

**Budget and Finances
For the Mission of The Episcopal Church
In the Diocese of New Jersey**

Report of the Treasurer to the 224th Diocesan Convention

To: Clergy, Lay Deputies and Alternates to the 224th Convention of the Diocese of New Jersey

From: Peter Hausman, Treasurer

*The Budget and Finances for the Mission of The Episcopal Church in the Diocese of New Jersey –
Report to the 224th Diocesan Convention*

Dear Friends,

This memorandum accompanies the Revised Preliminary Diocesan Budget for Fiscal Year (FY) 2008 and the Proposed Preliminary Diocesan Budget for FY 2009, supporting the mission and ministry of the Diocese of New Jersey for the next two years, which I am submitting for your consideration on behalf of Bishop Cancell, the Diocesan Council, the Finance and Budget Committee and the financial offices of the Diocese.

The 2008 Budget

Congregational Fair Share pledges rose by approximately 3% from FY 2007 to FY 2008. The FY 2008 budget also includes a new income item: we have received two gifts from friends who know Bp. Romero and appreciate his ministry, totaling \$300,000. These gifts have been apportioned into the budget over the five years that we anticipate that Bp. Romero will be with us, using a step-rate formula: \$100,000 in FY 2008, \$80,000 in FY 2009, declining by \$20,000 in each subsequent year so that, by the end of the five-year period, we will have built the support for a two-bishop diocese back into our budget.

For the fourth consecutive year, our budget allocations include full funding for direct support to mission congregations and for our fair share to The Episcopal Church (sometimes referred to as the “national church”).

The FY 2008 budget also provides these new allocations and increases:

- Support for Trinity Cathedral (line 40) has been raised to 5% of our Fair Share pledge offering.
- \$40,000 has been allocated to support the Vision that was adopted at last year’s Convention (line 60).
- Risk Management Inspections, which are funded through a special grant from Church Insurance, are included for the first time in FY 2008 (line 102a).
- A program to expand our college chaplaincies beyond the two major universities in our Diocese – Princeton and Rutgers – has been funded (line 303).
- The Hunger Task Force (line 310) has been resurrected in 2008, and pastoral work at the Elizabeth Detention Center (line 312) has been recognized as a diocesan ministry.
- Our allocation for the Lambeth Conference (line 410) has been increased to provide for attendance by both of our bishops.

Note that the budget for Diocesan Communications (line 50) and for the Communications Officer (lines 660-663) has been reduced for FY 2008. Our Communications Officer has taken a personal leave of absence for a large part of 2008 while she deals with her husband’s illness; these allocations reflect the

Treasurer's Report to the 221st Diocesan Convention

cost that we will incur for our interim communications office during that period. (Those items are returned to their full amounts in the Preliminary FY 2009 Budget.)

The Preliminary 2009 Budget

The preliminary FY 2009 budget includes the revenue that would be available if every congregation is able to commit to the full amount of their Fair Share in 2009. This approach allows us to hold the budget up as a vision of the kind of ministry that we can accomplish together if the resources are available to support it. It also includes the second apportionment from the gifts that we received to support Bishop Romero's ministry.

The preliminary FY 2009 budget supports all of the expenditures that are provided in FY 2008, often at an increased level from the 2008 allocation. This budget also anticipates that the following new allocations and increases could be supported, if congregations pledge the full Fair Share amount:

- \$60,000 could be allocated to support the Vision that was adopted at last year's Convention (line 60).
- The allocation for Congregational Ministry Grants and Regional Ministry Grants, supported by the Matthews Fund Small Grant Program (lines 120, 121) could be raised to \$80,000.
- During 2008 Bishop Romero, working with diocesan leaders, will begin to develop a program for ministry among the varied cultures and ethnic groups that make up the communities of our Diocese. We anticipate that some elements of that program will begin in 2009; \$70,000 has been allocated (line 206) for that purpose.
- We will also try once again to initiate a program for Young Adult Ministry (line 301).
- Three new senior staff positions (lines 670-672) could be established, which would be dedicated to supporting ministry in our congregations. Funding is also provided to increase the administrative staff (line 680).
- Allocations are also provided to support the growing capital costs of maintaining our diocesan offices (line 712) in Trenton, and to sponsor a major capital campaign (line 712a). We anticipate a campaign that partners with our congregations, working together to raise funds to support ministry in the Diocese and in the local parishes.

