



Report of the Task Force on
Mission and Reorganization

Episcopal Diocese of North Dakota
May 2006

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Introduction

At the conclusion of the Diocesan Convention in Fargo in October 2005, Bishop Michael Smith appointed a committee charged with examining the manner in which the Episcopal Diocese of North Dakota (often referred to in this report as EDND) uses its financial, clergy, lay and office staff resources to support mission and ministry both within and outside the diocese. Recognizing that our budget is always stretched to the limit, that we have 21 congregations spread over almost 69,000 square miles of North Dakota, and that we have congregations which have full-time or part-time clergy in various capacities, Bishop Smith asked the Task Force to make recommendations for a more creative and productive utilization of our limited resources.

Long before the controversy created by the ordination of Bishop Gene Robinson of New Hampshire and the debate over the liturgical recognition of same-gender unions, ECUSA and most other mainline denominations were losing membership. Some believe the reason for membership decline in the Episcopal Church is that Anglican worship is less appealing than other traditions that emphasize a more informal and more expressive relationship with Jesus Christ; others point to different reasons for the decline. Whatever the reason(s), the decline is a fact.

While the Episcopal Diocese of North Dakota has not been immune to these forces buffeting the national church, thanks in large part to the calm leadership of Bishop Andrew Fairfield and Bishop Michael Smith we have not witnessed wholesale defections in recent years. In fact, according to data compiled by the national church, our diocese experienced a very modest increase in average Sunday attendance from 2002 to 2003. During this period only thirteen dioceses experienced any increase in average Sunday attendance; among those dioceses North Dakota's growth ranked fourth. This modest growth occurred despite the fact that our diocese has a smaller number of congregations than we had only a few years ago.

Our diocese, however, faces unique challenges involving geography, funding, and cultural differences. More than a third of our congregations have average Sunday attendance of 15 or less while nationally the median average Sunday attendance is 79. On the other hand, the three congregations with full-time rectors in Fargo, Bismarck and Grand Forks have combined average Sunday attendance of about 440. Almost two-

thirds of the budget of the diocese is derived from income drawn from its investment portfolio and from a General Convention Diocesan Grant. Currently, we could not sustain the diocese solely on pledge income, plate and special offerings, though these contributions are obviously vital to our existence. We are a family of faith from diverse cultures: Native American, Scandinavian, Sudanese and others. But we are at once proud and humble in calling ourselves Episcopalians gathered together in the Diocese of North Dakota.

The Task Force appointed by Bishop Michael Smith was comprised of the eight deputies to the 2006 General Convention in Columbus, Ohio – the Rev. Lindsey Dwarf, the Very Rev. Steve Easterday, the Rev. Canon Marianne Ell, the Rev. Canon John Floberg, David Bailly, Sandra Holbrook, Donna Pettit, and Dennis Potter and the Treasurer of the Diocese, Leo Wilking, who served as the chair. The work of the Task Force was largely performed in four subcommittees which addressed mission, evangelism, clergy deployment and finances. Although the majority of our recommendations reflect a consensus of the entire group, there are a few recommendations which are put forward by a minority of our members.

This report is intended as a set of suggestions - not a directive or mandate - for possible changes in our diocese following prayerful consideration and discussion with the Bishop at various locations around the diocese, then in the Finance Committee, the Diocesan Council, and finally at the Diocesan Convention. By the grace of God, it may assist us in fashioning a diocese of greater vitality and service as we proceed into the 21st Century.



Mission

The Task Force members recognize the importance of mission for us as individual Christians, as congregations and as a diocesan family. Based on the mission-related information we were able to gather from other dioceses that are similar in size and/or geography and our own reflection and discussion about mission, we recommend the following for our mission efforts as a diocese:

1. Focus our mission effort outside the diocese on one project each year. A project could be multi-year, but the diocesan sponsored mission outside the diocese would focus on a single project.
 - a. Encourage congregations to do fundraising or designate a special offering, etc., to support that mission effort.

- b. Designate the Diocesan Council as the decision-maker for the annual mission project but provide for diocesan wide input to identify possible projects in order to generate “buy-in” and “ownership” for a project.
- c. Create the Mission Committee as a subcommittee of the Diocesan Council to be composed of one or more Diocesan Council members and a few others from around the diocese who have an interest in and commitment to mission outreach but not necessarily to a particular mission effort.
- d. Consider joint mission projects with other dioceses or as an ecumenical effort.

In addition to the annual diocesan sponsored mission project, congregations may choose to undertake a congregational mission effort as well. However, having one diocesan mission project each year would provide focus for mission across congregations.

Encourage people across the diocese to view any of these mission efforts as a commitment to the Millenium Development Goals endorsed by the 73rd and 74th General Conventions of the Episcopal Church and the Primates of the Anglican Communion.

2. Identify an annual, internal diocesan mission project (probably associated with a particular congregation) that people in the diocese could support both financially and with other types of resources, including sweat labor, as needed. In addition to such a project, there are two areas that represent ongoing mission within the diocese:
 - a. Ministry among Native people in our diocese.
Ministry with Native people is a major part of our mission work inside the diocese, but we need to identify how best to do this work in the context of good stewardship. If Camp Gabriel is successful in reaching Native American youth, we should figure out how to fund and support it. But whatever we do, we need to be the best stewards we can be with the resources available. We need to prioritize needs in terms of ministry with Native American people. Should we be trying to address ministry needs among Native people in urban areas?
 - b. Ministry among students in North Dakota colleges and universities.
Our ministry among college students should be considered a mission effort within the diocese. The EFMHE funds are a resource that might be used more effectively than they are at present. We suggest exploring alternative ways to use these resources for mission, perhaps even beyond outreach to college students, but without jeopardizing the intent of this fund. We also need to include college students at the tribal colleges as

well as students at other public and private colleges and universities in North Dakota.

3. Demonstrate a diocesan commitment to mission by including a minimum \$5000 line item in the diocesan budget for internal and external mission work. Although this is a relatively small amount, it indicates that members of our diocese recognize the significance of mission.

