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LA 1
2011 LAY AND CLERGY EQUALIZATION

BACKGROUND:

The following tables provide the Standing Rule IIIA(1) analysis of the 2010 Annual Conference Membership

DISTRICT	CLERGY	LAY	RULE IIIA(1)	TOTAL RULE IIIA(1)	LAY EQUAL FACTOR
EAST	86	67	5	72	14
METRO	288	119	24	143	145
NORTH CENTRAL	188	129	7	136	52
NORTHWEST	<u>78</u>	<u>62</u>	<u>4</u>	<u>66</u>	<u>12</u>
TOTALS	640	377	40	417	223

STANDING RULE IIIA(1)

	EA	ME	NC	NW	TOTAL
Conference Lay Leader		1			1
Conference Leadership Team	1	1	1		3
UMM President		1			1
UMW President		1			1
Youth Organization President			1		1
District Lay Leaders	1	1	1	1	4
Young Adults under 25 yrs.	1	1	1	1	4
Council on Youth Ministry	1	1	1	1	4
Diaconal Ministers		16		1	17
Agency Chairs	<u>1</u>	<u>1</u>	<u>2</u>	<u>1</u>	<u>4</u>
TOTALS	5	24	7	4	40

	Membership 2010	% of Total	To Be Elected
East	12,355	8%	18
Metro	63,397	42%	94
North Central	60,851	40%	89
Northwest	<u>14,256</u>	<u>10%</u>	<u>22</u>
TOTALS	150,859	100%	223

LA 2

EQUITABLE COMPENSATION ANNUAL DETERMINATION

FROM: Center for Leadership Development (CLD)

BACKGROUND: Historically, the North Texas Conference embraces the primary purpose of Equitable Compensation Pastors Funds be allocated to assist local churches in moving from part-time pastoral positions to full-time pastoral positions. These funds are meant to be transitional funds and not long-term subsidies. Some congregations have the potential to reach a sustained average worship attendance of adults to move from a part-time to a full-time pastoral position with short-term conference assistance. The time frame and benchmarks for moving from part-time to full-time should be reflected in yearly increases in worship attendance, Sunday School and small group attendance, professions of faith, those enrolled in annual confirmation classes, and annual increases in the number of individuals and families supporting the church's mission and ministry budget (operations) of the church. In essence, growing churches can move from a part-time to full-time pastoral position in three to five years. To continue receiving Equitable Compensation Funds a transitional setting congregation shall pay 100% of the annual apportionments.

The North Texas Conference also has a history of supporting missional settings where full-time pastors have been appointed to congregations not able to pay a full-time salary. Continued conversations with the pastor, congregation, District Superintendent, and Center Directors of the NTC are essential to ensure these congregations continue to be effective in reaching others, transforming lives, and sharing the gospel of Jesus Christ in word and deed. Annually, congregations in missional settings must also manifest the fruit of increases in worship attendance, small groups, professions of faith, confirmation classes, along with annual stewardship training and education. To continue receiving Equitable Compensation Funds a missional setting congregation shall pay 100% of the annual apportionments.

The Center for Leadership Development in consultation with the Bishop and the NTC Cabinet takes into consideration not only the appropriate minimum level compensation for full-time clergy of the conference but also the needs of the churches in determining whether they can afford a full-time pastor or not.

LEGISLATION: The CLD requests that Pastors Subsidies Equitable Compensation support and administrative expenses be apportioned at \$65,000 for 2012.

A. Guidelines for Conference Members and Full-Time Local Pastors

1. The Commission on Equitable Compensation requests that \$43,432 be set for the minimum equitable compensation (including base salary, utilities, amount for vouchered travel reimbursement, dependent premium payments made by the local church, dependent premium supplemental payments paid by the conference at the discretion of the District Superintendent, and other conference subsidies received, but excluding any reimbursement for Annual Conference expenses or grants to assist with the expenses to attend expected spiritual formation or continuing education events for all of the clergy members of the conference (e.g., the Clergy Retreat) for conference members in full connection, associate members and provisional members of the North Texas Conference serving full time for 2012.

For the fifth year we have used the same policy the 2006 Annual Conference adopted at the recommendation of CF&A for changes to the District Superintendent level compensation. The percent change to the travel & utilities amount is included in the total. The amount of change for 2012 is an increase of 1.6% from \$42,748 in 2011.

2. Adjustments for years of service:

Years of Service	Equitable Compensation Amounts
0-5	\$43,432
6	43,532
7	43,632
8	43,732
9	43,832
10	43,932

3. Compensation for additional churches on a charge: Each charge with more than one church shall receive \$200 additional for the second church and \$100 each for the third through the fifth additional churches.

4. Recommendation for housing, utilities and travel expenses:

- a. Housing shall be provided in a church-owned parsonage or provided for with a monthly allowance.
- b. Utilities shall be provided with payments made by the local church or reimbursed when paid by the pastor.
- c. Travel shall be reimbursed at the IRS rate with appropriate records and documentation provided to the church.

5. Local Pastors serving full time:

Five years or less	\$38,352
Six years or more	\$38,452
Expense recommendations same as above.	

6. Deacons serving under salaried appointments in a local church:

- a. Are not eligible to receive Equitable Compensation support from the Annual Conference.
- b. Shall be granted the same minimum salary as an elder in full connection when their primary appointment is within a local church. * **

*(Judicial Council decision #807)

***(2008 Book of Discipline, Paragraphs 331.14,625.4)*

The following policies are proposed to the North Texas Annual Conference for the distribution of equitable compensation assistance in 2012:

1. A local church exists to serve, not to be served. All churches should be motivated to a larger sense of ministry. Churches whose pastors receive salary subsidy should be open to linkage with other churches in order to utilize efficiently the service of full-time conference members to reduce the need for subsidy.

2. Equitable Compensation levels can best be met when appointments are open to all ministerial members without regard to race or gender. We continue to urge every conference member to make the subject of a fully open Conference and adequately supported ministry at the local church level a matter of daily personal prayer. Only as the love of Christ dwells in us can an Annual Conference be a communion of caring persons.
3. Growth in stewardship should be achieved by all below-minimum remuneration churches. In making application for salary subsidy, District Superintendents are to provide evidence of stewardship education and growth of the church.
4. Tenure payments are designed to honor the years of service of pastors who continue for more than five years in ministry to below minimum compensation charges because of the needs of the Conference. The Bishop and the Cabinet are urged to make every effort to move pastors to above-minimum compensation charges within five years after they begin full-time service.
5. Applications for salary subsidy from Equitable Compensation are to be made by the District Superintendent on the prescribed forms.
6. The Charge Conference of any charge unable to pay the minimum salary set by the Conference shall be informed by the District Superintendent of the guidelines for receiving equitable compensation assistance. The Charge shall be informed of the amount required to bring the compensation level up to the minimum and shall be challenged to move toward the goal of full self-support at the earliest possible time. On the application for salary assistance, the District Superintendent shall certify that the charge has been duly notified. The amount of subsidy granted to a pastor shall be acknowledged annually at the Charge Conference.
7. Equitable Compensation assistance is not available to pastors serving as associate pastors or in staff positions other than pastor-in-charge. In order that such persons receive an equitable wage, however, it is recommended that local churches use Conference minimum standards as minimum guidelines to setting associate and staff salaries.
8. It is expected that the minimum housing allowance that will be paid by those churches or charges that do not provide a parsonage for their pastor will be \$12,000 per year, and requests for salary supplements where housing allowances exceed \$12,000 will not be considered.
9. Pastors who decline an appointment which would reduce or eliminate compensation support are ineligible for the Equitable Compensation tenure payment given for years of service.
10. Equitable Compensation assistance is not available for a North Texas Conference member appointed to serve in another Annual Conference, nor is it available to members of other Annual Conferences serving under appointment in the North Texas Conference.
11. There shall be no lump sum payments to persons receiving Equitable Compensation assistance unless such sums are too small for monthly payments to be made.
12. It shall be the responsibility of the pastor receiving Equitable Compensation subsidy to inform the District Superintendent of any increase in remuneration or any changes in

eligibility which occur after an application for Equitable Compensation has been approved.

