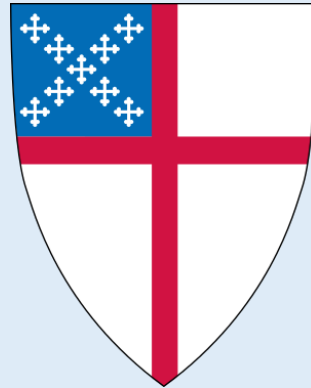


2024 Budget

Open Forum

November 9, 2023



Episcopal Diocese of Maryland

Jason Kamrath, Canon for Finance / Chief Financial Officer

Gracious and generous God, Creator and Giver of all that is good, we thank you for our many blessings. We acknowledge that all that we have is from you. We offer you thanks and praise for the beauty of the earth, our work, our family, our loved ones, and all the gifts we have been given.

You are with us always. In each dark hour, you are here. In each bright hour, you are here. Blessed by your grace, may we show gratitude by sharing what we have been given. By serving our brothers and sisters, we serve you.

We remain ever grateful for your constant love, the gift of your Son Jesus, and the presence of your Holy Spirit with us. Protect and guide us on our journey, and guide those who are involved in Diocesan, and parish stewardship leadership.

We seek to be your faithful stewards.

Amen.



**Episcopal Diocese of Maryland
2024 Budget Forum**



BUDGET PROCESS

The Diocese of Maryland canons delegate the budget process to the program and budget committee with visioning and input generated through regional councils. Historically, at least one person from each region along with Diocesan staff would make up this committee.

The regional representative would obtain input from the churches in each region by way of the regional councils. In recent years, participation in both the regional councils and program and budget process has dwindled leaving a much smaller group to present a balanced budget to Diocesan Council for their approval in December. After the 2022 convention, new members joined the committee and have added great value and input to the process.

At its October meeting (minutes not yet approved/published), the Council reviewed and affirmed the draft of the budget. The budget is then presented to the Diocese through an open forum communicated to the leadership of churches. The final draft of the budget will be approved by Council in their December meeting.

The Claggett Center and Sutton Scholars boards prepare separate budgets that are also reviewed and approved by Diocesan Council.

Episcopal Diocese of Maryland
2024 Budget Forum



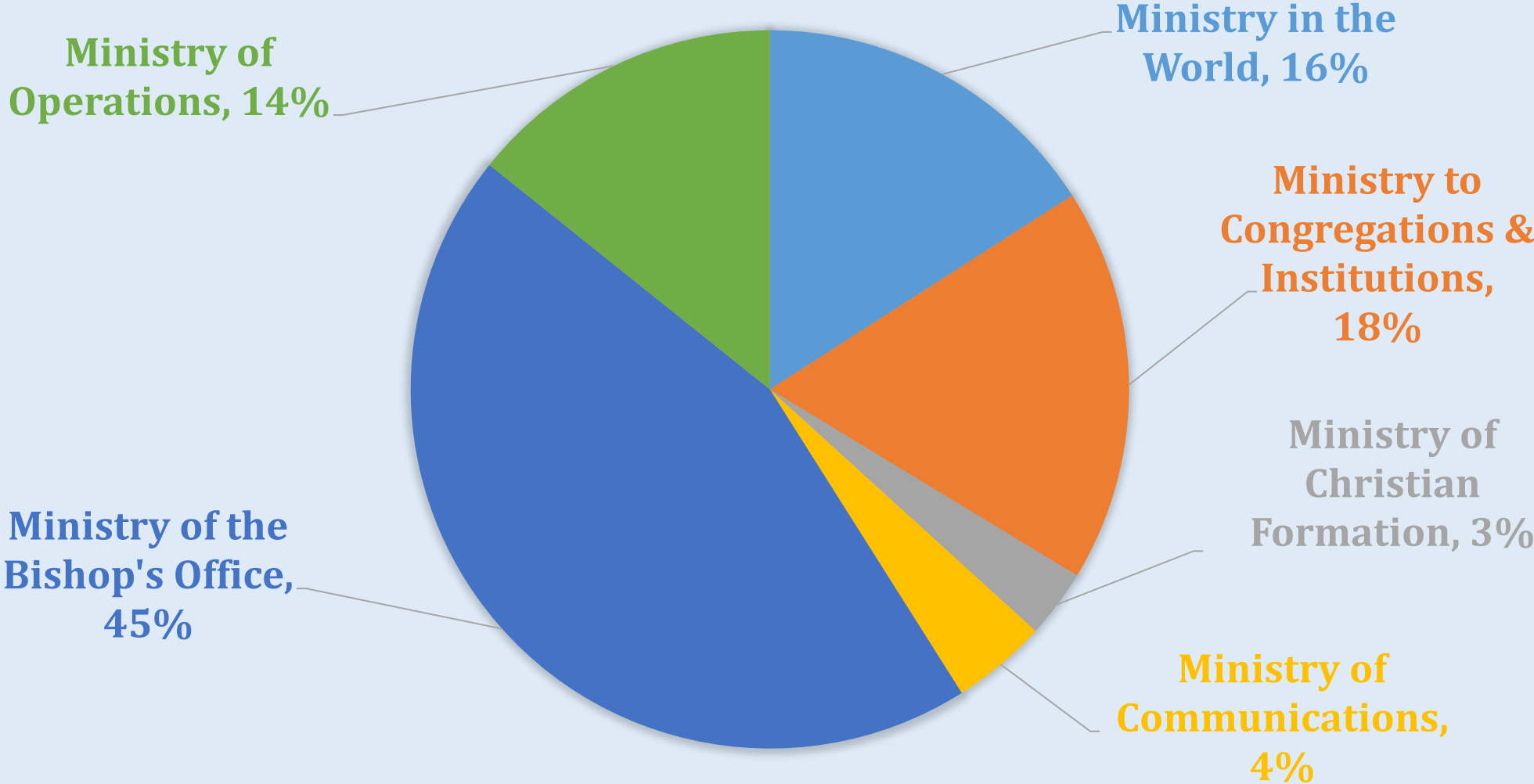
2024 DIOCESE OF MARYLAND OPERATING BUDGET

The Diocese of Maryland operating budget is divided into six categories. We will review each category in detail, and then review the revenue sources that fund this budget.

