2027 BUDGET OVERVIEW

As in most budgeting processes, Diocesan Council attempts to balance The Episcopal Church in Hawai‘i’s (“TECH”) projected financial needs with projected financial resources. Council further attempts to construct a conservative budget by slightly underestimating income and slightly overestimating expenses, allowing unforeseen events to be accommodated during the year. This process was once again challenging, due to the unusually mixed economic circumstances we are currently facing, increasing requests for financial aid to help pay for property repairs and ministry expenses, increasing legal fees, increasing requests for Diocesan Support Center (DSC) staff to help with administrative/training work (such as Parochial Report, submission of online forms, Safe Church, Church Pension Group reporting), and increasing insurance costs, to name a few.

The assessment has been at 16.5% since 2022. That 16.5% assessment rate is proposed to remain the same. Of Province 8 dioceses we are in the middle of the pack at 16.5%.

The Endowment draw rate was set by Diocesan Council at 4% in 2018. It was temporarily increased to 5% in 2021 to compensate for other revenue shortfalls due to the pandemic. It was reduced to 4.5% in 2022 through 2026. Eventually Council wants to return to a more sustainable 4% draw rate, but in 2027, Council is proposing a 4.5% draw rate. The draw formula is based on a trailing 12 quarter average Endowment value.

During this year’s budget process, the Diocesan Council continued with the task of evaluating the repercussions of the Maui fires that occurred on August 8, 2023. The Diocese continues to collaborate with the Episcopal Relief and Development to provide further relief.

2027 BUDGET v1.13 SUMMARY

TECH’s Proposed 2027 Budget is balanced, with total budgeted expenses/transfers equal to total budgeted income/transfers.

Total Income/Transfers in TECH’s 2027 Budget is $3.087 million, a decrease from $3.242 million in the 2026 Budget. Net **Assessment Income** of $1.611 million represents 52.20% of Total Income in 2027 versus 46.08% in the 2026 Budget. Budgeted **Investment Income** of $930.5K (30.14%) is higher than the 2026 Budget amount of $801.6K (24.7%). **Rentals, Other Income, and Grants** in the 2027 Budget, is $358K (11.60%). **Transfers from Reserves** in the 2027 Budget, is $186K (6.06%).

Total Expenses in TECH’s 2027 Budget are $3.087 million, a decrease from budgeted 2026 Total Expenses of $3.242 million. **Diocesan Organization Expenses** of $2.322 million represents 75.22% of Total Expenses in the 2027 Budget, versus $2.554 million (79%) in the 2026 Budget. **Ministry and Mission Expenses** of $728K represents 23.58% of Total Expenses in the 2027 Budget versus $640K (19.76%) in the 2026 Budget. **Transfers to Reserves** of $37.1K represents 1.20 % of Total Expenses in the 2027 Budget versus $47K (1.45%) in 2026.

Line-by-line specifics follow:

INCOME

Line 1a: Assessments

Assessment income is the amount levied by the Convention (as authorized by Article XII of the Constitution of the Diocese) on each congregation in the Diocese of Hawai‘i to support the programs and expenses of the Diocese. The projected income shown in this budget is based on a 2027 assessment rate of 16.5% of each congregation's 2025 operating income, as reported by each congregation to the DSC in the same format as 2023's Parochial Report since the 2025 Parochial Report did not ask for operating income.

Lines 1b-1m: Investment Income

All projected investment income is net of investment fees, both managerial and custodial. *Endowment Funds:* To estimate income from investments for 2027, the Diocese budgets and will draw 4.5% of each eligible restricted and unrestricted endowment fund's average market value over the prior twelve quarters.

Trust Funds: There are four non-endowment funds of which the Diocese is the beneficiary of investment income but has no investment management oversight.

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

Line 1n: Parking

Parking income is from the rental of Diocesan parking spaces on Queen Emma Square which are rented to St. Andrew's Schools and up to one individual renter.

Line 1o:Kaneohe Property (Expense line 11f)

This budget line reflects rental income from Kaneohe Property. Income to match the expenses. Any excess rental income will be transferred to Kaneohe General Fund Sundry account.

Line 1p: Interest

This represents the interest earned on Diocesan cash accounts and short-term investments.

