

The Episcopal Diocese of Hawai`i

2012 - 2014 Proposed Budget



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TOTAL INCOME

	2010 ACTUAL	2011 BUDGET	2012 PROPOSED BUDGET	2013 PROPOSED BUDGET	2014 PROPOSED BUDGET
Income					
Assessments	1,654,346	1,655,742	1,695,473	1,729,000	1,764,000
Investments:					
Portfolio (Restricted)	239,453	252,900	260,200	267,300	273,100
Portfolio (Unrestricted)	1,852	2,000	2,000	2,100	2,100
Von Holt Fund (Unrestricted)	40,000	140,000	142,800	147,100	151,500
Ing Fund (Unrestricted)	85,566	80,000	81,600	84,000	86,600
Catton Fund (Restricted)	22,264	26,000	26,500	27,300	28,100
Parke Trust (Unrestricted)	36,950	39,200	40,000	41,200	42,400
Prisanlee Fund (Unrestricted)	16,565	17,600	18,000	18,500	19,000
Valvon Fund (Unrestricted)	32,197	21,000	21,400	22,100	22,700
Total Investments	<u>474,847</u>	<u>578,700</u>	<u>592,500</u>	<u>609,600</u>	<u>625,500</u>
Rentals:					
Apartments	47,703	62,400	71,500	73,700	75,900
Parking	87,240	88,100	88,900	91,600	94,200
Total Rentals	<u>134,943</u>	<u>150,500</u>	<u>160,400</u>	<u>165,300</u>	<u>170,100</u>
Interest	519	4,500	2,800	1,500	1,500
Chronicle Donations (Board Designated)	2,748	-	-	-	-
Miscellaneous	6,336	8,200	8,400	8,600	8,700
Emergency & Opportunities Resv. Fd	-	73,400	-	-	-
Total Income	<u>2,273,738</u>	<u>2,471,042</u>	<u>2,459,573</u>	<u>2,514,000</u>	<u>2,569,800</u>

Description of Income & Explanation of Significant Variances

Assessments

The proposed assessment for the 2012 to 2014 budget is 20% and is based on each congregation's 2010 to 2014 operating income. Historically, the total assessment is shown below:

YEAR	ASSESSMENT PERCENTAGE
1991 to 1994	23%
1995	26%
1996 to 2000	25%
2001	24%
2002- 2003	23%
2004-2005	22%
2006-2008	21%
2009 to 2014	20%

Investment Income

Income from the Portfolio (Unrestricted), Von Holt and the Ing Fund represent a 5% total return distribution. The diocese endowment spending policy is five percent of its endowment fund's average market value over the prior twelve quarters. Income from the Portfolio (Restricted) is primarily from the Episcopate Endowment Fund. The distribution is limited to the expenses related to the Office of the Bishop- Episcopate, (excludes the bishops secretary). We were only able to take a \$40,000 distribution from the Von Holt Fund in 2010, because this fund was only slightly above water. The diocese is the beneficiary of the investment income from the Catton Fund, Parke Trust, Prisanlee Fund and Valvon Fund. We do not have investment management oversight of these funds. Income from the Valvon trust fund is down due to the fund not recovering from the economic meltdown. The Catton Fund income is restricted by the donor for retired church workers. All investment income is net of investment fees (management and custodial fees).

Rentals: Apartments

This is the rental income from the Diocesan-owned apartments (6 units) at Queen Emma Square. One of the units is provided to St Andrews Priory to house their Chaplain. In 2011, we outsourced the management of the apartment to a property management company.

Rentals: Parking

This income is from the Priory's rental of parking spaces in the parking lot behind the Diocesan offices.

Interest

This represents the interest on Diocesan cash accounts and from a loan that we refinanced for St Philips, to assist them in making the loan payment, when Bishop estate stopped renting their Parish Hall and was replaced with a new tenant at a lower rent. We paid of the bank loan and lent them the funds from our money market accounts.

Chronicle Donations

The National Church stopped printing Episcopal life due to increasing costs of publishing it and also due to staff cuts in their operating budget. The Chronicle is now in emailed electronically.

Miscellaneous

This represents miscellaneous gifts and other income.