Description	2023 Adj Budget	2024 Draft Budget	% Incr/ -Decr	% of Total
Total Ministry in the World	(\$966,249)	(\$884,542)	-8%	16%
Total Ministry to Congregations & Institutions	(\$1,127,500)	(\$986,275)	-13%	18%
Total Ministry of Christian Formation	(\$175,000)	(\$170,700)	-2%	3%
Total Ministry of Communications	(\$248,000)	(\$238,000)	-4%	4%
Total Ministry of the Bishop's Office	(\$2,408,700)	(\$2,484,000)	3%	45%
Total Ministry of Operations	(\$797,000)	(\$792,100)	-1%	14%
Total Expenses	(\$5,722,449)	(\$5,555,617)	-3%	



2024 DIOCESE OF MARYLAND BUDGET - \$5,555,617



**Episcopal Diocese of Maryland
2024 Budget Forum**



MINISTRY IN THE WORLD – 16% OF THE BUDGET

Outreach Ministries

- Sutton Scholars High School Enrichment Program
- Bragg Scholarship – endowment funded scholarships for disadvantaged youth
- Reading Camps – support for reading camps held at churches
- Green Grace – environmental ministry, program in transition
- Seafarer’s – hospitality, advocacy, and outreach to seafarers at the port of Baltimore
- Episcopal Refugee & Immigrant Center Alliance – Cathedral ministry
- Global Mission – Dioceses of Puerto Rico & Nakuru (Kenya)
- Global Sustainable Development Goals – universal call to action – 0.7% of budget
- Wider ministries of the Episcopal Church – 9% of operating budget supports mission and ministry across Province 3, Episcopal Church and Anglican Communion



MINISTRY IN THE WORLD – 16% of the Budget

Truth & Reconciliation Commission and Reparations Committee

The work of reconciliation is a fundamental calling for the Diocese of Maryland. The Truth and Reconciliation Commission is an ongoing commission focused on enhancing existing efforts to eradicate racism, researching the history of slavery in our diocese and its residual impact, as well as reparations. The reparations taskforce instituted a grantmaking process during 2022 and has distributed \$405,000 to organizations committed to reparations. Read more here: <https://religionnews.com/2022/05/27/175000-in-reparations-grants-given-by-episcopal-diocese-of-maryland/>

Other Items funded by this budget

- Public Policy – Advocacy day at the Maryland legislature
- General Convention & Lambeth – Funds accrued annually
- Safe Church Online Training

Episcopal Diocese of Maryland
2024 Budget Forum



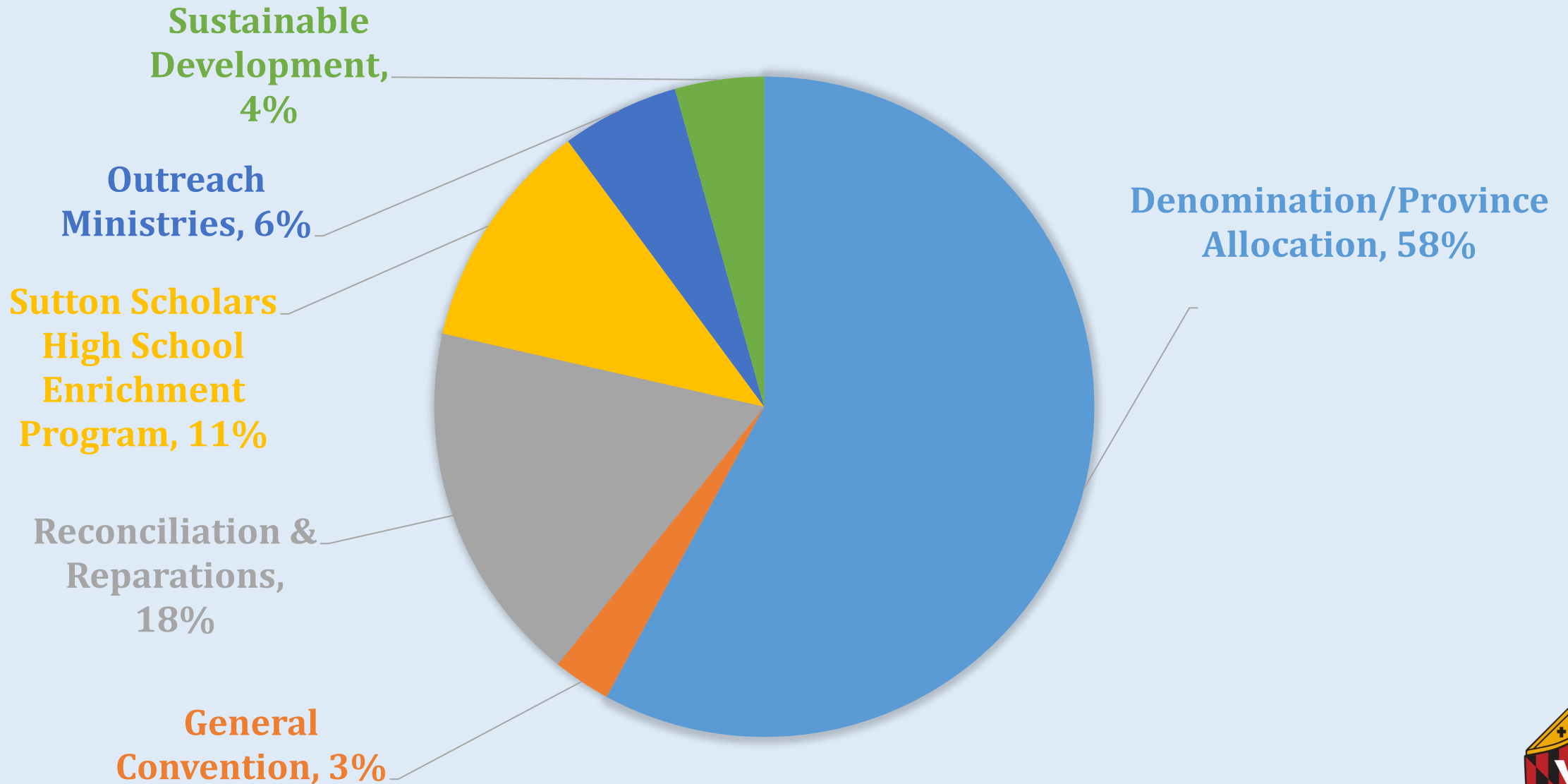
MINISTRY IN THE WORLD - 16% OF THE BUDGET

