

# Episcopal Diocese of New York

## Narrative Budget for 2024

**Date:** September 18, 2023

**From:** The Rev. Lisa Mason and Mr. Douglas E. Schimmel,  
Co-Chairs of the Budget Committee

**To:** Convention of the Diocese of New York

**CC:** The Right Reverend Andrew M L Dietsche, Bishop of New York; The Right Reverend Matthew F. Heyd, Bishop Coadjutor, The Right Reverend Allen K. Shin, Bishop Suffragan; The Right Reverend Mary D. Glasspool, Bishop Assistant; Council of the Diocese; Trustees of the Diocese; Ms. Esslie W. Hughes, Chief of Finance and Operations; Sr. Faith Margaret, CHS, Treasurer; Ms. Alice Yurke, Esq., Chancellor; Bishop's Senior Staff.

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### The Budget Narrative is divided into three parts:

- 1) Executive Summary of the 2024 Proposed Budget
- 2) Line-by-line Notes for the 2024 Proposed Budget
- 3) Committee & Members
- 4) Resolutions of the Budget Committee

## Executive Summary

The 2024 budget fully funds the mission of the Diocese of New York. The 2024 budget addresses the missional priorities of our diocese in 2024 and funds all normal staff, congregational, and ministry support, programming, and grants.

Five realities drove our budget process for 2024.

First, our assessment to the Episcopal Church (TEC) increased by \$247,379 to \$2,050,007. The assessment is the highest in recent years due to the diocese returning to a typical invoicing for full Apportioned Share (AS) (post COVID), no reduction in normal operating income due to no requirement for the Trinity Cap transfer to the General Endowment, and the forgiveness of the second PPP Loan reported as income in 2022. **It should be noted that this assessment is effectively 16% of our 2024 projected total income of \$12.8 million.**

Second, it should be noted that 2024 is a transition year, and as such, efforts were made to maintain funding levels as close to flat as possible with 2023. Priorities mentioned for 2024 are the support of local communities and reparations.

Third, there continues to be a significant need for property support, and these needs are anticipated to grow exponentially in the coming years. To plan for that, we need to add a new manager to collaborate with the Director of Diocesan Property Services. For 2024, this position will be funded from a Trust the Diocese is seeking broader restrictions for use. This position will require other funding sources (including; but, not limited to the operating budget) in 2025 and beyond.

Fourth, delayed Parochial Reporting by congregations makes it exceedingly difficult to project AS income. In August, we performed an AS forecast based on a top-down analysis and payment patterns of all congregations. Our projections show AS income to be flat with 2023.

Fifth, fruit continues to be borne by the ongoing Funds Project of the Finance Committee. The Diocese has funds that are Donor Perpetually Restricted, Donor Purpose Restricted, and Board of Managers Unrestricted. Many of these funds were out of balance. Original documentation was reviewed with the assistance of outside

auditors to analyze the donor's original intent. That work has revealed that we have additional money to support the operating budget. This work has allowed most of the property grants to be funded outside the operating budget.

The increases in our TEC Assessment, the need for additional personnel in property support, and other increased requests for funding created a deficit in our “Ideal” budget of approximately \$859,000. Of this amount, \$488,000, or 55%, is represented by the two items mentioned above.

We were able to balance the budget by doing two things:

- 1) We are funding both the addition to staff for property support and property support grants using funds outside of the operating budget, and
- 2) We spoke with every Commission and Committee Chair, every senior member of the Bishops’ Staff, and Bishops to determine what could be removed from each request while keeping every single ministry whole and not disrupting plans already made. We are grateful that every one of those conversations was filled with understanding and the Holy Spirit.

A few highlights to note:

- We are paying our full assessment to The Episcopal Church,
- We increased funding for reparations,
- We are adding capacity for property needs,
- We have a contingency reserve in the Budget of \$366,000.

The budget spreadsheet includes 2021, 2022, 2023 Budgets, and 2024 Proposed Budget and comparisons between 2023 and 2024. Line-by-line notes of income and disbursements are below.

We are grateful for the support and oversight of Bishops Dietsche and Heyd, the staff, in particular Esslie Hughes, Karin Almquist, and Robert Santiago, our Treasurer, Sr. Faith Margaret, CHS, John Trammell, chair of the Finance Committee, and for the members of the Budget Committee.

The Budget Committee recommends approval of the 2024 Proposed Budget. The Proposed Budget was approved by Council on September 18, 2023.

Respectfully submitted,

The Rev. Lisa Mason & Mr. Douglas E. Schimmel  
Co-Chairs of the Budget Committee

# Line-by-line Notes for the 2024 Proposed Budget

## Income Notes

### Apportioned Share Income

- **Line 001:** Gross Apportioned Shares (as of September 15) are up \$405,549 from 2023.
- **Line 002:** Total Adjustments due to 12.5% Cap & Adjustment Board is the aggregate amount that these two canonical caps decrease Apportioned Shares. In 2024, that amount is up by \$697,303 due to Adjustment Board deferrals.
- **Line 003:** Reserve: Projected Bad Debt & Projected Adjustments is down by \$309,099 partially due to the adjustments included in Line 002.
- **Line 004:** Net Income from Apportioned Shares is up by \$17,345.

