

Diocese of Maryland 2020 Budget - DRAFT 4 SUMMARY					
Narrative		Budgeted	Difference	Budgeted	Projected
Line #	Budget Category	2020	from 2019	2019	2019 Year-End
<b>Income</b>					
1	Shared Ministry Allocations	3,607,000	(19,100)	3,626,100	3,648,573
2	Endowment Withdrawal - 4% Recommendation	410,000	(82,851)	492,851	492,851
3	Development Income - Bishop's Appeal	130,000	30,000	100,000	130,000
4	Designated Funds - Property Sales	50,000	50,000	-	-
5	Communication Revenue	-	(1,500)	1,500	-
6	Restricted Income	522,000	(63,877)	585,877	351,292
7	Other Income	35,000	(20,000)	55,000	18,362
	<b>Total Income</b>	<b>4,754,000</b>	<b>(107,328)</b>	<b>4,861,328</b>	<b>4,641,078</b>
<b>Expenses</b>					
<b>Ministry in the World</b>					
1	Bragg Scholarship	(12,000)	(846)	(11,154)	(11,154)
2	Children's Camps	(10,000)	2,000	(12,000)	(5,736)
3	Episcopal Service Corps	(55,000)	(49,000)	(6,000)	(52,348)
3	Diocesan Memberships	(1,000)	7,000	(8,000)	(500)
3	Samaritan Community	-	1,000	(1,000)	-
3	Committee on Older Adults	-	500	(500)	-
3	LGBT	-	500	(500)	-
3	Homework Club - Guardian Angel	(2,000)	-	(2,000)	(2,000)
3	Port Chaplaincy	(20,000)	(500)	(19,500)	(19,500)
3	Public Policy Office	(5,000)	-	(5,000)	(3,500)
3	Truth & Reconciliation Commission	(7,000)	-	(7,000)	(6,800)
3	Green Grace Maryland	(2,000)	3,000	(5,000)	(500)
3	Episcopal Resettlement Center	(5,000)	-	(5,000)	(5,000)
3	Safe Church Training	(1,000)	(500)	(500)	-
4	The Episcopal Church	(508,000)	(1,478)	(506,522)	(491,277)
4	Province III	(10,000)	(500)	(9,500)	(9,260)
4	General Convention/Lambeth	(10,000)	(10,000)	-	-
5	Episcopal Relief & Development	-	100	(100)	-
6	Global Mission Links	(5,000)	-	(5,000)	(5,000)
7	Sutton Scholarship Fund Raising	-	-	-	-
8	Reparation	-	-	-	-
9	Sustainable Development Goals	(28,000)	(2,617)	(25,383)	(25,383)
		(681,000)	(51,341)	(629,659)	(637,958)
<b>Ministry to Congregations &amp; Institutions</b>					
1	Archives	(5,000)	8,343	(13,343)	(500)
2	Bishop Grants	(150,000)	22,875	(172,875)	(43,344)
3	Conference Assistance	-	500	(500)	-
4	Asian Ministry	(96,000)	-	(96,000)	(96,000)
4	Latino Ministry	(165,000)	35,000	(200,000)	(158,745)
5	Church on the Square	(60,000)	125,000	(185,000)	(64,000)
5	The Slate Project	(30,000)	-	(30,000)	(30,000)
6	Congregational Development	(20,000)	(20,000)	-	-
6	Ihloff Fund Grants	(50,000)	(4,709)	(45,291)	(45,291)
7	Social Ministry Grants	(31,000)	(188)	(30,812)	(30,812)
7	Ministry Grants	(5,000)	(651)	(4,349)	(4,349)
7	Ordained Ministry Grants	(21,000)	(233)	(20,767)	(20,767)
8	Financial Assistance for Congregations	(125,000)	-	(125,000)	(135,635)
9	Sabbatical Support for Congregations	(5,000)	-	(5,000)	-
10	Garrett County Missioner - Helen Stewart Fund	(2,000)	49	(2,049)	(2,049)
11	Worship Team	(7,000)	-	(7,000)	(2,516)
12	Urban Missions	(45,000)	15,000	(60,000)	(44,146)
13	Hopkins Hospital Chaplaincy	(90,000)	(2,482)	(87,518)	(91,971)
14	College of Congregational Development	(50,000)	(50,000)	-	-
		(957,000)	128,504	(1,085,504)	(770,125)
<b>Ministry for Christian Formation</b>					
1	Christian Formation	(5,000)	-	(5,000)	(435)
2	College Ministry	(45,000)	(15,000)	(30,000)	(43,900)
3	Continuing Education Grants	(10,000)	576	(10,576)	(4,059)
4	Deacon Training	(10,000)	4,160	(14,160)	(14,160)
5	Discerning Ordained Vocation	-	-	-	-