Description	2023 Adj Budget	2024 Draft Budget	% Incr/ -Decr	% of Total
Ministry in the World				
Bragg Scholarship	(\$14,500)	(\$15,000)	3%	0%
Reading Camps	(\$5,000)	(\$5,000)	0%	0%
Green Grace Maryland	(\$500)	\$0	-100%	0%
Baltimore Seafarer's Center	(\$18,500)	(\$18,500)	0%	0%
Truth & Reconciliation Commission	(\$7,500)	(\$7,500)	0%	0%
Public Policy Office	(\$2,500)	(\$2,500)	0%	0%
Episcopal Refuge & Immigration Center	(\$5,000)	(\$5,000)	0%	0%
Episcopal Churchwide Allocation	(\$502,000)	(\$500,422)	0%	9%
General Convention & Lambeth	(\$20,000)	(\$25,000)	25%	0%
Province Three Allocation	(\$14,000)	(\$12,000)	-14%	0%
Global Mission Links	(\$5,000)	(\$5,000)	0%	0%
Reparations Committee	(\$232,749)	(\$150,000)	-36%	3%
Sustainable Development Grants	(\$39,000)	(\$38,620)	-1%	1%
Sutton Scholars	(\$100,000)	(\$100,000)	0%	2%
Total Ministry in the World	(\$966,249)	(\$884,542)	-8%	16%

Episcopal Diocese of Maryland
2024 Budget Forum



MINISTRY IN THE WORLD - \$884,542



Episcopal Diocese of Maryland
2024 Budget Forum



MINISTRY TO CONGREGATIONS & INSTITUTIONS – 18% OF THE BUDGET

The Diocese of Maryland is committed to supporting our congregations and their vital ministries and offers many grant programs to churches in the diocese. The Congregational Vitality Team also offers consulting support at little to no cost to the church as well as training of leaders through the College of Congregational Development. Approximately 14% of the total budget is concentrated on these efforts.

Grant Programs

- Bishop's discretionary grants for clergy needs, funded by an endowment
- Ihloff grants for congregational development, funded by an endowment
- Ministry grants, funded by an endowment
- Sabbatical assistance grants
- Financial assistance for congregations facing temporary challenges

Episcopal Diocese of Maryland
2024 Budget Forum



MINISTRY TO CONGREGATIONS & INSTITUTIONS – 18% OF THE BUDGET

Ministry Supported by the Diocesan Budget

- Korean Ministry – St John’s Ellicott City (Diocesan support ends Easter, 2024)
- Latino Ministry – Iglesia Episcopal de la Resurreccion, Baltimore & Guardian Angel
- The Slate Project – Church without walls <https://slateproject.org/>
- Church on the Square – partnership with the ELCA
- Urbana, MD new ministry – partnership with the ELCA
- Urban Missions – Church of the Guardian Angel & Holy Nativity Pimlico
- Johns Hopkins Chaplaincy – program currently in a period of discernment

Other Items

- Congregational Vitality & College for Congregational Development
- Stewardship & Planned Giving – provided for free by the Development Office
- Diocesan Archives – research assistance
- Music Ministry retreat