Line 1q: Miscellaneous

Miscellaneous gifts and other income are included in this line item. This number is a "guesstimate" based on previous year's actual. There are no steady, consistent numbers for this line item.

Line 1r: Registration Fees (Expense line 6a & 10e)

Income from the registration fees for Leadership Development events & the Annual Meeting of the Convention.

Line 1s: Shared Travel (Expense line 10f)

Shared travel income is the amount contributed collectively by all congregations to support travel expenses related to meetings of the Diocesan Convention. Any unused funds at year-end will be carried forward in the Diocesan Convention travel reserve account for future use.

Line 1t: Maui ERD 75% (Expense line 5f & 5i)
75% of the Maui Community Relations Coordinator's salary and Maui Community Relations Administrative Assistant salary (part-time position) is funded by the ERD grants.

Line 1u: Maui ERD (Expense line 9d)
The estimated portion of TECH's Controller's salary that is directly related to ERD grants is funded by the ERD grants.

Line 1v: St. George's Endowment Fund (Unrestricted)
In 2026, the estimated transfer from this account was used to help balance the budget. In 2027, this fund is included as part of line item 1i.

Line 1w: Waiolaihui‘ia Center for Ministry (WCM) (Expense line 6f)
This represents temporarily restricted donations received for WCM, the Diocesan Local Ordination and Licensed Lay Ministry Formation Program.

Line 1x: Bishops Emergency Fund (Expense line 7a)
This represents earmarked funds set aside for distribution as grants to congregations to pay for unplanned emergencies that threaten the ministry of the congregation. These funds are transferred as needed based on actual disbursements.

Line 1y: Bishop's Pastoral Fund-Missioner (Expense lines 5f-5i)
Funds transferred from donations to Bishop's Pastoral Fund-Missioner to help pay for expenses related to the Maui Community Relations Coordinator and Maui Community Relations Administrative Assistant. The actual amount of the transfer will be determined by actual expenses.

Line 1z: Bishop Transition
Designated funds available to support transactions related to the VI Bishop transition in 2026. Nothing in the budget for 2027.

Line 1aa: Unrestricted Reserve Fund
Funds transferred from the Property Maintenance Reserve Fund, previously allocated for Cluett Apartments ($32,470.58) maintenance, to the General Fund to help balance the budget and address the projected deficit in 2026. Nothing in the budget for 2027.

Line 1ab: Fleming Trust Fund
Unrestricted donation received from the Fleming Trust in 2024, available to support the budget as needed in 2026. Nothing in the budget for 2027.

Line 1ac: Executive Council Reconciliation (Expense line 2c)

Funds transferred from Sundry reserve to support Hō‘imi Pono: The Racial Reconciliation Ministry of the Diocese of Hawai‘i.

Line 1ad: General Convention Travel (Expense line 12c)
Fund transfer from Sundry reserve as of 12.31.2026 to cover the expenses for the Bishop, the Bishop's spouse, Bishop Bob, and the eight Diocesan deputies and two alternates attending the 2027 General Convention of The Episcopal Church.

Line 1ae: Planned Giving Legacy Society (expense line 4c)
Fund transfer from Sundry reserve to help pay for planned giving expenses.

Line 1af: Curacy Support Reserve Fund (Expense Line 3e)
Fund transfer from endowment to help pay for partial portion of Kaneohe ministry compensation package.

Line 1g: Kaneohe General Fund (Expense Line 3f)
Fund transfer from Sundry fund to help pay for Kaneohe ministry pension.

EXPENSES

Line 2a: Na Leo o Na ‘Ōiwi (formerly Native Hawaiian Ministries Committee)
Funds may be used for expenses related to Hawai‘i’s native language, culture, and history. It is also noted that this Committee has $312.80 (as of 5/30/2026) in the Kanaka Maoki Program Sundry account.

Line 2b: Tongan Ministry
This line item is used to help pay for ministry to our Tongan community.

Line 2c: Hō‘imi Pono: The Racial Reconciliation Ministry of the Diocese of Hawai‘i (income line 1ac)
This funding is to assist in diversity training, communication, resource development and implementation 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. Hō‘imi Pono: The Racial Reconciliation Ministry of the Diocese of Hawai‘i, is continuing their training of congregations in this important work. Funds allocated for the work of this Task Group are from income line item 1ab Exec. Council – Reconciliation fund and the balance as of 5/30/2026 was $13,717.98.

