

# Conferences

## THE GENERAL CONFERENCE OF THE UNITED METHODIST CHURCH

Volume 2

Nashville, Tennessee

### Jurisdictional Study Committee Report to General Conference 2020

#### I. Executive Summary

The 2016 General Conference authorized a Jurisdictional Study Committee (JSC) comprising members of each of the five jurisdictions within the United States to review legislation related to jurisdictional boundaries and the number of bishops within jurisdictions in order to make a recommendation to the 2020 General Conference. The JSC represents the diversity of the five jurisdictions.

The JSC members reviewed legislation and the present *Book of Discipline (BOD)* and held conversations with jurisdictional leaders, the General Council on Finance and Administration (GCFA), and bishops. We concluded that continuing with five jurisdictions and the current boundaries is appropriate. We further concluded that the membership formula to determine the number of bishops within the U.S. is no longer an accurate reflection of the leadership needs and mission within a jurisdiction. We are recommending that jurisdictions are in a better position to assess missionally the number of bishops to better reflect the missional, cultural, and contextual needs of the church today.

We are proposing legislation to eliminate the mathematical formula for calculating the number of active bishops in each jurisdiction, establish a minimum number of active bishops for each jurisdiction, and establish a process by which jurisdictions may request additional bishops (above the minimum number) based on the missional needs of the jurisdiction and the financial ability of the jurisdiction to support such additional bishops. The proposed process involves review of such requests by the Interjurisdictional Committee on Episcopacy and approval by General Conference. The salary and expenses of such additional bishops except for travel will be paid by the annual conferences within the affected jurisdiction rather than by general apportionment to all annual conferences.

#### II. Missional Rationale

The mission of The United Methodist Church is to *make disciples of Jesus Christ for the transformation of the world (BOD ¶ 120)*.

The annual conference is the fundamental body of The UMC (¶ 11) that organizes leaders, congregations, and ministries for the mission of the church. Annual conferences serve the mission by equipping local churches to make disciples of Jesus Christ for the transformation of the world (¶ 601).

Bishops lead the mission, supervising the clergy and congregations of an episcopal area that is made up of one or more annual conferences. Bishops cast a vision and offer clarity to influence, inspire, and mobilize the church to accomplish the mission.

The number of bishops assigned in a U.S. jurisdiction is currently determined by a membership formula (¶ 404.2). Jurisdictional conferences currently have the authority to determine the number, names, and boundaries of episcopal areas (¶ 40). Each jurisdictional College of Bishops has the authority to arrange the plan of episcopal supervision of the annual conferences, missionary conferences, and missions within their respective territories (¶ 48).

A membership formula does not capture the missional and leadership needs within a jurisdiction and imposes limits on the ability of jurisdictions and jurisdictional colleges of bishops to fulfill their constitutional mandate. Issues related to how bishops lead, and the number of bishops, are best understood within the context of a given region. A formula cannot ascertain and address:

1. Unique geographies, demographics, and urbanization in each jurisdiction;
2. Complex differences among episcopal areas because of demographics and urbanization;
3. Capacity for the ministry and work of the bishop to lead episcopal areas toward growth, mission, and vitality;
4. Leadership needs;
5. Number of congregations and clergy under supervision (including number of superintendents, clergy members, and lay supply pastors);
6. Number of annual conferences over which a bishop presides.

Therefore, the number, assignment, focus, and support of U.S. bishops is best identified by those closest to the mission, including the leadership of the jurisdiction where people better understand the missional strengths, challenges, and opportunities.

We affirm the current language in the *Book of Discipline*, which maintains a minimum of five bishops in each jurisdiction. Maintaining a minimum of five bishops allows U.S. jurisdictions to live into the new system of determining the number of bishops at the jurisdictional level, minimizing the level of change and disruption.

We also affirm that retaining the minimum number of U.S. episcopal leaders that currently exists (*BOD* ¶ 404(2) (a)) maintains the connectional model, while shifting a portion of costs directly to the jurisdiction that incurs those costs.