Episcopal Diocese of Maryland
2024 Budget Forum



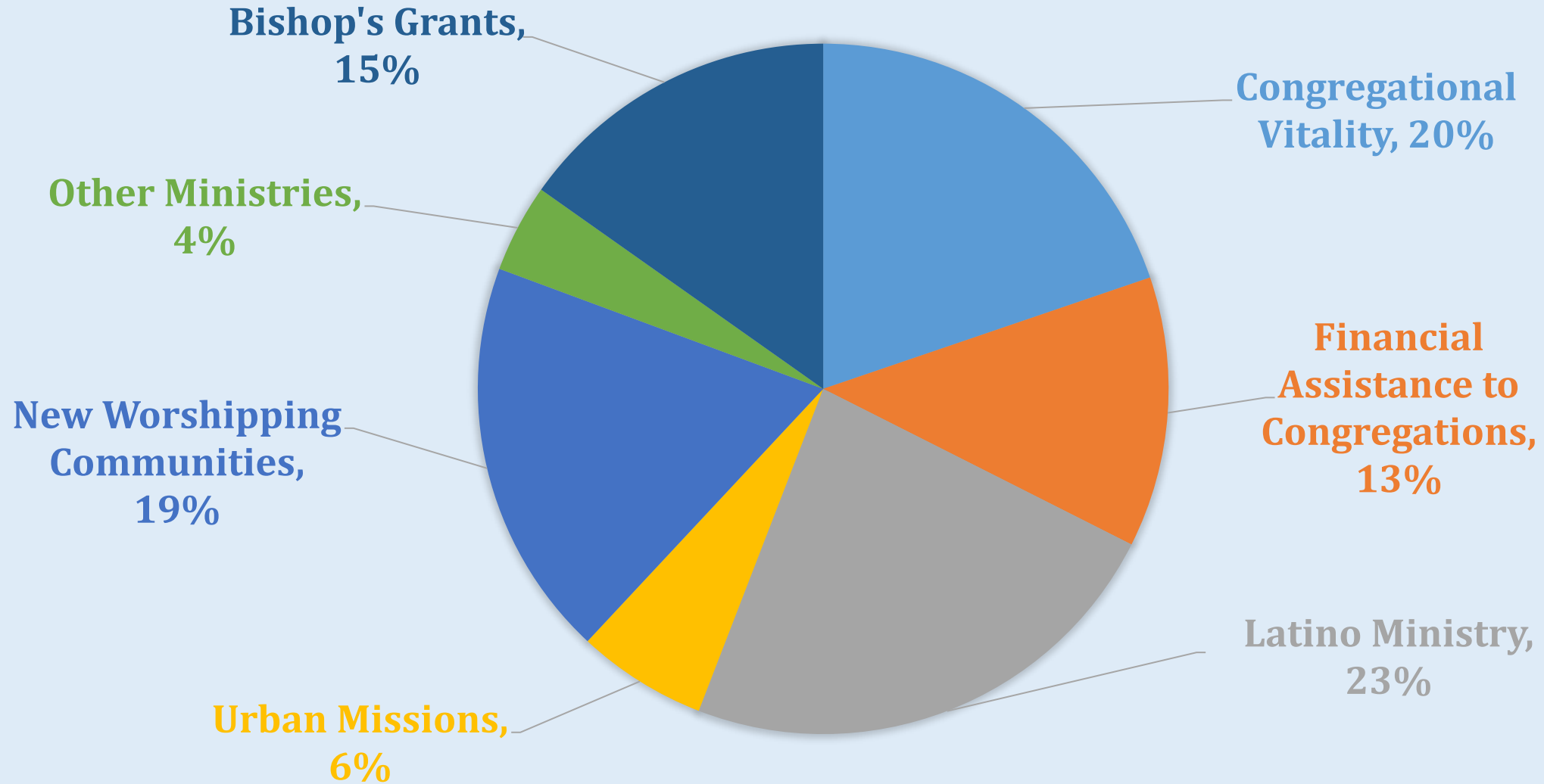
MINISTRY TO CONGREGATIONS & INSTITUTIONS – 18% OF THE BUDGET

Description	2023 Adj Budget	2024 Draft Budget	% Incr/ -Decr	% of Total
Diocesan Archives	(\$3,000)	(\$3,000)	0%	0%
Bishop's Grants	(\$150,000)	(\$150,000)	0%	3%
Asian Ministry	(\$106,000)	(\$27,825)	-74%	1%
Latino Ministry	(\$222,000)	(\$231,000)	4%	4%
Slate Project	(\$32,500)	(\$34,450)	6%	1%
Church on the Square, Canton	(\$75,000)	(\$75,000)	0%	1%
Urbana New Ministry	(\$50,000)	(\$75,000)	50%	1%
Ihloff Fund Grants/Congregational Vitality	(\$72,000)	(\$65,000)	-10%	1%
College for Congregational Development	(\$50,000)	(\$75,000)	50%	1%
Endowment Ministry Grants	(\$60,000)	(\$55,000)	-8%	1%
Financial Assistance to Congregations	(\$125,000)	(\$125,000)	0%	2%
Hospital Chaplaincies	(\$112,000)	\$0	-100%	0%
Sabbatical Assistance	(\$5,000)	(\$5,000)	0%	0%
Liturgy & Worship Committee	(\$5,000)	(\$5,000)	0%	0%
Urban Missions	(\$60,000)	(\$60,000)	0%	1%
Total Ministry to Congregations & Institutions	(\$1,127,500)	(\$986,275)	-13%	18%

Episcopal Diocese of Maryland
2024 Budget Forum



MINISTRY TO CONGREGATIONS & INSTITUTIONS - \$986,275



**Episcopal Diocese of Maryland
2024 Budget Forum**



MINISTRY OF CHRISTIAN FORMATION – 3% OF THE BUDGET

- Christian Formation Resources / Continuing Education Grants
- University Ministry –collaboration with ELCA at UMBC, Towson, MSU, FSU
- Youth Ministry – Happening, New Beginnings, Pilgrimages for Youth
- Claggett Camp Scholarships – funded by an endowment
- Grants to Seminarians
- Commission on Ministry
- Fresh Start Training for New Clergy

Funded by Participation Fees

- Education for Ministry – Exploring Baptismal Ministry / Discerning Ordained Vocation
- Diaconate – Training and Deployment of Deacons

