

Commission to Unify the Office of the General Assembly and the Presbyterian Mission Agency
Minutes
Online
May 9, 2024

Gathering

The Commission to Unify the Office of the General Assembly and the Presbyterian Mission Agency (“the Unification Commission”) held their seventeenth meeting online using Zoom, an online audio and web conferencing platform. The public was able to watch in real-time (and view a recording) via Vimeo, a video sharing platform, on the website of the Office of the General Assembly. Materials, including the agenda and minutes, were available to the public via EQUIP, a learning management system administered by the Officer of the General Assembly.

This was a called meeting, for the purpose of addressing the 2025-2026 Unified Budget and related business, on May 9, 2024.

Roll

The roll was formed:

Commissioners (as appointed by the Co-Moderators of the 225th General Assembly (2022); criteria and demographics included for the record):

Felipe N. Martínez, Co-Moderator, Teaching Elder, Presbytery of Ohio Valley;
Commissioner, 225th General Assembly (2022)

Cristi Scott Ligon, Co-Moderator, Ruling Elder, Presbytery of Middle Tennessee;
Commissioner, 225th General Assembly (2022) [remote participant on Zoom]

Carson Brown, Ruling Elder, Presbytery of Peace River; Young Adult Advisory
Delegate, 225th General Assembly (2022)

Dee Cooper, Teaching Elder, Presbytery of Denver; Presbyterian Mission Agency Board
Scott Lumsden, Teaching Elder, Presbytery of Seattle; Per Capita and Financial
Sustainability Special Committee

Emily Martin, Ruling Elder, Presbytery of North Central California; Young Adult
Advisory Delegate, 225th General Assembly (2022)

José Rosa-Rivera, Ruling Elder, Presbiterio de San Juan; Per Capita and Financial
Sustainability Special Committee

Bill Teng, Teaching Elder, Presbytery of Peace River; Presbyterian Church (U.S.A.),
A Corporation Board

Kris Thompson, Ruling Elder, Presbytery of National Capital; At-Large

Ex-Officio:

Shavon Starling-Lewis, Co-Moderator, 225th General Assembly (2022)

Staff:

Alejandra Sherman, Executive Assistant to the President, Presbyterian Church (U.S.A.)
A Corporation

Barry Creech, Deputy Executive Director for Administration, Presbyterian Mission Agency
Jennifer Clowery, interpreter

Kathy Lueckert, President, Presbyterian Church (U.S.A.), A Corporation

Kerry Rice, Deputy Stated Clerk, Office of the General Assembly

Guests:

Kelly Beeland, Culture Consultant to the Unification Commission
Ian Hall, Chief Financial Officer, Presbyterian Church (U.S.A.) A Corporation

Excused:

Debra Avery, Teaching Elder, Presbytery of Great Rivers; Moving Forward
Implementation Special Committee
Dave Davis, Teaching Elder, Presbytery of the Coastlands; Committee on the Office of
the General Assembly
Frances Lin, Teaching Elder, Presbytery of Riverside; At-Large [Ordained Aug. 11, 2023]

Opening Prayer
and Devotion

Felipe Martínez, co-moderator of the Commission to Unify the Office of the General Assembly and the Presbyterian Mission Agency (“Unification Commission”), called the meeting to order at 6:00 p.m. ET on May 9, 2024, with an opening prayer.

Agenda

By common consent and without objection, the Unification Commission adopted the agenda. Some of the materials, including the agenda and materials, were available to the public via EQUIP, a learning management system administered by the Office of the General Assembly. [Recorder’s Note: minutes are typically approved at stated meetings; as a called meeting, the minutes for the previous meeting and this meeting would be approved at the next stated meeting on May 18, 2024.]