### Other Income

- **Line 005:** Total Allocation from the General Endowment and Operational Funds is up \$ 154,600 because of additional endowment funding and capital appreciation.
- **Line 006:** Contribution to General Endowment (25% Cap until 2021; 33% now) is zero because the cap will again not be hit this year.
- **Lines 007 and 008:** Trust Income and Fee Income are up \$4,000 and \$12,639, respectively.
- **Line 009:** Diocesan Convention Fee Income is budgeted with a modest increase of \$14,350 after being flat for years.
- **Line 010:** Net Income from other Sources is up \$185,589.

### Contingency

- **Line 011:** We try to budget a 3% contingency (a negative line reducing income) every year. As we have in past years, this budget is slightly under the 3% contingency. For 2024, the contingency is budgeted at 2.78%, up \$164,374.

### TOTAL INCOME

- **Line 013:** Total Income is up \$38,560 to \$12,802,823.

## Disbursement Notes

### TOTAL DISBURSEMENTS

- **Line 1100:** Total Disbursements are up about \$38,560 to \$12,802,823.
- The Income & Summary page of the spreadsheet shows disbursement summaries. Please review Schedules 100-1000 of the Budget Spreadsheet for disbursement details. Line-by-line notes are below.

### Note regarding every line that includes salaries funded by the Diocese of New York

- There are approximately 50+ people (including clergy in various congregations) whose salaries are funded by the Diocese of New York. The \$200,000 in total Salary and Benefit increases (Line 1000) represent a flat line for Senior staff and a 2% increase for non-senior staff. It should be noted that inflation (as measured by the CPI) has declined from 8.3% last year to 3.7% at present. Also included is a 7% increase in medical benefits.
- It should be noted that certain lines have inflation adjustments from allocating budget line 1000 from the 2023 COLA budget into them.

## **Total Assessments to The Episcopal Church**

**Line 101:** As stated in the Executive Summary above, our assessment to The Episcopal Church increased by \$247,379 to \$2,050,007.

It is essential to note the following:

- Our diocese has the highest assessment in The Episcopal Church, notwithstanding different balance sheet dynamics and infrastructure aging issues. In 2021 (during the pandemic), we provided Apportioned Share relief to our congregations (up to 25% for every congregation that asked for such in 2020 and 2021), we appealed and hoped for Assessment relief from the Executive Council of the Episcopal Church. Our appeal was denied.
- Our assessment to The Episcopal Church is effectively 16% of our 2024 projected income of \$12.8 million.

**Line 102:** Our Assessment to Province II for 2023 is flat from 2023 when we were provided a new and updated calculation.

## **Total Reserve Funds**

- **Line 201:** Reserve for Annual Diocesan Convention remains flat.
- **Line 202:** Reserve for Future Episcopal Elections remains flat.
- **Line 202a:** Underpayment to Reserve to fund Bishop Coadjutor is a decreased negative line by \$152,321 from 2023. This reflects eight months of disbursements in 2023 compared to six weeks in 2024.
- **Line 203:** Reserve for Curacies for New EDNY Ordinands is a decrease of \$85,000; however, the reserve continues to build and maintain itself.
- **Line 204:** Reserve for Deputies to General Convention & Provincial Synod remains flat because General Convention is expected to be shorter in 2024.
- **Line 205:** Reserve for Lambeth Conference (travel & all expenses) remains at \$7,500 because the next Lambeth will not occur until the 2030s.

## **Total Episcopal Function**

- **Line 301a:** Bishop Coadjutor (May 2023-Feb 2024 only) is decreased by \$152,321. This reflects eight months of disbursements in 2023 compared to six weeks in 2024.

## **Total Episcopal Support Staff**

- Every line in the 400 section is budgeted to continue current staffing, transitions in staffing, and programs. Please note that some lines will appear flat, decreased, or increased. For 2024, the funding for the Canon for Pastoral Care role will shift for 2024 to a temporary position for Director of Transition. Funding for the Executive Assistant to the Bishop in 2024 will be used for the temporary Special Projects Navigator. The overall decrease in budget for the 400 section is \$6,600.

## **Total Staff Support for Congregations & Diocesan Ministries**

- Unless noted below, every line in the 500 section is budgeted to continue current staffing, programs, and 2023 actuals +/- . Please note that certain lines will appear flat, decreased, or increased.
- **Line 501:** Canon for Congregational Vitality and Formation is increased by \$83,393. The demand from parishes for support, resource, and consultation from the Office of Congregational Vitality and Formation have increased significantly. The increased funding will help develop and provide urgent and critical support for our congregations with training and formation of parish leaders and other consultants for congregational development and pay for resources Episcopal Church Foundation, Bexley-Seabury programs for lay leadership development, and other resources.
- **Line 503:** The Director of Diocesan Property Services was increased by \$48,500 to cover current compensation costs. The funding for adding a Manager of Diocesan Real Estate and Development for 2024 will be covered by funds outside the operating budget.