Emergency & Opportunities Reserve Fund

Any unused funds from the E&O current year allocation is transferred to this reserve fund. The current fund balance @6/18/11 is \$67,300 after allocating funds in 2011 for the Windward Region, Korean Ministry and Camp Mokule`ia

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TOTAL EXPENDITURES

	2010 ACTUAL	2011 BUDGET	2012 PROPOSED BUDGET	2013 PROPOSED BUDGET	2014 PROPOSED BUDGET
Expenses					
Discipleship					
Program Costs	191,876	250,238	281,113	238,500	261,000
Sub-Total	<u>191,876</u>	<u>250,238</u>	<u>281,113</u>	<u>238,500</u>	<u>261,000</u>
Mission					
Congregational Support	483,188	519,433	472,993	513,261	495,841
Nation & World	375,800	339,000	325,200	355,500	376,200
Other Commissions & Ministries	23,813	46,350	45,440	49,100	49,800
Sub-Total	<u>882,801</u>	<u>904,783</u>	<u>843,633</u>	<u>917,861</u>	<u>921,841</u>
Stewardship					
Other Support	20,700	35,000	35,500	36,100	36,700
Communications & Technology	12,364	14,000	15,300	15,800	16,200
Diocesan Support Expenses	367,715	402,500	414,900	417,300	427,500
Retirees	22,264	26,500	26,500	27,300	28,100
Office of the Bishop					
Episcopate	311,326	339,021	331,627	340,139	347,459
Staff	442,708	497,000	511,000	521,000	531,000
Sub-Total	<u>1,177,078</u>	<u>1,314,021</u>	<u>1,334,827</u>	<u>1,357,639</u>	<u>1,386,959</u>
Total Expenses	<u>2,251,754</u>	<u>2,469,042</u>	<u>2,459,573</u>	<u>2,514,000</u>	<u>2,569,800</u>
Surplus	<u>21,984</u>	<u>2,000</u>	<u>0</u>	<u>0</u>	<u>0</u>

DISCIPLESHIP

	2010 ACTUAL	2011 BUDGET	2012 PROPOSED BUDGET	2013 PROPOSED BUDGET	2014 PROPOSED BUDGET
Camp Mokule`ia Inc	34,110	50,000	50,000	20,000	20,000
Christian Formation	51,677	45,679	25,000	50,000	55,000
Sesquicentennial event	-	-	52,300	-	-
Commission on Native Hawaiian Ministries	3,904	13,796	6,500	12,000	8,000
Diversity Commission	163	4,709	2,000	4,000	4,000
Ministry Development	29,972	37,939	40,000	45,000	50,000
New Ministries/Projects	4,562	-	1,313	-	10,000
Sexual Misconduct Prevention / Response	4,565	6,591	7,000	8,000	10,000
Stewardship Commission	6,248	9,417	12,000	12,000	14,000
Youth and Young Adult Commission (merged ministry of Camps & Conferences and Emerging Generations)	56,675	82,107	85,000	87,500	90,000
Total Discipleship	191,876	250,238	281,113	238,500	261,000

DISCIPLESHIP

Camps Mokule`ia Inc

This budget line item is to support the position of an Executive Director of Camp Mokule'ia. The recommendation for financial support for the Executive Director's position comes out of The Transition Action Team's 2009 recommendations for sustained leadership, vision and oversight of the operation. Besides the \$34,110 in the 2010 budget, Diocesan Council also raised \$15,890 for the Executive Director's position. This commitment was for three years starting in 2010.

Starting in 2013 the Camp Mokuleia Inc. line item is to support a joint venture in program development. The joint programming will be coordinated between the Camp Director and the Diocesan Christian Formation Commission. The \$20,000 a year are to be treated as reimbursements to the Camp for program development and implementation cost.

Christian Formation

This line item includes funds for supporting Education for Ministry and the costs of developing and holding the Diocesan Convocation, an annual diocesan gathering for the purposes of formation and mission called for by the 2007 annual meeting of the diocese. The amount listed funds the costs of speaker(s), logistical support, and some scholarship funds for Convocation attendance. The Christian Formation line item also supports congregations and educators seeking continued education and resources in the area of Lifelong Christian Formation and Education. The reduction in 2012 reflects that the Convocation in 2012 will be replaced by the celebration of the diocese's 150th anniversary. The budget for these expenses are included under diocesan convention.