Land
Acknowledgment

Felipe Martínez led the land acknowledgment, informed by current service at the First Presbyterian Church of Columbus, Indiana, and acknowledged that the land known today as Bartholomew County and the parcel on which the church building stands are part of ancestral territory of the My-aam-ia (Miami), Shaw-an-da-sse Tula, Shaw-an-waki (Shawnee), Kas-kas-kia, Adena Culture and Kii-kaa-poi (Kickapoo).

Covenant

Felipe Martínez and Cristi Scott Ligon, as co-moderators, read the covenant as a reminder of how the Unification Commission had agreed to engage this responsibility of this commission.

Key Unifying
Principles

The co-moderators continued by reminding the Unification Commission of their key unifying principles: Relational; Streamlined; Nimble; Justice Focused; and, Vision Driven.

2025-26 Budget

The co-moderators noted that a previous action of the Unification Commission requested a unified budget for 2025-2026 be presented to the Unification Commission for approval and recommendation to the 226th General Assembly (2024). On May 7, 2024, in Salt Lake City, Utah (site for the 226th GA (2024)), the Committee of the Office of the General Assembly (COGA) and the Presbyterian Mission Agency Board (PMAB) met together in-person, being joined via Zoom (a video telephony platform) by the A Corp. Board (Presbyterian Church (U.S.A.) A Corporation) to approve recommending to the 226th General Assembly (2024) a unified budget for 2025-26. [Recorder’s Note: the minutes for this joint meeting will be available separately.] The Unifying Budget for 2025-26 (**Attachment 1**) was affirmed by a unanimous vote at that joint COGA and PMAB meeting, and was included in the Commission’s meeting materials, and publicly available on EQUIP.

Representatives from each of the entities spoke to the development process of both the budget and the revisions to the reserve policies – Barry Creech for the PMAB; Kathy Luckert for A Corp.; Kerry Rice for COGA; and, Ian Hall, chief financial officer, A Corp.

Kathy Lueckert led a review of the materials on budget assumptions and constraints. Ian Hall led a review of the materials on sources of revenue, and expenses (by priority). There is an intentional reduction of \$5 million for the 2025-26 budget (which also includes a 7% anticipated increase in the cost of medical benefits to be solely determined by the Board of Pensions, the medical benefits provider for the PC(USA)).

Gratitude was provided for staff for doing approximately nine months of work in a span of two months.

Upon motion made and seconded, and after an opportunity for further discussion, the Unification Commission without objection recommended for approval to the 226th GA (2024) the 2025-26 Unifying Budget for Presbyterian Church (U.S.A.), A Corporation, including the Administrative Services Group, the Office of the General Assembly, and the Presbyterian Mission Agency:

\$91,213,081 for 2025; and,
\$93,785,539 for 2026.

2025-226 Per
Capita

Informed by the previous conversation (and the COGA and PMAB unanimous vote on May 7, 2024), the Unification Commission addressed Per Capita. Upon motion made and seconded, and after an opportunity for further discussion, the Unification Commission without objection recommended for approval to the 226th GA (2024) the 2025-2026 General Assembly per capita apportionment rate of

\$10.20 for 2025; and,
\$10.62 for 2026.

Rescinding the
Reserve Policy

Felipe Martinez, co-moderator, recognized Kathy Lueckert to speak to the recommendation to rescind the existing OGA and PMA reserve policies of previous General Assemblies (**Attachment 2**), which was distributed prior to the meeting and made available on EQUIP. The A Corp. Board has proposed and adopted (May 2, 2024) a new reserve policy, which would require the Unification Commission, appropriately acting on behalf of the General Assembly, to rescind the previous reserve policies, so the new A. Corp. reserve policy would take effect.

Upon motion made and seconded, and after an opportunity for further discussion, the Unification Commission without objection rescinded the reserve policies of previous General Assemblies for the Office of the General Assembly and the Presbyterian Mission Agency, and endorsed the A Corp. policy as adopted on May 2, 2024.

Comment on FIN-
12 for the 226th
GA (2024).

It was noted the reserves were fully funded.