EXCEPTIONAL REQUESTS BY THE CABINET:

All requests for exceptional support (assistance requested by the Cabinet in excess of the 25% maximum standard) shall be submitted in writing to the Center Director for Leadership Development and to the Center Director for Connectional Resources. The requests shall include the amount of assistance requested, length of time for assistance and reason(s) for exceptional request.

LA 3

SOUTHERN METHODIST UNIVERSITY WESLEY FOUNDATION: ADOPT AS NORTH TEXAS CONFERENCE CAMPUS MINISTRY

FROM: Center for Leadership Development (CLD)

BACKGROUND: The Wesley Foundation at Southern Methodist University has been an institution closely related to the South Central Jurisdiction and supported in part, by the apportionments given by each Annual Conference in the jurisdiction. A vital ministry full of presence and purpose on the campus of Southern Methodist University has been active throughout the years of developing principled Christian leaders.

A proposal from the Center for Leadership Development to the Core Leadership Team to seek approval to begin the conversation and groundwork to receive the SMU Wesley Foundation as a campus ministry of the North Texas Conference was adopted on December 8, 2010. A conversation with the Director of Mission & Administration for the South Central Jurisdiction occurred in March 2011. The CLD along with the SMU Wesley Foundation Director will present this adoption at the SCJ Mission Council meeting in September 2011.

LEGISLATION: The CLD requests the adoption of the SMU Wesley Foundation as a campus ministry of the North Texas Conference effective January 1, 2012.

The benefits to the North Texas Conference of the adoption are: **Location** [(1) placement on the campus of most coveted United Methodist schools in the country (2) opportunity to reach more young and diverse people (3) create ministry opportunities for Perkins School of Theology students (4) create a ministry tool and model for campus ministry] **Developing Faith Leaders** [(1) work with Perkins School of Theology to create an advance degree or certificate in campus ministry (2) become a national vehicle for training and developing campus ministers (3) raise, prepare and affirm more candidates for ministry in the North Texas Conference (4) promote understanding of United Methodist heritage and identity] **Connection** [(1) incorporate into the network of campus ministries within the North Texas Conference (2) connect with local churches for support of presence and funds (3) create a resource of churches in the North Texas Conference for students to attend after leaving campus].

The CLD is requesting that funding from the South Central Jurisdiction will continue through 2015 with a gradual reduction from the SCJ apportionments starting in 2013 and terminating January 1, 2016. The proposed annual reduction/ratio from the SCJ apportionments and the CLD budget incorporation would be as follows:

**South Central Jurisdiction
(gradual apportionment reduction)**

2012	100%
2013	75%
2014	50%
2015	25%
2016	0%

**North Texas Conference
(gradual budget incorporation)**

2012	0%
2013	25%
2014	50%
2015	75%
2016	100%

In 2016, the North Texas Conference will assume full oversight and financial responsibility for SMU Wesley Foundation. This adoption will *not* require any additional apportionment funds; rather the CLD will realign resources designated to Campus Ministry, in addition to seeking partnerships with congregations and individuals to support the ongoing work of campus ministry in the North Texas Conference.

Understanding that campus ministries are a significant frontline resource for the United Methodist church, this legislation for adoption is in line with our North Texas Conference Strategic Plan of developing young and diverse, principled Christian leaders of Jesus Christ for the transformation of the Church and world.

LA 4

GULFSIDE ASSEMBLY RESOLUTION

FROM: African American Pastors Coalition

WHEREAS the North Texas Annual Conference is a leader in the denomination in many areas, such as promoting racial harmony, and developing ministry with the poor and fostering ministry in varied settings such urban, rural and small churches; and

WHEREAS the North Texas Annual Conference believes that the new Gulfside Assembly in Waveland, Mississippi will be a future training site for our lay and clergy to increase their skills in eight programmatic areas, including the Gulfside Center on Race and Reconciliation, the Poverty Elimination Initiative and the Leadership Development Initiative, with social, economic and spiritual implications for the United Methodist Church, our nation and the world; and

WHEREAS Gulfside has a proud United Methodist history. It is recognized by the United Methodist Church as a historical site, was founded in 1923 by Robert E. Jones, the first African American Methodist Bishop, and the only place in the segregated Methodist Church (Central Jurisdiction) where African American clergy could receive their spiritual and leadership training, and the only place in the region, and one of a very few places in the South, where an African American could swim in the ocean, and one of the few places in Mississippi during the Civil Rights Movement where African Americans and Whites could meet together; and

WHEREAS Hurricane Katrina completely obliterated Gulfside Assembly in August of 2005 with 26-foot storm surge and no buildings remain; and

WHEREAS The rebirth of Gulfside Assembly will result in comprehensive training opportunities for the South Central Jurisdiction.

NOW THEREFORE BE IT RESOLVED, that the North Texas Annual Conference pledge \$1,000,000 toward the building of the Gulfside Ministry Center.

LA 5

FINANCE AND ADMINISTRATION

FROM: Council on Finance and Administration

INTRODUCTION

In spite of the ongoing challenges of our nation's economy and the impact that has had on many and the changes that are happening all about us, the churches of the North Texas Conference had a total 2010 apportionment payout of 94.6%. That was a great indication of the faithfulness of North Texas United Methodists and the strength, vitality and pride of the churches of the North Texas Conference!

260 out of 300 churches with apportionments paid 100%, and 31 churches made Second Mile contributions to help others. We especially commend the new NORTHWEST District which carried on the tradition of the former Wichita Falls District of 100% payment for the 19th year in a row and the new EAST District which carried on the tradition of the former Paris-Sulphur Springs District (16 years in a row) for 100% payment. We are very aware that several pastors and churches from all four districts went the extra mile to make it happen and we are deeply grateful to all who made extraordinary efforts.

Total dollars received for apportionments in 2010 was \$11,589,221 and the total paid for all benevolent causes was \$13,303,222.

While the Council recommends that local churches strive to designate at least 25% of their total annual budgets for causes beyond their churches, it is expected that apportionments will be given first claim by churches in their beyond-the-local church payments, with advance specials and other benevolences viewed as second-mile giving.

The Council continues to expect 100% payout of our apportionments and urges every church to take seriously the recommended ten-month payment plan in which 10% of the annual apportionment amount is remitted monthly. Without doubt, making monthly payments beginning in January or February is an important step in paying apportionments in full.

Paragraph 622 of the 2008 *Discipline* states that the Board of Pension and Health Benefits apportionment, the Episcopal Fund, the District Superintendents Fund, and Equitable Compensation are apportioned funds which are to be paid on the same schedule as the pastor's salary is paid. The Cabinet joins the Council in urging each church to adhere to this mandate monthly.

All churches are also encouraged to make contributions to their District Second Mile Fund. This is an important way to assist districts and the conference as a whole to achieve 100% payment of our total apportionments.

The Council and the Conference Treasurer have made special efforts this year to update reports in order to provide the information conference leaders and members expect in a more open and

transparent way. The Council takes seriously its fiduciary responsibility and is working with conference leaders to insure faithful and effective stewardship of conference funds.

END-OF-YEAR 2010 FINANCIAL OVERVIEW

1. 2010 was the second of three years in a row of apportionment budget decreases.
2. The 2010 apportionment payout was 94.6%.
3. As planned, we spent down \$413,584 of reserves to reduce apportionments and direct bill benefits premiums to churches.
4. As part of the Strategic Plan adopted by the 2010 Annual Conference session, we also transferred \$1 million of apportionment beginning balances and reserves to “jumpstart” New Church Starts (\$750,000) and Leadership Development (\$250,000). These funds remain in their accounts and are available for use.
5. In 2010 the treasury functions of the district offices were moved to the Conference Treasurer’s office and the 2011 District Administration budgets were included in the apportionment budget presented to the Annual Conference. District reserves of approximately \$1.8 million were transferred to the conference treasury.
6. Although total funds held by the Conference Treasurer increased by \$1,368,695 to \$9,631,755 (excluding approximately \$12 million held in trust for retiree pensions and our retiree medical liability at the General Board of Pension & Health Benefits), annual conference reserves actually decreased \$482,247. When it is realized that the increase in the PACT (conference-wide property and liability insurance program) balance was primarily a cash flow matter, it should be noted that conference reserves were actually decreased approximately \$700,000 in 2010 and another \$1 million was re-designated for New Church Starts and Leadership Development.
7. Financially, 2010 was something of a “hybrid” year. While the apportionment budget was adopted at the 2009 Annual Conference session according to the previous conference structure and the first half of the year operated under that structure, the second half of the year was under the new structure. This was most evident in the Conference Benevolences Fund budget and the DS and District Administration budgets.
8. The 2010 Annual Conference session adopted a 2011 apportionment budget which begins to realign conference resources according to the priorities of our mission as delineated in the Strategic Plan. It also includes a further planned spending down of approximately \$615,800 of reserves.
9. Detailed 2010 financial reports may be found in the Agency Reports section XIII of this Journal.