General Notes and Comments

This budget, which is the last one that I will submit to you, continues the pattern of increasing revenue and expanding ministry that has been our hallmark during the transition times under Bishop Donovan and Bishop Joslin and during the first years of Bishop Cancell's episcopacy. We are now many years away from the difficult times of the late 1990s; with this budget, and the financial support for our ministry that it offers, we can reclaim our historical status as a large and prosperous diocese and reaffirm our dedication to the ministry that we can do together.

Beyond the specific ministries that are funded on each line item, this budget provides a pathway to our vision for the future of the Diocese of New Jersey. We are now poised to fully support the mission that Bishop Cancell, Bishop Romero, the clerical and lay leaders in our Diocese and the leadership and the people in our congregations envision as we steer our Diocese into that future.

Financials:
Exhibit I

**The Revised Preliminary Budget for 2008 and
Proposed Preliminary Budget for 2009
For the Mission of The Episcopal Church
in the Diocese of New Jersey**

	Revised Preliminary Budget: 2008	Proposed Preliminary Budget: 2009
REVENUE		
1 Fair Share	\$ 3,018,666	\$4,164,787
2 Trust Income	744,662	720,000
2a Designated Trust Income	100,000	80,000
3 Available Surplus	270,000	-
4 Other Income	91,700	78,000
Total Revenue	\$ 4,225,028	\$ 5,042,787
 OUTLAYS		
<i>Diocesan Priorities</i>		
10 Mission Congregations	\$ 337,500	\$ 320,000
20 The Episcopal Church	638,487	638,487
<i>Social & Ethnic Ministry</i>		
30 Environmental Committee	1,000	1,100
31 Migrant Ministry	7,500	8,200
32 Anti-Racism	50,000	63,000
33 Hispanic Commission	12,000	17,125
35 Millennium Development Goals	21,131	29,154
40 Trinity Cathedral	150,933	208,239
50 Diocesan Communications	20,000	50,000
60 Visioning Process	40,000	60,000
	\$ 1,278,551	\$ 1,395,305
Congregational Development		
100 Congregational Development Committee	9,100	10,000
101 Board of Missions	7,000	12,000
102 Building Inspection Program	8,000	8,000
102a Risk Management Inspections	20,000	20,000
103 Parish Crisis Response	3,000	3,000
<i>Congregational Ministries</i>		
110 Stewardship	3,000	3,500
111 Christian Formation	5,500	6,000
112 Commission on Liturgy	200	250
113 Commission on Music	300	300
114 Ministry with the Disabled	9,000	12,000
115 Planned Giving	1,000	1,000

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116 Episcopal Church Visual Arts (ECVA)	2,000	2,000
117 Recovery Ministries	5,400	5,700
<i>Local Program</i>		
120 Congregational Ministry Grants	12,500	80,000
121 Regional Ministry Grants	12,500	80,000
	\$ 98,500	\$ 243,750
Ministry Development		
<i>Priests</i>		
200 Commission on the Priesthood	16,500	37,500
201 Seminary Scholarships	60,000	75,000
202 COP Internship Program	10,000	10,000
203 Trinity Counseling Service	11,000	11,000
204 Clergy Development/Clergy Days	5,000	5,000
204a Fresh Start	3,000	3,000
205 Clergy Deployment	5,500	5,500
206 Multicultural Ministry Development	-	70,000
<i>Deacons</i>		
210 School for Deacons/Committee on the Diaconate	36,800	29,547
<i>Laity</i>		
220 Ministry Institute	2,000	2,000
	\$ 149,800	\$ 248,547
Diocesan Ministries		
<i>Youth & Young Adults</i>		
300 Youth Activities	55,000	56,000
301 Young Adult Ministry	-	3,000
302 Rutgers Chaplaincies	15,000	7,500
303 Local Chaplaincies	15,000	28,290
<i>Community Initiatives</i>		
310 Hunger Ministry	1,000	-
311 Prison Ministry	1,600	1,600
312 Detention Center	4,000	4,000
313 Urban Ministry	1,500	2,000
	\$ 93,100	\$ 102,390
Diocesan Gatherings		
<i>Within the Diocese</i>		
400 Diocesan Convention	38,000	40,000
401 Clergy Conference	8,000	8,000