Entities and agencies that are impacted by business before the General Assembly have the opportunity to comment on business before the General Assembly. Upon recognition, Kathy Lueckert explained that every four years the Special Offerings of the PC(USA) are reviewed by the General Assembly. For the 226th GA (2024), there was Special Offering Review Task Force review, and recommended changes to provide new flexibility and

opportunity. The Unification Commission had the privilege to comment on the recommendation (Attachment 3).

Upon motion made and seconded, and after an opportunity for further discussion, the Unification Commission without objection approved the comment on FIN-12 (the Special Offering Task Force Review).

Comments for the
Good of the Body

Upon clarification, it was noted that FIN-12 was the sole item of business before the 226th GA (2024) that the Unification Commission would submit a Comment. It was noted each General Assembly offered an opportunity for Commissioner's Resolutions.

Closing Prayers

Without objection and by common consent, the meeting was adjourned with a closing prayer by Cristi Scott Ligon.

Respectfully submitted,

/s/ Raymond Bonwell
Recorder

FOR ACTION

Subject: Unifying Budget 2025-2026:

That the Commission to Unify the Office of the General Assembly and the Presbyterian Mission Agency recommend the 226th General Assembly (2024) approve:

1) The 2025-2026 unifying budget for Presbyterian Church (U.S.A.), A Corporation, including the Office of the General Assembly, the Administrative Services Group, and the Presbyterian Mission Agency:

- **\$91,213,081 for 2025, and**
- **\$93,785,539 for 2026.**

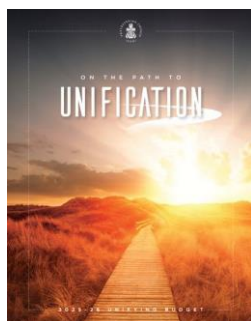
2) A 2025-2026 General Assembly per capita apportionment rate of

- **\$10.20 for 2025, and**
- **\$10.62 for 2026.**

Rationale

Recommendation 1:

See the attached document (below) for the detailed rationale behind recommendation 1



Recommendation 2

It reflects an increase from the 2024 GA Per Capita Apportionment rate (\$9.80) by 4.1% in each year, corresponding to the rate of inflation.

FOR ACTION

Subject: Rescind Reserve Policy

Recommendation:

That the Unification Commission:

- 1. Rescind the current reserve policies governing the Office of the General Assembly¹ and the Presbyterian Mission Agency²**

Presbyterian Church (U.S.A.), A Corporation Reserve Policy

**Adopted by the Presbyterian Church (U.S.A.), A Corporation Board of Directors on
May 2, 2024**

The purpose of this Reserve Policy is to provide guidance on the establishment, management, and utilization of reserve funds. Three specific funds are outlined in this document: an Operating reserve fund, a Capital Replacement reserve fund, and a Determined Risk reserve fund.

❖ Operating Reserve Fund

The Presbyterian Church (U.S.A.), A Corporation (“A Corp.”) will maintain liquid assets as an Operating Reserve. A Corp. will seek to maintain an operating reserve balances to protect the organization from risks negatively impacting its mission that may adversely impact the organization’s financial status and overall ability to maintain operations during short-term periods of volatility.

A Corp. will maintain an operating reserve, from available unrestricted reserves, equal to three months of income. Income equals the total of Contributions, Investment Return, and Sales of Services and Resources minus those revenue streams associated with the Foundation spending formula. Monthly income is calculated as an average of the prior approved biennial budget cycle total.

Funding allocation to the Operating Reserve will be evaluated as part of the biennial budget process. Planned additions or reductions to this Operating Reserve will be accounted for within the biennial budget process, which is voted on and approved by the General Assembly.

Any request to access the operating reserve fund must be submitted in writing to the A Corp. board. The request should include a detailed explanation of the purpose of the withdrawal, the amount requested, and supporting documentation.