Sesquicentennial Event

The 150th Anniversary of The Episcopal Church in Hawai'i, also known as the Sesquicentennial Celebration, will be an opportunity to honor the past on each of the Hawaiian Islands and to involve local communities whether they are Episcopalians or not. The event will include the presence of the Presiding Bishop. Also invited are the Bishop of Canterbury, Bishops who have formerly served the Diocese of Hawai'i and Bishops with historical Hawai'i ties (New Zealand, Taiwan, Okinawa, Philippines). The Sesquicentennial Plans Committee last met on June 17, 2011 and plans are in progress to make this a multi-island, future-defining, memorable event that builds stronger communities for forming the future of the Episcopal Church in Hawai'i.

Commission on Native Hawaiian Ministries (CONHM)

This line item funds the Commission created in 1990 to train leaders of native Hawaiian ancestry and to be a focus for opportunities to minister to communities of Hawaiians in all congregations. CONHM works to bridge the gap between the native Hawaiian community and the church. In addition, through in the Anglican Indigenous Network (AIN), the Executive Council Committee on Indigenous Ministries (ECCIM), and the Indigenous Theological Training Institute (ITTI), this Commission maintains close contact with other indigenous peoples and their faith communities throughout the United States and other parts of the world. CONHM also offers various opportunities for education and mission.

DISCIPLESHIP

(Continued)

Diversity Commission

Based on our Baptismal Covenant "Loving our neighbors as ourselves and respecting the dignity of every human being," this commission seeks to create dialogue on racism, to facilitate respect for diversity and to promote healing, reconciliation and transformation in our members and institutions. This commission has been reconstituted after a period of inactivity due to lack of membership. This line item funds training, communication and resource development for the commission members, congregations and individuals. This training was created and is maintained by resolution of General Convention.

Ministry Development

This line item funds conferences and gatherings for clergy and their spouses/partners/families; financial support for seminarians and others in formation for ordained ministry; deacon's gatherings; the work of the Commission on Ministry; background checks for candidates for positions in mission congregations or on the Bishop's staff; expenses of training for licensed ministries; and other miscellaneous funds for the formation of ministry throughout the Diocese. These funds are administered by the Bishop's staff and by committees/task forces specially appointed by the Bishop for a particular activity or ministry. The work related to Commission on Ministry is required by National Canons

New Ministries/Projects

This line item was added to provide the Department with funds to respond to requests in support of new ministry events/programs/projects.. Also, this will also enable us to plan for more focused, strategic use of resources by Task Forces and congregations for evangelism and education.

Sexual Misconduct/Prevention Response

This line item funds classes for the identification and prevention of sexual misconduct, as well as the costs incurred by the trainers. It includes, in some years, the costs of training kits or fees for "training the trainers" sessions. Training in preventing sexual misconduct against both children and adults and is required by General Convention resolutions and Diocesan policy.

Stewardship Commission

The Stewardship Commission has developed itself into a body whose responsibility is to develop and engage the diocese in a greater understanding of Stewardship. Moreover the Stewardship Commission is a diocesan resource available for congregational consultation. The Stewardship Commission also participates in the wider stewardship discussion by participating in TENS, Alban Institute and other forums.

Youth and Young Adult Commission

The Youth and Young Adult Commission envisions programs for youth and young adults in the Diocese to be viable, thriving, spiritually refreshing, resourceful, cost-effective, and - most importantly - God centered. Encouraging new models by programming on neighbor islands, the Commission develops and supports Diocesan events, activities, and programs that will:

1. Supplement the ministry to youth and young adults of congregations and local ministries
2. Introduce individuals to Christ
3. Take those already in the Body to greater depth and substance of our faith
4. Cultivate an extended Christian community to be within the Diocese for youth and young adults.

The Commission is responsible for annual youth activities including:

1. "God Camp" (a residential summer camp program)
2. Happening (high school students)
3. New Beginnings (junior high school students)

The Commission is also responsible for soliciting applications and then selecting participants for the triennial Episcopal Youth Event (Which happened this year in Bethel Minnesota June 22-26, 2011).

