

Synod of the Second Province Budget Narrative 2019-2021 Triennium

The 2019-2021 triennium has been uniquely challenging and transformative for Province II. As is evident from many other reports being presented at this Synod, provincial leadership has engaged with the following major initiatives/issues (among other more minor ones):

- Elimination of funding for Provinces from The Episcopal Church
- Reimagining missional identity for Province II – especially focusing on the unique diversity we enjoy through the blessing of our offshore diocesan members
- Intentionally working to eliminate barriers to access – including travel and language barriers – for our international members
- Organizational restructuring in alignment with missional reimagining
- The COVID-19 pandemic and its impact – opportunities as well as challenges
- Partial postponement of the 2021 General Convention into 2022
- Support of the Diocese of Cuba in being restored into communion with The Episcopal Church and specifically as a member of Province II
- Review of the proposed transition of the Diocese of Puerto Rico into Province II from Province IX
- Challenges with diocesan support and funding

The 2019-2021 budget document reflects the ways that the Provincial Council has responded to these challenges and opportunities, with the result that these numbers look very different from the numbers anticipated at the 2018 Synod. Specifically:

In the Revenues section:

- Diocesan assessments for 2019 were waived in response to restructuring that greatly reduced the scope and stipend for a Provincial Coordinator as well as recognition that accumulated funds could absorb the anticipated expenditures for that year. The revenue amount reflects payments by the Dioceses of Rochester and New Jersey for their commitments.
- Diocesan assessments for 2020 were made voluntary due to the pandemic. The revenue amount reflects payments by the Dioceses of Rochester and New Jersey. The Diocese of Newark paid its commitment as well, but that payment is reflected in the 2021 amount since it was received in 2021.
- Diocesan assessments for 2021 returned to their pre-pandemic levels, based on 0.22% of average diocesan income for the 2017-2019 period (3 years). To date, the Diocese of Newark and Diocese of New Jersey have paid their commitments in cash, which is reflected in the actual amounts. The Diocese of Central New York paid its commitment in-kind by absorbing travel costs for Bishop DeDe Duncan-Probe as President of the Provincial Council. That adjustment will be made on the records prior to year-end.
- There are no 2021 revenues associated with either the 2021 Synod or General Convention (moved to 2022) since any activities related to either of those events are being conducted virtually.

In the Expenses section:

- Previously in 2018, expenses were grouped into 3 major categories: Administrative, Coordination and Program. In response to our missional discernment and structural realignment and to promote greater transparency, expenses are now grouped into 4

major categories: Administrative, Travel & Governing Body Meetings, Communications and Program.

- Recognizing the missional nature and justice prerogative of implementing full access to Provincial events and activities, the expense category related to our support of Haiti, the Virgin Islands and Cuba was reclassified from “Administrative” to “Program”.
- The “Provincial Ministry” line item anticipated at the last Synod to cover the costs of a Provincial Coordinator (\$40,000/year) was eliminated from the “Program” section. The revised budget includes \$6,000/year in the “Administrative” section for a stipendiary Coordinator and \$9,000/year in the “Communications” section for a stipendiary Communications Director.
- The actual amount paid to date in 2021 for Synod expenses reflects our commitment to providing full translation in both Spanish and French of all Synod documents, as well as remote simultaneous translation at Synod in both languages for all meetings.
- Budget reductions for 2020 and 2021 have been achieved in several categories related to travel and meetings due to the pandemic and the need to meet virtually rather than in person. We intend to use this experience to continue exploring both cost savings and enhanced inclusivity made possible by virtual and/or hybrid meetings in the future.

At the foot of the budget numbers is a chart showing the status of our cash reserves. As anticipated, the assessments waiver in 2019 and voluntary nature of the 2020 assessments has reduced our available reserves. The 2021 results are still significantly in question as we await responses from more of our dioceses. We continue to follow up with those dioceses who have not yet responded in order to ensure that our reserves stabilize going forward.