

## BUDGET NARRATIVE FOR THE 2019 CONVENTION APPROVED BUDGET

### **INCOME**

#### Page 3, Line 1a: Assessments

Assessment income is the amount levied by the Convention on each congregation in the Diocese of Hawai‘i to support the programs and expenses of the Diocese. The income shown in this budget is based on a 2019 assessment rate of 18% of each congregation’s operating income, as shown on the 2017 parochial report on file.

For planning purposes, the current assumption is that the proposed 18% rate will remain constant for some years to come as the Diocese stabilizes and the work of Strategic Initiatives impacts our common life.

#### Page 3, Line 1b: Investment Income

All projected investment income is net of investment fees, both managerial and custodial.

*Endowment Funds:* To estimate income from investments for 2019, the Diocese budgets and will draw 4% of each restricted and unrestricted endowment fund’s average market value over the prior twelve quarters.

Endowment funds with 2019 distributions budgeted at 4% are:

- Portfolio (restricted) – Income from this fund is primarily from the Episcopate Endowment Fund, and distributions are limited to the expenses related to the “Episcopate” (the Bishop)
- Portfolio (unrestricted)
- Von Holt Fund (unrestricted)
- Helen Hagemeyer Fund (restricted) – Income from this fund is restricted by the donor for support of mission churches
- Ing Fund (unrestricted)
- Other New Endowment Funds (unrestricted), which are funds received in 2009 and 2015. In 2019 these funds have been combined into the Portfolio (unrestricted) line item.

*Trust Funds:* There are four non-endowment funds of which the Diocese is the beneficiary of the investment income but has no investment management oversight. The 2019 distribution from these funds is budgeted at 5%:

- Catton Fund – Income is restricted by the donor for retired church workers.
- Parke Trust Fund (Unrestricted)
- Prisanlee Fund (Unrestricted)
- Valvon Fund (Unrestricted)

#### Page 3, Line 1c: Rental Income - Cluett Apartments

Rental income comes from five units in the Diocesan-owned Cluett Apartments on the mauka side of Queen Emma Square next to St. Peter’s Church. Management and tenant oversight of the Cluett Apartments is currently handled by a management company. Five of the six units are rented to tenants and one Cluett unit is used by the Chaplain of St. Andrew’s Schools.

Page 3, Line 1d: Parking

Parking income is from the rental of Diocesan parking spaces in the parking lot behind the Memorial Building, which are rented to the St. Andrew's Schools and four individuals.

Page 3, Line 1e: Interest

This represents the interest earned on Diocesan cash accounts.

Page 3, Line 1f: Miscellaneous

Miscellaneous gifts and other income are included in this line item.

Page 3, Line 1g: Prior Year Surplus

\$37,000 is budgeted for 2019. The amount budgeted in 2017 as Prior Year Surplus was used to pay for the Strategic Initiatives project. The amount budgeted in 2018 was used to pay for the Strategic Planning Manager.

**EXPENSES**

Page 5, Line 2a: Native Hawaiian Ministry Committee

This line item is for travel for individuals to attend meetings of the Anglican Indigenous Network (AIN) and other local- and church-wide indigenous ministry events. This Committee maintains close contact with other indigenous peoples and their faith communities throughout the United States and the Worldwide Anglican Communion.

Page 5, Line 2b: Pacific Islander Ministry Committee

The intent of this budget item is to fore-establish a Pacific Islander committee in 2019. A majority of this target population is underprivileged, underrepresented, and underserved. Primary reasons include, but are not limited to, socioeconomic distress resulting from disenfranchisement and displacement from their respective island homes and culture, under-education, and underemployment. The Pacific Islander Ministry meets the needs of this targeted group by developing and providing services that include distribution of food and meals, education, recreation and social activities, pastoral visitations, and church services.

Page 5, Line 2c: Pacific Islander Missioner

This line item was eliminated from the budget in 2018.

Page 5, Line 2d: Tongan Ministry

This line item is for a Tongan-language ministry at St. Elizabeth's Church.

Page 5, Line 3a: Audit Expenses – Missions

The Diocese includes in its budget the funds for missions to have an annual audit conducted. This is a national canonical requirement, coming from an action of the General Convention of the Episcopal Church. (Parishes are also canonically required to have an annual audit, but at their own expense.)

Page 5, Line 3b: Calvary

The purpose of this financial support is to assist in re-establishing Calvary as a viable Episcopal Church in Kaneohe (see <http://www.calvarykaneohe.com>).