MISSION

CONGREGATIONAL SUPPORT

	2010 ACTUAL	2011 BUDGET	2012 PROPOSED BUDGET	2013 PROPOSED BUDGET	2014 PROPOSED BUDGET
Congregational Support					
Grace, Molokai	46,521	48,814	48,000	48,414	48,414
St. George's, Pearl Harbor	63,000	57,000	25,000	25,000	25,000
St. Jude's, Ocean View	16,000	16,700	9,000	9,000	9,000
St. Philip's, Maili	37,000	38,000	22,000	22,000	22,000
St. Stephen's, Wahiawa	25,000	25,100	20,000	20,000	20,000
Trinity By-the-Sea, Kihei	11,300	-	-	-	-
West Kauai	36,200	37,000	37,000	37,000	37,000
Windward Region	-	17,400	48,000	48,000	48,000
Sub -Total Congregational Support	235,021	240,014	209,000	209,414	209,414
Other Support					
Korean Ministry	-	26,000	58,000	60,000	62,000
Pacific Islander Ministry	78,739	84,700	68,819	60,000	61,000
St. Nicholas, Kapolei-Church Plant	154,500	144,000	120,000	120,000	110,000
Emergencies & Opportunities current year	14,928	24,719	17,174	63,847	53,427
Total Congregational Support	483,188	519,433	472,993	513,261	495,841

CONGREGATIONAL SUPPORT

Individual Congregation Line Items

These line items financially support congregations (missions and parishes) to meet the necessities of congregational life. The requests are reviewed with the annual evaluations, strategic plans, parochial reports, and investment portfolios, recent financial statements, minutes of Bishop's Committee, Vestry meetings, of the applying congregations. The Congregational Health & Growth Commission's recommendations regarding funding are based upon the congregation's ministries, evidence of movement toward self-sufficiency through stewardship, evangelism and other efforts, proposals to undertake innovative ministries based on the awareness of the Diocese Strategic Plan and local priorities, in addition to the ability of the congregation to fund these ministries.

Windward Ministry

The grant will be used to continue helping to pay for the cost of the priest-in-charge assigned to the joint ministry at KEM , Kaneohe Episcopal Mission at the site of the former Calvary Episcopal Church, and Emmanuel Church in Kailua. The grant continues support begun during 2011 when funds were granted from Emergencies and Opportunities Reserve Fund.

Korean Ministry

The grant will pay for the salary and health benefits of a priest from South Korea, Diocese of Seoul, who will lead an effort to reestablish the ministry for a Korean-speaking congregation at St. Luke's Church. The grant continues support begun during 2011 when funds were granted from Emergencies and Opportunities Reserve Fund.

CONGREGATIONAL SUPPORT (continued)

Pacific Islander Ministry

The intent of this ministry is to provide and facilitate activities and services for the targeted group consistent with meeting the goals of the Diocesan Strategic Plan. The targeted group is the Pacific Islanders' youth and their families who have not had the privileges of engaging in activities due to financial and social reasons. This ministry will attempt to meet the needs of this targeted group by arranging services to include feeding, educational, recreational and social activities, pastoral visitations and church services. The Diocesan budget line pays for the salary and benefits of the full time priest responsible for developing the ministry. Congregations considering outreach ministries to Pacific Islander immigrants and desiring a consultation are encouraged to contact St. Elizabeth's Church. There are currently 4 parishes involved in this ministry: St. Elizabeth's, St. Mary's, St. Nicholas and St. Peter's.

St. Nicholas, Kapolei - Church Plant

Diocesan support of the church plant in Kapolei currently pays salary and benefits for a full time priest. Much of the support is used to pay for rental of the worship facility, storage space for church property and rental of a vehicle to move furnishings from storage to the site of Sunday worship and back.

Emergencies & Opportunities, Current Year

This line item provides funds to develop opportunities for new ministry or to cope with emergencies. It is available to congregations that have called new clergy whose salary packages are difficult to project, to help when congregations have had sudden or unpredictable changes in finances, leadership, or in the condition of their facilities. Any assistance granted to the congregation is considered a one-time, nonrenewable grant made during the current year. Any additional request for diocesan support must be made as a Resource Request to the diocese and be part of the congregation's annual budget in the coming year.

Emergencies & Opportunities Reserve Fund

Any unused funds from the E&O current year allocation is transferred to this reserve fund. The current fund balance @6/18/11 is \$67,300 after allocating funds in 2011 for the Windward Region, Korean Ministry and Camp Mokule`ia

NATION & WORLD

	2010 ACTUAL	2011 BUDGET	2012 PROPOSED BUDGET	2013 PROPOSED BUDGET	2014 PROPOSED BUDGET
Nation & World					
General Convention Deputy Support	16,700	16,700	16,700	16,900	18,700
National Church Quota	349,100	307,300	298,500	323,300	342,000
Provincial Quota	10,000	10,000	10,000	10,300	10,500
Provincial Synod Delegate Support	-	5,000	-	5,000	5,000
Total Nation & World	375,800	339,000	325,200	355,500	376,200

NATION & WORLD

General Convention Deputy Support

Funds are accumulated over three years annually and held in reserve to support the eight deputies and two alternates from our Diocese to attend the General Convention. The 2012 General Convention will be held in Indianapolis, Indiana.