To help offset the cost shifts associated with the proposed method for calculating apportionments, we are recommending that office expenses of episcopal areas in the U.S. be handled directly by each annual conference rather than being apportioned through the Episcopal Fund. Currently, annual conferences pay an apportionment to the Episcopal Fund only to receive funding back from the Episcopal Fund to reimburse for office costs. It is simpler and more efficient for the conferences to pay the costs of the bishop's office directly. There would be no change for support of office expenses in the central conference episcopal areas.

### III. Recommendations

The following are the recommendations to the 2020 General Conference:

1. Continue the present number and boundaries of episcopal areas in the jurisdictions through 2024 when a new method of determining the number of episcopal areas will begin.
2. Continue the present method for setting episcopal area boundaries.
3. Continue the minimum number of five bishops within each jurisdiction.
4. Discontinue a membership-based formula for determining the number of bishops in a jurisdiction and replace it with a process whereby each jurisdiction determines the number of bishops it needs and can financially support.
5. Discontinue the apportionment for episcopal office support in 2021 and institute a plan for the office to be paid for by the episcopal area.

To implement recommendation #4, we further recommend:

6. The Episcopal Fund will be apportioned across the connection for the costs of five bishops within each jurisdiction (the minimum number of bishops) for a total of twenty-five bishops across the connection.
7. The number of bishops over the minimum of five within a jurisdiction will be paid for by the annual conferences in that jurisdiction through an apportionment to those conferences beginning with 2021 apportionments. (Details of the financing are below.)
8. All travel and Council of Bishops' meetings will be apportioned across the connection.
9. Jurisdictional Committees on Episcopacy, in consultation with their Colleges of Bishops, will report to the Interjurisdictional Committee on Episcopacy their conclusion on the number of episcopal areas necessary to further the mission and ministry in their area and that they have the capacity to support.
10. The Interjurisdictional Committee on Episcopacy will report to the General Conference the number of bishops to be funded through the Episcopal Fund for the 2021-2024 quadrennium. The costs of episcopal areas approved by General Conference in addition to the minimum will be paid for by the annual conferences of that jurisdiction.
11. All bishops, whether funded by a connection-wide apportionment or apportioning the specific conferences within a jurisdiction, shall be employed by GCFA, which sets the salary, benefits, travel, and office expenses for all bishops.
12. No changes are recommended to:
  - episcopal areas outside the United States;
  - apportionments in support of central conference bishops or their office expenses, the Council of Bishops, or interfaith work;
  - the number or geographic makeup of jurisdictions as specified in ¶ 37; or
  - the boundaries of episcopal areas within jurisdictions, which is under the authority of jurisdictions (¶ 27.4).

Further we strongly encourage the Interjurisdictional Committee on Episcopacy, who has the authority to recommend the number of bishops in each jurisdiction, to understand the missional necessity of maintaining the current number of bishops until jurisdictions consider the missional need in number of episcopal areas in 2024.

## IV. Implementation

1. Per the *Book of Discipline* and current practice, the Interjurisdictional Committee on Episcopacy will recommend to the 2020 General Conference the number of bishops to be allocated to each U.S. jurisdiction. Jurisdictions will be allocated the number of bishops approved by the 2020 General Conference for the 2021-2024 quadrennium.
  - To facilitate transition to the new process for determining the number of U.S. bishops, we recommend that the General Conference maintain the current number of bishops in each jurisdiction in recognition that the current formula creates an arbitrary and outdated threshold.
2. Proposals to change the apportionment methodology for the Episcopal Fund would commence with the 2021 apportionment year.
3. As soon as possible after the 2020 General Conference, each Jurisdictional Committee on the Episcopacy and College of Bishops will work together to develop a recommendation on the number of bishops needed within the jurisdiction to meet missional and capacity needs. GCFA will assist with financial estimates of general and jurisdictional apportionments under various scenarios. This recommendation should include the following:
  - A plan for episcopal area realignment only if there is a change (decrease or increase) in the number of bishops.
  - A detailed description of recommended boundary changes.
  - Estimates of changes to apportionments for annual conferences within the jurisdiction.
  - A timeline for implementation.
  - Provision for an implementation task force with lay and clergy representation from each affected annual conference.