Line 2d: Safe Church
This line item funds training required by General Convention resolutions and by Diocesan policy for educating church leaders and volunteers about sexual misconduct and to promote a Safe Church environment. The 2027 budget reflects the desire for both in-person and online training.

Line 2e: Kahuaola
The Creation Care Ministry of The Episcopal Diocese of Hawai‘i. This line item will help fund initiatives for this ministry

Line 2f: Carbon Offsets
This line item will be used to help fund carbon offsets for air travel.

Line 2g: Philippines Travel
This line item was used in 2025 to fund travel to the Philippines to help fulfill action of the 2023 Diocesan Convention to establish “tripartite relationship with the Diocese of Batac in the Iglesia Filipina Independiente (IFI) and the Diocese of Northern Luzon in the Episcopal Church of the Philippines (ECP)” with our Diocese and to ensure continued Filipino (especially Ilokano language) ministry in this Diocese. Nothing was budgeted for 2026 as well as 2027.

Line 2h: Bishop’s Initiatives
This is a new line item to help fund new initiatives from the Bishop.

Line 3a: Grace, Moloka‘i (Income line 1c)
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 (see www.gracechurchmolokai.com).

Line 3b: Church Internet/Website Support
This line item was established to encourage churches to transition from the Yellow Pages method of searching for a church to a website. The funds were used to help with the costs of maintaining the websites for Churches. Starting 2024 this support was limited to mission churches only.

Line 3c: Legal and Related Expenses for Churches
This represents legal and related costs incurred by the Diocese on behalf of churches.

Line 3d: Hālau Wa‘a Church Plant
Hālau Wa‘a Episcopal is a new mission church, organized in 2022, serving the population of over 120,000 residents and potential spiritual seekers in the Honouliuli ahupua‘a (Kapolei, ‘Ewa Beach, and Makakilo). The mission is developing a New Episcopal Community template of wa‘a (small group ministries) empowering each member’s spiritual journey by bringing God’s word into everyday activities. The individual wa‘a gather for renewal, community, and worship as Hālau Wa‘a Episcopal. The funds are largely used for partial compensation of the Vicar, the Rev. Mark Haworth. The Episcopal Church in Hawai‘i owns land near Kapolei Elementary School (11e). This line assumes future reductions in support as the mission works toward self-sufficiency.

Line 3e: Kaneohe Ministries Salary (Includes SECA)(Income line 1af)
This line item supports the compensation package for Kaneohe ministry. Partially funded by Curacy Support Reserve Fund.

Line 3f: Kaneohe Ministries – Pension Contribution (Income line 1ag)
This line item supports the pension for Kaneohe ministry. Funding comes from Kaneohe General Fund.

Line 4a: Camp Mokulē‘ia
Camp Mokulē‘ia (see https://www.campmokuleia.org) operates as a subsidiary of the Diocese. Programs include summer camps consisting of a high school program, a middle school program, and a shorter elementary school (entering grades 4-6) program. There may also be Camp Mokulē‘ia staff-led camps outside of the Camp, and other events. The budget includes an allocation of $73,000 (no change since 2025-or earlier?) for the ongoing maintenance and programs of the Camp. This is the minimum support Diocesan Council has discerned that the Diocese should provide to show commitment to this ministry.

Line 4b: Christian Formation
Christian formation is most effectively done on the congregational level, but this line item

helps to support those efforts by funding Diocesan membership fees for programs such as Education for Ministry (EfM), Godly Play, and StoryMakers. Training for clergy and lay leaders is funded elsewhere in this budget (6a-Leadership Development).

StoryMakers: 15 Churches are currently engaged, with a total of 30 “seats” confirmed and 25 on hold.

Godly Play: 4 active congregations 1 developing, and 2 currently paused. They are currently working on a major project to write and present a story of Queen Emma for The Episcopal Church and the Godly Play Foundation (a group of kumu from across TECH and Hawai‘i are participating in this work).