National Church Quota

This is the assessment we pay to the national church to contribute toward its work and ministry. It is based on Diocesan income, which includes parochial giving, unrestricted operating investment income and restricted investment income used to pay operating expenses for the respective years. The National Church asking, after deducting a \$120,000 exemption from Diocesan income, is computed at a flat rate of 21% for 2010. The rate drops to 20% in 2011 and to 19% in 2012 and 2013. For budget purposes Council used a 19 % asking for 2014. The 2011 assessment is based on 2009 diocesan income. The 2012 to 2014 assessment is based on the 2010 to 2012 diocesan income respectively.

Provincial Quota

Hawai'i is part of Province VIII of the Episcopal Church, and this is the amount we pay to help with Provincial programs and administration.

Provincial Synod Delegate Support

This allocation supports the expenses for two delegates to attend the annual Synod meeting. There is no funding for 2012 because General Convention is scheduled. We did not send anyone to Synod 2010 due to budget cuts.

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OTHER COMMISSIONS & MINISTRIES

	2010 ACTUAL	2011 BUDGET	2012 PROPOSED BUDGET	2013 PROPOSED BUDGET	2014 PROPOSED BUDGET
Other Commissions & Ministries					
Congregational Health & Growth Commission	8,513	18,800	17,540	22,800	22,800
Commission on Pacific Islander Ministries	-	2,000	2,000	2,000	2,000
Ecumenical/Inter Faith Relationships	500	500	500	500	500
Internet Evangelism Pilot Project	-	10,250	6,000	6,200	6,500
Mission Ministries(local/global outreach)	14,800	14,800	17,400	17,600	18,000
Renewable Energy Task Force	-	2,000	2,000	-	-
Total Other Commissions & Ministries	23,813	46,350	45,440	49,100	49,800

OTHER COMMISSIONS & MINISTRIES

Congregational Health & Growth Commission

This line item funds expenses for expert consultation in Hawai'i and attendance at local and national training events. To help build vital and vibrant multicultural congregations, the commission's support will include, but not be limited to, promotion of planning cycles for congregations of an appropriate length, follow up to conferences, site visits by commission members and other diocesan resource persons, and other church development education. The commission hopes to help equip individuals and congregations to live their baptismal covenant through spreading the Good News of Jesus Christ, especially by encouraging ministries to ethnic groups in their communities that may be underrepresented in their congregations.

Commission on Pacific Islander Ministries

This new commission acts as a guide and provides resources for the Pacific Island Ministry. Funds are used to support consultations on neighbor islands and occasional trips by neighbor island members to a meeting on Oahu, purchase resource materials, copying and meeting expenses. Congregations considering outreach efforts to Pacific Islanders are encouraged to contact Bishop's Office staff for referral

Ecumenical/Inter Faith Relationships

This line item supports efforts to build relationships with, and community among other faiths through shared communication and participation in the areas of faith-based, spiritual, and social issues aligned with the mission of our Diocese. Institutional membership in The Interfaith Alliance Hawaii (TIAH) and representation on the Board of Hawai'i Council of Churches Fund (HCCF) are part of this support.

Internet Evangelism

The goal of the task force for the next three years is to expand the pilot to include additional churches in opportunities to utilize websites to support diocesan and parish evangelism efforts to:

- Bring additional churches into the Digital Faith on-line community;
- Provide opportunities for churches, regardless of their participation in Digital Faith, to participate in conversations about success with using the internet to reach out to others to proclaim the Gospel;
- Offer workshops on aspects of website development, and tools/resources available for creatively sharing the Gospel;
- Offer on-site assistance when possible for hands-on instruction and advice in website development.