The realignment plan should be shared with key leadership from each annual conference, including 2024 delegations once elected, with opportunities for feedback.
4. Per ¶ 404 and ¶ 512, each jurisdiction will share with the executive committee of the Interjurisdictional Committee on Episcopacy the jurisdiction's recommendation for the number of bishops needed for missional and capacity reasons and a statement of the annual conferences' ability to financially support that number of bishops (and the associated realignment plan, if applicable).
5. The executive committee of the Interjurisdictional Committee on Episcopacy will evaluate the recommendations, secure additional information if necessary, and make a recommendation to the full committee no later than the fifth day of the General Conference according to ¶ 512.
6. The executive committee of the Interjurisdictional Committee on Episcopacy will work with GCFA to determine if the conferences within a jurisdiction have paid 100 percent of their apportioned amount for their bishops. Any jurisdictions in which conferences have not paid 100 percent will be reduced by the number of bishops of the total apportioned amount for a bishop or any portion of unpaid episcopal area apportioned support.
7. Recommendations from the Interjurisdictional Committee on Episcopacy for any bishops more than the minimum per jurisdiction will be submitted to the General Conference, with an explanation of how the number of bishops in each jurisdiction differs from the previous quadrennium and a reminder that the financial burden of supporting bishops beyond the minimum number falls to the conferences within a jurisdiction and is not apportioned to annual conferences outside that jurisdiction. Through this report, the General Conference will then determine the number of bishops to be allocated to each U.S. jurisdiction for the following quadrennium by a majority vote of the General Conference.
8. After the number of episcopal areas has been established through action of the General Conference based on the recommendation from the Interjurisdictional Committee on Episcopacy, GCFA shall prepare a recommended apportionment total of the Episcopal Fund for the ensuing quadrennium. The recommendation shall state the amounts apportioned (above the minimum) to specific jurisdictions for the costs of bishops. The proposed apportionments to the Episcopal Fund will be considered and approved by the 2024 General Conference.
9. Jurisdictional conferences meet in July 2024.
  - If there is no change in the number of episcopal areas, the jurisdictional conference elects the appropriate number of bishops to fill current vacancies.
  - If there is a reduction or increase in the number of episcopal areas, the jurisdictional conference will approve the proposed realignment

plan, amending the plan as needed. They will then proceed to elect the requisite number of bishops according to the approved plan.

## V. Cost Estimates

The JSC carefully evaluated the proposal's financial impact upon the jurisdictions. Using actual financial results in 2018, we calculated the apportionment amounts requested from each U.S. jurisdiction under the current system and compared it to the amount that would be assessed under the proposed formula. (There would be no changes to the amounts apportioned to central conferences and no changes to the support from the Episcopal Fund to the bishops in the central conferences.)

Episcopal Fund apportionments under the proposed formula would be the sum of three calculations. The first calculation is similar to the current apportionment calculation but excludes the cost of bishops beyond the minimum number and excludes episcopal office expenses in the U.S. The second calculation covers the expenses for bishops over the minimum within each jurisdiction. The third calculation accounts for the shift in episcopal office expenses being removed from the apportionment formula and covered directly by each U.S. annual conference. Each of these calculations is described in more detail below.