Line 4c: Planned Giving (Income line 1ae)
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 for congregations’ leaders and direct support for congregations and works with the Episcopal Church Foundation (ECF) on marketing, training, and gift planning. This line item may also fund Ho‘ike Ulu Legacy Society events that honor good stewards who have remembered their congregations, the Diocese, or another Diocesan ministry in their wills or estate plans.

Line 4d: Youth Ministry Coordinator - Salary
This position is not being budgeted for in 2027 while an evaluation of this ministry takes place in 2027. The volunteer Youth Ministries Task Force will help to take on some of these responsibilities.

Line 4e: Diocesan Youth Ministry - Program
These funds are for program expenses for Youth Ministry.

Line 5a: A Cup of Cold Water (income line 1h)
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 all Maui congregations. Like Camp Mokulē‘ia and St. Andrew’s Schools, ACCW is a subsidiary of The Episcopal Church in Hawai‘i. The program 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 includes other churches and other religious communities. (See https://www.episcopalhawaii.org/a-cup-of-cold-water.html)

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.

Line 5c: Prison Chaplaincy (18 hours/.45 FTE)
This represents only the compensation (including SECA) for a part-time chaplain, currently the Rev. Kaleo Patterson. Most prison chaplaincy activity and programs take place on O‘ahu, where most of the incarcerated are processed upon entry into the system, and released or transferred to

facilities on neighbor islands, or Saguaro, Arizona. There was a 22% increase in 2024 , 4.5% increase in 2025 & 4% increase in 2026. This line assumes a 3% increase for 2027.

Line 5d: Prison Chaplaincy – Pension Contribution
Pension payments for the Rev. Kaleo Patterson ended in August 2026 due to mandatory start of collecting pension.

Line 5e: Prison Ministry – Program (income line 1h)
This line item provides funds to support prison ministry expenses required to provide oversight of all prisons in Hawai‘i and Saguaro Correctional in Arizona, and the Federal Detention Center in Honolulu, utilizing volunteers and local churches, community partnerships, program and curriculum development, printing, materials, and supplies needed for: Makahiki Classes and Ceremonies, Baibala English/Hawaiian Language Classes, Hawaiian Bibles, Episcopal Holy Eucharist and other Services, and special programs, Reentry Backpacks, reentry services, and support, such as cell phones, housing assistance, and Holo bus passes, other travel assistance, and alms, which provide a continuity of prison ministry and pastoral care from in-prison to community reentry. The Diocesan Council views this as an important living out of the gospel, "…I was in prison and you visited me." (Matthew 25:36 NRSV) Here is also the understanding that we are called "…to bring good news to the oppressed, to bind up the brokenhearted, to proclaim liberty to the captives, and release to the prisoners. (Isaiah 61:1 NRSV)

Line 5f: Maui Community Relations Coordinator – Salary (Income line 1t & 1y)
This line item represents the full-time salary for the Maui Community Relations Coordinator, the Rev. Kalani Holokai. This line assumes a 3% increase for 2027.

Line 5g: Maui Community Relations Admin Asst – Salary (Income line 1t & 1y)
This line item represents the part-time salary for a Maui Community Relations Administrative Assistant, currently unfilled.

Line 5h: Health Ins (lines 5f & 5g) (Income line 1y)
This is for the health insurance premiums for the Maui Community Relations positions. Current Coordinator has waived coverage, and the Administrative Assistant position is estimated at subscriber plus one dependent. (NOTE: the admin asst position is a part-time position and therefore only allowed single plan)

Line 5i: Pension/Retirement (lines 5f & 5g) (Income line 1t & 1y)
This is the employer pension/retirement contributions for the Maui Community Relations positions.

Line 6a: Leadership Development (Income line 1r)
This is for training and/or conferences for clergy and lay leadership events like "Spring Training," "Education Day" and other special events. Lay leaders include, but are not limited to, wardens, vestry/Bishop's Committee members, treasurers, and church administrators.

Line 6b: Clergy Retreat and Conference (Income line 1e)
This is to fund two clergy events during the year: a clergy retreat and a clergy conference.

Line 6c: Commission on Ministry (COM)
This line item includes expenses such as:

- Psychological testing and background checks for those in the ordination process (both of which are required by church canon) and 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.
- The cost of various books, periodicals, and other resources intended to promote leadership or ministry development and discernment throughout the Diocese.