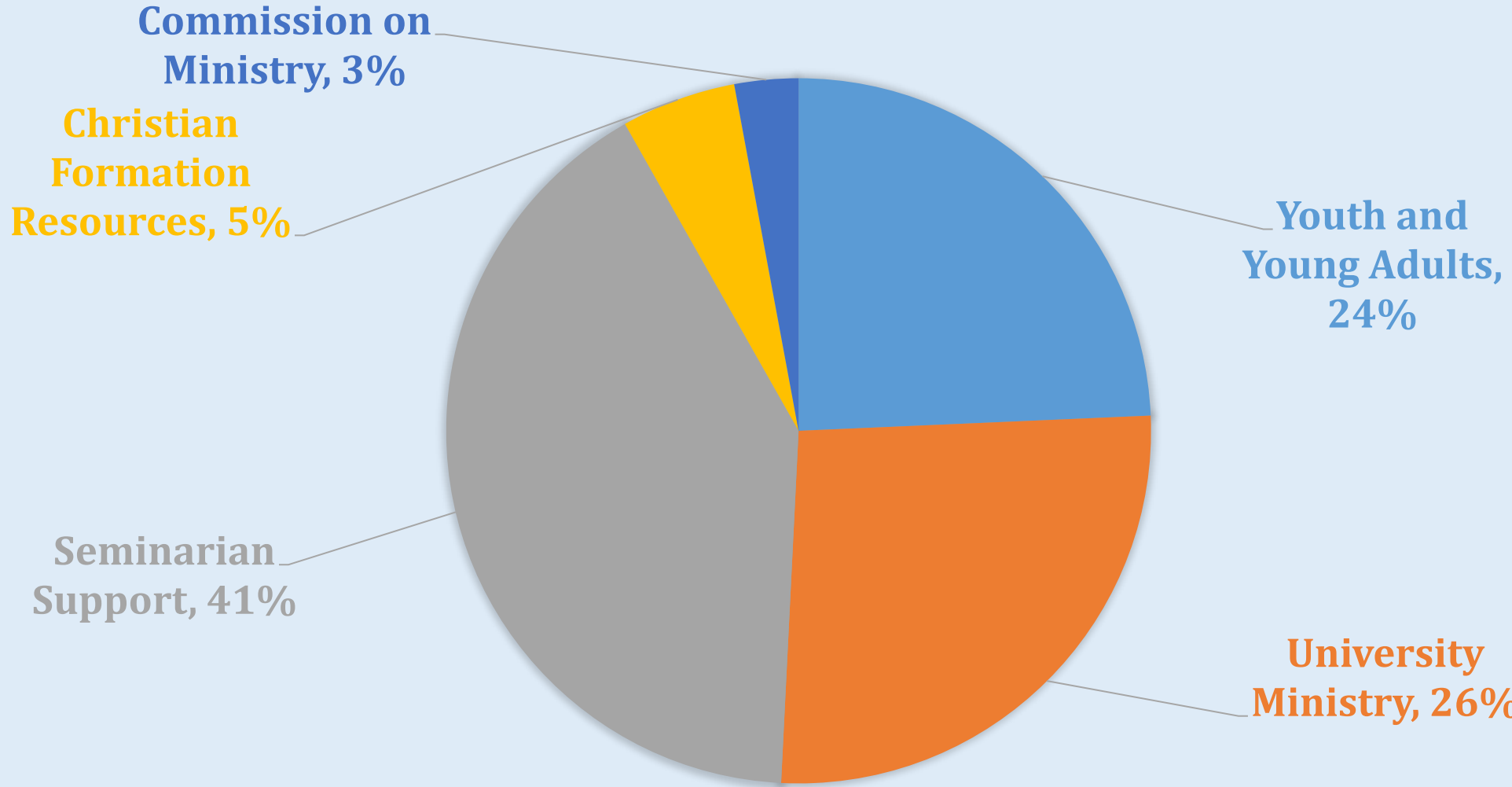


MINISTRY OF CHRISTIAN FORMATION – 3% OF THE BUDGET

Description	2023 Adj Budget	2024 Draft Budget	% Incr/ -Decr	% of Total
Ministry of Christian Formation				
Christian Formation Resources	(\$2,000)	(\$2,000)	0%	0%
College Ministry	(\$55,000)	(\$45,200)	-18%	1%
Continuing Education Grants	(\$2,000)	(\$2,000)	0%	0%
Discerning Ordained Vocation	\$0	\$0	0%	0%
Education for Ministry	\$0	\$0	0%	0%
Exploring Baptismal Ministry	\$0	\$0	0%	0%
New Clergy Training	(\$5,000)	(\$5,000)	0%	0%
Commission on Ministry	(\$4,000)	(\$5,000)	25%	0%
Seminarians	(\$70,000)	(\$70,000)	0%	1%
Claggett Center Youth Camp Grant	(\$7,000)	(\$6,500)	-7%	0%
Youth & Young Adult Ministry	(\$30,000)	(\$35,000)	17%	1%
Total Ministry of Christian Formation	(\$175,000)	(\$170,700)	-2%	3%



MINISTRY OF CHRISTIAN FORMATION - \$170,700



**Episcopal Diocese of Maryland
2024 Budget Forum**



MINISTRY OF COMMUNICATIONS – 4% OF THE BUDGET

The communications budget funds programmatic costs such as the Diocesan website, biweekly eNews distribution, Maryland Episcopalian online magazine, public relations, and live-streaming support for online worship at The Cathedral of the Incarnation. The communications department also offers web development services to our churches for a negotiable fee based on need.

The budget also allows for high-speed Internet access, leasing of printers and copiers at the Diocesan Center, and computer equipment/software used by Diocesan Staff. Finally, the technical information technology services required to operate the equipment are outsourced to a contractor.