Page 5, Line 3c: Grace, Moloka‘i

This line item supports the ministry of Grace Church on Moloka‘i. The Council has determined that this is an essential ministry of the Diocese of Hawai‘i. Council encourages other churches in the Diocese to greater engagement with Grace Church, including urging support of their thrift shop and consciously visiting the congregation when possible.

(<http://www.gracechurchmolokai.com>)

Page 5, Line 3d: St. James’/St. Columba’s

This line item is no longer needed. St. James’ has integrated St. Columba’s into its Parish and St. James’ now supports the congregation of St. Columba’s.

Page 5, Line 3e: St. Jude’s, Ocean View

This budget account supports the ministry of this isolated Big Island congregation. St. Jude’s is a small Organized Mission with significant outreach to its community, offering a space for senior citizens to meet, free internet for students, weekly hot showers and meals for the homeless, and spay and neuter clinics for dogs and cats. For weekly sacramental ministry, the congregation employs a Priest-in-Residence model with visiting clergy.

Page 5, Line 3f: West O‘ahu

This budget allocation supports the shared ministry of St. Nicholas–Kapolei and St. John the Baptist–Waianae. While a review of the operations and structure by the Council continues, the region has made some improvements in financial accountability and in transparency. The Council continues to monitor the feasibility and vitality of this shared ministry initiative. St. Stephen’s–Wahiawa and St. Timothy’s–Aiea left the regional ministry in 2018.

Page 5, Line 4a: Camp Mokulē‘ia

Camp Mokulē‘ia operates summer camps on behalf of the Diocese. These camps consist of a high school program, a middle school program, and a shorter elementary school (entering grades 4-6) program. The 2019 budget includes an allocation of \$54,000 for those summer camps which represents 50% of the total cost of these camps. In addition, there is funding for two new joint initiatives: (1) \$6,000 for overnight camps on neighbor islands and (2) \$10,000 for youth events (a weekend “rally” and diocesan planning retreat). Like A Cup of Cold Water and St. Andrew’s Schools, Camp Mokulē‘ia is a subsidiary of the Episcopal Church in Hawai‘i. These funds help with programming in support of the mission of the Diocese.

Page 5, Line 4b: Christian Formation

This line item allows the Diocese to encourage and aid congregations in the areas of adult and children’s education. It includes Diocesan membership fees for such programs as Education for Ministry (EfM) and Godly Play. The amount provided will fund the costs of speaker(s), logistical support, and some scholarship funds for Diocesan formation events. The Christian Formation

budget account can aid congregations and educators seeking resources to support local Christian education initiatives.

Page 5, Line 4c: Diversity Training

This funding is to assist in diversity training, communication, and resource development for congregations and individuals. The training was mandated by resolution of the General Convention. Based on the promises in our Baptismal Covenant to "seek and serve Christ in all persons, loving [our] neighbors as [ourselves]" and to "respect the dignity of every human being," we must seek to create dialogue on racism; to facilitate respect for diversity; and to promote healing, reconciliation, and transformation in our members and institutions. The Diocese continues to seek a contextually appropriate and volunteer-friendly means for such training on a broad level.

Page 5, Line 4d: EYE Reserve

Every three years, there is a nationwide Episcopal Youth Event. The last one was July 10-14, 2017 on the campus of the University of Central Oklahoma in Edmond. The next one will be in 2020, location TBD. It is the Diocese's policy to fund one-third of the cost, while expecting parish and individual support to cover the balance. This amount will go into the reserve fund for the next EYE just as the Diocese reserves funds each year for General Convention. As there is a carryover balance, the amount set aside in 2019 can be reduced. It may increase again in 2020.

Page 5, Line 4e: Planned Giving

This funding is to help congregations encourage members and friends to remember the Church in their wills or estate plans. The Diocese offers a program of education and direct support for congregations, and works with the Episcopal Church Foundation (ECF) on marketing, training, and gift planning. This line item also funds Hō‘ike Ulu Legacy Society events that honor good stewards who have remembered their congregations, the Diocese, or another ministry in their wills or estate plans.

Page 5, Line 4f: Safe Church Trainings

This line item funds canonically required training. The Diocese has gone to individual online trainings to learn about preventing sexual misconduct against both children and adults. The online training is less costly than hiring local trainers, so the budget allocation has been reduced. This training is required by General Convention resolutions and by Diocesan policy.