Mission Ministries

Mission Ministries, formerly a commission of the Justice, Peace, & Partnerships Department, now under Mission Department, funds projects and ministries. Mission Ministries advocates for the marginalized, voiceless, dispossessed, needy, oppressed, or imprisoned, through partnerships within the diocese, the larger Anglican Communion, and with other faith and secular organizations; local, national, and global. Millennium Development Goals (MDG) mandated at the annual convention in 2006, commits 0.7% of the Episcopal Diocese of Hawai'i's annual budget to community and international development programs. Those monies, formerly allocated to ER&D (Episcopal Relief and Development) as a vehicle for Global funding, is now our source for local ministry. Money left at the end of the fiscal year is sent to ER&D.

OTHER COMMISSIONS & MINISTRIES

Mission Ministries

Mission Ministries, formerly a commission of the Justice, Peace, & Partnerships Department, now under Mission Department, funds projects and ministries. Mission Ministries advocates for the marginalized, voiceless, dispossessed, needy, oppressed, or imprisoned, through partnerships within the diocese, the larger Anglican Communion, and with other faith and secular organizations; local, national, and global. Millennium Development Goals (MDG) mandated at the annual convention in 2006, commits 0.7% of the Episcopal Diocese of Hawaii's annual budget to community and international development programs. Those monies, formerly allocated to ER&D (Episcopal Relief and Development) as a vehicle for Global funding, is now our source for local ministry. Money left at the end of the fiscal year is sent to ER&D.

Renewable Energy Project

The Renewable Energy Project was created by the 2010 Annual Meeting of the Convention to help the Diocese "explore the use and implementation of renewable energy options and the theological, financial and environmental implications for the Diocese, its congregations and institutions and (provide) information and (engage) with congregations and groups regarding the use of renewable energy options." To accomplish its charge, the following activities were begun or accomplished in 2011:

A survey was mailed to congregations and educational institutions affiliated with the Episcopal Church in Hawaii. The survey informed recipients about the purpose of the Renewable Energy Project and asked about their interest in 1) learning more about ways to be better Stewards of God's Creation by saving energy and money, 2) creating a "Green Team," and 3) attending training.

A template for Request for Proposals has been developed by the project team. Congregations are encouraged to use it so there may be a uniform and comprehensive template for companies bidding to install systems on church property. It can be made available to congregations seeking bids for a photovoltaic system on their property.

A brief discussion of financing options will be included in the report to the Annual Meeting of the Convention.

A Cool Congregations Workshop is scheduled September 17, 2011. The workshop is to be conducted by Hawaii Interfaith Power and Light, the project's partner in this effort, to present ways congregations may reduce their waste and energy footprint.

STEWARDSHIP

OTHER SUPPORT

	2010 ACTUAL	2011 BUDGET	2012 PROPOSED BUDGET	2013 PROPOSED BUDGET	2014 PROPOSED BUDGET
Other Support					
St. George's Lease Rent	20,700	20,700	20,700	20,700	20,700
Kapolei land	-	14,300	14,800	15,400	16,000
Total Other Support	20,700	35,000	35,500	36,100	36,700

OTHER SUPPORT

St. George's Lease Rent

The current lease with the Navy ends on December 31, 2013 ("Holdover status thereafter pending sale'). The Navy has declared the land "in excess", which means they don't need it and intend to sell it. There are various entities, including the Episcopal Church, working together resulting in legislation as follows:

1. Gives leaseholders (Including the diocese) the right of first refusal to purchase
2. Six months to exercise first right of refusal
3. If purchase is intended, two years to close
4. Purchase at "Fair market value"

Kapolei land

This amount represents property taxes and cost to maintain the property.

COMMUNICATIONS

	2010 ACTUAL	2011 BUDGET	2012 PROPOSED BUDGET	2013 PROPOSED BUDGET	2014 PROPOSED BUDGET
Hawaiian Church Chronicle	12,364	14,000	15,300	15,800	16,200
Total Communications & Technology	12,364	14,000	15,300	15,800	16,200

COMMUNICATIONS

This budget encompasses areas of communications within the Diocese: *e-chronicle* (diocesan newspaper); enews, public relations/brochures, flyers, etc., as needed. It also includes the cost to maintain the web site. An independent contractor has been hired to do this work.