Line 6d: Retired Clergy (income line 1j)
This is to help fund expenses for ministry to retired clergy, their spouses, and widowed spouses of clergy.

Line 6e: Clergy Spouse
This is to help fund expenses for ministry to clergy spouses/partners and widowed spouses of clergy.

Line 6f: Waiolaihui‘ia Center for Ministry (WCM) (Income line 1w)
WCM is Hawai‘i’s program for licensed lay ministries and those being formed for ordination to the priesthood or vocational diaconate. This program is intended to provide training and formation for mature persons, established in the local life of Hawai‘i, for whom the disruption and cost of residential seminary is not feasible. Ordination-track individuals have the flexibility and stability to serve a congregation, and are expected to meet all canonical requirements for ordination. This is partially funded by a temporarily restricted fund.

Line 7a: Emergency Grants (income line 1x)
These monies are used to help fund congregations with unplanned/unforeseen expenses such as retaining walls, sewer systems, plumbing, electrical, etc. and ministries that support the vision and goals of The Episcopal Church in Hawai‘i. These grants of up to $3,000 can be approved by the Bishop and grants over $3,000 must be approved by Diocesan Council on the recommendation of the Bishop. This is partially funded by the Bishop’s Emergency Fund.

Line 8a: Bishop (income line 1b)
This line item was for the compensation (including SECA) for the 5th Bishop Diocesan, the Rt. Rev. Robert Fitzpatrick who retired in 2026 so nothing in the budget for 2027.

Line 8b: Health Insurance (income line 1b)
This represented the premiums for health insurance for the 5th Bishop Diocesan, the Rt. Rev. Robert Fitzpatrick plus spouse who retired in 2026 so nothing in the budget for 2027.

Line 8c: Pension/Retirement Contribution (income line 1b)
This represented the pension contribution for the 5th Bishop Diocesan, the Rt. Rev. Robert Fitzpatrick who retired in 2026 so nothing in the budget for 2027.

Line 8d: Hospitality (income line 1b)
This supported the 5th Bishop Diocesan's ministry of hospitality. The Rt. Rev. Robert Fitzpatrick retired in 2026 so nothing in the budget for 2027.

Line 8e: Board Responsibilities (income line 1b)
This line item was for the cost of fulfilling one of the bishop's board responsibilities, supporting the fundraising activities of the entities on whose board of directors he served by virtue of the office (St. Andrew's Schools, ‘Iolani School, Seabury Hall, and Camp Mokulē‘ia). The Rt. Rev. Robert Fitzpatrick retired in 2026 so nothing in the budget for 2027.

Line 8f: Key Person insurance (income line 1b)
This line item paid for the insurance premium for the bishop's life insurance benefitting the Diocese in the event of the bishop's death. The Rt. Rev. Robert Fitzpatrick retired in 2026 so nothing in the budget for 2027.

Line 8g: Travel and Continuing Education (income line 1b)
This covered the bishop's and spouse's travel expenses (transportation, meals, lodging, etc.) for church visitations, meetings, conferences, etc. It also covered the bishop's continuing education. The Rt. Rev. Robert Fitzpatrick retired in 2026 so nothing in the budget for 2027.

Line 8h: 6th Bishop (income line 1b)
This line item is only for the compensation (including SECA) for the 6th Bishop Diocesan, the Rt. Rev. Elizabeth Berman. There is a fund (income line item 1b) that partially funds line items 8h-8n.

Line 8i: 6th Health Insurance (income line 1b)
This represents the premiums for health insurance for the 6th Bishop Diocesan, the Rt. Rev. Elizabeth Berman plus spouse.

Line 8j: 6th Pension/Retirement Contribution (income line 1b)
This represents the pension contribution for the 6th Bishop Diocesan, the Rt. Rev. Elizabeth Berman.

Line 8k: 6th Travel and Continuing Education (income line 1b)
This covers the 6th Bishop's and spouse's travel expenses (transportation, meals, lodging, etc.) for church visitations, meetings, conferences, etc. It also covers the bishop's continuing Education

Lines 8l Hospitality (income line 1b)
This supports the 6th Bishop's ministry of hospitality. As part of her episcopal responsibilities, she exhibits Hawai‘i's aloha spirit and hosts individuals and groups, reciprocates hospitality, and develops partnerships.