- **Line 504:** Mid-Hudson Region is decreased by \$57,845. This is due to a retirement and planning for the future.

#### **Total Funding for Strategic/Mission Settings**

- While our goal in the 600 section was to remain flat in dollar terms from 2023 and continue current staffing and programs and 2023 actuals, we made various cuts and increases to certain programs.

#### **Total Diocesan Ministries & Outreach**

- The Budget Co-Chairs and or the bishop spoke directly with every chair of every Commission/Committee in the 700 section to find a way to keep ongoing ministry and programs whole. In nearly every case, the request was higher than the final budgeted amount, which the Budget Co-Chairs and the various Commission/Committee agreed upon. Most of the budget lines remained flat during this time of transition.
- **Line 705a:** Reparations Committee/Commission: reparations work has been a priority of the diocese for the past three years and continues to remain so. The full request was higher; but, \$33,000 will enable the Commission to do most of its desired initiatives.
- **Line 711:** New York Service & Justice Collaborative (Episcopal Service Corp) program ended July 2023 and will not be budgeted for in 2024.
- **Line 712:** Episcopal New Yorker is decreased by \$10,000 to cover current spending.
- **Line 713:** Support for Episcopal Charities is reduced by \$10,000.

#### **Total Grants**

- **Line 801:** Property Support Committee Grants appear to be decreased by \$270,000 to zero; however, as noted in the executive summary, funding for Property Support Grants for 2024 will be funded from funds outside the operating budget that are restricted for property support. The total amount of money for Property Support Grants for 2024 will be the same as 2023 at \$470,000.
- **Line 802:** First Step Grants increased by \$10,000.
- **Line 803:** Next Step Grants remains flat.
- **Line 804:** Hispanic Ministries Grants increased by \$10,000.
- **Line 805:** Sustainable Development Goal Grants remain flat.

#### **Total Diocesan Finance & Operations**

- It should be noted that for 2024, there were budget line moves in and out of the two 900 sections. These movements include but are not limited to Archives and IT Expenses. Adjusted for these movements, the 900 section is budgeted to be similar to 2023.

#### **Total Unallocated Cost for Mission**

- Line 911: As noted above, IT Expenses were moved from 910 to 900, keeping expenses consistent with 2023.
- **Line 917:** Social Media Consultant is a new expense estimated at \$25,000.

#### **Capital Expenditures Budget**

- **Line 950:** Capital Expenditures are increased by \$12,547 to include needed IT upgrades.

#### **Provision for Salary & Benefit Increase**

- **Line 1000:** Provision for Salary & Benefit decreased by \$278,076. This line is budgeted with a 2% COLA for non-senior staff salaries/Clergy funded through budget line 600. Senior staff compensation will remain flat. Also included is a 7% increase in medical benefits.

#### **GRAND TOTAL DISBURSEMENTS**

- Total Disbursements are up about \$38,560 to \$12,802,823.

# Committee Organization & Members

According to Canon 17 of the Canons of the Diocese of New York: “The Budget Committee shall consist of: a Chair of this Committee appointed by the Bishop, the Treasurer of the Diocese (ex officio), the Chief of Finance and Operations of the Diocese (ex officio), the Chair of the Finance Committee of the Trustees (ex officio), three (3) members of the Council of the Diocese appointed by the Bishop, two (2) members of the Trustees appointed by the Bishop, and others as appointed annually by the Bishop to this Committee.”

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# **Resolutions from the Budget Committee**

## **BUDGET COMMITTEE RESOLUTIONS 1 AND 2**

**Proposer of Resolution:** The Rev. Lisa Mason, Co-Chair of the Budget Committee

**Parish or Organization:** Budget Committee of the Diocese of New York

**E-mail:** [revlisa@stjohnslarchmont.org](mailto:revlisa@stjohnslarchmont.org)

**Title of Resolution(s):** Adopting the Proposed Budget.

**Text of Resolution(s):**

[ 1 ] Resolved: That the 2024 Apportioned Share Budget presented herewith be adopted; and be it further,

[ 2 ] Resolved: That the Chief of Finance and Operations shall apportion in accordance with Sec. 2 and Sec. 3 of Canon 17, each congregation's share of the 2024 budget of \$12,279,954. According to Canon 17, Sec. 5, this is to be paid by each congregation in four installments on the fifth day of January, April, July, and October 2024.

### **Commentary on Resolution**

These are the standard resolutions that accompany the Proposed Budget in the Calendar of Convention each year.