DIOCESAN SUPPORT EXPENSES

	2010 ACTUAL	2011 BUDGET	2012 PROPOSED BUDGET	2013 PROPOSED BUDGET	2014 PROPOSED BUDGET
Advertising	5,884	6,300	6,400	6,500	6,700
Archives	1,587	3,600	3,600	3,600	3,600
Audit Expenses	57,082	65,800	66,900	68,300	69,600
Cathedral Expenses	92,100	93,900	94,900	97,700	98,700
Chancellor's Expenses	1,885	3,400	4,000	4,000	4,200
Diocesan Convention	4,443	14,600	14,600	8,300	8,300
Directors & Officers Insurance	7,136	8,400	7,600	7,800	8,000
Legal & related expenses	9,994	10,000	15,000	15,000	15,000
Meetings: Other	2,573	5,300	5,500	5,500	5,600
Meetings: Travel	28,703	31,200	32,400	33,700	35,000
Office Expenses	61,587	63,900	65,000	66,600	68,000
Planned Giving	9,606	11,200	12,100	11,400	12,900
Property Maintenance	53,721	51,300	53,100	54,000	55,800
Property Taxes	13,033	14,300	13,300	13,800	14,400
Security	9,600	9,600	10,500	10,800	11,100
Staff Travel & Related Expense	8,335	8,400	8,700	8,900	9,200
Treasurers' Consultations	446	1,300	1,300	1,400	1,400
Total Diocesan Support Expenses	367,715	402,500	414,900	417,300	427,500

DIOCESAN SUPPORT EXPENSES

Advertising

This covers the cost of advertising in the phone books and in the military information booklets.

Archives

This covers the cost to maintain the archives for the Diocese of Hawai'i, including archival supplies, pest management, reproduction of images from other institutions, exhibits and professional development conference.

Audit Expenses

Each year, as required by the Canons, a certified public accounting firm audits the diocesan financial records and prepares a report. The budget provides funding for the treasurer's office to enable missions and aided parishes (18 in total) to comply with the canonical requirements for an annual audit.

Shared Cathedral Maintenance

The Diocese pays a portion of the Cathedral's maintenance budget because of the presence of the Office of the Bishop offices in the facilities and the Diocesan shared use of the facilities for meetings. This is not income, non-assessable building use, and is an expense reimbursement as established by agreement of the Council and the management of the Cathedral.

Chancellor's Expenses

The Chancellor of the diocese uses this allocation for participation in the Western Chancellors' Conference, a computer research service and certain publications for the legal assistance given to the Diocese and its congregations and institutions.

Diocesan Convention

This covers the unreimbursed cost of holding the annual Diocesan Convention including area meeting costs, convention meeting costs, supplies, materials and postage. This cost is net of registration fees/meals and shared travel cost. It also includes an amount for staff temp help for 2011 and 2012 in lieu of the sesquicentennial.

DIOCESAN SUPPORT EXPENSES

(Continued)

Directors & Officers Insurance

This is liability (errors & omissions) insurance to insure The Episcopal Church in Hawai'i, its directors and officers. The insurance premium is based on our claims experiences and market conditions.

Legal & Related Expenses

This represents legal and related costs incurred by the diocese. Unexpended legal expenses up to \$5,000 will be set aside as a reserve to cover potential legal expenses relating to charges brought against a priest under the new Title IV disciplinary Canons. If legal expenses are fully expended then the funds will be set aside from end of the year budget surplus.

Meeting Costs: Other

These funds are for incidental costs for groups that meet for an entire day.

Meeting Costs: Travel

This represents travel costs for the neighbor-island members of Standing Committee, Diocesan Council, Commission of Ministry, Compensation Review Committee, Cathedral Chapter, Strategic Task force and clergy meeting with the Bishop. Travel costs has increased due to the increasing cost of oil. We are using video conferencing a lot more and it has got people more engaged in conversations. Committees are meeting more frequently than previously and are doing it more online using video conferencing.

Office Expenses

This amount includes telephone, copying costs, equipment maintenance, computer help, subscriptions, postage, equipment purchase, supplies, etc. The budget also includes the cost of software and computer upgrades and staff training.

Planned Giving

Priorities include visiting congregations to increase planned giving and gift planning, developing a program of education and support for congregations and working with the Episcopal Foundation on marketing, training and gift planning. In 2010 the diocese had its first legacy society event. Legacy Society events will be held on all islands in 2011.

Property Maintenance

This represents the maintenance of the apartments owned by the Diocese and includes utilities and repairs of the Cluett apartments and Office of the Bishop, Insurance (property, liability, & auto) and General Excise Tax and property management fees.