FURTHER INFORMATION

A. Fidelity Bond for Local Churches

Beginning in 2007, with the establishment of our Conference-Wide Property & Liability Insurance Program through PACT, a \$100,000 Employee Dishonesty (Crime) Bond is provided to cover those persons authorized to handle funds in every church in the Annual Conference.

B. Electric Aggregation Program

Electric utilities in the state of Texas were deregulated effective January 1, 2002. Deregulation offered the opportunity for the churches of the North Texas Conference to join together to purchase electricity. With the encouragement of CF&A, a group of large churches in the conference initiated an effort to secure a group contract for the purchase of electricity. All of the churches of the conference have been invited to participate in this effort. The program is now in its fourth

aggregate contract and continues to be beneficial to the approximately 160 participating churches with the benefits of achieving scale, the ability to anticipate costs in budgeting, and protection against the volatility of natural gas prices and future cost increases.

An additional feature of the present contract is the inclusion of 10% renewable or “green” energy for every church, which was secured at no additional cost to the group contract. Churches may choose to increase the percentage of renewable energy for an additional cost. As reported in a December 22, 2007 feature article in the *Dallas Morning News*: “In an apparently unprecedented move for a large religious group, United Methodist churches of North Texas have joined forces to buy ‘green’ electricity generated by windmills in the western part of the state.” Staff writer Sam Hodges went on to say, “Environmentalists say they’re unaware of another conference, diocese, synod or any other body of churches that has used its economic clout to spur nonpolluting electricity production.” This is a significant step as we try to live out our concern for the environment.

The current contract concludes December 31, 2011, and the Conference Treasurer has begun the process of negotiating a new contract.

C. Conference-Wide Property & Liability Insurance Program

In response to requests for help from several local churches and after a great deal of study and discussion over many years, the 2006 Annual Conference session voted to establish a conference-wide property and liability insurance program through UM PACT, in which all of our churches, fellowships, camp and retreat centers, and other conference ministries purchase property and liability insurance through PACT effective January 1, 2007. This program is now fully deployed across all the churches and agencies of the conference.

Because of continuing concern over the vulnerability of our churches in today’s litigious society and realizing that all of the other churches are at risk when some are without adequate coverage or limits, the Council is convinced that this program is the best way to protect all North Texas Conference churches in case of property losses or issues leading to liability claims. The Council desires to do everything possible to keep our churches out of harm’s way and to enhance our protection of ministry and mission.

D. Pre-1982 Pension Liability

The 2008 *Discipline* requires the submission of an annual formal funding plan for our pre-1982 pension liability. (See Board of Pension and Health Benefits legislative items.)

E. Retiree Medical Liability

A plan to address the conference’s Retiree Medical Liability was adopted by the 2002 Annual Conference session and updated by the 2006 and 2008 Annual Conference sessions. CF&A will continue to work with the conference Board of Pension and Health Benefits to prepare regular updates to this plan.

F. Salary, Benefits and Expenses for District Superintendents

As stated in the conference’s Standing Rules, “the salary of a district superintendent shall be adjusted annually by the average percentage change in the base compensation of all full-time pastors appointed to serve local churches or appointments for which the conference is responsible.”

The amount of change called for in accordance with the policy for 2012 is a 1.6% increase, which brings the salary to \$106,255. Parsonages are provided by the districts. Utilities, travel and expenses are reimbursed by voucher.

G. 2010 Profile of Apportionments vs. Local Church Expenditures

Total apportionments accounted for 8.1% of total local church expenditures in the North Texas Conference in 2010, compared to 8.1% in 2009 and 9.0% in 2008. Total apportionments decreased 0.8% in 2010, while local church operating expenses on the decimal increased 0.3%. Total local church expenditures in 2010 decreased 1.6%.

H. Ten-Year Profile of Apportionments vs. Local Church Expenditures

An analysis of apportionments in the North Texas Conference between 2001-2010 indicates that total apportionments increased 37.7%, while local church operating expenses on the decimal increased 40.3%. Total local church expenditures increased 36.0% during the decade.

I. Future Profile of Apportionments vs. Local Church Income

It has been suggested that a more important comparison than apportionments vs. local church expenditures would be apportionments vs. local church income. The amount of borrowing by local churches is a concern. The Council and Conference Treasurer understand the concern and are certainly willing to begin considering this information in the future. However, it must be asked again of the churches that more care be given to the reporting of income in Table III of the statistical reports. Although we have completed six years of using Table III, the data received to date is only beginning to appear to be reliable.

RECOMMENDATIONS FOR LEGISLATIVE ACTION

I. CONFERENCE TREASURER

The Council on Finance and Administration recommends Jodi S. Smith for election as the Conference Treasurer for 2011-2012.

II. AUDITOR FOR THE CONFERENCE TREASURY

The Council recommends Thomas Stephen & Company, LLP as the auditing firm for the Conference Treasury in 2011.

III. 2012 APPORTIONMENT BUDGET RECOMMENDATION

BACKGROUND:

Recognizing that many families and some churches are continuing to struggle in the uncertain and challenging times in our nation, CF&A is recommending an “essentially flat” apportionment budget for 2012 (+0.3%) after three consecutive decreases in apportionments from 2009-2011 (an overall decrease of \$1,393,483 or 10.5%, which includes a decrease in Annual Conference apportionments of \$1,384,438 or 15.5%).

As promised, the Strategic Plan adopted at the 2010 Annual Conference session has not caused the apportionments to increase. We have begun to realign our resources according to the priorities of our mission, as delineated in the Strategic Plan. Thus, aside from General Conference and

Jurisdictional Conference apportionments, the Episcopal Area fund and the District Superintendents Fund, the 2012 recommended apportionment budget is built around the four new centers: (1) the Center for Leadership Development, (2) the Center for New Church Development and Congregational Transformation, (3) the Center for Missional Outreach, and (4) the Center for Connectional Resources. As called for in the Strategic Plan, the District Administration Fund budgets come from the District Conferences. Although they are included in the total apportionment budget recommendation, they are not considered by CF&A.

The staff budgets are aligned with their respective centers and in the case of Communications with the Episcopal Area. It should be noted that the conference has reduced staff by one District Superintendent level position, three Associate Director level positions, and two support staff positions. According to NTC Standing Rule, the District Superintendent level salaries are calculated with a 1.6% increase. Other staff salaries are calculated with an aggregate increase of 2.0% plus a benefits cost increase of 3.5%. An additional amount for the redesign and improved maintenance of the conference website is included in the recommendation for the Communications Office.

It should be noted that \$50,000 from a beginning balance in the CRSP Supplement account is planned to be used to fund that item, and \$202,000 from Medicare Part D refunds and health insurance reserve funds is planned to be used to fund Appointees and Dependents Health Insurance Subsidies and part of the Current Year Benefits for Retirees.

The following other non-apportioned income related to the apportioned items is also anticipated: \$42,000 from another conference to partially fund the Justice For Our Neighbors attorney position, \$55,000 from C2K for that program and staff, \$13,000 from youth events to fund CCYM staff, \$125,000 from NTC PACT for staff, \$50,000 from health insurance premiums for staff, \$21,000 from a gift to the Area Office, \$10,000 from GCFR for the Episcopal Residence, \$1,500 from booths at the Ministry Mart for Annual Conference, and \$3,000 for printed copies of the Journal. Additional other non-apportioned but related income may be received during the year.