Page 5, Line 4g: Stewardship

This line item supported the ministry of stewardship in the Diocese and engaged congregations in a greater understanding of stewardship, with a focus on congregational giving. From 2018 onward, these responsibilities are handled by Diocesan staff without a separate budgetary line item.

Page 5, Line 4h: Youth and Young Adult Ministry

The proceeds from the sale of MacCray House have been set up in a separate fund to be used to support youth and young adult ministry. Access to these funds will be through a grant process with Diocesan Council approval instead of a budgeted line item.

Page 5, Line 4i: St. Andrew’s Schools: Chaplain Support

To strengthen our Episcopal connection to the St. Andrew’s Schools, and to ensure the Chaplain is compensated at the same rate as those serving at congregations at the request of the Bishop, the Diocesan Council has agreed the Diocese should help St. Andrew’s Schools with the Chaplain’s compensation package.

Page 5, Line 4j: Presiding Bishop’s Visit (2019)

The Presiding Bishop will be visiting Hawai‘i March 22-24, 2019. These funds are to pay for the various events that are being planned for his visit and our 50<sup>th</sup> anniversary events as a Diocese.

Page 6, Line 5a: A Cup of Cold Water

A Cup of Cold Water (ACCW) is a community-based Care Van outreach program on the island of Maui, formed by a group of committed Episcopalians from Good Shepherd, Holy Innocents, St. John’s and Trinity By-the-Sea. Like Camp Mokulē‘ia and St. Andrew’s Schools, ACCW is a subsidiary of the Episcopal Church in Hawai‘i. The program is a food and clothing distribution service for the poor and needy in the community, and uses the care van to deliver essential food, hygiene and clothing items throughout the island. With a strong volunteer base from the Episcopal Churches on Maui, the program is growing and now includes other churches and other religious communities. (See <http://www.episcopalhawaii.org/a-cup-of-cold-water.html>)

Page 6, Line 5b: Ecumenical/Interfaith Relations

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 Hawai‘i (TIAH) and representation on the Board of Hawai‘i Council of Churches Fund (HCCF) are part of this support. The 2019 budget also include funds for Pacific Health Ministries and the Samaritan Counseling Center (which does the psychological testing for those in the ordination process that is required by church Canon).

Page 6, Line 5c: Prison Ministry

This line item is to pay for a part-time chaplain for a prison ministry in the State of Hawai‘i. It will also pay for related expenses such as supplies needed for current Makahiki, Baibala, and Bacpac programs, which seek to facilitate a fruitful reentry to society of the pa‘ahao (prisoners) in Hawai‘i’s prisons. Diocesan Council views this as an important living out of the gospel, “...I was in prison and you visited me.” (NRSV, Matthew 25:36) A new committee was established to assist with this ministry, and a task force was appointed to monitor, administer, and evaluate this new initiative.

Page 6, Line 6a: Lay Leadership Development

This line item includes training and/or conferences for church administrative staff and other types of lay leadership such as wardens, vestry members, bishop’s committee members, treasurers, musicians, and stewardship chairs.

Page 6, Line 6b: Clergy Leadership Development

This renamed line item was called “Clergy Conference” in prior years, and funds the expenses, mostly airfare, for two Clergy Education Days per year and provides a substantial subsidy for the annual clergy retreat. It also includes funding for annual membership dues in the Association of Episcopal Deacons (AED) plus attendance by a Deacon from the Diocese at an AED conference. This line item can also cover the airfare for clergy spouses to attend the Clergy/Spouse Dinner, if there is one, during the annual meeting of the Convention, and planned Clergy Spouse events.

Page 6, Line 6c: Curacy Support

This account continues to fund the opportunity for newly graduated seminarians from the Diocese to remain in Hawai‘i after ordination. This may be as an assistant or as the clergy-in-charge of a small congregation. The intent is to make it possible for newly ordained seminary graduates from Hawai‘i to serve at least two years under the mentorship of an experienced priest in the Diocese and to grow in ministry in our unique context. One curate is currently serving at St. Peter’s and another at Holy Nativity. Two seminarians are expected to graduate from seminary in 2019 and will be placed in curacies upon their graduation. The Diocese supports the curate’s compensation package by paying \$60,000 per year per curate to the church where the curate is serving.

Page 6, Line 6d: Commission on Ministry (COM)

This line item covers the work of the Commission on Ministry, such as meetings with candidates, psychological testing, and background checks for those in the ordination process (all of which are required by church Canons). Also included are the costs of background checks for candidates for positions as priests in mission congregations, any costs associated with the training and licensing of laypersons to the licensed ministries spelled out in Title III of the Canons of The Episcopal Church, and the cost of various books, periodicals, and other resources intended to promote leadership or ministry development and discernment throughout the Diocese.