The *first calculation* includes the following:

- the expenses for the minimum number of bishops in each jurisdiction including salary, housing, and benefits;
- area travel for all bishops;
- central conference bishops' salaries, housing, and benefits;
- central conference episcopal office support;
- Council of Bishops meeting expenses (including travel);
- Council of Bishops staff and office expenses;
- the costs of all retired bishops (whether jurisdictional or central conference);
- the costs of other episcopal groups and ecumenical presence;
- moving expenses;
- administrative charges (costs of GCFA to collect, disburse, and audit uses of the Episcopal Fund);
- a contingency (a reserve fund to manage unplanned expenses and emergencies);
- non-collectible apportionment allowance.

In 2018, these items used \$17.3 million in Episcopal Fund resources (using funds from apportionments and expected reserves from the Episcopal Fund). The amounts apportioned to annual conferences in each jurisdiction and central conference in 2018 for this piece of the Episcopal Fund apportionment in 2018 would have been:

<b>Jurisdiction</b>	<b>First Calculation</b>
North Central	2,638,380
Northeast	2,172,639
South Central	3,273,423
Southeast	5,213,740
West	922,865
African Central Conferences	664,618
European Central Conferences	149,500
The Philippines Central Conferences	65,997
<b>Total</b>	<b>15,101,162</b>

Added to those amounts would be a *second calculation* that includes the costs of the bishops a jurisdiction requests to meet the missional needs of the area. The salary, housing, and benefit costs of the 6th, 7th, or any number of bishops in addition to the minimum, will be added to

the Episcopal Fund apportionment to the annual conferences *in that jurisdiction*. GCFA will work with jurisdictions in their planning for episcopal areas so the costs of bishops in addition to the minimum are known. For the sake of comparison, we calculated the additional costs in

2018 for each jurisdiction for the number of bishops they had in that year. The Episcopal Fund apportionment to the annual conference would be the sum of the amount listed

in the first calculation above plus this amount, under the second calculation as follows:

<b>Jurisdiction</b>	<b>Second Calculation</b> <i>(added apportionment for more than 5 bishops)</i>
North Central (9 bishops)	955,889
Northeast (9 bishops)	955,889
South Central (10 bishops)	1,194,861
Southeast (13 bishops)	1,911,778
West (5 bishops)	0
<b>Total</b>	<b>5,018,417</b>

The Episcopal Fund apportionment to the annual conferences would add together these two calculations. The amount apportioned to the annual conferences in the jurisdictions under the proposal would be 17.5 percent lower, from \$23.2 million to \$19.2 million annually.

Finally, we propose that the Episcopal Fund no longer apportion and pay episcopal office support in the jurisdictions. Annual conferences pay an apportionment to

the Episcopal Fund only to receive money back from the Episcopal Fund to reimburse for office costs. Under the new proposal, annual conferences in the U.S. will pay the costs of the bishop’s office directly<sup>1</sup> rather than sending the money to GCFA and have GCFA send it right back. We recognize this change shifts the costs from the Episcopal Fund to the annual conferences. In 2018, we calculate the impact of this cost shift to be:

<b>Jurisdiction</b>	<b>Proposed Episcopal Office Expenses Paid Directly</b>
North Central	776,268
Northeast	776,268
South Central	862,520
Southeast	1,121,276
West	431,260
<b>Total</b>	<b>3,967,592</b>

The financial impact on the annual conferences in jurisdictions is the sum of all three of these factors:

1. Support of the minimum number of jurisdictional bishops, central conference bishops, retired bishops, Council of Bishops, and other general costs itemized in the first calculation, PLUS
2. the salary, housing, and benefit costs of bishops in addition to the minimum number in the jurisdiction, PLUS
3. the costs of office expenses the conferences will pay directly rather than through the Episcopal Fund apportionment.