Minority position: One task force member recommended a moratorium on the use of budgeted diocesan funds for extradiocesan mission until such a moratorium would be lifted by action of the Diocesan Council. Diocesan world mission would be continued through funding from grants, special offerings, personal contributions, congregation contributions over and above OFS payments, and any other creative fundraising efforts but not as a line item in the operating budget. Any funds budgeted for extradiocesan mission would be used instead for intradiocesan mission and to enhance the diocesan youth programs and other program priorities.

4. Develop a diocesan grant writing capacity to gain additional financial support for mission. Identify individuals who know how to write grants (or are willing to learn) and individuals to find potential funding sources. This will be a long term effort; immediate results are unlikely. But in the long run, developing this capacity for the diocese will be an important step.
5. Do not commit diocesan resources – at this point – to a companion diocese effort. If a relationship develops, it should emerge naturally and should be grounded in a variety of personal contacts that might include the use of technology.

Minority position: One task force member supports immediate efforts to proactively seek out and set up a companion diocesan program, particularly for a diocese within the ECUSA that would be interested in assisting the EDND with its intradiocesan missions. Costs to the Diocese to proceed as such would be minimal.



Evangelism

Talk about evangelism is often dismissed as irrelevant – especially in small communities/congregations – or avoided altogether because the conversation focuses

largely on increasing attendance and ultimately membership in the congregation. A broader view of evangelism and intentional, diocesan-wide efforts like the ones recommended below may serve the diocese well.

1. In terms of evangelism, focus on "health" rather than "growth."

Given that the majority of the churches in North Dakota are "family sized," the Task Force recommends the view described by Neal O. Michell in his new book *How to Hit the Ground Running: A Quick Start Guide for Congregations with New Leadership*. His comments about small churches are particularly relevant to the many of the congregations in our diocese.

Michell writes, "Smaller churches that have been in existence for more than 20 years generally don't have much prospect for numerical growth. In fact, to talk about church growth only emphasizes to them how small they are." (He is talking here about churches with an average Sunday attendance of less than 75.) He goes on to say, "the family sized church will want to focus on healthy relationships among its members and relationally based pastoral care.... In terms of outreach and missions, these churches should find one identifiable ministry that the majority of church members can support and participate in" (p. 12).

Health and growth are not mutually exclusive (healthy churches ultimately grow), but aiming the diocese in the direction of "health" may very well yield a better result (more appropriate to the organizational dynamics), than aiming it in the direction of "growth."

2. Encourage all Episcopalians in the Diocese of North Dakota to gain the confidence and skill to share their faith stories.

One tool we recommend for use in congregations to achieve this goal is: *Groundwork: Digging Deep for Change and Growth -- Guide for Lenten Study and Action*. There are now two guides that have been produced by the National Church and sent out free to congregations, one for Year A and one for Year B. In one of the sessions for the first two weeks of Lent for both years there is a "Preparing to Tell Your Faith Story" exercise that is very helpful.

3. Affirm our Bishop as a teaching bishop and ask that he lead the people of our diocese in a unified program of spiritual formation.

The consensus of the Task Force is that programs such as Alpha and Cursillo have significantly strengthened the faith of many in the past and empowered lay people to share their faith stories. We recommend that Bishop Michael serve the diocese as a "Teaching Bishop" by selecting a program of education and renewal of the laity to be used throughout our diocese. We further recommend that

Bishop Michael consult widely with the clergy at clergy retreats and other clergy gatherings, as well as with those involved in the Deacon Formation Program to gather support for this initiative and to prepare those who will be teachers. The Task Force recommends that such a program be launched in Fall 2007 or Spring 2008 (after the ordinations of the current group of deacon candidates).

4. Build time into diocesan convention for workshops in areas of ministry. Many dioceses use their time together at diocesan conventions, not so much for legislation and for socializing, as for opportunities for workshops in areas of ministry. The Task Force recommends workshops in such areas as: (1) congregational dynamics and church health; (2) Internet resources for evangelism (we particularly commend the web-site of the Diocese of Southern Ohio at www.episcopal-dso.org); (3) resources for sharing our faith stories, such as the "Groundwork" materials referred to above; and (4) workshops on the new program of education and renewal for the laity from our teaching Bishop.

Information about the resources noted in this section of the report is included in a reference list on page 15 of this report.



Clergy Deployment

Strategic deployment of diocesan clergy will contribute significantly to our efforts in mission and evangelism. The Task Force envisions a diocese with ministry in five major categories: 1) Canon Missioners; 2) Priests in Charge or Ministry Developers; 3) Assisting Clergy and Chaplains; 4) Rectors/Deans; and 5) Deacons (see descriptions adopted by the Diocesan Council on pages 16-17 of this report). Under this plan, every congregation would have some level of service provided by a seminary-trained priest. We believe that the involvement of seminary-trained clergy is essential to the continued health and mission of our 21 congregations. Of course, our focus on clergy deployment is in no way intended to diminish the importance of the ministry of all the baptized but rather to sustain and support it. The following recommendations incorporate to a large degree current deployment but also attempt to look beyond the current situation to future possibilities as clergy changes occur.

1. Canon Missioners

East Canon Missioner - This part-time position would provide training and support to the lay and ordained ministers in Oakes, Valley City, Devils Lake, Walhalla and Lakota,

and a more limited role at St. Stephen's in Fargo and St. Paul's in Grand Forks. The balance of this individual's time and compensation could be centered at Grace Church in Jamestown as Priest-in-Charge or Ministry Developer. Although this individual would be involved in Canon Missioner activity at least two days a week, and on the road one or two Sundays each month, he or she could also use Jamestown as a gathering point for training events and programs to benefit all the congregations within his or her jurisdiction.

Central Canon Missioner - This full-time position would have responsibility for Bismarck, Minot, Standing Rock, Dunseith, White Shield and Fort Totten. Approximately one-quarter to one-third of the Central Canon Missioner's time would be spent in support of the ministries on the Standing Rock Sioux Reservation - Cannon Ball, Fort Yates, Selfridge. To sustain the growth that has been achieved over the past several years on Standing Rock, a part-time Priest-in-Charge at Standing Rock could supplement the work of the Central Canon Missioner. The Central Canon Missioner could lead or assist Sunday services in the Standing Rock congregations on three Sundays each month; the fourth (and fifth when there is a fifth) Sunday could be spent at one of the five other congregations within his or her jurisdiction.