Property Taxes

The Diocese pays the property taxes on the parking lot and apartments that we rent.

Security

This covers the cost of maintaining security for the Queen Emma Square. We are subsidizing a portion of the total cost of security which amounts to \$18,847.

Staff Travel and Related Expenses

As part of their ministries, members of the Bishop's staff travel to all islands in the state and to the mainland for meetings, consultations and church related programs.

Treasurers' Consultations

This represents travel costs for the new treasurers from all our congregations to meet with the Diocesan Treasurer on matters relating to their duties and responsibilities.

RETIREES

	2010 ACTUAL	2011 BUDGET	2012 PROPOSED BUDGET	2013 PROPOSED BUDGET	2014 PROPOSED BUDGET
Medigap Program	22,264	26,500	26,500	27,300	28,100
Total Retirees	22,264	26,500	26,500	27,300	28,100

RETIREES

Medi-gap Program

The Diocese subsidizes a portion of the Medi-gap insurance benefits to eligible retired clergy and their spouses.

**OTHER THAN THIS SENTENCE,
NO TEXT IS INTENDED TO APPEAR ON THIS PAGE**

OFFICE OF THE BISHOP

EPISCOPATE

	2010 ACTUAL	2011 BUDGET	2012 PROPOSED BUDGET	2013 PROPOSED BUDGET	2014 PROPOSED BUDGET
BISHOP					
Compensation and Benefits of the Bishop and his Secretary	274,622	293,921	285,727	292,439	299,459
Other					
General Convention Travel	4,100	4,100	4,100	4,600	4,600
Hospitality	12,066	13,700	14,000	14,400	14,700
Keyman Insurance	682	700	700	700	700
Travel & Continuing Education	18,798	25,500	26,000	26,800	26,800
Worker's Compensation Insurance	1,058	1,100	1,100	1,200	1,200
Total Episcopate	311,326	339,021	331,627	340,139	347,459

EPISCOPATE

Bishop

This constitutes the compensation and benefits received by our Diocesan Bishop. The costs for the Episcopate, (excluding the Bishops Secretary) are fully funded by the Episcopate Endowment fund.

Election Process Fund

This fund was established to accumulate monies for electing a new bishop. We did not use the Election Process Funds to pay for the election of the Bishop as the 2006 operating income was adequate to cover the cost of the election. No annual allocation is needed for future budgets as the current Election Process Fund balance of \$153,500 will be sufficient to cover our next Bishop election.

General Convention Travel

This represents the annual allocations for the travel and meeting costs for the Bishop to attend the General Convention.

Travel & Continuing Education

This includes inter-island travel (parish visitations, deanery & clericus meetings, search & vestry consultations, & other meetings), mainland travel (House of Bishops' meetings), spousal travel, continuing education and other unanticipated travel.

Lambeth Fund

This Fund was established to cover the cost of Lambeth. No annual allocation is needed for future budgets as the current Lambeth Fund balance of \$30,500 will be sufficient to cover our next Lambeth conference .

STAFF

	2010 ACTUAL	2011 BUDGET	2012 PROPOSED BUDGET	2013 PROPOSED BUDGET	2014 PROPOSED BUDGET
(Including Pension & other Benefits)		497,000	511,000	521,000	531,000
Accountant/ Financial Assistant	69,740	X	X	X	X
Canon for Ministry Development	132,867	X	X	X	X
Events Coordinator/ Office Manager	65,938	X	X	X	X
Treasurer/Finance Officer	148,450	X	X	X	X
Staff Continuing Education	3,457	X	X	X	X
Staff Support costs	22,256	X	X	X	X
Total Staff	442,708	497,000	511,000	521,000	531,000

X= STAFFING FOR YEARS ABOVE

STAFF

This represents the compensation and benefits (namely, auto allowance, group life insurance, medical insurance, pension, social security and medicare taxes, State unemployment taxes, temporary disability insurance, and workers compensation insurance) of all of the members of the Diocesan Staff, excluding the Bishop and his secretary, which is included under the Office of the Bishop-Episcopate. The increase in costs is due to increases in salary and medical (due to staff changes), increase in state unemployment taxes and staff support costs (higher IT support cost and temp help). The 2012 budget reflects a 2% increase in salary.

Since 2007, Office of the Bishop staff has been reduced by two positions.