOTAL INCOME						114,495	150,436	158,989	143,000	154,500
EXPENSES					5000					
MINISTRY INVESTMENTS					5001					
CONGREGATIONAL DEV MIN					5005					
				WEB SITE DEVELOPMENT	5020	306	715	801	1,500	1,500
				Ministry Partnership Funds	5180	268	25,675	35,739	47,000	45,000
				Cong Minister Support Grants	5100	132,477	91,000	0	0	0
Subtotal Congregational Dev Min					5005	133,052	117,390	36,540	48,500	46,500
PAST'L. LDRSHP & SUPPORT					5300					
				TRIM (TRAINING IN MIN)	5310	1,637	220	230	1,000	1,500
				SEBAH & EPMC	5315	15,648	4,137	9,849	7,000	4,900
				BETHANY THEO. SEMINARY	5320	0	0	0	1,500	4,000
				PASTORS' RETREAT	5325	17,319	10,710	17,446	15,000	15,000
				MINISTER'S WORKSHOP	5330	1,800	4,221	2,120	2,500	2,500
				OTHER DISTRICT WORKSHOPS	5335	0	744	1,369	500	500
				MINISTER'S ETHICS TRAINING	5336	0	0	0	1,000	1,000
				PROF. GROWTH SUBSIDY	5338	485	583	0	1,000	1,000
				TEMP RESTRICTED EXPENSES	7943	248	583	0	0	0
Subtotal Past'l. Ldrshp & Support					5300	37,137	21,198	31,014	29,500	30,400

PACIFIC SOUTHWEST DISTRICT OF THE CHURCH OF THE BRETHREN						
2016-2020, District Budget Overview						
Power Church Report Levels				PC	2016	2017
1	2	3	4	Line #	Actual	Actual
					Actual	Budget
						Proposal
				DISTRICT EMPOWERING MINISTRY	5500	
				<u>DISTRICT CONFERENCE</u>	5520	18,827
				<u>MINISTRY COMMISSION</u>	5540	765
				<u>STEWARDS COMMISSION</u>	5560	234
				<u>BD OF ADM & WORK GROUPS</u>	5600	14,347
				<u>NURTURING/CREDENT.COMM</u>	5630	3,483
				<u>RESOURCE MATERIALS</u>	5650	0
				<u>INTER-CULTURAL MINISTRY</u>	5660	200
				<u>NATIONAL YOUTH CONFERENCE</u>	5670	1,961
				<u>Youth Activity & Cabinet Expense</u>	5680/7	786
				Subtotal District Empowering Min	5500	40,604
				PARTNERSHIP & PROP. MIN	5700	
				<u>DENOMINATIONAL ASSESSMENT</u>	5710	1,609
				<u>STANDING COMMITTEE</u>	5720	2,304
				<u>UNIVERSITY OF LA VERNE</u>	5725	5,000
				<u>ECUMENICAL COUNCILS</u>	5730	400
				<u>COUNCIL OF DIST EXECS</u>	5740	900
				<u>PROPERTY & LEGAL</u>	5800	44,891
				Subtotal Partnership & Prop. Min	5700	55,103
				SERVICE MINISTRIES	6300	
				<u>DISASTER RESPONSE</u>	6310	3,011
				<u>CHILDREN'S DISASTER SERV</u>	6320	100
				<u>Other Dist Service Opportunity</u>	6350	0
				Subtotal Service Ministries	6300	3,111
				DIST. OPERATING MINISTRY	6500	
				<u>OFFICE SPACE & UTILITIES</u>	6520	28,497
				<u>EQUIPMENT & MAINTENANCE</u>	6600	4,234
				<u>SUPPLIES/PRNTG/PUBLICAT'N</u>	6650	5,545
				<u>POSTAGE AND MAILING</u>	6670	2,352
				<u>INSURANCE</u>	6680	12,044
				<u>AUDIT AND PROF. FEES</u>	6700	20,730
				<u>STAFF SALARIES</u>	7000	174,286
				<u>STAFF BENEFITS & RCWF</u>	7100	19,721
				<u>STAFF TRVL-PROF GROWTH</u>	7500	23,541
				<u>NEW LIFE/PUB ETC & Misc.</u>	7750	4,272
				Subtotal Dist. Operating Ministry	6500	295,224
				Subtotal Ministry Investments	5001	564,231
				TOTAL EXPENSES		564,231
				EXCESS INCOME\EXPENSES		(449,736)