For the time being, the Central Canon Missioner would also provide training and support to the members of St. John the Divine in Moorhead where a substantial number of the congregation are Sudanese people and where a central focus of ministry is with and among Sudanese people in the community. However, because of the distance and driving time between that congregation and the Central Canon Missioner's home base in Bismarck, these duties would eventually be transferred to the East Canon Missioner.

West Canon Missioner - This is currently a very limited part-time position based at St. Peter's in Williston that provides Priest-in-Charge service to that congregation and to St. Michael's in Cartwright. At present this individual is a bi-vocational priest with a full-time job as a hospital chaplain. The West Canon Missioner would also have a relationship with St. John's in Dickinson.

2. Priest-in-Charge or Ministry Developer

The congregations in Minot, Dickinson, Williston, Cartwright, Devils Lake, Walhalla, and St. Stephen's in Fargo, could be served by part-time Priests-in-Charge or Ministry Developers. In Dunseith, Fort Totten and White Shield, the present support from the diocese could facilitate - hopefully by the summer of 2009 - the transition to a Ministry Team developed through local discernment and assisted by the Central Canon Missioner. The continued availability of a Priest-in-Charge for these three congregations after 2009 would be dependent on the congregations' development of local resources and partnerships.

In Minot, the hope is that All Saints will initiate a discernment process to identify one or more of its members for holy orders and/or secure the ministry of part-time clergy. All Saints might look to retired clergy in that area or for opportunities to form a partnership with an ELCA congregation.

At St. Stephen's in Fargo, the current arrangement with a bi-vocational Priest-in-Charge is working well and is expected to continue. Similarly, the congregations in Williston, Cartwright and Dickinson are all served by bi-vocational clergy. Williston and Cartwright are also served by Assisting Priests and one Deacon. Dickinson will hopefully develop a Total Ministry Team to assist its current bi-vocational Ministry Developer.

While we emphasize our continued support for one-quarter funding of the priest position at St. John the Divine in Moorhead, we also recognize that the future of this ministry is dependent on creative fundraising and receipt of grants, mainly from outside our diocese.

3. Assisting Clergy and Chaplains

Some congregations have developed a significant number of Assisting Clergy. Our recommendation is that the Assisting Clergy - who are willing to serve in that capacity - be deployed as Chaplains once a month to such congregations as Advent, Devils Lake; Good Shepherd, Lakota; All Saint's, Valley City; and other places where need, resources and interest exist. On those Sundays or other worship times, an honorarium and mileage would be paid to them by the congregation that is being served or provided through a Bishop's Supply Clergy Fund where needed.

We strongly encourage the discernment and development of Total Ministry teams in each of the congregations of the diocese. A desirable goal would be for each congregation to have at least two deacons or priests who are either locally discerned and prepared or who are seminary trained.

4. Rectors/Deans

The Diocese of North Dakota needs to take seriously the fact that only three congregations sustain the model of "one priest, one altar." These congregations support the diocese in significant ways that enable smaller congregations to exist within a diocesan system. We need to acknowledge their need for growth to maintain themselves by reaching their communities with the Gospel and providing for the welfare of the diocese. We recommend that the diocese invest in the continuing

education of these clergy to be dynamic leaders within their congregations as well as in our diocese.

5. Deacons

Deacons are discerned for local ministry in relationship with the Bishop and are accountable for their ministries beyond their home congregations to the Bishop. They are called upon to help lead the diocese into ministries of outreach, primarily through local congregations.

In short, we have a variety of clergy arrangements throughout the diocese; the appropriate and effective deployment of clergy, especially those supported by the diocese, is critical to our capacity for mission and ministry.

A map of the proposed deployment of canon missionaries is included as the final page of this report.



Finances

Clearly, our financial resources play a vital role in our capacity for mission, evangelism and strategic clergy deployment. As a context for the recommendations concerning diocesan finances, the Task Force reviewed and discussed a variety of information gathered by the finance subcommittee. That information included financial statements and budgets from the following dioceses (in addition to those of our own diocese): Alaska, Colorado, Eastern Oregon, Eau Claire, Montana, South Dakota, and Western Kansas. The subcommittee members also requested from those dioceses the answers to eight questions that would help to make the information as uniform as possible for comparative purposes. The subcommittee also prepared a summary of fourteen financial factors for each of the dioceses that they felt would be important in determining current practices as well as trends for the future. (Information from these dioceses is included on pages 18-29 of this report).

Findings

Significant Shifts in Diocesan Income & Expenditures

The shifts in diocesan income and expenditures ran the full spectrum of possibilities, but there were also some distinct similarities among the dioceses. Income from congregations has grown in some dioceses, remained steady in others, and has declined

significantly in some. The most notable growth in income seems to be in the area of program income, including camps. The Task Force was surprised by the number of dioceses with camps. Some dioceses have increased their Our Fair Share (OFS) in an attempt to create additional income. There appears to be a solid and growing separation in most dioceses between congregations that meet the diocesan OFS guidelines and those that contribute only a small percentage of the guidelines. Many dioceses studied have no sanctions for delinquencies in OFS, while some restrict the voting of those congregations at the diocesan convention.

Investment incomes have remained stable or have declined for most dioceses, and a number of dioceses have disturbingly offset declining incomes with virtually unrestricted principal payment from reserves (one diocese reducing its reserves from \$3 million to \$1 million over the past 3 years). In response to declining revenues and income, many dioceses have made major reductions in staff and spending. There have been fairly uniform declines in expenditures for extradiocesan programs, including lower levels of contribution to the National Church. Other decreases seem to be across the board affecting all aspects of the diocese. While there have been increases in expenditures in various categories, the most common areas are for youth programs, congregation development, "faith formation," and stewardship. Many of the dioceses surveyed have made changes to staff positions, renaming the positions and consolidating job descriptions. It appears to be more common for dioceses to add volunteer positions than paid positions. It also seems that the functions of Canon Missioners vary significantly from diocese to diocese.