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402 Lay Leader Conferences <i>In the Larger Church</i>	2,500	2,500
410 Lambeth	11,000	2,000
411 House of Bishops	6,000	6,000
412 General Convention & ECW Triennium	19,000	20,000
413 Province II Meetings	1,000	2,000
	\$ 85,500	\$ 80,500
Programs & Covenants		
500 Province II Covenant	8,800	8,800
501 Ecumenism	4,000	4,000
502 Companion Diocese	30,000	30,000
	\$ 42,800	\$ 42,800
Diocesan Staff		
<i>The Bishop of New Jersey</i>		
600 Salary & Housing	190,720	197,395
601 Social Security	14,590	15,101
602 Continuing Education	2,500	2,500
603 Professional Allowance	16,000	16,000
604 Transportation	10,000	10,000
605 Sabbatical	10,000	3,000
	\$ 243,810	\$ 243,996
606 Visiting Bishop/Assisting Bishop	6,000	7,000
<i>The Assisting Bishop of New Jersey</i>		
610 Salary & Housing	120,000	124,200
611 Social Security	9,180	9,501
612 Continuing Education	2,500	2,500
613 Professional Allowance	10,000	10,000
614 Transportation	10,000	10,000
	\$ 151,680	\$ 156,201
<i>The Canon to the Ordinary</i>		
620 Salary & Housing	103,064	106,671
621 Social Security	7,885	8,160
622 Continuing Education	2,500	2,500
623 Professional Allowance	6,500	6,500
624 Transportation	8,500	8,500
	\$ 128,449	\$ 132,332
<i>The Chief Financial Officer</i>		
630 Salary	82,326	85,207

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631 Social Security	6,298	6,518
632 Continuing Education	2,500	2,500
633 Professional Allowance	<u>2,800</u>	<u>2,800</u>
	\$ 93,924	\$ 97,026
<i>The Canon for Ministry Development</i>		
640 Salary & Housing	79,917	82,714
641 Social Security	6,114	6,328
642 Professional Allowance	2,500	2,500
643 Continuing Education	<u>2,500</u>	<u>2,500</u>
	\$ 91,031	\$ 91,542
<i>The Youth Director</i>		
650 Salary & Housing	79,120	81,889
651 Social Security	6,053	6,265
652 Professional Allowance	9,000	9,000
653 Transportation	<u>7,500</u>	<u>7,500</u>
	\$ 101,673	\$ 104,654
<i>The Communications Officer</i>		
660 Compensation Package	55,491	75,000
661 Social Security	4,245	5,738
663 Professional Allowance	<u>1,800</u>	<u>1,800</u>
	\$ 61,536	\$ 82,538
670 Congregational Development Officer	-	75,000
671 Evangelism Officer	-	75,000
672 Christian Formation Officer	-	75,000
680 Administrative Staff	502,438	541,024
681 Historian & Archivist	20,250	45,000
682 Retired Clergy Chaplain	600	600
690 Health Insurance	156,912	178,642
691 Dental Insurance	13,651	14,880
692 Life Insurance	4,320	5,020
693 Long/Short Term Disability	2,300	2,300
694 Pensions	<u>169,945</u>	<u>191,330</u>
	\$ 1,748,519	\$ 2,119,083
Diocesan Obligations		
<i>Finance</i>		
700 Insurance & Bonding	57,000	60,000

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701 Audit & Legal	26,000	27,000
<i>Facilities</i>		
710 Property Maintenance	30,000	38,000
711 Utilities	42,500	44,000
712 Capital Improvements	30,000	75,000
712a Capital Campaign	-	30,000
713 Equipment	111,152	81,412
714 Furniture	3,000	7,500
715 Telephone	11,000	12,000
716 Office Supplies	23,000	24,000
717 Printing & Postage	26,000	27,000
718 Meeting Expenses	2,500	3,500
719 General Management	24,605	24,000
720 Hospitality	17,500	18,000
<i>General Obligations</i>		
730 Retired Clergy Health Ins.	207,000	215,000
731 Widows/Orphans Health Ins.	90,000	94,000
733 Retired Clergy Fund	11,000	12,000
734 Widows/Orphans Fund	16,000	18,000
	<u>\$ 728,257</u>	<u>\$ 810,412</u>
Total Outlays	\$ 4,225,028	\$ 5,042,786
<i>Balance</i>	<i>0</i>	<i>0</i>