2012 Apportionment Budget Recommendation

	2010 Expenses	2011 Budget	2012 Request	% Change
GENERAL CONFERENCE				
World Service Fund		1,878,476	1,821,700	
Ministerial Education Fund		634,595	604,406	
Black College Fund		253,129	241,070	
Africa University Fund		56,652	53,953	
Episcopal Fund		527,213	554,897	
General Administration Fund		204,980	208,057	
Interdenominational Coop. Fund		49,450	47,842	
TOTAL		3,604,495	3,531,925	-2.0%

	2010 Expenses	2011 Budget	2012 Request	% Change
Lydia Patterson Institute		65,268	65,268	
Mt. Sequoyah Assembly		14,877	14,877	
Jurisdiction Administration Fund		31,018	31,018	
SMU Campus Ministry		8,160	8,160	
TOTAL		119,323	119,323	0.0%

ANNUAL CONFERENCE

CENTER FOR LEADERSHIP DEVELOPMENT

Board of Ministry (Professional Ministries)

General	12,600	12,500
Recruitment	1,750	5,000
Residency	800	800
Clergy Effectiveness	27,000	5,000
Prep & Qual.	12,250	12,250
Chaplains, Counseling, Exit	1,350	1,200
Conf. Relations	300	
Sub-Total	56,050	36,750

Board of Laity

Board Expenses	3,000	5,000
Lay Speaking Ministries	2,500	2,500
Sub-Total	5,500	7,500

Faith Development

Children	10,000	5,000
Youth	30,000	42,000
Campus Ministries	451,864	455,000
Conference Resource Center	6,200	0
Bridgeport Summer Camp Program	122,500	116,500
Prothro SEEK Camp Program	20,000	20,000
Sub-Total	640,564	638,500

	2010 Expenses	2011 Budget	2012 Request	% Change
Texas Methodist Colleges		100,000	100,000	
Mentoring & Coaching Program		10,000	25,000	
Conflict Management (CART) Team		10,000	10,000	
Equitable Compensation				
Salary Supplements		85,000	65,000	
Missional Grants		25,000	25,000	
Sub-Total		110,000	90,000	
Intentional Interim Pastors Program		10,000	22,000	
Assessment and Exit Program		10,000	10,000	
Emerging Ministries		10,000	10,000	
Center Admin. Expenses		10,000	10,000	
Staff (1)		350,000	359,450	
TOTAL		1,322,114	1,319,200	-0.2%

CENTER FOR NEW CHURCH DEV. & CONG. TRANSFORMATION

New Church Development				
Training		51,000	51,000	
Coaches/Consultants		31,000	31,000	
Demographics		6,500	6,500	
New Church Starts		437,800	437,800	
Sub-Total		526,300	526,300	
Congregational Transformation		68,000	68,000	

	2010 Expenses	2011 Budget	2012 Request	% Change
Center Admin. Expenses		10,000	10,000	
Staff (1)		220,000	232,800	
TOTAL		824,300	837,100	1.6%

CENTER FOR MISSIONAL OUTREACH

Global Health Imperative				
Team Expenses		2,500	2,500	
Education/Leadership Development		3,000	4,000	
Local Church Assessment			2,500	
Global Assessment		10,000	15,000	
International Conference				
Partnership			20,000	
Volunteers In Mission		27,000	28,750	
Emerging Initiatives		50,000	32,000	
Imagine No Malaria Campaign		3,000		
UMCOR Health		3,500		
Sub-Total		99,000	104,750	
Poverty Imperative				
Team Expenses		2,500	2,500	
Education/Leadership Development		3,000	4,000	
Local Church Assessment			2,500	
Poverty Simulations			1,500	
Disaster Response		3,750	3,700	
Community Health Workers			4,000	
Emerging Initiatives		5,000	25,000	
Justice For Our Neighbors		36,000	37,300	
Ethnic Local Church Initiatives		75,000	75,000	
Hispanic Ministry Initiatives		110,000	100,000	
Communities of Shalom		35,000		
Sub-Total		270,250	255,500	

	2010 Expenses	2011 Budget	2012 Request	% Change
General Mission Outreach				
Bible Studies/Worship Aids			1,000	
Best Practices Resources			1,500	
Interactive Website			1,500	
Mission Celebrations			3,000	
Publicity and Materials		3,000	3,000	
Missionary Itineration		1,000	500	
Ecumenical Involvement		8,000	5,000	
Administrative Expenses		10,000	10,000	
Mission Events		7,500		
Sub-Total		29,500	25,500	
Staff (1)		307,000	315,289	
TOTAL		705,750	701,039	-0.7%

CENTER FOR CONNECTIONAL RESOURCES

Conference Administration

Adm. Agencies incl. D&O Ins.	16,728.47	19,500	19,500	
Adm. Office incl. IT	125,051.26	95,500	100,000	
Chancellor	12,697.37	15,000	15,000	
Annual Conference Session	68,751.88	50,000	75,000	
Balloting Expenses	0.00	30,000	0	
Journal	12,354.43	23,000	14,000	
Ministry Center Operations	121,327.48	147,500	147,500	
Ministry Center Debt Service	247,200.00	260,000	260,000	
Sub-Total	604,110.89	640,500	631,000	-1.5%

Board of Pension & Health Benefits

Pensions (2)

Past Service Funding (3)	0.00	624,000	642,000	
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	2010 Expenses	2011 Budget	2012 Request	% Change
CPP (3)	578,469.54	0	0	
CRSP Supplement	43,575.49	0	0	
Board Expenses	11,559.21	12,000	12,000	
Sub-Total	633,604.24	636,000	654,000	2.8%
Health Insurance Subsidies (2)				
Appointees	78,260.00	0	0	
Dependents	13,364.00	0	0	
Retirees				
Current Year Benefits	579,672.00	517,800	517,800	
Past Service Funding	739,760.96	784,000	784,000	
Ret. Med. For New Entrants	200,925.35	213,000	213,000	
Sub-Total	1,611,982.31	1,514,800	1,514,800	0.0%
Sub-Total for BOPHB (2)	2,245,586.55	2,150,800	2,168,800	0.8%
Moving Fund	105,448.17	117,000	117,000	0.0%
Camp & Retreat Center Operations				
Bridgeport Camp	83,955.42	90,000	90,000	
Prothro Center	90,100.00	100,000	100,000	
Sub-Total	174,055.42	190,000	190,000	0.0%
Staff (1)	551,100.71	572,000	587,444	2.7%
TOTAL	3,680,301.74	3,670,300	3,694,244	0.7%
Episcopal Area				
Area Office	47,135.60	65,650	65,650	
Episcopal Residence	35,169.86	28,526	32,000	
Communications	199,030.51	222,900	247,900	
Communications Staff (4)	220,041.92	190,000	216,730	
TOTAL EPISCOPAL AREA	501,377.89	507,076	562,280	10.9%

	2010 Expenses	2011 Budget	2012 Request	% Change
District Superintendents				
Base Salaries (5)		418,328	425,020	
Pensions		41,600	42,756	
Travel/Expenses		60,000	60,000	
Emergency Fund		10,000	10,000	
TOTAL DISTRICT SUPTS		529,928	537,776	1.5%
TOTAL ANNUAL CONFERENCE		7,559,468	7,651,639	1.2%
TOTAL WITHOUT DIST ADMIN FUNDS		11,283,286	11,302,887	0.2%
District Administration Funds (6)				
Metro District		151,862	154,850	
North Central District		152,427	154,429	
East District		152,171	157,166	
Northwest		143,540	149,837	
TOTAL DIST ADMIN FUNDS		600,000	616,282	2.7%
GRAND TOTAL		11,883,286	11,919,169	0.3%

Notes:

1. The staff budget requests include an aggregate increase of 2% plus a benefits cost increase of 3.5%.
2. The pension & health benefits budget assumes the spending of approximately \$50,000 from reserves for apportioned pension supplements and \$202,000 from reserves for apportioned health insurance supplements, as well as approximately \$200,000 from reserves to subsidize direct bill health insurance premiums. It is anticipated that approximately \$1.7 million will remain in health insurance reserves at the beginning of 2012. The target for this fund has been \$1 – 1.5 million (approximately \$1 million was the ending balance from the conference self-funded health insurance program upon entering the denominational program Health Flex in 1995) so as to be able to preserve the options of the conference health insurance program.
3. An additional minimum contribution of approximately \$1.5 million will be required in 2011 for our unfunded pension liability due to the decline of the assets in the plan at the 1/1/09 valuation. Subsequent additional contributions should be significantly less or not

at all. GBOPHB is giving a “CPP Holiday” which we are taking in 2011-2013. Thus the amount which would have been budgeted in those years for CPP is being budgeted for the additional minimum contribution required for the unfunded liability (Past Service Funding).