Income Sources

There are major differences among dioceses in the percentages of their income from the various sources. For instance, the percentage of income from the National Church varied from 0 to 49% (most are 13% or lower), congregational pledges from 23% to 79%, investments from 3% to 45% (most are less than 10%). Increasingly, dioceses are generating outside income from grants and contributions from other dioceses, charitable entities and foundations.

Investment Principal/Reserves

An alarming number of the dioceses surveyed have no limit on the invasion of unrestricted principal from their investment accounts. This has had catastrophic results in some dioceses.

Personnel Costs

Personnel costs continue to be the major expenditures by dioceses, amounting from 14% to 51% of total of the total budget. The norm seems to be around 43%, although a number of dioceses are considerably lower.

Health care costs are fairly uniform at a 13% of total personnel costs. Pension contributions ranged from a high of 24% for clergy and lay to 10% for clergy and 7% for lay. A number of the dioceses use the standard 18% clergy and 9% lay rates.

Program Costs

The Episcopal Diocese of North Dakota (EDND) had one of the lowest percentages of program costs as a fraction of total costs at 7%. Other dioceses ranged from 4% to 36%.

Balanced Budgets

About half of the dioceses had balanced budgets, and the other half did not. The leading answer to financial shortfalls was to tap reserves by that amount.

Diocesan Personnel

Most of the staffs consist of paid full-time employees. A few dioceses are starting to add part-time and volunteer positions. The ratio of lay to clergy staff members seems fairly consistent at about 2-to-1.

“Our Fair Share” (OFS)

Diocesan percentages ranged from 10% to 25%, while most are over 20%. The higher the rate, the higher the percentage of those congregations unable to meet the standard. Only one diocese had sanctions for failure to pay OFS (no seat or vote at convention).

Payments to National Church

These percentages ranged from 0% to 21% with an average of 10%.

Deputies to General Convention

The standard deputation is four clergy and four lay. That was also the fewest number of deputies sent by any diocese. The most was five clergy, five lay, and four support staff, for a total of fourteen. Costs covered by the diocese usually varied based on the distance to and expense of the host city. The average costs allocated were about \$2630 per person.

Diocesan Capital Campaigns

Most of the dioceses have not had a capital campaign in at least ten years. One diocese is in the middle of a campaign to raise \$1.5 million to help support their episcopate.

Recommendations:

1. Diocesan Delegation to General Convention – Revise the Canons to permit no fewer than four deputies (two clergy and two lay) and no greater than eight deputies (four clergy and four lay) to the General Convention, the number and

expenses reimbursed to be determined by a vote of the delegates at the Diocesan Convention

2. Annual Draw From the Endowment – Decrease the percentage draw from the endowment by no less than .5% each year with a goal of reducing the current level of 8.5% over a seven-year period to 5%. This would be offset in a small way if the diocese could add to the endowed funds through another capital campaign. Options include an endowed fund to provide for the future episcopate costs, or funding for leadership development or programming.
3. Program Funding Changes – Increase overall percentage of program expenditures in relation to total expenditures and specifically increase funding for diocesan stewardship, camp and youth programming, and congregation development. Use volunteers and new deacons for programming needs.
4. Pension Contribution Rate – Reduce pension contribution rate at least for new lay staff from 16% to 9%.

One minority position on the Task Force recommended beginning the reduction in pension rate for lay staff with the 2007 budget.

Another minority position recommended making such a reduction in increments over a period of time rather than all at once.

5. Diocesan Staff Changes – Reduce diocesan office staff to 1.0 FTE paid staff member and either contract out services not provided by the paid staff person and/or use volunteers. Positions that could be filled with volunteers and/or deacons include Diocesan Youth Coordinator, Canon for Congregational Development, and Diocesan Stewardship Director.
6. Reduction in Health Insurance Premiums - Undertake a review of current health insurance plan and seek options that would reduce the cost of health insurance premiums.
7. Reductions to “Our Fair Share” – Exempt the initial 10% of each congregation’s operating income from OFS.

The financial information gathered from other dioceses showed that the OFS percentage in most was 20% or more. The model we are suggesting is used in some dioceses as an alternative to reducing the OFS percentage. It would provide additional money for local congregations’ mission and ministry and

recognize the importance of the growth and vitality of those congregations that provide major support to our entire diocese.

8. Bishop Position – Investigate possibility of contracting one day a week of the bishop’s time to northern Minnesota.
9. Extend the diocese – Study proposal to add a portion of northwestern Minnesota or the portion of Standing Rock that is in South Dakota to the Diocese of North Dakota and identify potential fiscal and logistical impact.
10. Diocesan Camp Program – Determine whether a diocesan camp program makes sense, using Camp Gabriel or another existing facility in North Dakota, northern South Dakota, or northwestern Minnesota.
11. Diocesan Conventions – Shorten the convention either to one day (9:00 AM to 4:00 PM) convention in a permanent central location (Bismarck) or to a Friday night/Saturday convention. Prior to the convention, schedule town hall meetings conducted by the Bishop to discuss budget and resolution matters so as to shorten the time needed to present and debate those topics at convention. Include time in the convention agenda for practical, hands-on type workshops on stewardship, evangelism, training for congregational treasurers, etc.
12. Increase Outside Income – Develop and implement a significant program of fundraising, grant writing, and diocesan partnerships to increase our income, particularly for intra-diocesan mission programs.
13. Reduce Expenditures -- To make up for the reduced draw from investments and OFS levels, and the proposed increase in program and mission expenditures, there will need to be significant reductions in other expenses even if there is an increase in outside income from grants and partnerships,. This will not be easy, but as a diocese we will need to realign our priorities in order to move forward with fiscal responsibility.

This recommendation is not just about reducing expenditures but about examining the way we do business in the diocese and looking for new, creative ways to conduct business more efficiently, such as identifying appropriate ways to use new technology. One possibility might be conducting some diocesan meetings by videoconferencing and thus saving both travel time and expense.

Resources Cited in Evangelism Section

How to Hit the Ground Running: A Quick Start Guide For Congregations with New Leadership. Neal O. Michell, Church Publishing, New York, 2005.

Groundwork: Digging Deep for Change and Growth: Guide for Lenten Study and Action (Years A and B available). Jim Lemler and Charles Fulton, The Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the United States of America, 2005.