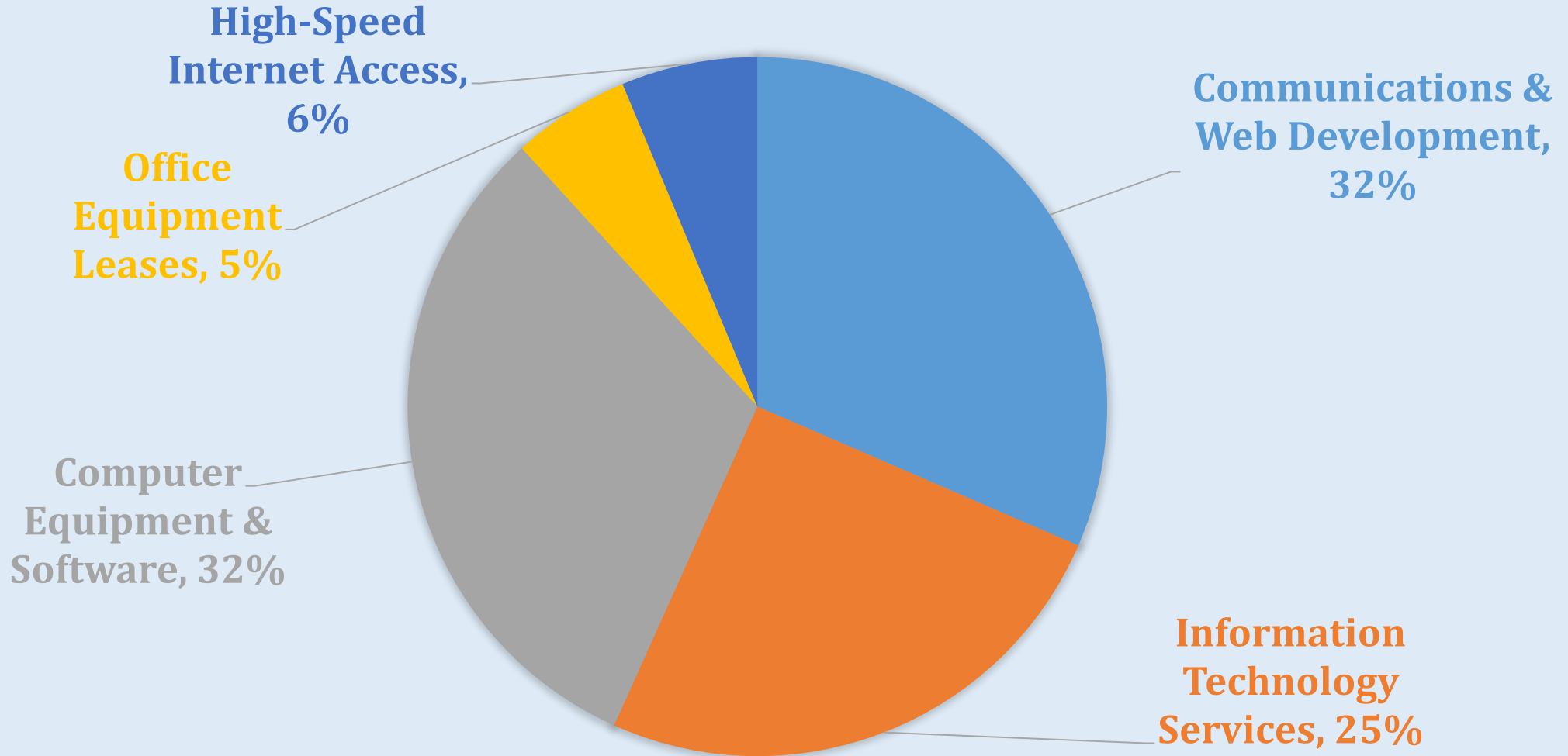


MINISTRY OF COMMUNICATIONS – 4% OF THE BUDGET

Description	2023 Adj Budget	2024 Draft Budget	% Incr/ -Decr	% of Total
Ministry of Communications				
Communications	(\$80,000)	(\$75,000)	-6%	1%
Electronic Communications	(\$15,000)	(\$15,000)	0%	0%
Computer Equipment & Software	(\$80,000)	(\$75,000)	-6%	1%
Office Equipment Leases	(\$13,000)	(\$13,000)	0%	0%
Information Technology Services	(\$60,000)	(\$60,000)	0%	1%
Total Ministry of Communications	(\$248,000)	(\$238,000)	-4%	4%



MINISTRY OF COMMUNICATIONS - \$238,000



MINISTRY OF THE BISHOP'S OFFICE – 45% OF THE BUDGET

- **Diocesan Staff Compensation & Benefits – 43% of the Operating Budget**
Projecting a 6% cost of living increase and 4% increase in insurance costs

This budget funds 17 full time and 2 part time positions. An additional 3 full time and 8 part time positions are paid from program budget lines.

The total budget is 70% salaries and 30% insurance and pension costs and is still well below 50% of the total operating budget.

- Canon for Pastoral Services – now funded through a Bishop's grant fund
- Professional Development for Staff
- Scholarships for Children of Clergy – funded by an endowment
- Payroll Processing – Outsourced to a contractor
- Workers' Compensation Insurance / Self-Funded Unemployment Insurance

**Episcopal Diocese of Maryland
2024 Budget Forum**



MINISTRY OF THE BISHOP'S OFFICE – 45% OF THE BUDGET

Description	2023 Adj Budget	2024 Draft Budget	% Incr/ -Decr	% of Total
Canon for Pastoral Services	(\$16,700)	\$0	-100%	0%
Strategic Vision / Office of the Bishop	(\$2,000)	(\$2,000)	0%	0%
Clergy Child Scholarships	(\$30,000)	(\$27,000)	-10%	0%
Search & Consecration	(\$50,000)	\$0	-100%	0%
Staff Compensation & Benefits	(\$2,250,000)	(\$2,400,000)	7%	43%
Staff Professional Development	(\$25,000)	(\$25,000)	0%	0%
Payroll Processing Services	(\$25,000)	(\$20,000)	-20%	0%
Worker's Insurance	(\$10,000)	(\$10,000)	0%	0%
Total Ministry of the Bishop's Office	(\$2,408,700)	(\$2,484,000)	3%	45%



MINISTRY OF OPERATIONS – 14% OF THE BUDGET

Business Operations

Costs for telephones, business travel, bank fees, interest, postage, and office supplies represent 26% of the operations budget.

Diocesan Center Operations

This category consists of all expenses relating to operating the Diocesan Center facility and The Cathedral of the Incarnation including supplies, repairs, utilities, lawncare, building manager, and custodial staff. The Cathedral congregation reimburses a portion of the cost and has been asked to increase their contribution as the costs to operate the center have increased. Total cost to operate the building represent 35% of the operations budget. Larger capital improvements are typically shared between the Cathedral congregation and the Property Care budget.



MINISTRY OF OPERATIONS – 14% OF THE BUDGET

Diocesan Property Care

In addition to the Diocesan Center and Cathedral Property, the Diocese is responsible for the following additional properties:

- Clover Hill House – historic former Bishop’s residence now rented to clergy
- 4 closed churches being prepared for sale – 2 should sell by early 2024
- 4 closed churches used by other organizations
- 11 mission churches
- 5 cemetery properties

As churches close, the Diocese becomes responsible for maintenance and disposition or reuse of the property, typically with costly deferred maintenance.