4. An additional amount for maintenance of the conference website is included above the aggregate increase of 2% plus a benefits cost increase of 3.5% for other staff.
5. The amount of change called for in accordance with the Standing Rules policy for the DS level salary in 2012 is a 1.6% increase.
6. As called for in the Strategic Plan, the District Administration Fund budgets come from the District Conferences. Although they are included in the total apportionment budget recommendation, they are not considered by CF&A.

GUIDELINES FOR APPORTIONMENTS FOR LOCAL CHURCHES

- A. Formula for Two-Part Decimal:

1/3 membership and 2/3 finance

- B. Procedure for Computation of Decimal for Each Church:

The membership part is computed by dividing the total 2010 church membership of the Annual Conference (less discontinued churches and fellowships = 150,332) into the 2010 membership of each church. This becomes the church's membership decimal.

The finance part is computed by adding the amounts of the operating expenses reported paid by each church in columns 53, 54, 56 – 58, and 60 - 62 of the 2010 Statistician's Report. (No funds reported in other statistical columns are included in this computation.) This total is then divided by the Conference total of these same columns (less discontinued churches and fellowships = \$79,969,615). This becomes the local church's finance decimal.

The finance decimal is doubled. The membership decimal is added to the doubled finance decimal. This total is divided by three to become the apportionment decimal.

- C. Procedure for Computation of Apportionments for Each Church:

The apportionment decimal for each church is multiplied by the Conference total of each apportionment to determine the amount that each church is asked to pay toward the apportionment.

- D. Margin for Correction:

To assure that 100% of the amount of each apportionment will be distributed to the churches, no more than one quarter of one percent may be added to each apportionment when needed.

LA 6

DISCONTINUANCE OF LAKE CREEK UMC

FROM: North Texas Conference Board of Trustees

BACKGROUND: Because only a small number of members remained and they could not continue to support the church, members of the Lake Creek UMC, East District, concluded that it was time to disband as a church and sell the property.

LEGISLATION: The North Texas Conference Board of Trustees recommends the discontinuance of the Lake Creek UMC. The Conference Board of Trustees will sell the property and place the proceeds and any current assets with the Center for New Church Development & Congregational Transformation for the purpose of starting new churches.

LA 7

DISCONTINUANCE OF WELLSRING UMC

FROM: North Texas Conference Board of Trustees

BACKGROUND: Because only a small number of members remained and they could not continue to support the church, members of the Wellspring UMC, North Central District, concluded that it was time to disband as a church and sell the property.

LEGISLATION: The North Texas Conference Board of Trustees recommends the discontinuance of the Wellspring UMC. The Conference Board of Trustees will sell the property and place the proceeds and any current assets with the Center for New Church Development & Congregational Transformation for the purpose of starting new churches.

LA 8

RESOLUTION TO DESIGNATE RENTAL/HOUSING ALLOWANCES FOR RETIRED OR DISABLED CLERGYPERSONS OF THE NORTH TEXAS CONFERENCE

FROM: Board of Pension and Health Benefits

BACKGROUND: To be in compliance with Internal Revenue Service Revenue Ruling 75-22, 1975-1,49, as it relates to clergy housing, the North Texas Conference (the "Conference") adopts the following resolutions relating to rental/housing allowances for active, retired, or disabled clergypersons of the Conference:

LEGISLATION: WHEREAS, the religious denomination known as The United Methodist Church (the "Church"), of which the North Texas Conference is a part, has in the past functioned and continues to function through Ministers of the Gospel (within the meaning of

Internal Revenue Code section 107) who were or are duly ordained, commissioned or licensed ministers of the Church (“Clergypersons”); and

WHEREAS, the practice of the Church and of this Conference was and is to provide active Clergypersons with a parsonage or a rental/housing allowance as part of their gross compensation; and

WHEREAS, pensions or other amounts paid to active, retired and disabled Clergypersons are considered to be deferred compensation and are paid to active, retired and disabled Clergypersons in consideration of previous active service; and

WHEREAS, the Internal Revenue Service has recognized the Conference (or its predecessors) as the appropriate organization to designate a rental/housing allowance for Clergypersons who are or were members of this Conference and are eligible to receive such deferred compensation:

NOW, THEREFORE, BE IT RESOLVED:

THAT an amount equal to 100% of the pension or disability payments received from plans authorized under *The Book of Discipline of The United Methodist Church* (the “*Discipline*”), which includes all such payments from the General Board of Pension and Health Benefits (“GBOPHB”), during the year 2012 by each active, retired, or disabled Clergyperson who is or was a member of the Conference or its predecessors, be and hereby is designated as a rental/housing allowance for each such Clergyperson; and

THAT the pension or disability payments to which this rental/housing allowance applies will be any pension or disability payments from plans, annuities, or funds authorized under the *Discipline*, including such payments from the GBOPHB and from a commercial annuity company that provides an annuity arising from benefits accrued under a GBOPHB plan, annuity, or fund authorized under the *Discipline*, that result from any service a Clergyperson rendered to this Conference or that an active, a retired, or a disabled Clergyperson of this Conference rendered to any local church, annual conference of the Church, general agency of the Church, other institution of the Church, former denomination that is now a part of the Church, or any other employer that employed the Clergyperson to perform services related to the ministry of the Church, or its predecessors, and that elected to make contributions to, or accrue a benefit under, such a plan, annuity, or fund for such active, retired or disabled Clergyperson’s pension or disability as part of his or her gross compensation.

NOTE: The rental/housing allowance that may be excluded from a Clergyperson’s gross income in any year for federal income tax purposes is limited under Internal Revenue Code section 107 (2) and regulations there under to the least of: (1) the amount of the rental/housing allowance designated by the Clergyperson’s employer or other appropriate body of the Church (such as this Conference in the foregoing resolutions) for such year; (2) the amount actually expended by the Clergyperson to rent or provide a home in such year; or (3) the fair rental value of the home, including furnishings and appurtenances (such as a garage), plus the cost of utilities in such year.

LA 9

PRE-1982 SERVICE YEAR RATE FOR 2012

FROM: Board of Pension and Health Benefits

BACKGROUND: Paragraph 1506.7 of the 2008 *Discipline* recommends that the past service annuity rate for ministerial service rendered before 1982 be not less than 1% of the Conference Average Compensation (CAC) as calculated by the General Board of Pension and Health Benefits. In 1999 the North Texas Conference adopted 1% of the Conference Average Compensation as its policy for setting the annual pre-1982 service year rate. For 2012 the CAC is \$72,088. Thus, the Board of Pension and Health Benefits recommends that 1% of that or \$721 be the past service rate for 2012.

LEGISLATION: That the pre-1982 Service Year Rate for 2012 be established at \$721 for approved service of clergy members in full connection, probationary members, associate members and local pastors of the conference.

LA 10

2011 FORMAL PRE-82 PENSION LIABILITY FUNDING PLAN

FROM: Board of Pension and Health Benefits

BACKGROUND: Paragraph 1506.8 of the 2008 *Discipline* requires the updating of a formal annual funding plan which has been approved by the Annual Conference and the General Board of Pension and Health Benefits (GBOPHB) for the conference's pre-82 pension liability.

The funding plan below is an update of the funding plan which has been in place since 1995 and was incorporated into the legislation adopted by the 2002, 2006 and 2008 Annual Conference sessions as part of our Retiree Medical Liability Funding Plan. It has been approved by GBOPHB.

The valuation of this funding plan will fluctuate each year. In addition to increases or decreases in assets due to stock market fluctuation, GBOPHB actuarial changes also increase or decrease the present value of benefits due.