Page 6, Line 6e: Seminarian Support

In 2018, this line item was included in Commission on Ministry. In 2019, it is a separate line item because we do not have any seminarians for the 2019-2020 academic year. Seminarian support is in the amount of \$1,000 per semester to help cover tuition for anyone being sponsored for ordination by a congregation in the Diocese of Hawai‘i and attending a seminary. The Diocese expects to have two seminarians graduating in mid-2019 (attending Seminary of the Southwest and Virginia Theological Seminary).

Page 6, Line 6f: Waiolaihui‘ia, The Local Diocesan Ordination Formation Program

In 2018, this line item was included in Commission on Ministry. This year it was decided to separate it again as it does not fall under the supervision of the Commission on Ministry. Waiolaihui‘ia is the Hawai‘i program for those being formed for ordination to the priesthood or vocational diaconate. This program is intended to provide training and formation for mature persons, grounded in the local cultures of Hawai‘i, for whom the disruption and cost of mainland seminary is not feasible. Whether employed, self-supporting, or retired, these persons have the flexibility and stability to serve a congregation as priest-in-charge, rector, long-term supply, or

deacon. Graduates of Waiolaihui‘ia are expected to meet all canonical requirements for ordination. This line item also includes the compensation package paid to the Dean of Waiolaihui‘ia.

**Page 6, Line 7a: Diocesan Council Grants**

The Diocesan Council reviews and funds grants to congregations for new projects and programs.

**Page 6, Line 7b: Bishop’s Emergency Reserve**

This is an emergency fund to aid congregations and is approved by Diocesan Council on the recommendation of the Bishop. These funds are used to pay for unplanned emergencies that threaten the ministry of the congregation. The adjustments in this line reflect both the nature of emergencies and the need for quick response. These emergencies are often expensive to address (retaining walls, sewer systems, plumbing, electrical, etc.) and the Diocese can usually provide partial help.

**Page 7, Line 8a: Bishop**

This line item includes the compensation and benefits for the Diocesan Bishop.

**Page 7, Line 8b: Bishop’s General Convention Travel**

This line item supports the annual allocation to create a reserve fund for travel and meeting costs for the Bishop to attend the triennial General Convention of the Episcopal Church. As there is a carryover balance, the amount set aside in 2019 can be reduced. It may increase in 2020.

**Page 7, Line 8c: Hospitality**

This supports the Bishop’s ministry of hospitality. As part of his episcopal responsibilities, he exhibits Hawai‘i’s aloha spirit and hosts individuals and groups, reciprocates hospitality, and develops partnerships. This also includes funding for the Bishop to support the fundraising activities of the entities on whose board of directors he serves by virtue of the office (St. Andrew’s Schools, ‘Iolani School, Seabury Hall, and Camp Mokulē‘ia).

**Page 7, Line 8d: Keyman insurance**

This line item provides the insurance premium for the Bishop’s life insurance benefitting the Diocese in the event of the Bishop’s death.

**Page 7, Line 8e: Travel and Continuing Education**

This covers the Bishop’s inter-island travel (parish visitations, regional and clerical meetings, search and vestry consultations, and other meetings), mainland travel (e.g., House of Bishops meetings), spousal travel, and other unanticipated travel. It also covers the Bishop’s continuing education.

**Page 7, Line 8f: Lambeth Conference Travel Reserve**

This line item was removed from the budget because we had accumulated enough money to cover the next Lambeth conference. It is back in the budget this year as a reminder that these funds need to be set aside. The amount in the reserve account (Lambeth Conference Travel Fund) as of June 2018 was approximately \$41,000.

Page 7, Line 8g: Future Bishops’ Transition Reserve (formerly, Election Process Fund)

This line item was removed from the budget because we had accumulated enough money to cover future transitions of the Bishop. It is back in the budget this year as a reminder that these funds need to be set aside as costs for the search, moving, and compensation is increasing. The amount in the reserve account (Election Process Fund) as of June 2018 was approximately \$203,000.

Page 7, Line 9a: Academic Dean

This line item is now incorporated into line 6f: Waiolaihui‘ia.

Page 7, Line 9b: Admin. Program Support (Part-time)

In 2018’s budget, there were two half-time office positions. In 2019, this half-time position has been combined with the half-time position of Office Support into one full-time Office Support position (see line 9g).