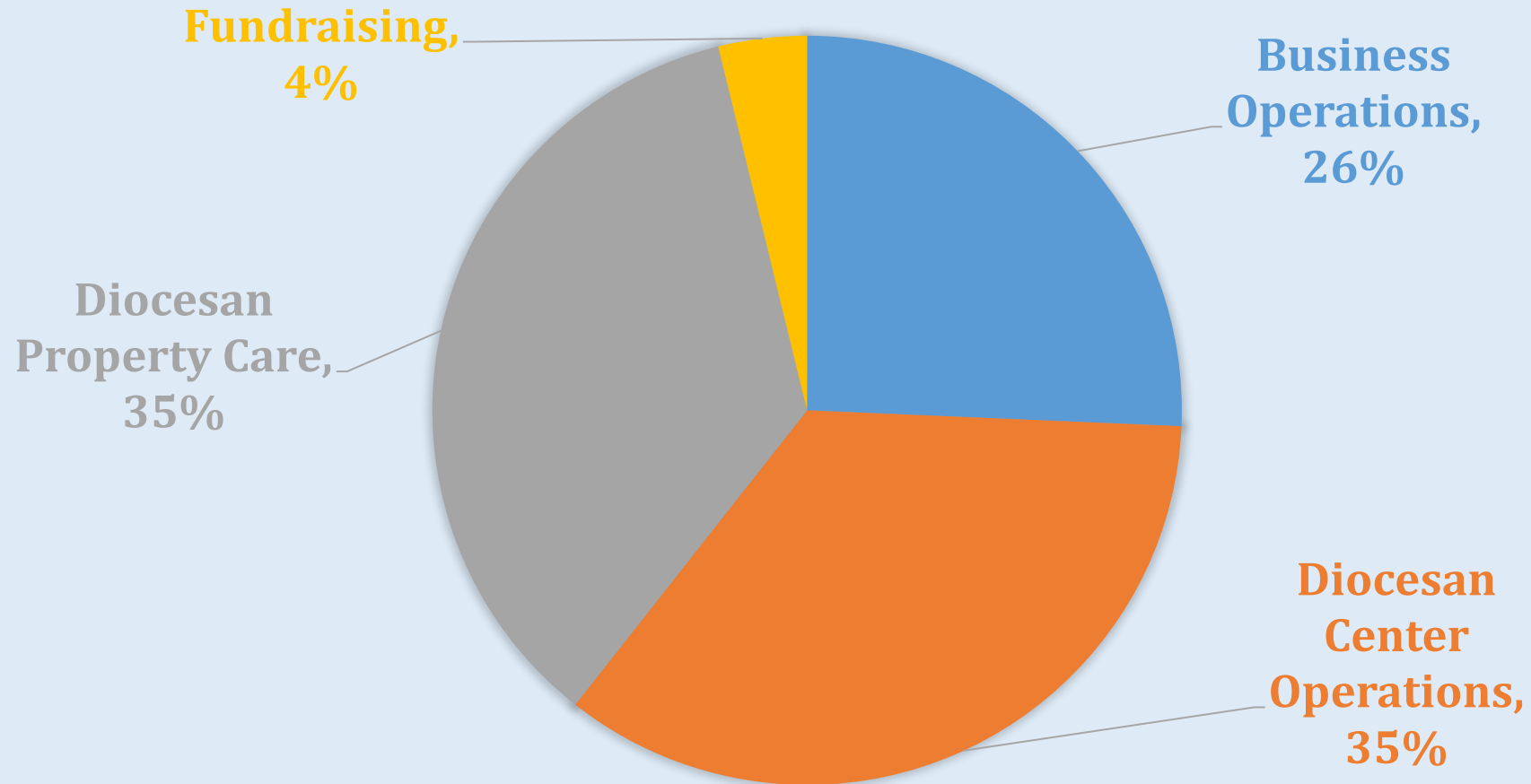


MINISTRY OF OPERATIONS – 14% OF THE BUDGET

Description	2023 Adj Budget	2024 Draft Budget	% Incr/ -Decr	% of Total
Audit & Accounting Services	(\$40,000)	(\$47,000)	18%	1%
Bank Fees & Interest	(\$39,000)	(\$50,000)	28%	1%
Business Travel & Meals	(\$30,000)	(\$40,000)	33%	1%
Diocesan Center Operations & Utilities	(\$300,000)	(\$275,000)	-8%	5%
Diocesan Center Furnishings	(\$5,000)	(\$5,000)	0%	0%
Telephones	(\$45,000)	(\$45,000)	0%	1%
Postage	(\$5,000)	(\$5,000)	0%	0%
Office Supplies	(\$7,000)	(\$5,000)	-29%	0%
Legal Services	\$0	(\$5,000)	0%	0%
Diocesan Convention	\$0	\$0	0%	0%
Diocesan Council / Standing Committee	(\$1,000)	(\$1,000)	0%	0%
Subscriptions & Membership	\$0	(\$1,000)	0%	0%
Director's & Officer's Insurance	(\$5,000)	(\$3,100)	-38%	0%
Diocesan Property Care	(\$300,000)	(\$280,000)	-7%	5%
Fundraising	(\$20,000)	(\$30,000)	50%	1%
Total Ministry of Operations	(\$797,000)	(\$792,100)	-1%	14%



MINISTRY OF OPERATIONS - \$792,100



DIOCESE OF MARYLAND – OPERATING REVENUE

Shared Ministry Allocation

The Diocese of Maryland has two calculations for the shared allocation each church contributes to the Diocesan budget.

A) 18% of the average of the 2020, 2021, and 2022 normal operating income (Line A)
Less: 4% of the 2022 normal operating expense (Line E)
Less: \$2,860

OR

B) 18% of the 2022 normal operating income (Line A)
Less: 4% of the 2022 normal operating expense (Line E)
Less: \$2,860

Effectively, this formula ensures that congregations of lesser financial means contribute 10% of average normal operating income or less while congregations of greater financial means contribute 12-14% of average normal operating income.

No church contributes more than 14% for 2024.