Believing in the spring of 2008 that the Pre-1982 Pension Liability was funded to a sufficient level to protect against the necessity of unexpected future contributions, which could be required because of market and/or demographic fluctuations, it was decided to transfer \$4.3 million from the conference's Pre-82 Pensions Deposit Account at GBOPHB to the conference's Retiree Medical Deposit Account at GBOPHB on December 31, 2008 and the Past Service Funding apportionment was switched from Pre-82 Pensions to Retiree Medical Liability in 2009 and reduced from \$1,717,649 to \$784,000. As a safeguard in the event of the need for additional funding of pre-82 pensions or for MPP annuities or for the required CRSP Defined Benefit contributions, the two previous apportionments to fund the NTC BOPHB (Board of Pensions and Insurance Subsidies) were combined beginning in 2009 to recognize that they are closely related and allow for transferring funds between the pension liability and the retiree medical liability if needed.

NOTE: While no contributions were required in 2009 and 2010, an additional contribution of \$1,133,912 for the Pre-82 Plan (in addition to \$355,934 for MPP Annuities and \$129,013 for CRSP – DB) will be required in 2011 because of the decrease of the assets in the plan due to the market decline which began in the fall of 2008. However, a "CPP Holiday" granted by GBOPHB with a total value of approximately \$1.8 million over three years in 2011-2013, during which time we will shift the CPP apportionment to Past Service Funding, will fund this additional required 2011 contribution and begin to fund any required subsequent year contributions, which will be much less

in 2012 (due to the market rebound and subsequent increase of the assets in the plan) and hopefully return to 0 soon.

LEGISLATION: North Texas Annual Conference Funding Plan for Supplement One to the Clergy Retirement Security Program as of January 1, 2011

The 2011 Past Service Rate (PSR) is \$719, or 1.0% of Conference Average Compensation (CAC). The present assumption is that the Conference intends to maintain the PSR at 1.0% of CAC. In spite of a dip in 2010 and 2011, for the past several years, CAC has increased by an average of 4.5% per year, and it is conservatively assumed in this plan that future PSRs will increase by an average of about 4.5% per year.

The conference will fund the benefits through annual contributions as needed from the Conference Deposit Accounts at the General Board of Pension and Health Benefits and apportionments to be designated for Supplement One (Annual Past Service Deposit) through 2021. A contribution of \$1,133,912 will be required for 2011.

The funding plan as of January 1, 2011 is summarized below.

	Present Value of Benefits*	Funding	
		Current Assets	Present Value of Future Contributions
Supplement One (4.5% COL)	\$30,863,892	\$19,365,400	
Funded Status as of 1/1/09	(\$11,498,492)		
Contribution Basis as of 1/1/11	(\$13,164,623)		
Conference Deposit Account Apportionments or Other Acct.		\$3,305,387	\$9,859,236
Subtotal	(\$13,164,623)	\$3,305,387	\$9,859,236
TOTAL	(\$13,164,623)	\$13,164,623	

*Assuming 7.0% interest and the RP 2000 Mortality Table

L. Marvin Guier III
Director of Administration/Treasurer/Benefits Officer

March 21, 2011

FOR FURTHER INFORMATION ONLY: Because the 2011 Formal Pre-82 Funding Plan is based on numbers that occurred soon after the market decline in the fall of 2008 (1/1/09), the following is a preliminary 2012 funding plan based on the 1/1/10 funding status. It is anticipated that the 2013 funding plan based on 1/1/11 numbers will be further improved from this.

The preliminary funding plan as of January 1, 2012 is summarized below.

	Present Value of Benefits*	<u>Funding</u>	
		Current Assets	Present Value of Future Contributions
Supplement One (4.5% COL)	\$29,657,845	\$21,298,287	
Funded Status as of 1/1/10	(\$8,359,558)		
Contribution Basis as of 1/1/12	(\$8,436,946)		
Conference Deposit Account**		\$2,670,918	
Apportionments or Other Acct.			\$5,766,028
Subtotal	(\$8,436,946)	\$2,670,918	\$5,766,028
TOTAL	(\$8,436,946)	\$8,436,946	

*Assuming 7.0% interest and the RP 2000 Mortality Table

**Assuming 12/31/10 balance plus 7.0% earnings and \$624,000 from CPP Holiday, less \$1,133,912 additional to be paid for Pre-82 and \$355,934 for MPP annuities

LA 11

2012 BOPHB APPORTIONMENT BUDGET

FROM: Board of Pension and Health Benefits

BACKGROUND: The two previous apportionments to fund the work of the Board of Pension and Health Benefits (Insurance Subsidies and Board of Pensions) were combined beginning in 2009 to recognize that they are closely related and allow for transferring funds between the two areas as needed. The proposed 2012 apportionment budget request reflects the plans included in previous legislation regarding Clergy Retirement Security Plan (CRSP) funding, Pre-1982 Service Year Rate for 2012 and the 2011 Pre-82 Pension Liability and Retiree Medical Liability Funding Plans. The notes following each section of the apportionment offer further explanation.

As planned, \$39,099 from reserves was spent for pensions and \$350,306 from reserves was spent for health insurance subsidies in 2010. It is budgeted that approximately \$50,000 from reserves will be spent for apportioned pension supplements, \$235,800 from reserves will be spent for apportioned health insurance subsidies, and \$330,000 from reserves will be spent to subsidize direct bill health insurance premiums in 2011.

It is anticipated that approximately \$1.7 million will remain in health insurance reserves at the beginning of 2012. The target for this fund has been between \$1 - \$1.5 million (approximately \$1 million was the ending balance from the conference self-funded health insurance program upon entering the denominational program HealthFlex in 1995) so as to be able to preserve the options of the conference health insurance program. In order not to increase the apportionment budget for 2012 as CF&A desires, the budget requests below assume the further spending of approximately \$50,000 from reserves for apportioned pension supplements, \$202,000 from reserves for apportioned health insurance supplements, as well as approximately \$200,000 from reserves to subsidize direct bill health insurance subsidies.

LEGISLATION:

PENSIONS

	Anticipated Expenses	Budget Request
Pre-1982 Years Service (Unfunded Liability)	642,000	642,000 (1)
Comprehensive Protection Plan (CPP)	0	0 (1)
CRSP Supplement	50,000	0 (2)
Operating Expenses	12,000	12,000
Sub-Total	704,000	654,000 (3)

- (1) An additional minimum contribution of approximately \$1,500,000 will be required in 2011 for our unfunded liability due to the decline of the assets in the plan. We have been notified that subsequent required increases will be significantly less. GBOPHB will be having a “CPP Holiday” which we will take in 2011-2013. Thus the amount which would have been budgeted in those years for CPP will be budgeted for the additional minimum contribution required for the unfunded liability. No additional increase is requested at this time.
- (2) The CRSP Supplement provides supplements for churches under the Denominational Average Compensation and covers pastors on incapacity leave and provides a small amount for uncollectable premiums. Nothing was budgeted for this in 2010 or 2011 due to a large beginning balance to spend down. The expenditure in 2009 was \$39,392, \$43,575 in 2010, and the anticipated cost in 2011 is approximately \$50,000. Approximately the same amount is anticipated in 2012 and nothing additional is requested as it is proposed to use approximately \$50,000 from reserves for this item.
- (3) The Sub-Total is an increase of \$18,000 or approximately 2.8% from the 2011 amount budgeted of \$636,000.

HEALTH INSURANCE SUBSIDIES

	Anticipated Expenses	Budget Request
Appointees Subsidies	80,000	0 (1)
Dependents Subsidies	15,000	0 (2)
Retirees Medical Benefits		
Current Year Cash Basis Premium Benefits	625,000	517,800 (3)
Past Service Funding	784,000	784,000 (4)
Retiree Medical Liability for Current Retirees & Actives and Spouses	0	0 (5)

Retiree Medical for New Entrants	213,000	213,000 (6)
Sub-Total	\$1,717,000	\$1,514,800 (7)
TOTAL	\$2,429,000	\$2,168,800 (8)

(1) \$78,260 was expended on this in 2010, and the anticipated cost in 2011 is approximately \$80,000. Approximately the same amount is anticipated in 2012, and nothing additional is requested as it is proposed to use approximately \$80,000 in available health insurance reserves for this item.

