

**ITEM D.103
 FOR ACTION**

FOR PRESBYTERIAN MISSION AGENCY EXECUTIVE DIRECTOR'S OFFICE USE ONLY				
A. Resource Allocation & Stewardship	X	D. Coordinating Committee		G. Outreach to the World
B. Personnel & Nominating		E. Mid-Councils		H. Ministerial Teams
C. Property/Legal		F. Nurture the Body		P. Plenary

Subject: Suspend the Budget Development process described in the Manual of Operations

Recommendation:

That the Coordinating Committee recommend to the Presbyterian Mission Agency Board that it:

- 1. Suspend Chapter II, Section H of the Manual of Operations regarding the Budget Development process, until a revised process can be considered and approved by the Board no later than its September 2019 meeting.**
- 2. Direct that the Presbyterian Mission Agency portion of the budget development process (revised by staff from the Presbyterian Mission Agency, the Office of the General Assembly and the Administrative Services Group) be reviewed by a four-person ministerial team, with recommendations to come to the September 2019 Presbyterian Mission Agency Board meeting. Members of the Budget Development Process Ministerial Team will be:**
 - a. ~~XXXXXXXXXX~~
 - b. ~~XXXXXXXXXX~~
 - c. ~~XXXXXXXXXX~~
 - d. ~~XXXXXXXXXX~~
- 3. Direct that the values inherent in the current budget development process (as articulated in the second paragraph of the background section) be retained in the revised process.**
- 4. In addition to this formal process of revising the documents, in order to be ready to propose a 2021-2022 budget, the Presbyterian Mission Agency Board will need to make plans for a consultation on priorities which would guide the next budget cycle. That discussion, involving consultation with mid council partners, would occur ~~either~~ in a called meeting this summer, ~~or as part of the September 2019 Board meeting at Stony Point~~. The Coordinating Committee will develop the process for that consultation.**

Background:

The Budget Development section of the Manual of Operations was revised in 2018 as part of the work of the Governance Task Force to revamp the Manual of Operations. Revisions were reported to the General Assembly and appropriate sections were approved, other sections were simply reviewed as information items.

These changes included major updates to the budget development process which would:

- Demonstrate that the budget development process is driven by priorities that flow from the General Assembly
- Seek to build churchwide support for the mission budget by consulting with the voices of mid councils (16 synod executives and leaders from the two largest and two smallest presbyteries (from different synods)) in the prioritization process.
- Expand the definition of the Mission Work Plan to include:
 - Priorities for the budget cycle
 - Staffing plan for the budget cycle
 - The budget
 - Any necessary funds development plans
 - Theological framework
- Ensure the ability of the Board to revise the budget, between General Assembly sessions, in light of changing circumstances

The wider scope of actions from the 2018 General Assembly created some difficulties for the Board's budget development process:

- While the General Assembly reviewed and by its silence gave assent to changes in the budget development process for the Presbyterian Mission Agency, it also left unchanged, in Appendix A to the Organization for Mission, the previous budget development process, resulting in two different budget development processes.
- The General Assembly also directed that corporate functions be separated from the Presbyterian Mission Agency. There is no process for developing the budget of the church corporation apart from the Presbyterian Mission Agency.
- The timelines imagined in the new PMA budget process are unworkable without revision.

Staff from the Presbyterian Mission Agency, the Office of the General Assembly, and the Administrative Services Group (the direct staff of the church corporation) have been working to develop an integrated, collaborative budget process that involves the three entities together, while in their unique roles. This is necessary because of the interconnected system in which the entities work:

- Per Capita Budget: OGA/COGA, PMA/PMAB, Administrative Services Group/Church Corporation
- Mission Budget: PMA/PMAB, Administrative Services Group/Church Corporation

The entities have discrete functions in this process, but we also must find ways to work together.

Elements from the current document:

H. Budget Development

1. Mission Budget Cycle (*"Mission Budget" therefore only PMA/PMAB focused, but ASG is involved*)
2. Basic Budget Design
 - a. Identification of priorities – (*a GA/PMAB task*)
 - b. Identification of funding streams – (*ASG work for PMAB, PMA help*)
 - c. Mission Work Plan – (*PMA/PMAB task, supported by ASG*)
3. GA – (*PMA/PMAB task supported by ASG*)
4. Budget Monitoring – (*PMAB task supported by ASG and PMA*)
5. Roles & Responsibilities
 - a. GA

PRESBYTERIAN MISSION AGENCY BOARD

March 27-29, 2019

Executive Director's Office

- b. PMAB
 - c. CFO – (ASG)
 - d. P/ED – (PMA)
6. Per Capita Budget – (OGA/COGA, PMA/PMAB, ASG/A Corp)

Not included in the current process – development of the ASG budget

The proposal here will formally free staff from implementing the current unworkable budget development process, so that this collaborative approach might come together. Staff would complete their work by the end of May. At that point, a Presbyterian Mission Agency Board ministerial team would review the work regarding the Presbyterian Mission Agency, provide input, and ensure that it is workable from their perspective. The work of the ministry team would conclude by the end of July, with a recommendation to the Presbyterian Mission Agency Board. The resulting integrated budget development process would be considered in September, with each elected body being asked to approve their section of the new process.

Once approved, the material would go to the General Assembly for approval as new language in Appendix A of the Organization for Mission, and then be mirrored in the Manual of Operations.