Page 7, Line 9c: Bishop’s Executive Assistant

This line item has been moved from the Episcopate section into the Office of the Bishop Staff section. This line item includes the compensation and benefits for the Bishop’s Executive Assistant. The Executive Assistant/Administrative Manager provides administrative support to the executive leadership team and brings organization to the office’s leadership functions.

Page 7, Line 9d: Bookkeeper

This line item represents the compensation and benefits for the bookkeeper. The bookkeeper performs general accounting duties, maintains computer records of financial transactions, keeps track of accounts, and verifies the accuracy of procedures used for recording financial transactions.

Page 7, Line 9e: Business Manager

This line represents the compensation and benefits for the Business Manager. This position is responsible for contracts, licenses, leases, some insurance and property, and assisting the Treasurer with financial-related tasks. This position also coordinates Education Day and the Annual Meeting.

Page 7, Line 9f: Canon for Congregational Life and Leadership

This line represents the compensation and benefits for the Canon for Congregation Life and Leadership. This staff position focuses on working with regions and congregations to equip leaders (lay and ordained) to engage in God’s mission in these islands. Particular focus is given to congregational development, stewardship, and formation (especially as it strengthens lay and clergy leaders and advances the mission of the Church to make disciples). This staff person will also encourage and help equip congregations to establish alternative Christian communities and reach new populations.

Page 7, Line 9g: Office Support (Full-time equivalent)

This line item combines the compensation and benefits of the two half-time positions in the 2018 budget into one full-time position. This individual will help support staff with clerical work (e.g., mailing, copying, filing, prep work for events, and research).

Page 7, Line 9h: Strategic Planning Manager (Part-time)

This line item is for the compensation and benefits for the Strategic Planning Manager. It is a part-time, temporary position. This individual coordinates and guides the Design Teams in their work.

Page 7, Line 9i: Treasurer

This line represents the compensation and benefits for the Treasurer, who oversees investments, finances, accounting, real estate, insurance, planned giving, and taxes.

Page 7, Line 10a: Advertising

In past years, this covered the cost of advertising in telephone books. Since telephone books are almost a thing of the past, there is no appropriation proposed.

Page 7, Line 10b: Archives

This line item covers the cost to maintain the archives for the Diocese of Hawai‘i, including archival supplies, pest management, and reproduction of images from other institutions, exhibits, and attendance by our volunteer Diocesan Historiographer at a professional development conference.

Page 7, Line 10c: Audit Expenses - Diocese

This line item covers the cost of contracting with a certified public accounting firm to conduct an audit of the Diocesan financial records and to prepare an annual report as required by the Canons of the Episcopal Church.

Page 7, Line 10d: Chancellor’s Expenses

This line item allows the Chancellor to participate in the Western Chancellors' Conference, and provides access to a computer research service and certain publications in support of the legal assistance that the Chancellor's Office gives to the Diocese and its congregations and institutions.

Page 7, Line 10e: Church Internet/Website support

This line item provides for assistance with the costs of maintaining the websites for churches. The budgeted amount is lowered to more closely match actual costs.

Page 7, Line 10f: Contract Communications Coordinator

This covers the contract for the Editor of the e-News/e-Chronicle and Webmaster of the Diocesan website.

Page 7, Line 10g: Diocesan Convention

This line item covers the unreimbursed cost of holding the annual meeting of the Diocesan

Convention, including area meeting costs, convention meeting costs, supplies, materials, and postage. This cost is net of registration fees/meals and shared travel costs. The budgeted amount for 2018 was significantly higher than 2017 (or 2019) because the 2018 convention was held on Hawai‘i island.

**Page 7, Line 10h: Directors & Officers Insurance**

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

**Page 7, Line 10i: General Convention Deputy Support**

This line item provides for the annual accumulation of funds to be held in reserve over three years to support the eight deputies (four clergy and four lay) and two alternates (first alternate for clergy and first alternate for lay) from our Diocese who attend the triennial General Convention of the Episcopal Church (the next one scheduled for July 2021 in Baltimore, Maryland). As there is a carryover balance, the amount set aside in 2019 can be reduced. It may increase again in 2020.

**Page 7, Line 10j: Legal and Related Expenses**

This represents the legal, ethical, Disciplinary Board, and related costs incurred by the Diocese. The increase is mainly to pay for contract, lease, and license review for missions, which we now pay. Unexpended legal expenses up to \$5,000 will be set aside as a reserve to cover potential future legal expenses.