(2) \$13,364 was expended on this in 2010, and the anticipated cost in 2011 is approximately \$15,000. Approximately the same amount is anticipated in 2012, and nothing additional is requested as it is proposed to use approximately \$15,000 in available health insurance reserves for this item.

(3) \$579,672 was expended on this in 2010. The anticipated cost in 2011 is approximately \$600,000. Approximately \$625,000 is anticipated in 2012, but nothing additional is requested as it is proposed to use approximately \$107,200 from health insurance reserve funds for this item.

(4) The Retiree Medical Liability funding plan updated by the 2008 Annual Conference session shifted the Past Service Funding apportionment at this level from Pre-82 Pensions to the Retiree Medical Liability beginning in 2009 and continuing until that liability is fully funded.

(5) The Retiree Medical Liability funding plan updated by the 2008 Annual Conference session called for this item to be eliminated when the Past Service Funding apportionment was shifted from Pre-82 Pensions to the Retiree Medical Liability, which occurred in 2009.

(6) The Retiree Medical Liability funding plan updated by the 2008 Annual Conference session calls for this item to be frozen at \$213,000 until the Pre-82 Pension Plan and the Retiree Medical Liability are fully funded and the Past Service Funding apportionment is eliminated.

(7) The Sub-Total is no change from 2011.

(8) The TOTAL is an increase of \$18,000 or 0.8%.

LA 12

PROPOSED AMENDMENT TO THE STANDING RULES OF THE NORTH TEXAS ANNUAL CONFERENCE

FROM: Lay Speaking Ministries Committee

BACKGROUND: The current standing rule pertaining to the Conference Lay Speaking Ministries Committee, as published in the *North Texas Annual Conference Journal*, was adopted when the number of districts was six. As a result of the 2010 formal reorganization of the North

Texas Annual Conference reducing the number of districts to four, the Lay Speaking Ministries Conference Committee assessed the impact of the reorganization and considered it appropriate to recommend a change to the standing rule pertaining to the North Texas Conference Lay Speaking Ministries Committee.

LEGISLATION: Amend section I (B) 3 (b) [STRUCTURE OF THE ANNUAL CONFERENCE, SPECIFIC AGENCIES, Conference Lay Speaking Ministries Committee] p 283, 2010 *Journal*.

Recommended changes: (**Bold = Addition; ~~Strikethrough~~ = Deletion**)

b. *Conference Lay Speaking Ministries Committee*

The Conference Lay Speaking Ministries Committee will develop and administer the Certified Lay Speakers Program, including recruiting, training, certifying and re-certifying lay speakers. The Conference Lay Speaking Ministries Committee will also work to promote the use of lay speakers to fulfill the purposes and functions described in the *Book of Discipline*.

The Committee consists of a Chair plus twenty-one members. The Chair will be the Conference Director of Lay Speaking Ministries. The members will be the Director of Lay Speaking Ministries from each district ~~plus three clergy persons, and two at-large members elected by each district,~~ **a clergy person from each District appointed by the respective District Superintendent, and three at large members from each district appointed by the respective District Director of Lay Speaking Ministries.** The Conference Director of Lay Speaking Ministries, ~~and~~ the District Directors of Lay Speaking Ministries, **and the at large members** must be currently Certified Lay Speakers.

LA 13

PETITION TO GENERAL CONFERENCE REGARDING “RETIRED LOCAL PASTORS’ CLERGY STATUS”

FROM: Board of Ordained Ministry

BACKGROUND: **Rationale:** The 2008 General Conference extended voting rights to retired local pastors through inclusion of ¶320.6. However, Judicial Council Decision 1101 declares that ¶320.6 is void because it conflicts with Article I of Section VI (¶32) of the Constitution. These petitions allow the 2008 General Conference’s intent to be realized.

LEGISLATION: Amend ¶32 so it reads, “...The clergy membership shall consist of deacons and elders in full connection, provisional members, associate members, retired local pastors (under the provisions of 320.5) and local pastors under appointment. ...”

Restore ¶320.6 as adopted by the 2008 General Conference and included in *The Book of Discipline 2008*.

Amend ¶320.5 so it reads, “... Retired local pastors may attend annual conference sessions with voice ~~but not~~ vote and such voting privileges as accorded to active local pastors.”

LA 14

PETITION TO GENERAL CONFERENCE REGARDING “REQUIRED THEOLOGICAL COURSEWORK FOR COMMISSIONING AND PROVISIONAL MEMBERSHIP”

FROM: Board of Ordained Ministry

BACKGROUND: **Rationale:** This clarifies the courses candidates must complete prior to being approved for Provisional Membership and requires candidates to have completed coursework in pastoral/church leadership and preaching. The elimination of the word ‘liturgy’ more accurately depicts course requirements that are consistent with expectations.

LEGISLATION: Amend ¶ 324.4.a so it reads, “Candidates for deacon or elder shall have completed one-half of the basic graduate theological studies in the Christian faith. These courses may be included within or in addition to a seminary degree. These basic graduate theological studies must include courses in pastoral/church leadership; Old Testament; New Testament; theology; church history; mission of the church in the world; evangelism; preaching; worship/~~liturgy~~; and United Methodist doctrine, polity and history.”

LA 15

PETITION TO GENERAL CONFERENCE REGARDING “REQUIREMENTS FOR ADMISSION TO FULL CONNECTION AND ORDINATION AS A DEACON”

FROM: Board of Ordained Ministry

BACKGROUND: **Rationale:** These changes will more clearly differentiate the examination for commissioning and provisional membership from the examination for ordination as a Deacon and full membership. The examination for ordination and full membership will now focus much more on theological integration, effectiveness and fruitfulness.

LEGISLATION: Amend ¶ 330.4. and ¶330.5 so it reads, “They shall have responded to a written or oral doctrinal examination administered by the Board of Ordained Ministry. The candidate shall (1) demonstrate the ability to communicate clearly in both oral and written form; (2) satisfied the board regarding physical, mental, and emotional health; (3) prepared and preached at least one written sermon on a biblical passage specified by the Board of Ordained Ministry; (4) presented a detailed plan and outline for teaching a Bible study; (5) presented a project that demonstrates fruitfulness in carrying out the church’s mission of “Making Disciples of Jesus Christ for the Transformation of the World; The candidate’s reflections and the board’s response shall be informed by the insights and guidelines of Part II of the Book of Discipline. The examination shall also focus upon the covenantal relationship of the applicant to God, to the Church, and to the Order of Deacon, as well as the understanding of diakonia, servant leadership, and the interrelatedness of the Church and the world. The applicant shall be able to articulate the call of God to the order of deacon and to relate that call to leadership within the ministry of all Christians, through the setting of their service, the local church, and the annual conference.

5. The following questions are guidelines for the preparation of the examination:

a) ~~Theology.~~

~~(1) How has the practice of ministry affected your experience and understanding of God?~~

~~(2) What effect has the practice of ministry had on your understanding of humanity and the need for divine grace?~~

~~(3) What changes has the practice of ministry had on your understanding of (a) the "Lordship of Jesus Christ," and (b) the work of the Holy Spirit?~~

~~(4) The United Methodist Church holds that Scripture, tradition, experience, and reason are sources and norms for belief and practice, but that the Bible is primary among them. What is your understanding of this theological position of the Church?~~

~~(5) (1) How do you understand the following traditional evangelical doctrines: (a) repentance; (b) justification; (c) regeneration; (d) sanctification? What are the marks of the Christian life?~~

~~(6) (2) For the sake of the mission of Jesus Christ in the world and the most effective witness to the Christian gospel, and in consideration of your influence as an ordained minister, are you willing to make a complete dedication of yourself to the highest ideals of the Christian life; and to this end will you agree to exercise responsible self-control by personal habits conducive to physical health, intentional intellectual development, fidelity in marriage and celibacy in singleness, integrity in all personal relationships, social responsibility, and growth in grace and the knowledge of the love of God?¹¹~~