Line 8m: Board Responsibilities (income line 1b)
This line item is for the cost of fulfilling one of the bishop's board responsibilities, supporting the fundraising activities of the entities on whose board of directors she serves by virtue of the office (St. Andrew's Schools, ʻIolani School, Seabury Hall, and Camp Mokulēʻia). It was decided that this should be separated from hospitality since this contribution is an expectation of board members.

Line 8n: Key Person insurance (income line 1b)
This line item pays for the insurance premium for the bishop's life insurance benefitting the Diocese in the event of the bishop's death.

Line 8o-8aa: Bishop Transition
None in 2027

Line 9a: Executive Assistant to the Bishop
This line item is only the compensation for the Bishop's Executive Assistant, Ms. Nani Carroll. The Executive Assistant provides administrative support to the Bishop and the Diocese. This line assumes a 3% increase for 2027.

Line 9b: Canon to the Bishop
This line is only the compensation (including SECA) for the Canon to the Bishop. This position is currently unfilled until a necessary review of what is needed has been done and an appropriate job description is created.

Line 9c: Canon for Ministry Formation (10 hrs / .25 FTE)
This line is only the compensation (including SECA) for the Canon for Ministry Formation, the Rev. Cn. Andrew Arakawa. This staff position oversees the Waiolaihuiʻia Center for Ministry (WCM), is the staff liaison with the Commission on Ministry, and provides assistance with clergy continuing education. This line assumes a 3% increase for 2027.

Line 9d: Controller (Income line 1u)
This line item is only the compensation for the Diocesan Controller, Ms. Jasmi Regmi. The Controller performs the following tasks and functions: General Ledger, preparation of financial statements and reports, work with diocesan treasurers so they can report to governance bodies, non-diocesan grants support to churches, bank liaison, loans, audit preparation, church financials/financial section Parochial Reports review. DSC liaison to Commission on Investments and Commission on Finance. This line assumes a 3% increase for 2027.

Line 9e: Accountant
This line item represents only the compensation for the accountant, Ms. Cammy Liu. The accountant performs accounting tasks such as, general ledger, accounts payable, accounts receivable, payroll, reconciliations, and air travel requests. This line assumes a 3% increase for 2027.

Line 9f: Financial Review Assistant (25 hrs/0.625 FTE)
This line item covers only the compensation for the Financial Review Assistant, Mr. Spencer Lum, who performs the annual Agreed Upon Procedures (AUP) reviews for mission churches and provides accounting advice/support to all churches during the rest of the year. This line assumes a 3% increase for 2027.

Line 9g: Operations Assistant
This line item represents the compensation for the Operations Assistant, Ms. Kaori Matsumoto. The assistant will help verify that congregations follow Diocesan policies, reporting requirements, as well as helping congregations with online only forms/submissions. This line assumes a 3% increase for 2027.

Line 9h: Operations Manager
This line is only the compensation for the Operations Manager, Ms. Rae Costa. This position is responsible for the following tasks and functions: insurance, event planning, human resources, policies and procedures, and DSC operations. This line assumes a 3% increase for 2027.

Line 9i: Office Support (PT: 9 hrs/0.25 FTE)
This line is only the compensation for the Office Support position, Mr. Sonny Liu. This position provides clerical support to DSC staff and volunteers such as organization of files, scanning, filing, mailings, etc. This line assumes a 3% increase for 2027.

Line 9j: Operations Support Assistant (PT: 10 hrs/0.25 FTE)
This line was only the compensation for an Operations Support Assistant. This position is being reviewed in 2027 and therefore not budgeted for 2027.

Line 9k: Admin Support – Bishop Transition (PT: 19 hrs/0.5 FTE)
This line was only the compensation for Admin Support – Bishop Transition. This was a temporary position to provide administrative support for a smooth and efficient transition for the incoming Bishop and Diocesan leadership. This position is no longer needed.

Line 9l: Creative Communications Specialist (income line 1d)
This line is only the compensation for the Creative Communications Specialist, Ms. Sybil Nishioka. This position includes being the Editor of the e-Chronicle and Webmaster of the Diocesan website, providing video enhancements, creation of logos, flyers, and announcements, and oversight of communications. A portion of this expense is covered by a restricted fund (income line item 1e). Compensation for this position will increase as much as possible each year until it reaches industry standard.

