

Questions and Responses from the 2021 Pre-Conference Gatherings

2022 Budget Proposal

Question: The apportioned budget on page 8 of my workbook has \$3,273,151 or apportionments in 2022. Not \$3,322,451 that was on your slide. Which one is recommended and what accounts for the \$49,300 difference?

Response: The \$3,322,451 is the correct number. In the details for Equipping Missional Congregations, it should read \$181,300 but for some reason this is showing up, incorrectly as \$132,000 which is the cause of the difference on page 8.

Question: What is CCFA's plan to reduce the budget by \$1.2 million over the next 6 years to arrive at the target apportionments rate?

Response: We will not have the same denomination in a few years so we have not been spending much time on long-term plans. Our primary concern is how to help the Dakotas UMC facilitate this transition into a post-separation and post COVID world. We will all have to live into a new future as churches and denominations.

Question: I think the video on the 2022 Budget Proposal stated that the Dakotas Conference I think "borrowing" \$250,000 from the pension fund, does that mean we enter an agreement with BOP to pay it back? With interest? If so, what is the interest rate?

Response: The statement made was "drawing from savings" not "borrowing."

Question: Why would the percentage of our budget going to General Church apportionments rise over the past five years when the base rate stays the same?

Response: You are misreading the chart. This isn't a percentage of budget but a percentage of apportionments received.

Question: Will the change of apportionments to 15% of operating revenue be a separate motion, or is that part of the consent calendar?

Response: The rate apportioned is determined by Conference Council on Finance and Administration (page 161 of the 2020 Journal).

Question: Don't we have to vote on changes to apportionments?

Response: According to the Book of Discipline, the Annual Conference votes on changes to the apportionment method. The method is not changing, just the percentage. According to Conference policy, the Conference Council on Finance and Administration determines the percentage.

Question: Have we reduced our expenses in the past year?

Response: 2020 expenses were approximately \$3 million on a \$3.5 million budget. If we underspend a similar amount, we should have enough income to cover expenses when you factor in the plan to draw \$250,000 from the Transitional Reserve Fund.

Question: Does the Conference project drawing the same, more or less from reserves in 2023?

Response: We have not made a projection for 2023. We used to project the next four years but have abandoned that practice during this time.

Question: Was that \$250,000 in the Savings Fund available in 2021 when CCFA considered and defeated an idea to budget the General Apportionments transmitted to us? Could we pay our 2021 General Apportionments without threat to current wages and salaries of current staff with the Savings Fund?

Response: Yes, we could but we would run it down quicker. It is the intent of the Board of Pensions to see us through the changes of the denomination for the next 3-5 years. The focus is on paying salaries of Conference staff and maintaining Conference ministries.

Question: Now that we have Judicial Council Decision 1409 saying the 2016 General Apportionments formula continues to be legally binding, how will CCFA fulfill the promise it published on the bottom of p. 87 of the 2020 journal – adjusting the [2021] budget to increase General Conference apportionments by \$231,903?

Response. There was undue pressure to add that wording which we never should have. At the time, we had believed that Judicial Council would make a different decision. Many conferences, including the Dakotas, disagree with the Judicial Council decision.

Board of Pensions Report

Question: The health insurance for three-quarter time clergy is a proposal before the AC, correct? (p. 46) We get a vote on that, right?

Response: There is not a separate vote. It will be voted on during the corporate session of the Board of Pensions like usual.

Question: How then can we use Pensions funds for apportionment budgets? If we could do that, why wouldn't we use part of that \$5.3 M overage for apportionments?

Response: Overfundedness is almost always used for pension and health-related purposes. The one exception was the creation of the Transitional Reserve Fund. The exception was made because of the great uncertainty our churches and conference will face in the transition of the denomination. Using the overfundedness to pay General Church apportionments isn't pension and health related. Churches and pastors are free to donate their rebates back to the Dakotas Conference and designate them for General Church apportionments.

Question: So, pension funds are unrestricted?

Response: Funds distributed by the Board of Pensions are related to pensions and health. The 2021 gifts are tied directly to the work of the Board to fund pensions, health insurance, and overall well-being. Funds from the Lynch trust are specifically for pensions. The Board of Pensions has a long-standing practice of relating all gifts to pensions and health. The one exception was the creation of the Transitional Reserve Fund.