**Page 7, Line 10k: Meeting Costs: Other**

This line item provides funds for incidental and travel costs for meetings that arise because of emergencies or other unanticipated circumstances.

**Page 7, Line 10l: Strategic Initiatives**

This budget account is for expenses related to the completion of work to be done by the Design Teams.

**Page 7, Line 10m: Office Expenses**

This line item includes the telephone, copying costs, equipment maintenance, subscriptions, postage, equipment purchases, supplies, etc.

**Page 7, Line 10n: Property - Cluett**

The Diocese owns the Cluett apartments located on Queen Emma Square. Management of the apartments is contracted out to a property manager. This account covers the cost of water, repairs of the apartments, property and liability insurance, property management fees, and general excise tax.

**Page 7, Line 10o: Property - Diocese**

This account covers general liability and umbrella insurance, property management fees, and the cost of maintenance of the trees on the Diocesan parking lot.

Page 7, Line 10p: Property - MacCray House

The property was sold in 2017, so nothing is budgeted for 2019.

Page 7, Line 10q: Property Taxes – Cluett Apartments and Parking Lot

This line item pays the property taxes on the parking lot and the Cluett apartments rented for income by the Diocese.

Page 7, Line 10r: Province VIII Quota

This line item funds the voluntary assessment the Diocese pays to the Province. Hawai‘i is part of Province VIII of the Episcopal Church, and this is the amount the Diocese pays to help with Provincial programs and administration. The Executive Committee of Province VIII, in accordance with Ordinance IX, Section 6 of the Ordinances of the Province, determined that the asking/assessment rate to support the activities of the Province for the 2019/2021 triennium will be **0.35% of net disposable income**. This line item reflects that amount.

Page 7, Line 10s: Staff Continuing Education

This line item covers the cost of continuing education for the Office of the Bishop staff.

Page 7, Line 10t: Staff Support Costs

This line item covers temporary staffing for special projects.

Page 7, Line 10u: Storage

This budget item covers the cost of storing records in a secure, off-site location due to space limitations in current office quarters.

Page 7, Line 10v: Technology Support

Included in this line item is the contract for outsourced IT support, software, computer upgrades, and the purchase of needed technology.

Page 7, Line 10w: The Episcopal Church Quota (Assessment)

This funds the assessment the Diocese pays to The Episcopal Church nationally to contribute toward its work and ministry. The 2019 assessment is 15% of the 2017 Diocesan income, which includes parochial giving, unrestricted operating investment income, and restricted investment income used to pay operating expenses, minus a \$140,000 exemption. Prior to 2019, the exemption amount was \$150,000. The exemption amount of \$140,000 will be in effect 2019-2021. The Diocese of Hawai‘i always pays the full ask amount of the General Convention.

Page 8, Line 11a: Cathedral Capital Reserve

This line item acknowledges that the Diocese needs to share costs of capital improvements of the Memorial Building (for example, the roof). This reserve fund will allow Diocesan Council to respond to such needs. The funds are put into the Diocesan endowment account.

Page 8, Line 11b: Diocesan Office Cleaning Expense

This budget item covers the cost for cleaning the Office of the Bishop.

Page 8, Line 11c: Security Shared with the Cathedral

This is the Diocese's portion of the cost of maintaining security for Queen Emma Square. The other Episcopal entities on the Square share in the cost of these services.

Page 8, Line 11d: Shared Cathedral Expenses

The Diocese pays a portion of the Cathedral's maintenance budget because of the presence of the Office of the Bishop on the second floor of the Memorial Building. This is a non-assessable building use expense reimbursement.

Page 8, Line 12a: Governance Groups Travel

This line covers the cost of travel and audioconference meeting costs for meetings of the governance groups of the Diocese, including Standing Committee, Diocesan Council, Compensation Review Committee, Commission on Ministry, and for clergy and warden meetings with the Bishop.

Page 8, 12b: Staff Travel

This line item supports the ministries of members of the Office of the Bishop by funding travel for meetings, consultations, and church-related programs.

Page 8, Line 13a: Kapolei land

This budget line pays the property taxes and other expenses to maintain property purchased in Kapolei for future construction of a church in this growing area of O‘ahu. Until a church facility is built on the site, the Diocese must pay property taxes.

Page 8, Line 13b: Medigap Program

This line item provides a subsidy to eligible retired clergy and their spouses to cover a portion of their Medigap insurance costs.