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6	Education for Ministry	(2,000)	500	(2,500)	(2,500)
7	Exploring Baptismal Ministry	-	-	-	-
8	New Clergy Training	(7,000)	500	(7,500)	(4,216)
9	Ordained Ministry Commission on Ministry	(8,000)	(2,600)	(5,400)	(5,400)
10	Theological Education	(25,000)	(3,958)	(21,042)	(35,365)
11	Youth Camp Scholarship	(5,000)	(478)	(4,522)	(4,522)
12	Youth Ministry	(40,000)	560	(40,560)	(36,806)
		(157,000)	(15,740)	(141,260)	(151,363)
	<b>Ministry of Communications</b>				
1	Communications & Public Relations	(50,000)	-	(50,000)	(59,217)
2	Computer Equipment/Software	(65,000)	-	(65,000)	(62,145)
3	Office Communications Expense	(30,000)	-	(30,000)	(23,796)
		(145,000)	-	(145,000)	(145,158)
	<b>Ministry of the Bishop's Office</b>				
1	FOCUS	(16,000)	3,000	(19,000)	(15,080)
2	Office of the Bishop/Strategic Vision	(2,000)	-	(2,000)	-
3	Scholarship for Clergy's Children	(24,000)	(759)	(23,241)	(23,190)
4	Search & Consecration	(10,000)	-	(10,000)	-
5	Senior Staff Compensation & Benefits	(670,000)	(6,819)	(663,181)	(619,786)
6	Program Staff Compensation & Benefits	(380,000)	98,710	(478,710)	(359,496)
7	Operations Staff Compensation & Benefits	(820,000)	(93,055)	(726,945)	(926,939)
8	Professional Development	(30,000)	-	(30,000)	(17,000)
9	Other Personnel Expenses	(10,000)	-	(10,000)	(35,000)
9	Worker's Insurance	(9,000)	-	(9,000)	(9,009)
		(1,971,000)	1,077	(1,972,077)	(2,005,500)
	<b>Ministry of Operations</b>				
1	Audit	(40,000)	2,550	(42,550)	(40,000)
1	Bank Fees	(40,000)	(15,000)	(25,000)	(36,962)
1	Business Travel & Expenses	(55,000)	17,310	(72,310)	(38,834)
1	Diocesan Center Expenses	(258,000)	(8,000)	(250,000)	(267,093)
1	Office Furniture	(5,000)	(34)	(4,966)	(1,100)
1	Office Leasing Contracts	(15,000)	30,500	(45,500)	(13,228)
1	Office Service Contracts	(55,000)	(17,300)	(37,700)	(52,327)
1	Office Supplies	(6,000)	2,000	(8,000)	(4,269)
1	Postage	(6,000)	500	(6,500)	(4,838)
1	Telephone	(35,000)	674	(35,674)	(35,824)
2	Legal Honorarium	(15,000)	2,000	(17,000)	(5,000)
3	Diocesan Convention	(1,000)	-	(1,000)	(5,000)
3	Diocesan Council/Standing Committee	(1,000)	-	(1,000)	-
3	Diocesan Subscriptions	(1,000)	(500)	(500)	(625)
3	Director's and Officer's Insurance	(5,000)	(500)	(4,500)	(4,500)
4	Diocesan Property Care	(260,000)	28,628	(288,628)	(255,000)
5	Fundraising Expense	(45,000)	2,000	(47,000)	(44,000)
		(843,000)	44,828	(887,828)	(808,600)
	<b>Total Expenses</b>	<b>(4,754,000)</b>	<b>107,328</b>	<b>(4,861,328)</b>	<b>(4,518,704)</b>
	<b>NET SURPLUS / (DEFICIT)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>122,374</b>

Note - this projected surplus is likely to be offset by write-off of uncollectible pledges and receivables.

