



August 21 2009

Dearly Beloved in Christ,

As we gear up for the resuming of Church School, Choir and a fuller congregation and ministry, the Diocesan staff is already busy preparing for the Diocesan Convention. This includes the presentation of the 2010 budget which you have an opportunity to discuss at regional chapters over the next month.

The budget was prepared by the Ways and Means Committee and presented to the Board in May. Further discussion was held at a special Board meeting at the Summer Ministry retreat in Grinnell. I am grateful to the Ways and Means Committee and the Board for the diligence with which they approach this hard task each year. With the economic climate as it has been, it is no surprise that the 2010 budget has been particularly difficult.

In 2009 the Ways and Means Committee had to cut \$ 100,000 from the budget using priority stipulations passed at the 2008 Convention for such a necessity. In tackling a further reduction in income in 2010 because of the 30% loss of investment income, the Board decided to keep the same stipulations to guide the drafting of the new budget.

They did however establish one major limiting principle: that in a diocese of our size, people are the primary programs. We therefore have resisted cutting staff, though one member of staff has cut back to a four day working week and another has retired and their position will not be immediately replaced. Salaries are also frozen for the coming year. By the same token we have preserved the chaplain positions at our major Universities. We have also chosen to keep intact our commitment to the ministry of the people of St Paul's Indian Mission.

Three areas of significance constitute the reductions at program level.

- First, we have decided to give to The Episcopal Church at the level we could achieve for 2009, which was 29% under the Asking. We are not alone as a diocese in having to make this decision, and it is intended to be a very temporary action. The Board has resolved to make "substantial giving to The Episcopal Church" a priority in future budgets.

EPISCOPAL DIOCESE OF IOWA ✠ *IN MISSION WITH CHRIST THROUGH EACH AND ALL*

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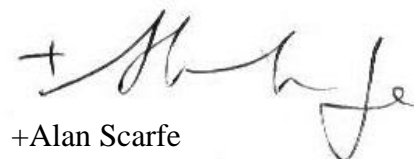
- Second, Commissions are being given “block grants” instead of guaranteed line items. They must make their own priorities for what programs they can fund and what needs to be set aside or reduced for the coming year. These block grants reflect 50% reductions in resources.
- Third, we have applied the same principle on the program side of the Chaplaincies, with the exception that the new work at University of Northern Iowa is being funded at the same level as the program grants for the University of Iowa and Iowa State University, which reflects a small increase for UNI.

On the income side, we anticipate congregational Stewardship Shares to be around 2008 levels. Investment income, of course, is where the steepest drop is to be found with the Endowment having fallen 30% from the fall of 2008 into 2009. At a five percent draw for 2010 this means a reduction of \$ 70,000 from last year available for program.

As I have said, we are not alone in having to consider a reduced capacity for 2010. I anticipate a similar level of financial resourcing through 2012. It is helpful to realize that there are many things we can do better at a local level than state wide. In fact most life changing ministry happens there. Yet we also need to remember that there are some things we decide to do together and can only do effectively together. The temptation is for us to look only to ourselves, but each year as we approve a budget, we are saying that this is our commitment to ministry together as One Church in Many locations.

Last year at Convention I expressed an idea that seemed to be going against the grain of our reality. I had been hearing from many places that a difficult economic time is not the moment to stop your emphasis on financial development. In fact you have to work harder at it. I suggested that we might find ways to provide off budget for a position of a Diocesan Development Officer. Such a person could assist us in diocesan wide funding, like a capital campaign, planned giving and stewardship, but also be available to do the same with congregations. I am glad that the Commission on Stewardship will present such an idea once more at this Convention, and I hope we can see our way to endorsing it. I ask you to give this also your serious consideration as you discuss our shared stewardship.

Now to Him who can do far more abundantly than we can ever ask or imagine, be glory, as I greet you in the love and peace of Christ.



+Alan Scarfe
Bishop of Iowa