Episcopal Diocese of Maryland
2024 Budget Forum



DIOCESE OF MARYLAND – OPERATING REVENUE

Endowment Income

The Diocesan Investment Fund contains over 350 sub-funds and totals approximately \$35,000,000. Per church canons, the Diocese may draw up to 5% for restricted and unrestricted spending each year but has averaged spending of approximately 4.5%. The proceeds from property sales fund and the Reparations fund are both also included in the Diocesan Investment Fund.

Bishop's Annual Appeal

The annual fundraising effort generates approximately \$100,000 for the next year's operating budget. Most contributions are designated to the greatest need, but some donors support specific ministries

Miscellaneous Revenue

Rental revenue and facilities usage fees.



DIOCESE OF MARYLAND – OPERATING REVENUE

Prior Year Change in Operating Net Assets

The budget is balanced by spending a portion of the prior year budget surplus.

Description	2023 Adj Budget	2024 Draft Budget	% Incr/ -Decr	% of Total
Total Operating Revenues & Expenses	\$143,281	(\$86,597)		
2023 Projected Operating Surplus		\$159,276		
Projected Net Asset Carryforward to 2025		\$72,679		

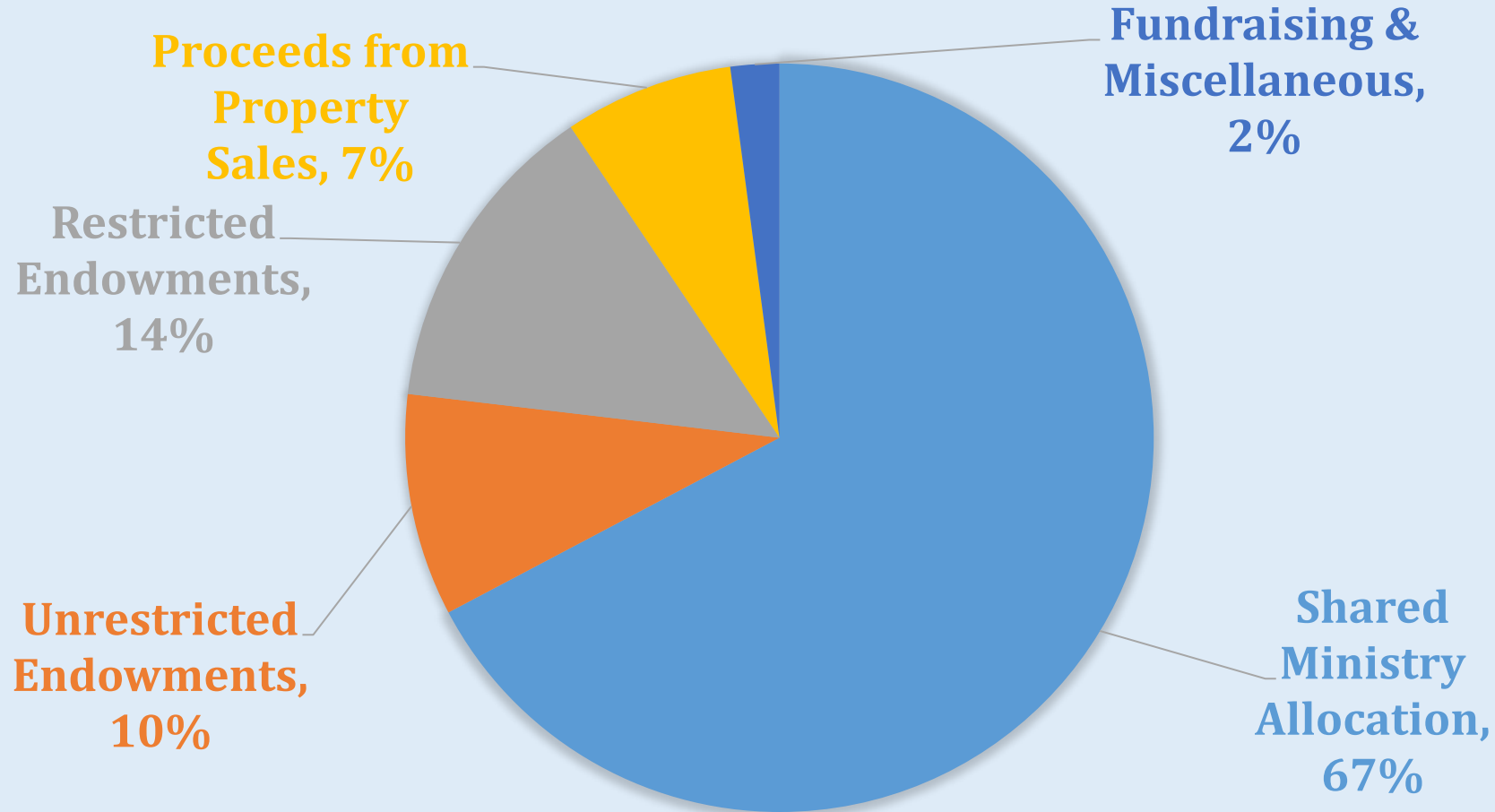


DIOCESE OF MARYLAND – OPERATING REVENUE

Description	2023 Adj Budget	2024 Draft Budget	% Incr/ -Decr	% of Total
Shared Ministry Allocation	\$3,675,019	\$3,679,020	0%	67%
Unrestricted Endowment Draw	\$525,000	\$525,000	0%	10%
Prior Year Bishop's Appeal	\$150,000	\$100,000	-33%	2%
Proceeds from Property Sales (Restricted)	\$350,000	\$400,000	14%	7%
Reparations Endowment Draw (Restricted)	\$232,749	\$150,000	-36%	3%
Restricted Endowment Draw	\$887,962	\$600,000	-32%	11%
Miscellaneous	\$45,000	\$15,000	-67%	0%
Total Revenues	\$5,865,730	\$5,469,020	-7%	100%



DIOCESE OF MARYLAND OPERATING REVENUE



Questions??

businessoffice@episcopalmaryland.org

**Episcopal Diocese of Maryland
2024 Budget Forum**