**Episcopal Diocese of Maryland  
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The budget process for 2020 began with one-on-one meetings with each budget category Director so I could develop an understanding of accounts and categories and discuss desired changes from the prior year budget. I then incorporated budget versus actual information for 2017 and 2018 into the first draft and projected my best guess of 2019 actual results so the program and budget committee had three years of data to review. Using that data, I made my best guess estimate for the 2020 budget based on the best information available at the time. The first draft carried a deficit of \$130,000 which the program and budget committee helped us to narrow down to zero by reviewing and discussing each line and incorporating additional information from staff when necessary. The budget was reviewed and approved by +Bishop Eugene Sutton and Canon Scott Slater+ on November 6, 2019 and the final draft was approved via conference call of the Program and Budget Committee on November 14, 2019.

The attached budget is the result of our work and includes a comparison with the prior year budget. One change this year is that all budget lines are rounded to the nearest thousand. Another change we will be implementing going forward is that the program and budget committee will meet regularly to review budget versus actual performance so the committee is better equipped to make recommendations in the next budget cycle.

**Line Item Explanations:**

**INCOME:.....\$4,754,000**

Total income is derived from both restricted and unrestricted sources. The following explanations detail anticipated revenue sources for the 2020 budget year. Funds from restricted sources are noted.

**1. Shared Ministry Allocations Receipts.....\$3,607,000**

Payments from congregations represent 76% of all revenue and 89% of unrestricted revenue derived from resolutions presented to and approved by the annual Diocesan Convention.

Shared Ministry Allocations equate to the **lesser** of the following two equations:

- 1) 18% of the three year average Normal Operating Income (years 2016, 2017, and 2018) less 4% of the prior year's normal operating expenses (including Diocesan allocation and Outreach) and less \$2,860.
- 2) 18% of the prior year's Normal Operating Income (2018) less 4% of the 2018's normal operating expenses (including Diocesan allocation and Outreach) and less \$2,860.

The calculations result in a graduated allocation reflecting 0% to 14% of all congregation's 2018 Normal Operating Income with an average of 11%.

**2. Endowment Withdrawal.....\$410,000**

Income from various investment funds. The investment committee recommendation for 2020 is 4% of the three year average ending balance of unrestricted funds used to support operating activities.

**3. Development Income.....\$130,000**

Funds raised through the Bishop's Annual Ministry Appeal in the prior year are budgeted to be spent in the current year.

**4. Designated Funds – Property Sales.....\$50,000**

A special proposal to fund the College of Congregational Development is being requested from the income from property sales restricted fund. This \$50,000 will be spent in 2020 and again in 2021.

**5. Communication Revenue.....\$0**

Revenue derived from Maryland Episcopalian and website advertising revenue.

**6. Restricted Income: .....\$522,000**

Income from various sources including restricted endowments, specific use grants, and restricted donations. The investment committee recommendation for 2020 is 4% of the three year average ending balance of restricted funds used to support specific activities.

**7. Other Income.....\$35,000**

Funds received from donations for use of Diocesan owned buildings and other miscellaneous donations.

**EXPENDITURES:.....\$4,754,000**

The following expenditures are supported by designated, restricted, and unrestricted funds listed above.

**Ministry in the World.....\$681,000**

**1. Bragg Scholarship.....\$12,000**

Scholarship program for disadvantaged youth funded from restricted income.

**2. Children’s Camps.....\$10,000**

Diocesan support of children’s reading camps.

**3. Community Services.....\$98,000**

Community Services incorporates several programs including the Episcopal Service Corp, Homework Club, Port Chaplaincy, Public Policy Office, Episcopal Resettlement Center, the Truth and Reconciliation Commission, Green Grace, Safe Church training, and other Diocesan memberships. Many of these programs are partially funded through the Annual Appeal.

- The Episcopal Service Corp aligns youth service workers with community service projects and is partially offset by income in the restricted income line.
- The Homework Club at Guardian Angel serves underprivileged middle and high school students in the Remington area in improving their academic achievements.
- Baltimore Seafarers Center is a ministry of hospitality and outreach with particular emphasis on advocacy in justice related issues involving wage disputes, living conditions and safety aboard ships.
- The Public Policy Office attends sessions of the Maryland General Assembly and keeps the Bishops/Council informed of pending legislative action pertinent to the church, particularly regarding issues of peace and justice.