❖ Capital Replacement Reserve Fund

The Presbyterian Church (U.S.A.), A Corporation (“A Corp.”) will maintain a capital replacement reserve dedicated to the costs associated with replacing or upgrade of major capital assets including infrastructure, equipment, and buildings. The amount allocated to the reserve fund is determined based on the expected lifespan of the capital assets, their replacement cost, and any anticipated future maintenance or upgrade expenses.

¹ 1990 General Assembly Mission Program Budget Policy and Procedures (Minutes of the 202nd General Assembly (1990), pages 376-384; 1996 Per Capita Reserve Fund Guidelines (Minutes of the 208th General Assembly (1996)

² 2016 Presbyterian Mission Agency Reserve Policy (Minutes of the 222nd General Assembly (2016), pages 581-589) as amended by the 225th General Assembly (2022).

Funding allocation to the Capital Replacement Reserve will be evaluated as part of the biennial budget process. Planned additions or reductions to this Capital Replacement Reserve will be accounted for within the biennial budget process.

❖ **Determined Risk Reserve Fund**

Several additional risks have been identified which require the establishment of reserve funds to effectively mitigate these identified risks.

- **Insurance Retention Fund – A Corp. has retentions (deductibles) related to insurance policies. In the event of a claim fifty percent of this retention will be funded from the Self-Insurance Fund (an inter-agency financial mechanism that enables management of insurance exposure) and the other fifty percent would be covered by this Fund.**
- **Mission Personnel Fund – Together with global partners, PC(USA) mission personnel are engaged in life-transforming ministries around the world. This Fund enables swift and effective response to unforeseen emergencies or crises that necessitate the evacuation of mission personnel from a volatile or unsafe environment.**
- **Property Management Fund – A Corp. holds title to several properties. A fund specifically earmarked for property holding costs acts as a crucial financial buffer, providing essential support to cover ongoing expenses during periods of transition or vacancy.**
- **Program Continuity Fund – A Corp. does not pay into state unemployment insurance. When an individual leaves employment under certain circumstances, notice and severance pay is provided to the employee. This fund is designed to mitigate the financial impact of staffing changes on the operational budget.**

Funding allocation to the Determined Risk Reserve will be evaluated as part of the biennial budget process. Planned additions or reductions to this Determined Risk Reserve will be accounted for within the biennial budget process.

In the event of unforeseen circumstances that pose an immediate threat to A Corp.'s operations or financial stability, staff are authorized to access determined risk reserve funds to address the situation. Upon accessing determined risk reserve funds, staff must notify the A Corp. Board as soon as practically possible. Notification should include a rationale, the reason for accessing determined risk reserve funds, the amount withdrawn, and any actions taken or planned to mitigate the situation.

Rationale

The 2025-2026 Unifying Budget development process has drawn attention to different practices in the Office of the General Assembly and the Presbyterian Mission Agency, each approved by prior General Assembly actions. As the agencies move toward unification, this divergence in policy is increasingly untenable.

The 2025-2026 Unifying Budget takes a comprehensive look at funds needed for an operational reserve, in partnership with the Administrative Services Group, and calls for change in practice that would allow unrestricted funds received in one budget cycle to be reviewed and approved for spending in a future budget cycle rather than automatically being added to an operational reserve fund.

In taking this action, the Unification Commission would be setting aside prior General Assembly policy. The A Corporation board approved a new reserve policy on May 2, 2024.

If this recommendation is approved as proposed, the 2025 reserve funds would be:

2025 Reserves Detail

Description	Amount
Operational Reserve	\$ 14,572,821
Capital Replacement Reserve	\$ 3,500,000
Determined Risk Reserve	
- Program Continuity Reserve	\$ 1,265,040
- Property Management Reserve	\$ 800,000
- Insurance Retention Reserve	\$ 300,000
- Mission Personnel Reserve	\$ 275,000
Total	<u>\$ 20,712,861</u>