

2023-2024 Budget Commentary

Bishop Brenda Bos

Dear ones,

As we emerge from the 2020-2021 pandemic, it is time to take bold steps to lead our congregations forward. I am proposing we liquidate assets we have been holding for a few years, waiting for a “rainy day,” or perhaps a church growth era. Siblings, as we emerge from the pandemic, I would suggest this is our rainy day, and it is time to use the assets God has blessed us with. We could hunker down and hope for this trying time to pass, but instead, I ask us to build for a future, spend to serve our congregations and offer more support and programs for our congregations to get excited about.

We rejoice that our giving has remained rather constant in the past three years. This is the first part of our income at **\$850,000 mission support** from congregations.

You’ll notice income line 5004.6 shows **\$656,178 income from real estate**. This is proceeds from the sale of our property in North Hollywood. This property sold for 2.67 million dollars in 2021. 10% of that sale is tithed to the churchwide organization, and according to our constitution, S 15.52 states 1/3 goes to operating expenses and the other 2/3 “shall fund new, transitional and renewal synod ministries.” As you can see, that 1/3 is being used now. The other 2/3 may be used for part of our staffing plans, and, with synod council’s blessing and vision, perhaps funding other ministries throughout the synod.

When Christ the King Lutheran in Van Nuys closed, that congregation asked that a significant portion of that sale be given to the Twin Valleys conference, which has been happening. The synod council in 2019 voted to give a portion of future sales to the conference. *However, this synod council realized the synod council action of 2019 was in conflict with the continuing resolution in our constitution, and so we have returned to the distributions listed above **for future properties**.*

We have operated in a deficit budget for several years, usually borrowing money from endowments and other internal funds. This budget is balanced by using the sale of properties. Of course, this is not a way to fund operations into perpetuity.

We do have two other buildings on the market for a total of about \$6 million dollars, and 1/3 of that would finance our deficit for a few more years.

So this will take care of our **deficit spending** for a while. In my opinion, this is **one of the reasons our budget did not pass in 2021** – we had a shortfall with no clear idea of how we would cover it. The truth is, we were just about to sell a building, but we were reticent to report that at the assembly when it was not guaranteed. That sale has now come through.

Now on to vision. There have always been two narratives about the synod. Our giving is not as robust as it might be, and we will need to tackle that in the coming years. I know you need to see strong ministries worth supporting in order to trust that increased giving from your congregation is worthwhile. We will work on that. We will ask directly for additional funds in the future, but first, we need to build our ministry.

Our synod is committed to its ethnic-specific congregations. Indeed, we have more diversity in our congregations than almost any synod in the country. This is right and good, as Southern California is home to so much diversity. **Another reason our budget failed in 2021 is because we had “zeroed out” ethnic-specific ministries.** The churchwide organization had funded our African Descent Coordinator and Latinx Ministry coordinator for years, and that funding was no longer available. The synod council was not willing to guarantee the new bishop would want to fund those positions, and so they took them out of the budget.

Now, as that “new bishop” I will tell you I have elected not to continue those positions, but instead, to staff in a way which **answers the concerns of our ethnic-specific ministries.** First, the congregations have asked for just practices in their financial dealings with the synod. Our **Director for Evangelical Mission** is working to codify expectations and financial responsibilities of synod and congregation in our synodically authorized worshipping communities and new starts. Each SAWC and strategic ministry has their own situation and financial picture, and as leadership changes over the years, clarity has been lost. We are working to do better. *(Note, the DEM continues to be funded entirely by the churchwide organization)* The Assistant to the Bishop for leadership development and authentic diversity is also working with congregations to make sure new leaders are diverse and empowered. Congregations are also asking for training for their

laity, and care as they grieve and manage conflict. Two new part-time positions, the Assistant to the Bishop for Faith Formation and Assistant to the Bishop for Congregational Care, are deployed to care for specific needs in communities, including the ethnic-specific communities. Of course we will need to track results in the coming year and see if this strategy is meeting the needs of the people. You will see a resolution at assembly asking for clear reporting of diversity goals.

The 2023-2024 budget shows an almost \$200,000 increase in senior from 2019. I acknowledge this is a lot of money. We can afford it now, but of course there is no guarantee we can sustain this level of spending for the future. However, the goal is to get our operations running more smoothly and be able to spend our mental and spiritual energy on the needs of congregations. My thought is in two years we can reassess if we can and should continue at this level of operation. We are building for our future, we are stabilizing current operations and stabilizing congregations.

Our staffing is reflected in the budget in a variety of places:

Senior staff compensation (6202):

full time ATTB (Assistant to the Bishop) for Leadership & Authentic Diversity
(candidacy, call process, authentic diversity)

full time ATTB for Faith Formation – education, theological analysis, liturgical consultation

fulltime ATTB for Finance and Administration – coordinating synod finances and strategic plans, creating better reporting and projecting structures

part-time ATTB for Congregational Care – grief, conflict, helping determine ministry

Support staff (6203)

fulltime Office manager/Executive Assistant to the Bishop

2 fulltime administrative staff

Fulltime accountant

Staff expense (6220)

This is a catch-all category for travel, meals, educational events, etc.

Youth (6205.30 & 6327)

Part-time coordinator and organizer for youth + program expenses

Senior ministry (6205.10 + 6326)

Part-time coordinator for senior ministries + program expenses

Education (6325)

Contracted transition coaches, used by congregational call committees to improve their site profiles, strategies and be open for diverse candidates. Also program money for the ATTB for faith formation

Communication (6319)

Various contractors to assist with mission interpretation, weekly emails, social media, crisis communication and communication strategies. May also include website updates.

And finally, we know we need to find tangible support for congregations. While the synod already has several **grants**, distributed through our Evangelism, Outreach and Ministry Team (EOMT) and Mission and Ministry grants. I'd like to look at ways to release more of our endowment funds to increase this level of giving. We will be taking a look at this in the coming year, and, as you can imagine, the synod council will need to be part of this decision making.