The web-site of the Diocese of Southern Ohio at www.episcopal-dso.org;

Go to “Order customizable [postcards, posters for outreach](#)” ; explore the variety of postcards, handout, posters, etc., used to encourage new people to attend church.

The committee also commends the website: www.comeandgrow.org

This site is an advertising initiative of the Episcopal Church and features a number of advertisements.

**Toward a Common Understanding
of the Ministry of Priests
in the Diocese of North Dakota**

According to the Canons of the Episcopal Church, there are four categories of priests: Rectors, Priests-in-Charge, Assistants and Chaplains (III.9.3). Traditionally priests have been trained in seminaries. In recent years, however, North Dakota and other dioceses involved in “Total Ministry” have trained priests locally and ordained them for sacramental ministries as part of Ministry Teams under the old “Canon 9.” Because of recent revisions to the ministry canons, a certain amount of confusion exists as to the qualifications and competencies required of persons to exercise priestly ministry in a variety of settings in the Episcopal Church. What follows is an attempt to clarify and articulate common understandings and expectations for the training and ministry of priests in the Diocese of North Dakota under the current canons.

1. A **Rector** is ordinarily trained at a seminary and possesses the professional ministry degree, Master of Divinity. He or she exercises authority according to Canon III.9.5.
2. A **Priest-in-Charge** may or may not possess the Master of Divinity degree; and may or may not be stipendiary. He or she exercises authority according to Canon III.9.3(b), “subject to the authority of the Bishop.” (If a Priest-in-Charge does not possess a Master of Divinity degree, he or she is expected to have completed at least one year of formal theological study from a diocesan-approved institution, beyond any local training already received.)
3. An **Assisting Priest** may or may not possess the Master of Divinity degree and may or may not be stipendiary. He or she serves as a staff member under the supervision and authority of the Rector or Priest-in-Charge.
4. A **Chaplain** may be a priest locally trained and ordained primarily to serve as the sacramental minister-member of a ministry team or supply priest. He or she serves under the supervision and authority of a Rector, Priest-in-Charge and/or Bishop. He or she is ordinarily non-stipendiary, however, may be compensated for travel or other ministries such as youth minister, parish nurse, administrator, etc.

5. Ordinarily, a congregation providing part-time compensation according to the Diocesan Salary Schedule will employ a priest as a **Ministry Developer**. He or she ordinarily possesses the Master of Divinity degree and exercises authority as a Priest-in-Charge according to Canon III.9.3(b).
6. **Canon Missioners** are priests appointed by the bishop to assist in the ministry of diocesan oversight and serve as members of the bishop's staff. They ordinarily possess the Master of Divinity degree and serve as Priests-in-Charge for congregations with neither Rector, Priest-in-Charge nor Ministry Developer.

Endorsed by Diocesan Council: March 11, 2006

DIOCESAN FINANCIAL INFORMATION SUMMARY

Name of Diocese: **Alaska**

Contact Person and Position: Suzanne Krull, Diocesan Administrator

Contact Phone Number/Email Address: 907-452-3040/skrull@gci.net

1. Significant Shifts in Diocesan Income/Expenditures: Incomes from pledges, investments, ECIM, and "other" sources have been steady over 2004-06, but the 2006 "challenge" budget includes an increase in income of 10.9% (from \$836T to \$927T). Incomes declined over 2002-04 from \$917T to \$814T. Most of the decline was from a decrease in carry forward and grant income, and resulted in major Reductions for staff, committees & commissions, diocesan convention, congregation and deanery support, and administration. The "challenge" budget calls for significant increases in expenditures across the board, with the notable exception of extra-diocesan payments. The 2006 budget also calls for an "In God We Trust Faith Offering" of \$65T on the income side, with zero raised for this line item in 2005 with a budget of \$21T. I see no reason to believe that the 2006 budget is any more than a dream. I would expect that actual income and expenses for the year will be "flat". The largest expense priorities for their dream budget are for program staff, education & training, convention, safe church program, episcopate, and administration.
2. Percentages of Total Income from
 - National Church – 49.3%
 - Congregations – 42.9%
 - Investments – 3%
 - Other Dioceses/Grants - .8%
 - Other Sources (Type and %) – 4% Carry Forward & Pop Sales
3. Limits on Drawing from Investment Portfolio Principal: None
4. Percentage of Personnel Costs (Including Benefits) to Total Expenses: 42.1%
5. Percentage of Program Costs to Total Expenses: 36.2%
6. Are Their Budgets Balanced? Yes. Are There Contingency Plans for Shortfalls? Tapping Reserves
7. How Many of the Diocesan Office Positions are Paid Versus Unpaid, Voluntary Versus Permanent Staff, Clergy Versus Lay: 9 Total (Includes the Camp Director Which is Ultimately paid from a separate Camp budget; 7 Paid Permanent and 2 Unpaid Volunteers; 8 Full-Time, 1 ¾-time; 4 Clergy, 5 Lay
8. What is the OFS Formula for the Diocese? 25% Voluntary/Mandatory? Mandatory – But only 5 of 49 congregations met that standard in 2005; 13 gave 10%-20%, 9 gave 5%-10%, and 22 less than 5%.

Sanctions for Delinquency? None

9. Percentage of Congregation Support to Total Income: 38.3%
Percentage of Payments to/for Congregations to Total Expenses: 7.7%
10. Percentage of Total Income Paid to the National Church: 8.7%
11. Number of General Convention Deputies and Financial Support: 4 clergy and 4 lay –
Approx. \$3200 each (each gets travel, lodging plus \$30 per diem (considering an increase).
They do pay documented expenses over the per diem.
12. Percentage of Health Insurance Costs to Total Personnel Costs: 13.2%
13. Pension Contribution Rates for Clergy and Diocesan Staff: 24%
14. Most Recent Diocesan Capital Campaign & Results: None in past 10 years