~~(7) What is the meaning and significance of the sacraments?~~

~~(8) Describe the nature and mission of the Church. What are its primary tasks today?~~

~~(9) What is your understanding of: (a) the kingdom of God; (b) the Resurrection; (c) eternal life?~~

~~b) Vocation.~~

~~(1) How do you understand your vocation as an ordained deacon?~~

~~c) The Practice of Ministry.~~

~~(4) (3) How has the practice of service ministry during the provisional period affected your theology and understanding of ministry?~~

~~(4) How has your theology affected your practice of service ministry during the provisional period?~~

~~(2) (5) Do you offer yourself to be appointed by the bishop to a service ministry?~~

~~(3) (6) Describe and evaluate your personal gifts for ministry and how they have resulted in fruitful ministry. What would be your areas of strength and areas in which you need to be strengthened in order to be more fruitful in ministry?~~

~~(4) (7) Are you willing Provide evidence of your willingness to relate yourself in ministry to all persons without regard to race, color, ethnicity, national origin, social status, gender, sexual orientation, age, economic condition, or disabilities?²~~

~~(5) (8) Provide evidence of experience in peace and justice ministries."~~

LA 16

PETITION TO GENERAL CONFERENCE REGARDING "REQUIREMENTS FOR ADMISSION TO FULL CONNECTION AND ORDINATION AS AN ELDER

FROM: Board of Ordained Ministry

BACKGROUND: **Rationale:** These changes will more clearly differentiate the examination for commissioning and provisional membership from the examination for ordination

as Elder and full membership. The examination for ordination and full membership will now focus much more on theological integration, effectiveness and fruitfulness.

LEGISLATION: Amend ¶ 335 so it reads, “*Requirements for Admission to Full Connection and Ordination as Elder*—Provisional members who are candidates for full connection and ordination as elders and have been provisional members for at least two years may be admitted into membership in full connection in an annual conference and approved for elder’s ordination by two-thirds vote of the clergy members in full connection of the annual conference, upon recommendation by two-thirds vote of the Board of Ordained Ministry,¹⁵ after they have qualified as follows. They shall have: (1) served full-time under episcopal appointment for at least two full annual conference years following the completion of the educational requirements specified in 3(b) below. Years of service in any ministry setting requiring the regular proclamation of the word, the administration of the sacraments, and the short or long-term ordering of the life of the community of faith may count toward the fulfillment of this requirement. Such ministry settings may include campus ministry, college and university chaplaincy, hospital and prison chaplaincy, military chaplaincy, overseas/mission work and other ministries so recognized by the Division of Ordained Ministry of the General Board of Higher Education and Ministry. Upon recommendation of the Board of Ordained Ministry, an annual conference may equate less than full-time to the requirement of full-time service.

Such equivalence is to be determined in light of the years of service involved, the quality of that service, the maturity of the applicant, and other relevant factors. Supervision is to be (a) personally assumed or delegated by the district superintendent, and (b) assumed by a mentor assigned by the Board of Ordained Ministry. Their service shall be evaluated by the Board of Ordained Ministry as effective according to written guidelines developed by the board and adopted by the clergy members in full connection.¹⁶ In rare cases, the Board of Ordained Ministry may, by a two-thirds vote, approve years of service in an autonomous Methodist church as meeting this requirement if adequate supervision has been provided; (2) been previously elected as provisional members; (3) met the following educational requirements: (a) graduation with a Bachelor of Arts or equivalent degree from a college or university listed by the University Senate, or demonstrated competency equivalence through a process designed in consultation with the General Board of Higher Education and Ministry; (b) graduation with a Master of Divinity degree from a school of theology listed by the University Senate, or its equivalent as determined by the General Board of Higher Education and Ministry; or (c) met the education requirements of ¶ 324.6 for local pastors; (d) educational requirements in every case shall include a minimum of two semester or three quarter hours in each of the fields of United Methodist history, doctrine, and polity, provided that a candidate may meet the requirements by undertaking an independent study program provided and administered by the General Board of Higher Education and Ministry (see ¶ 1421.3d); (4) satisfied the board regarding physical, mental, and emotional health; (5) prepared and preached at least one written sermon on a biblical passage specified by the Board of Ordained Ministry; (6) presented a detailed plan and outline for teaching a ~~book or books of the Bible~~ Bible study; (7) presented a project that demonstrates fruitfulness in carrying out the church’s mission of “Making Disciples of Jesus Christ for the Transformation of the World; (7) responded to a written or oral doctrinal examination administered by the Board of Ordained Ministry. The candidate should demonstrate the ability to communicate clearly in both oral and written form. The candidate’s reflections and the board’s response should be informed by the insights and guidelines of Part II of the Discipline. The following questions are guidelines for the preparation of the examination:

~~a) Theology.~~

~~(1) How has the practice of ministry affected your experience and understanding of God?~~

~~(2) What effect has the practice of ministry had on your understanding of humanity and the need for divine grace?~~

~~(3) What changes has the practice of ministry had on your understanding of: (a) the "Lordship of Jesus Christ," and (b) the work of the Holy Spirit?~~

~~(4) The United Methodist Church holds that Scripture, tradition, experience, and reason are sources and norms for belief and practice, but that the Bible is primary among them. What is your understanding of this theological position of the Church?~~

~~(5) (1) How do you understand the following traditional evangelical doctrines: (a) repentance; (b) justification; (c) regeneration; (d) sanctification? What are the marks of the Christian life?~~

~~(6) (2) For the sake of the mission of Jesus Christ in the world and the most effective witness to the Christian gospel and in consideration of your influence as an ordained minister, are you willing to make a complete dedication of yourself to the highest ideals of the Christian life; and to this end will you agree to exercise responsible self-control by personal habits conducive to physical health, intentional intellectual development, fidelity in marriage and celibacy in singleness, integrity in all personal relationships, social responsibility, and growth in grace and the knowledge and love of God?¹⁷~~

~~(7) What is the meaning and significance of the sacraments?~~

~~(8) Describe the nature and mission of the Church. What are its primary tasks today?~~

~~(9) What is your understanding of: (a) the kingdom of God; (b) the Resurrection; (c) eternal life?~~

~~b) Vocation.~~

~~(1) How do you conceive your vocation as an ordained minister?~~

~~e) The Practice of Ministry.~~

~~(1) (3) How has the practice of ordained ministry affected your understanding of the expectations and obligations of the itinerant system? How has the practice of ordained ministry affected your theology and understanding of ministry?~~

~~(4) How has your theology affected your practice of service ministry during the provisional period?~~

~~(2) (5) How has the practice of ordained ministry affected your understanding of the expectations and obligations of the itinerant system? Do you offer yourself without reserve to be appointed and to serve as the appointive authority may determine?~~

~~(3) (6) Describe and evaluate your personal gifts for ministry and how they have resulted in fruitful ministry. What would be your areas of strength and areas in which you need to be strengthened in order to be more fruitful in ministry?~~

~~(7) Are you willing Provide evidence of your willingness to relate yourself in ministry to all persons without regard to race, color, ethnicity, national origin, social status, gender, sexual orientation, age, economic condition, or disabilities?~~

~~(8) Will you regard all pastoral conversations of a confessional nature as a trust between the person concerned and God?~~

~~(9) Provide evidence of experience in peace and justice ministries.~~

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PETITION TO GENERAL CONFERENCE REGARDING "WHO IS TO ANSWER WESLEY'S HISTORIC QUESTIONS FOR THE EXAMINERS"

FROM:

Board of Ordained Ministry

BACKGROUND: **Rationale:** The 2008 *Discipline* requires candidates to answer questions that Wesley intended for examiners. The questions required in ¶311.2.a) are sufficient for certification interviews.

LEGISLATION: Amend ¶ 311.1.d so it reads, "...shall write their statement of call ~~and responses to Wesley's historic questions in par. 310.~~ The candidate will consult with the pastor or equivalent in ministry to request a meeting of the pastor parish relations committee or equivalent body specified by the district committee on ordained ministry to consider the statement of call and ~~responses to Wesley's historic questions~~ to respond to Wesley's historic questions:"

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ANNUAL CONFERENCE NOMINATIONS

(See Green Pages)