Question: On page 46, Is this policy allowing opting out of the health care program considered "clergy support?" Then doesn't Para. 613.1 require CCFA to make recommendations for "budgets of anticipated income and proposed expenditures for all funds that provide for annual conference clergy support ...?"

Response: The Book of Discipline states that the Board of Pensions makes recommendations, and the Conference Council of Finance and Administration (CCFA) reports it to the Annual Conference for vote. CCFA is responsible for apportionment funds only – the work of the Board of Pensions is funded through direct bills, salary withholding or others sources.

Question: Are the rebates to churches treated as income for purposes of apportionment?

Response: No

On page 46 of the Conference Workbook, does the Conference Benefits Officer have a set of criteria for the opt out of health care coverage she would appreciate Annual Conference setting? The way this proposal reads now, the Annual Conference is silent on what those criteria are. We don't even delegate authority for setting those criteria to the Board of Pensions. As it is written, there is nothing to prevent a future Conference Benefits Officer from making decisions that are unreasonable, arbitrary and capricious.

Response. The plan documents for HealthFlex specifies opt out criteria which include coverage through spouse, coverage from previous employer, coverage through Medicare, and military coverage. A conference can either allow opt outs or not. The criteria is decided by the plan documents and not a conference.

Question: But the BOP is asking us to approve a policy. We should have the whole plan before us.

That is a pretty big change from mandatory health coverage. Does this policy consider “clergy support?” Then doesn’t Para. 613.1 require CCFA to make recommendations for “budgets of anticipated income and proposed expenditures for all funds that provide for annual conference clergy support …?”

Response: For laity, the health insurance is optional already. For pastors appointed full-time to a church, it is mandatory. What is happening now is a number of pastors are choosing three-quarter time appointments to avoid our health coverage. We also wanted to expend benefits to three-quarter time pastors without forcing them into coverage.

Consent Calendar

Question: How and when can something be lifted from the Consent Calendar?

Response: A request must be submitted in writing to the Conference Secretary at conference.secretary@dakotasumc.org 48 hours in advance of the opening of Annual Conference. The request must state the specific item that is to be lifted and be supported by 15 voting members of the Annual Conference. The deadline to lift items from the Consent Calendar is June 9, 2021, at 9:30 a.m. CDT.

Nominations Report

Question: Why are some italicized in the nominations report?

Response: Laity are italicized, and clergy are not.

Question: I see there is a vacancy for Conference Co-Lay Leader, who will fill that role?

Response: Myrna Hill the current Conference Co-Lay Leader is stepping down. John Srtkska is in the process of being approved for nomination to serve as the Conference Co-lay Leader.

Resolutions

Question: Where in the Conference Workbook is the specific wording of the resolutions?

Response: Pages 5 and 6.

Question: It would appear that the resolution "A Vision for a More Just Church," if passed creates a path to violate the Book of Discipline, correct—knowing that some will choose to marry same-sex couples? Would it endorse doing so?

Response: This resolution is not mandating that as it is using aspirational language.

Question: On Resolution 1.3: Why is this proposed this year when we don't know whether or what General Conference will do next year? I think two of the proposers are present this evening.

Response: It is an effort to be proactive ahead of General Conference. Basically, we are just making sure we will still be able to care for everyone no matter what does or does not happen.

Other

Question: The Trustees report is included in Item 2.5 on the Consent Calendar. On page 46, the last paragraph, the Trustees report talks about bringing the Dickinson disaffiliation agreement to the Annual Conference for ratification. Will that be happening this year? If so, when will the agreement be available for members to review? Does the Trustees report need to be removed from the Consent Calendar to deal with this? If the agreement is not ready to be presented to conference this year, what does that mean for the Dickinson church's disaffiliation process?

Response: We are pushing to get this done before the 2021 Annual Conference. The Dickinson Church has to pick a date. The Board of Trustees have met and are clarifying some issues. If the agreement is not completed, it will have to be ratified at the 2022 Annual Conference. If the agreement is ready, the Board of Trustees will request that the matter is lifted from the Consent Calendar. Read more about the disaffiliation process.

Question: Will people at remote sites be able to speak on a motion or matter during the business session?

Response: Yes, there will be a station set up where those that wish to speak will go to. This will be a laptop with a microphone and camera. A moderator at your site will chat with the Conference Secretary to inform the presiding officer, the bishop, that there is a speaker or request to speak at your site.