DIOCESAN FINANCIAL INFORMATION SUMMARY

Name of Diocese: **Colorado**

Contact Person and Position: Robert Leaman, Chief Financial Officer

Contact Phone Number/Email Address: 303-837-1173/rleaman@coloradodiocese.org

1. Significant Shifts in Diocesan Income/Expenditures: Overall declining revenues with increases in pledge income from the congregations, and major reduction in investment and grant incomes. In past years the diocese has released trust assets from restrictions and transferred them to operating to balance deficits. They have added positions of Canon for Faith Formation and Canon Missioner, but have held off on plans for an Assisting Bishop. Program revenues have been increasing. Major increases in expenditures are found for the Bishop's office, diocesan convention, "New Life", communications (lay salaries), congregational development, faith formation, and misc. diocesan programming (jubilee center expenses). Expense reductions which are significant include national church contribution, funding for finance & administration, Canon to the Ordinary expenses, regional operations, children's ministries, clergy retreats, and monies for contingencies. Note however the Faith Formation used to be "Youth & Children."
2. Percentages of Total Income from
 - National Church - .5%
 - Congregations – 68%
 - Investments – 6.2%
 - Other Dioceses/Grants – 8.5%
 - Other Sources (Type and %) – Programs (14.4%) Reserves (2.4%)
3. Limits on Drawing from Investment Portfolio Principal: None – The diocese has drawn down reserves from \$3M to \$1M since GC03 as they lost 27% of their congregation support because of restricted giving.
4. Percentage of Personnel Costs (Including Benefits) to Total Expenses: 42.9%
5. Percentage of Program Costs to Total Expenses: 32.8%
6. Are Their Budgets Balanced? No Are There Contingency Plans for Shortfalls? Pay From "Working Capital" in the Operating Fund and the Reserves...but there is major concern as reserves are critically low.
7. How Many of the Diocesan Office Positions are Paid Versus Unpaid, Voluntary Versus Permanent Staff, Clergy Versus Lay: 12 full-time salaried positions, 3 clergy and 9 lay. There are also 5 regional missioners (also rectors or vicars) who are compensated as part-time. The missioners are served by 2 part-time staff. Chancellor is on retainer, but 3 vice-chancellors serve pro bono. The diocesan treasurer is a volunteer position. There are no volunteer office staff persons.

8. What is the OFS Formula for the Diocese? 10% mandatory to diocese/5% voluntary for regional program.

Sanctions for Delinquency? None

9. Percentage of Congregation Support to Total Income: 68.1%

Percentage of Payments to/for Congregations to Total Expenses: 11.3%

10. Percentage of Total Income Paid to the National Church: 8.5%

11. Number of General Convention Deputies and Financial Support: 5 clergy and 5 lay (4 delegates and 1 alternate of each) plus the Bishop, the Communications Director, the Chancellor, and a retired bishop...a total of 14. Pay all related expenses...generally \$2600 each.

12. Percentage of Health Insurance Costs to Total Personnel Costs: 13%

13. Pension Contribution Rates for Clergy and Diocesan Staff: 10% & 7%

14. Most Recent Diocesan Capital Campaign & Results: No campaigns in recent memory

DIOCESAN FINANCIAL INFORMATION SUMMARY

Name of Diocese: **Eastern Oregon**

Contact Person and Position:

Contact Phone Number/Email Address:

1. Significant Shifts in Diocesan Income/Expenditures: Not Available
2. Percentages of Total Income from
 - National Church 13%
 - Congregations 57%
 - Investments 6.7%
 - Other Dioceses/Grants
 - Other Sources (Type and %)
3. Limits on Drawing from Investment Portfolio Principal: 5% - 3 yr. average
4. Percentage of Personnel Costs (Including Benefits) to Total Expenses: 14%
5. Percentage of Program Costs to Total Expenses: 18%
6. Are Their Budgets Balanced? Yes. Are There Contingency Plans for Shortfalls?
7. How Many of the Diocesan Office Positions are Paid Versus Unpaid, Voluntary Versus Permanent Staff, Clergy Versus Lay: All full-time, stipendiary
8. What is the OFS Formula for the Diocese? 25% Voluntary/Mandatory? Mandatory

Sanctions for Delinquency? Loss of voice and vote
9. Percentage of Congregation Support to Total Income: 57%
Percentage of Payments to/for Congregations to Total Expenses: 7.8%
10. Percentage of Total Income Paid to the National Church: 21%
11. Number of General Convention Deputies and Financial Support: 8 funded at \$24,000
12. Percentage of Health Insurance Costs to Total Personnel Costs:
13. Pension Contribution Rates for Clergy and Diocesan Staff: 18% clergy, 9% lay
14. Most Recent Diocesan Capital Campaign & Results: Tried and failed 2006

DIOCESAN FINANCIAL INFORMATION SUMMARY

Name of Diocese: **Eau Claire**

Contact Person and Position: Jeanne Stout

Contact Phone Number/Email Address: (715) 835-3331

1. Significant Shifts in Diocesan Income/Expenditures: Not available
2. Percentages of Total Income from
 - National Church 8%
 - Congregations 79%
 - Investments 9.7%
 - Other Dioceses/Grants
 - Other Sources (Type and %)
3. Limits on Drawing from Investment Portfolio Principal: No fixed limit
4. Percentage of Personnel Costs (Including Benefits) to Total Expenses: 18.8%
5. Percentage of Program Costs to Total Expenses: 4.2%
6. Are Their Budgets Balanced? No Are There Contingency Plans for Shortfalls?
7. How Many of the Diocesan Office Positions are Paid Versus Unpaid, Voluntary Versus Permanent Staff, Clergy Versus Lay: 3 paid, 1 part-time business manager
8. What is the OFS Formula for the Diocese? 22.5% Voluntary/Mandatory? Mandatory

Sanctions for Delinquency? Loss of maximum of 2 delegates to Diocesan convention
9. Percentage of Congregation Support to Total Income:
Percentage of Payments to/for Congregations to Total Expenses:
10. Percentage of Total Income Paid to the National Church: 10.6%
11. Number of General Convention Deputies and Financial Support: 8
12. Percentage of Health Insurance Costs to Total Personnel Costs: 20.5%
13. Pension Contribution Rates for Clergy and Diocesan Staff: 18½%, clergy and lay
14. Most Recent Diocesan Capital Campaign & Results: early 1990's – good result