1. Office expenses for episcopal areas in the central conferences would continue to be paid through the Episcopal Fund.



Taking these factors into consideration, the 2018 apportionment for annual conferences in each jurisdiction plus the additional costs of office expenses paid directly, compared to the current formula, would be:

Jurisdiction	Actual 2018 Apportionment	Estimated Apportionments plus episcopal office costs paid directly as proposed	Change from current formula
North Central	4,352,382	4,370,536	0%
Northeast	3,758,908	3,904,796	4%
South Central	5,399,978	5,330,805	-1%
Southeast	8,600,805	8,246,793	-4%
West	1,522,398	1,354,126	-10%
<b>Total</b>	<b>23,634,472</b>	<b>23,207,056</b>	<b>-2%</b>

## VI. Proposed Legislation

The Constitution of The United Methodist Church establishes an interconnected set of authorities leading to the determination of the number of bishops authorized for election and assignment in the jurisdictional conferences. The Judicial Council has observed that “[t]he system balances and constrains the power exercised by each of the authorities individually and by all connectionally” (Decision 1312). Colleges of Bishops have authority to arrange the plan of episcopal supervision of the annual conferences, missionary conferences, and missions within their respective territories (§ 48).

Jurisdictional conferences have authority to determine the number, names, and boundaries of the annual conferences and episcopal areas (§ 40). Colleges of Bishops have authority to arrange the plan of episcopal supervision of the annual conferences, missionary conferences, and missions within their respective territories (§ 48). General Conference has authority to fix a uniform basis upon which bishops shall be elected by the jurisdictional conferences (§ 16.10) and to determine and provide for raising and distributing funds necessary to carry on the work of the church (§ 16.9); the Judicial Council has reasoned that this dual authority granted to General Conference determines how many bishops there will be in each jurisdiction (Decision 1312). Our legislative proposals attempt to take into account the tension created by these competing constitutional provisions in an effort to create a new process that allows the determination of the number of bishops in the jurisdictions to be based on missional needs rather than a strict mathematical formula, while shifting the financial responsibility for support

of bishops beyond the minimum number directly to the jurisdiction.

In an effort to advance the recommendations outlined in this report, the JSC has drafted several petitions for submission to the Secretary of the General Conference. These petitions are summarized as follows:

1. **JSC Petition #1** proposes amendments to § 404 (Provisions for episcopal areas) that will eliminate the mathematical formula for calculating the number of active bishops in each jurisdiction, establish a minimum number of active bishops for each jurisdiction, and establish a process by which jurisdictions may request additional bishops (above the minimum number) based on the missional needs of the jurisdiction and the financial ability of the jurisdiction to support such additional bishops. The proposed process involves review of such requests by the Interjurisdictional Committee on Episcopacy and approval by General Conference. The salary and expenses of such additional bishops will be paid by annual conferences within the affected jurisdiction rather than by general apportionment to all annual conferences (Petition 20291, *ADCA* p. 971).
2. **JSC Petition #2** proposes amendments to § 512 (Interjurisdictional Committee on Episcopacy) to authorize that committee to receive and act on requests from jurisdictions for additional bishops authorized by the proposed amendment of § 404 (Petition 20087, *ADCA* p. 329).

3. **JSC Petition #3** proposes amendments to ¶ 524 (Jurisdictional Committee on Episcopacy) to include the responsibility for making the request for additional bishops authorized by the proposed amendment of ¶ 404 (Petition 20089, *ADCA* p. 330).
4. **JSC Petition #4** proposes amendments to ¶ 818 (Episcopal Fund) to remove episcopal office expenses of jurisdictional bishops from the Episcopal Fund apportionment but retain the current practice of generally apportioning the office expenses of the central conference bishops (Petition 20211, *ADCA* p. 514).
5. **JSC Petition #5** is a non-disciplinary petition that proposes setting the number of active bish-

ops in each jurisdiction for the 2021-24 quadrennium at the same number authorized by action of the 2016 General Conference in order to allow Jurisdictional Committees on Episcopacy and Colleges of Bishops to engage in the assessment of missional needs and financial capacity of the jurisdiction, which will be part of the determination of the number of active bishops in the jurisdictions authorized by General Conference 2024 and to facilitate smooth transition in any jurisdiction anticipating a change in the number of its bishops based on that assessment (Petition 20642, *ADCA* p. 997).