

## Spending To Be Reduced in ELCA Churchwide Organization

CHICAGO (ELCA) -- Because of changes in estimated income, the churchwide organization of the Evangelical Lutheran Church in America (ELCA) will reduce its spending for the current fiscal year, according to a July 17 message from ELCA leaders to employees. The total reduction required for the current fiscal year is \$2.415 million.

The message to employees of the ELCA churchwide organization was from the Rev. Charles S. Miller, executive for administration and executive assistant to the ELCA presiding bishop, and Christina Jackson-Skelton, ELCA treasurer.

For 2003 the income projections presented at the April 2002 meeting of the ELCA Church Council are being adjusted downward by \$1.3 million.

The reductions would reduce the churchwide current fund spending authorization to \$82.6 million in 2002 and an estimated \$85.1 million in 2003.

Expected declines in two specific income sources for this year are driving the reductions, Miller said. They are a projected \$1.5 million budget shortfall in income from bequests and trusts to the churchwide organization, and a projected \$450,000 budget shortfall in income from interest and investments, he said.

There is "no sign" that mission support from congregations through synods to the churchwide organization is declining significantly, Miller said. Through May 2002, mission support to the churchwide organization was ahead of the same period in 2001, he said. The churchwide organization expects to complete the current fiscal year with a projected \$325,000 shortfall in mission support, out of a mission support budget of \$70.4 million. He called such a shortfall "modest."

The modest decline in mission support estimates is consistent with what congregations and synods are reporting, Miller said. In some areas of the country, unemployment is contributing to lost income for congregations, and U.S. economic factors, such as declining interest rates for investments and recent stock market declines, are affecting everyone, he said.

"Mission support remains the stable anchor of the churchwide budget," Miller said. "We deeply appreciate the financial support of synods and congregations."

To meet the reductions in spending, all churchwide units have been asked to prepare lists of how each would propose to reduce spending by 4 percent in both 2002 and 2003, Miller said. The request for spending reduction proposals equaling 4 percent is slightly higher than what is actually needed, he said. The proposals will be used in determining actual reductions in spending, he said.

As for impact on staff, Miller said some units may choose to leave current staff vacancies unfilled. No hiring freeze is expected, he said.

"I have relied on the churchwide units to find a way to manage this, and I have asked them to do this with the least harm to staff and programs," Miller said.

Facing a situation requiring spending reductions points out the need for having a strategic plan for the ELCA, he said. Presently, the church is involved in an exhaustive strategic planning process, in which members and leaders will have input. A proposed plan is expected to be presented for action at the 2003 ELCA Churchwide Assembly in Milwaukee.

"A strategic plan will help us to know the areas claimed by the organization as its priorities," Miller said. "It will help us to make decisions on what areas to protect. We presently are relying on a sense of priorities accumulated over 15 years." The ELCA was formed in 1987 through a merger of three Lutheran church bodies.

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### Looking For Resources About the ELCA Studies On Sexuality?

The 2001 Churchwide Assembly has mandated that this church engage in a study on homosexuality and a study on sexuality. The first is to deal with the blessing of same-gender unions and the rostering of persons in committed gay or lesbian relationships. The second is to lead to the development of a social statement on sexuality. The ELCA web site has set up a page devoted to these studies -

<http://www.elca.org/faithfuljourney/>. On this page, you will find several resources, including news of the studies' progress, as well as an annotated bibliography of resources about this topic.