DIOCESAN FINANCIAL INFORMATION SUMMARY

Name of Diocese: **Montana**

Contact Person and Position: Barb Hagen, Canon for Finance

Contact Phone Number/Email Address: mtbizmgr@qwest.net

1. Significant Shifts in Diocesan Income/Expenditures: Increase in OFS from 17% to 18% in 2005; steadily increasing income from investments; increasing salaries/payroll costs with major increase for Finance Canon as Bishop's Executive Assistant position is eliminated; office expenses being slashed in 2006 (?); significant reduction in program expenditures (-19%); major increases in Assisted Congregation costs (+12.3%/+16.7%/+8.4% in last 3 years; major increase in stewardship program expenses (from \$2000 to \$10,000) for 2006.
2. Percentages of Total Income from
 - National Church - 0
 - Congregations – 68%
 - Investments – 30.8%
 - Other Dioceses/Grants - 0
 - Other Sources (Type and %) – Youth & Misc. 1.2%
3. Limits on Drawing from Investment Portfolio Principal: None...they actively monitor principal levels.
4. Percentage of Personnel Costs (Including Benefits) to Total Expenses: 27.8%
5. Percentage of Program Costs to Total Expenses: 11%
6. Are Their Budgets Balanced? Yes Are There Contingency Plans for Shortfalls? Use Reserves
7. How Many of the Diocesan Office Positions are Paid Versus Unpaid, Voluntary Versus Permanent Staff, Clergy Versus Lay: All paid; 2 clergy (Bishop and Canon for Ministry (formerly Canon to the Ordinary)); 4 lay (Canon for Finance, Canon for Administration, Administrative Secretary, and Camp Director).
8. What is the OFS Formula for the Diocese? 18% Voluntary/Mandatory? Mandatory
 Sanctions for Delinquency? No "Seat" at Convention
9. Percentage of Congregation Support to Total Income: 68%
 Percentage of Payments to/for Congregations to Total Expenses: 48.3%
10. Percentage of Total Income Paid to the National Church: 11% (trying to increase)

11. Number of General Convention Deputies and Financial Support: 4 clergy & 4 lay - \$1980 per person.
12. Percentage of Health Insurance Costs to Total Personnel Costs: 12.3%
13. Pension Contribution Rates for Clergy and Diocesan Staff: 18% clergy...9% lay
14. Most Recent Diocesan Capital Campaign & Results: None in past 10 years...considering one for camp.

DIOCESAN FINANCIAL INFORMATION SUMMARY

Name of Diocese: **North Dakota**

Contact Person and Position: Bonnie Bernardy, Business Manager

Contact Phone Number/Email Address: (701) 235-6688

1. Significant Shifts in Diocesan Income/Expenditures: Not available.
2. Percentages of Total Income from
 - National Church 17%
 - Congregations 36%
 - Investments 45%
 - Other Dioceses/Grants
 - Other Sources (Type and %)
3. Limits on Drawing from Investment Portfolio Principal: 8.5% 3-year average
4. Percentage of Personnel Costs (Including Benefits) to Total Expenses: 16%
5. Percentage of Program Costs to Total Expenses: 7%
6. Are Their Budgets Balanced? Yes Are There Contingency Plans for Shortfalls?
7. How Many of the Diocesan Office Positions are Paid Versus Unpaid, Voluntary Versus Permanent Staff, Clergy Versus Lay: All paid and all lay
8. What is the OFS Formula for the Diocese? 22% Voluntary/Mandatory? Mandatory

Sanctions for Delinquency?
9. Percentage of Congregation Support to Total Income: 36%
Percentage of Payments to/for Congregations to Total Expenses:
10. Percentage of Total Income Paid to the National Church: 6.6%
11. Number of General Convention Deputies and Financial Support: 8
12. Percentage of Health Insurance Costs to Total Personnel Costs: 18.7%
13. Pension Contribution Rates for Clergy and Diocesan Staff: 18% clergy, 16% lay
14. Most Recent Diocesan Capital Campaign & Results: \$550,000 – mid 1990's

DIOCESAN FINANCIAL INFORMATION SUMMARY

Name of Diocese: **South Dakota**

Contact Person and Position: Randy Barnhardt

Contact Phone Number/Email Address: randy.diocese@midconetwork.com

1. Significant Shifts in Diocesan Income/Expenditures:

Assessment income dropping, endowment income increasing. Deficit spending at \$50,800.

2. Percentages of Total Income from

National Church 41%

Congregations 22%

Investments 22%

Other Dioceses/Grants

Other Sources (Type and %) Other 15%

3. Limits on Drawing from Investment Portfolio Principal: 6.5% of fair market value

4. Percentage of Personnel Costs (Including Benefits) to Total Expenses:

15% to Episcopate 50.5% Mission Support

5. Percentage of Program Costs to Total Expenses: 13.6%

6. Are Their Budgets Balanced? N/A Are There Contingency Plans for Shortfalls? N/A

7. How Many of the Diocesan Office Positions are Paid Versus Unpaid, Voluntary Versus Permanent Staff, Clergy Versus Lay: No volunteer staff. Including Bishop, 4 full-time employees: two clergy and two lay.

8. What is the OFS Formula for the Diocese? 16% of net operating income

Voluntary/Mandatory? Voluntary

Sanctions for Delinquency? No penalties.

9. Percentage of Congregation Support to Total Income: N/A

Percentage of Payments to/for Congregations to Total Expenses:

10. Percentage of Total Income Paid to the National Church: 3.3%

11. Number of General Convention Deputies and Financial Support: 8 deputies at \$2,000 each

12. Percentage of Health Insurance Costs to Total Personnel Costs: 13.4%

13. Pension Contribution Rates for Clergy and Diocesan Staff: 18% for both

14. Most Recent Diocesan Capital Campaign & Results:

1984 – (\$1.1 million) to increase mission, plus clergy salaries and benefits.