Line 9m: Archivist (PT: 4 hrs/0.1 FTE)
This line is only the compensation for the Archivist, Mr. Stuart Ching. This position is responsible for the Archives for the Diocesan and Congregational Records. This line assumes a 3% increase for 2027.

Line 9n: Health Insurance (employees this section)
Health insurance coverage premium for each DSC employee varies based on hours worked per

week, and employee election. The annual premiums paid based on eligibility is estimated at Employee Only $15,036, Employee + One $30,012, and Family $45,000.

Line 9o: Pension/Retirement Contribution (employees this section)
This line item represents the pension/retirement contributions that TECH pays for its eligible DSC employees.

Line 9p: Employment Taxes & Insurance (all employees)
This line items is for employment taxes and insurance for DSC employees.

Line 10a: Archives supplies
This line item 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 attendance by our Diocesan Archivist at a professional development conference. The current archive's location is too small. Plans are being made to increase the Archives space. Any unused funds will be transferred to a sundry account to help pay for this renovation and/or supplies.

Line 10b: Audit Expenses – Diocese
This line item covers the cost of contracting with a Certified Public Accountant (CPA) or certified public accounting firm to conduct an audit of the Diocesan financial records and to prepare a report as annually required by the Canons of The Episcopal Church.

Line 10c: 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 gives to the Diocese and its congregations and institutions.

Line 10d: CPA/Accounting Contract Services
This line item covers outsourced CPA and Accounting services as needed.

Line 10e: Annual Meeting (Income line 1r)
This line item covers unreimbursed costs of holding the Annual Meeting of the Convention, including venue costs, supplies, materials, and postage. It is partially funded by registration fees collected. Renamed from Diocesan Convention.

Line 10f: Annual Meeting Travel (Income line 1s)
This line item covers the travel expenses for members of the Diocesan Convention. It is funded by Shared Travel Assessments. Renamed from Diocesan Convention Travel.

Line 10g: Diocesan Office Cleaning Expenses
This budget item covers the cost for cleaning of the DSC offices which was reduced from two times per week to once a week due to increased costs.

Line 10h: Directors & Officers Insurance
This is used to pay the premiums for liability insurance for The Episcopal Church in Hawai‘i

from errors and omissions by its directors, officers, and volunteers. The insurance premium is based on claims experiences and market conditions.

Line 10i: Legal and Related Expenses for Diocese
This represents legal, ethical, Disciplinary Board, and related costs incurred by the Diocese for the Diocese. Unreimbursed legal and related expenses for churches is on line 3c (Support for Congregations section). Unexpended funds from this line item will be set aside as a reserve to cover potential future legal expenses.

Line 10j: Administrative Expenses
This line item was renamed in 2024 from Office Expenses to Administrative expenses to better describe the expenses in this line item. It includes telephone, copying costs, equipment maintenance, subscriptions, postage, equipment purchase, supplies, employment services fees, and other expenses related to administration. The 2027 budget also includes one-time expenses associated with recruitment and relocation of a new Canon to the Bishop, including candidate travel and moving costs.

Line 10k: Post-Retirement Benefits (formerly Medigap Program) (Income line 1j)
This line item provides a subsidy to eligible qualified retired clergy (and their spouses) and qualified lay employees of The Episcopal Church in Hawai‘i (DSC staff) who started their employment in the Diocese prior to Sept. 1, 2021, to cover a portion of their Medicare Advantage and/or Dental insurance costs. The guidelines for eligibility are currently based on employment status in a compensated position and years of service in the.

Line 10l: Staff Continuing Education
This line item covers the cost of continuing education for the DSC staff.

Line 10m: Archives record storage
This budget item covers the cost of storing records in a secure, off-site location due to space limitations in current office quarters.

Line 10n: Technology Support
Included in this line item is the contract for outsourced IT support, software, computer upgrades and the purchase of needed technology.

Line 11a: Security Shared with the Queen Emma Square
This is the Diocese’s portion of the cost of maintaining security for Queen Emma Square. The other Episcopal entities on the Square also share in the cost of these services.