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- The Episcopal Resettlement Center is a program of the Cathedral that provides workshops, legal aid and loans for immigrants and refugees.
- Other Programs such as the Truth and Reconciliation Commission, Green Grace, Safe Church training, and Diocesan memberships include materials, speakers and dues for public interest groups such as: Interfaith Action for Racial Justice, Ecumenical Advocacy Council, Maryland Interfaith Legislative Council, Global Episcopal Ministries, Call to Renewal, Diocesan Jubilee Ministries, Central Ecumenical Council, and Episcopal Network for Economic Justice.

**4. Connections to the wider church.....\$528,000**

Diocesan wide allocation paid to the Episcopal Church at 15% of 2018 operating income, Province III dues, and the costs to attend Province III events, General Convention, or Lambeth.

**5. Episcopal Relief and Development.....\$0**

This line was folded into the Diocesan Memberships category for 2020.

**6. Global Mission Links.....\$5,000**

Visitations and communications with our supported international Anglican relationships such as the Dioceses of Puerto Rico and Kenya.

**7. Sutton Scholarship Fund Raising.....\$0**

Although still a Diocesan program, Sutton Scholars has been moved to its own fund and budget and is fully funded from separate fund raising activities. It is planned to begin incorporating this budget into the program and budget committee process in 2020.

**8. Reparations Conversations.....\$0**

The Convention is exploring ways to move forward with this conversation.

**9. Sustainable Development Goals Grants.....\$28,000**

Support of the UN Millennium Development goals is set at 0.7% of our unrestricted budget as approved by the National and Diocesan Conventions in 2015.

**Ministry to Congregations and Institutions.....\$957,000**

**1. Archives.....\$5,000**

Costs for continued support of the diocesan archives funded from restricted income.

**2. Bishop's Grants (S&D, Allison, Arrowsmith, Whitridge).....\$150,000**

Bishop's discretionary funds from various restricted endowments for various purposes.

**3. Conference Assistance.....\$0**

This was folded into the congregational development line for 2020.

**4. Cultural Outreach.....\$261,000**

Diocesan support of Latino and Korean ministries within the Diocese of Maryland.

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**5. New Congregations.....\$90,000**

Diocesan support to new worshipping communities such as Church on the Square and the Slate Project.

**6. Development and Care of Congregations.....\$70,000**

Ihloff Fund Grants and diocesan support to help individual congregations with their ministry as well as help rural areas with shared ministry.

**7. Grants for Ministry.....\$57,000**

Restricted funds used for grant funding to congregations for new ministry initiatives and awarded by a diocesan committee

**8. Financial Assistance for Congregations.....\$125,000**

Diocesan support for congregations requiring financial assistance for their operating budget and awarded by a diocesan committee.

**9. Sabbatical Support for Congregations.....\$5,000**

Diocesan support to congregations for supply priests when rectors and vicars are on sabbatical.

**10. Garrett County Missioner – Helen Stewart Fund.....\$2,000**

Restricted funds designated for ministry in Garrett County.

**11. Worship Team.....\$7,000**

Diocesan Confirmation Services and other music and worship needs.

**12. Urban Missions.....\$45,000**

Diocesan support of urban ministry projects such as West Baltimore ministry, and Guardian Angel designed to enable the continuation and to extend ministries of music, pastoral care and community activities for children and adults in these intercity neighborhoods.

**13. Hopkins Hospital Chaplaincy.....\$90,000**

Diocesan support of the Episcopal chaplain at Johns Hopkins Hospital, funded partly by restricted income in addition to the efforts of the Annual Appeal. Johns Hopkins has also agreed to provide support for this ministry in 2020.

**14. College of Congregational Development.....\$50,000**

A new proposal funded by the income from property sales restricted fund for a comprehensive training program designed to equip lay leaders and clergy in congregational and organizational development. The program focuses on developing healthy, responsive leadership, facilitation, and teamwork through current and traditional understandings of Anglican/Episcopal ethos, culture, spirituality and ways of being the church today.

**Ministry for Christian Formation.....\$157,000**

**1. Christian Formation .....\$5,000**

For the acquisition of resources and the costs of quarterly workshops, annual ministry retreat, education consultation, Children’s Sabbath, education practicum, parish education day, discipleship support, communications, and program management.