DIOCESAN FINANCIAL INFORMATION SUMMARY

Name of Diocese: **Western Kansas**

Contact Person and Position: Mary O'Farrell, Comptroller

Contact Phone Number/Email Address: marydiowksorg@sbcglobal.net

1. Significant Shifts in Diocesan Income/Expenditures: Not available
2. Percentages of Total Income from
 - National Church 13%
 - Congregations 71.5%
 - Investments 7.9%
 - Other Dioceses/Grants
 - Other Sources (Type and %)
3. Limits on Drawing from Investment Portfolio Principal: Not allowed
4. Percentage of Personnel Costs (Including Benefits) to Total Expenses: 44.6%
5. Percentage of Program Costs to Total Expenses: 8.5%
6. Are Their Budgets Balanced? Yes Are There Contingency Plans for Shortfalls? N/A
7. How Many of the Diocesan Office Positions are Paid Versus Unpaid, Voluntary Versus Permanent Staff, Clergy Versus Lay: Two lay workers—no volunteers
8. What is the OFS Formula for the Diocese? 25% Voluntary/Mandatory? Not all can or do pay
 Sanctions for Delinquency? No
9. Percentage of Congregation Support to Total Income:
 Percentage of Payments to/for Congregations to Total Expenses:
10. Percentage of Total Income Paid to the National Church: 0% (budgeted 10%)
11. Number of General Convention Deputies and Financial Support: 8 (\$18,750)
12. Percentage of Health Insurance Costs to Total Personnel Costs: N/A
13. Pension Contribution Rates for Clergy and Diocesan Staff: 18% clergy, 9% lay
14. Most Recent Diocesan Capital Campaign & Results: \$1,500,000 current campaign to support Episcopate.

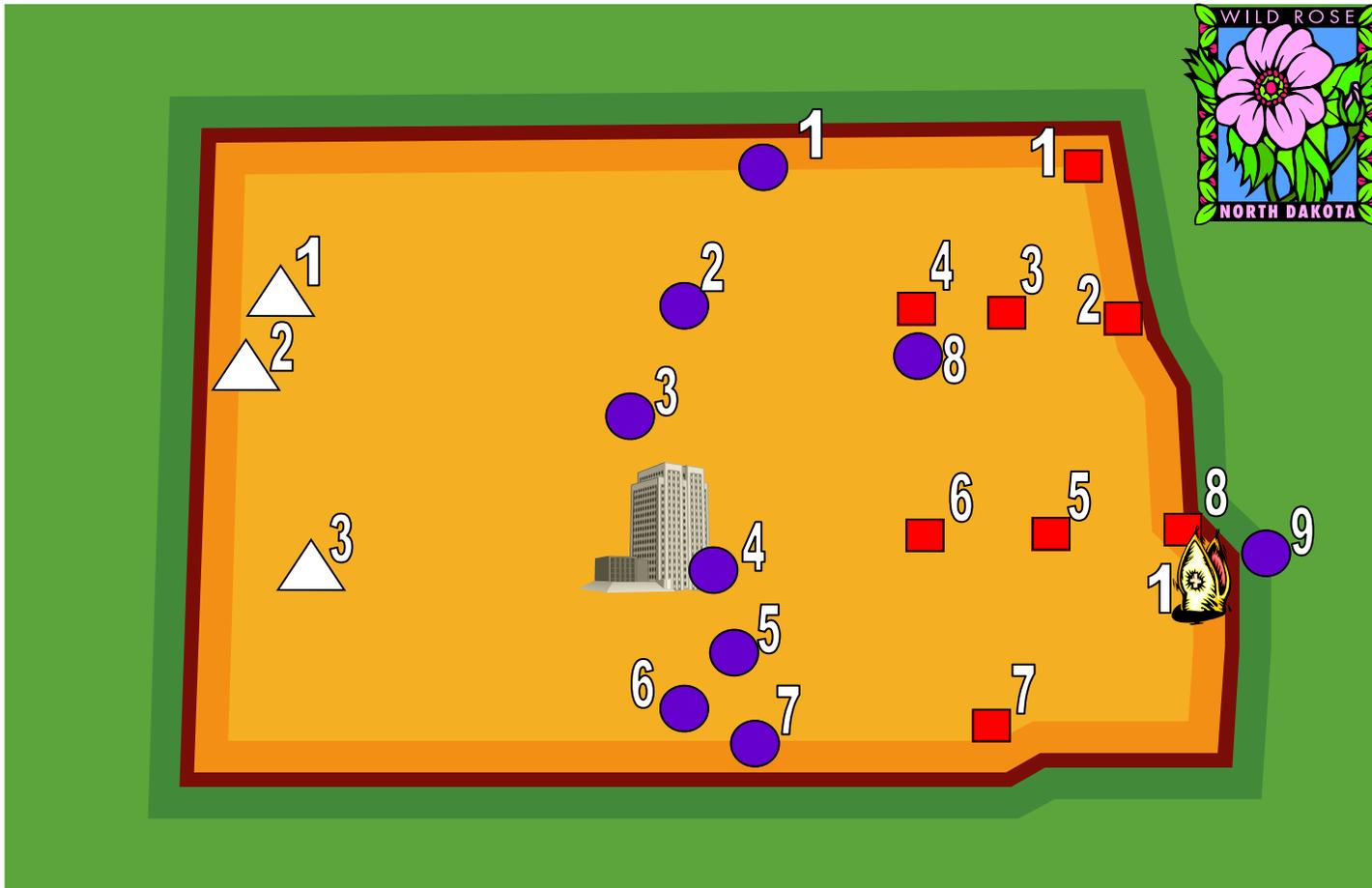
Legend

 Bishop: 1—Gethsemane Cathedral

 East Canon Missioner:
 1—St. Peter's, Walhalla
 2—St. Paul's, Grand Forks
 3—Good Shepherd, Lakota
 4—Advent, Devil's Lake
 5—All Saints, Valley City
 6—Grace Church, Jamestown
 7—St. Mary & Mark's, Oakes
 8—St. Stephen's, Fargo

 Central Canon Missioner:
 1—St. Sylvan's, Dunseith
 2—All Saints, Minot
 3—St. Paul's, White Shield
 4—St. George's, Bismarck
 5—St. James', Cannon Ball
 6—Church of the Cross, Selfridge
 7—St. Luke's, Ft. Yates
 8—St. Thomas', Ft. Totten
 9—St. John the Divine, Moorhead

 West Canon Missioner:
 1—St. Peter's, Williston
 2—St. Michael's, Cartwright
 3—St. John's, Dickinson



Bishop at Gethsemane Cathedral



West Canon Missioner



Central Canon Missioner



East Canon Missioner