Line 11b: Shared Cathedral Expenses
The Diocese shares in the Cathedral’s maintenance budget because of the presence of the DSC on the second floor of the Memorial Building. This is a non-assessable building use expense reimbursement.

Line 11c: Property - Diocese
This account covers expenses related to Queen Emma Square (including the portion of

the square where the Cluett apartments were), such as general liability and umbrella insurance and the cost of maintenance of the trees on the Diocesan parking lot.

Line 11d: Property Taxes – Grounds and Parking
This line item pays the property taxes on the grounds and parking lots on the Square rented for income by the Diocese.

Line 11e: Kapolei land
This budget line pays the property taxes and other expenses to maintain the property in Kapolei. As there is not currently a Church building on the site, the Diocese must pay property taxes.

Line 11f: Kaneohe Property (Income line item 1o)
This budget line pays the property taxes, insurances and other expenses to maintain the property in Kaneohe. Rental income from the property will be used to cover these expenses.

Line 12a: Governance Groups Travel
This line covers the cost of travel for meetings of the governance groups of the Diocese, including Standing Committee, Diocesan Council, Compensation Review Committee, Commission on Ministry, etc. and for clergy and warden meetings with the Bishop. This line item has been significantly increased due to requested increase of in-person meetings.

Line 12b: Staff Travel
This line item supports the ministries of members of the DSC by funding travel for meetings, consultations, conferences, and church-related programs.

Line 12c: General Convention Travel (Income line 1ad)
This line item supports the travel cost to General Convention for Diocesan deputies which occurs every 3 years. For 2027 this line item covers the expenses for the Bishop, the Bishop's spouse, Bishop Bob, and the eight Diocesan deputies and two alternates attending the 2027 General Convention of The Episcopal Church.

Line 13a: The Episcopal Church Quota (Assessment)
This funds the assessment the Diocese pays to The Episcopal Church to contribute toward its work and ministry. The 2027 assessment is 15% of the 2025 Diocesan income, which includes parochial giving, unrestricted operating investment income, and restricted investment income used to pay operating expenses, minus a $200,000 exemption.

Line 13b: 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.

Line 14a: EYE Travel Fund Reserve
Every three years, there is a nation-wide Episcopal Youth Event. The last one was July 4-8, 2023, on the campus of the University of Maryland. There was no EYE event planned for 2026.

Instead it was encouraged to have Provincial Youth Events. Hawai‘i hosted for Province VIII in 2026. It is the Diocese's practice to fund the full cost of chaperones plus one-third of the cost for each youth, while expecting congregations and individuals to support the balance. This amount will go into the reserve fund for the next EYE or PYE just as the Diocese reserves funds each year for General Convention.

Line 14b: General Convention Support Reserve Fund
This line item provides the annual allocation to a reserve fund to be held over three years to support the Bishop and their spouse, eight deputies (four clergy and four lay), the first alternate for clergy, and first alternate for lay from our Diocese who attend the triennial General Convention of the Episcopal Church. The next General Convention is scheduled for 2027 in Phoenix, AZ. No reserve is in the budget for 2027, so the amount set aside in 2028 and 2029 will have to increase accordingly to cover the expense for 2030

Line 14c: Lambeth Conference Travel Reserve Fund
This line item funds a reserve to pay for the Bishop's and their spouse's attendance at future Lambeth conferences. The most recent one was in July 2022. The current funding is to prepare for the next Lambeth Conference – date to be determined.

Line 14d: Future Bishops' Transition Reserve Fund
This line item funds a reserve to cover the costs of transitions of future bishops. The amount in the reserve account as of March 2025 was approximately $350,000 and will be depleted in 2026. Transfers will recommence in 2027.

Line 14e: Memorial Building Capital Reserve Fund
This line item funds the Memorial Building Capital Reserve to share costs of capital improvements of the Memorial Building (for example, the roof), where the DSC is housed.

Line 14f: Curacy Support Reserve Fund
This line funds a reserve to support Curacies without causing an undue burden on future budgets when the funds are needed.

Line 14g: DSC Staff Sabbatical Reserve Fund
This line funds a reserve to support DSC Staff Sabbatical expenses without causing an undue burden on future budgets when the funds are needed. One employee is currently eligible for sabbatical, and one additional employee will be eligible August 2, 2027.