**2. College Ministry.....\$45,000**

Compensation and business expenses for the Lay Chaplains at Towson State University, UMBC, and Morgan.

**3. Continuing Education Grants.....\$10,000**

Scholarship aid for clergy and lay provided by income from the Bishop’s Guild and other scholarship funds as awarded by a Diocesan committee.

**4. Deacon Training.....\$10,000**

Costs related to training vocational deacons partially offset by payments from congregations.

**5. Discerning Ordained Vocation.....\$0**

The funding for this program is tuition based.

**6. Education for Ministry (EFM).....\$2,000**

A membership fee for all the congregations in the Diocese to participate in this educational program including a 4-year Scripture and Church History study combined with ministry examination and affirmation.

**7. Exploring Baptismal Ministry.....\$0**

The funding for this program is tuition based.

**8. New Clergy Training.....\$7,000**

Funds paid to the Fresh Start program’s facilitators.

**9. Ordained Ministry Commission on Ministry.....\$8,000**

Costs for the Commission on Ministry including pre-ordination screening, the Dean and Chaplain for the Examining Chaplains and the interviewing and testing process for recommending postulants and candidates for Holy Orders.

**10. Theological Education.....\$25,000**

Scholarship aid for seminarians, medical and psychiatric exams, attendance at Convention, some travel expenses and Ordination expenses funded by restricted income.

**11. Youth Camp Scholarship.....\$5,000**

Funds for youth programs and support for the summer camps at the Bishop Claggett Center funded from restricted income.

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**12. Youth Ministry.....\$40,000**

Costs of youth activities partially offset by participation fees and the Bishop's Appeal.

**Ministry of Communications.....\$145,000**

**1. Communications and Public Relations.....\$50,000**

Costs to maintain the diocesan website, e-mail, computer service, and internet support at the Diocesan Center.

**2. Computer Equipment and Software.....\$65,000**

Costs of computer equipment and software.

**3. Office Communications Expense.....\$30,000**

Costs of other communication department needs.

**Ministry of the Bishop's Office.....\$1,971,000**

**1. F.O.C.U.S.....\$16,000**

Chaplain for clergy spouses and other clergy family activities.

**2. Office of Bishop/Strategic Vision.....\$2,000**

For unexpected events that occur throughout the year.

**3. Scholarship for Clergy Children.....\$24,000**

Cost for clergy children scholarships funded from restricted income.

**4. Search and Consecration.....\$10,000**

To set aside funding for Bishop search and consecration expense.

**5. Senior Staff Compensation.....\$670,000**

Salary, housing, insurance, and pension for the Bishop, Assisting Bishop, Canon to the Ordinary, and Chief Financial Officer.

**6. Program Staff Compensation.....\$380,000**

Salary, housing, insurance, and pension for the Diocesan Canons.

**7. Operations Staff Compensation.....\$820,000**

Salary, insurance, and pension for the operations staff that include development, administration, facility management, and financial support.

**8. Professional Development.....\$30,000**

Cost of clergy and staff professional development and continuing education.



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**9. Other Personnel Expenses.....\$19,000**

Costs of payroll fees, temporary employment, worker's compensation insurance and unemployment.

**Ministry of Operations.....\$843,000**

**1. Business Expenses.....\$515,000**

Costs of the annual audit, banking, mileage, furniture, telephone, internet, supplies, postage, equipment leases, service contracts, and the costs of operating the diocesan center.

**2. Legal Honorarium and Legal Expenses.....\$15,000**

This budget line includes legal expenses that are either anticipated or estimated.

**3. Other Operating Activity.....\$8,000**

Costs for diocesan convention (offset by participation fees), diocesan council and standing committee, subscriptions, and Director's and Officer's Insurance.

**4. Diocesan Property Care.....\$260,000**

Costs to maintain diocesan owned properties and mission churches including standard building operations, major repairs, property tax and insurance.

**5. Fund Raising Expense.....\$45,000**

Costs of the Bishop's Appeal mailings, fundraising events, grant writing consulting, stewardship, and planned giving.

Please feel free to contact Jason Kamrath at [jkamrath@episcopalmaryland.org](mailto:jkamrath@episcopalmaryland.org) if you have any questions concerning the 2020 operating budget.

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