

Recommendations:

The Per Capita and Financial Sustainability Committee has modified its recommendations since presenting them to the 224th General Assembly. Concurring with the All Agency Review (2010, 2016), the Way Forward Commission (2018), and the Moving Forward Implementation Commission (2020), taking into consideration changes in the wider church and the effects of COVID on presbyteries and congregations, and recognizing that this is still a story unfolding, the committee recommends that the 225th General Assembly do the following:

1. Form a commission to oversee and facilitate the unification of the Office of the General Assembly (OGA) and the Presbyterian Mission Agency (PMA) into a single agency, revise the Organization for Mission to reflect this change, and work to align the entities, boards, committees, and constituent bodies of the General Assembly toward long-term faithfulness and financial sustainability of its mission within the Presbyterian Church (U.S.A.).
 - a. The commission shall establish missional and ecclesial coordination and determine the strategies and priorities, across all entities, committees, and constituent bodies of the General Assembly where all available dollars, responsibilities, and charges are evaluated and unified to provide the best accomplishment of General Assembly goals.
 - b. The commission shall provide governance for and have the authority to assume all governance functions of the Presbyterian Mission Agency Board (PMAB) and the Committee on the General Assembly (COGA) as the commission deems necessary.
 - c. The commission will consult with representatives from OGA, PMA, and all other agencies, committees, staff, and PC (USA) entities and their boards, including the advocacy and advisory committees, and mid councils. Additionally, the executive leadership of PMA and OGA shall participate as requested.
 - d. The commission will have the authority to review, adapt, align as necessary, and organize the role(s) and relationships of all committees of the General Assembly, entities, boards, committees, and constituent bodies toward long-term faithfulness, financial sustainability, and a unified new structure.
 - e. This commission shall have the power to combine, unify, eliminate, and/or create any necessary organizational structure, including personnel and budget, to accomplish these missional strategies and priorities.
 - f. The commission shall review, address, and align the financial agreements including per capita, restricted, and unrestricted funds, among the Foundation, the Presbyterian Mission Agency, the Office of the General Assembly, and The Presbyterian Church

(USA) A Corporation (A Corp) to support the new Organization for Mission so that each area of mission has adequate funds to sustain its mission long term.

g. This commission shall not have the power to change the boards or bylaws of the Board of Pensions (BOP), the Presbyterian Publishing Corporation (PPC), the Presbyterian Investment and Loan Program, Inc. (ILP), the Presbyterian Foundation (PF), or The Presbyterian Church (USA) A Corp, but may make recommendations to these agencies in an effort to better align the mission goals and priorities of the General Assembly.

h. The commission recommendation for participation shall include:

(1) One member each from the Committee on the General Assembly (COGA), the Presbyterian Mission Agency Board (PMAB).

(2) Two members from the Special Committee on Per Capita and Financial Sustainability (PC/FS).

(3) A member of the Moving Forward Implementation Commission (MFIC) or its successor.

(4) Two commissioners from the 225th General Assembly (2022).

(5) Two members-at-large from the larger church, including persons with expertise in strategic planning, visioning, experience on administrative commissions, and/or institutional reorganization.

(6) To ensure representation, COGA, PMAB, MFIC, A Corp, and PC/FS will submit the names of four possible members to serve on the commission.

(7) The Moderator or Moderators of the 225th General Assembly (2022), after consultation with the General Assembly Nominating Committee (GANC) and the General Assembly Committee on Representation (GACOR), will name the commission.

(8) Staff from the Office of the General Assembly, the Presbyterian Mission Agency, and the Administrative Services Group (ASG) of A Corp will provide support to the work of the commission.

i. Once unification is finalized, the commission shall determine the structure moving forward and present the new Organization for Mission to the 227th General Assembly (2026).

2. Direct the General Assembly Moderator(s) to appoint a Funding Model Development team to develop, recruit, implement, and provide oversight of possible funding model experiments (see appendixes).

a. Funding Model Development Team to be made up as follows:

- (1) Two members of the Per Capita and Financial Sustainability Committee
- (2) Two commissioners from the 225th General Assembly (2022)
- (3) Three mid council leaders
- (4) One member each from the Presbyterian Mission Agency Board (PMAB), Committee on the Office of the General Assembly (COGA), and the Presbyterian Church (USA) A Corporation (ACORP)

b. The Funding Model Development Team shall receive support from staff of the OGA, PMA, ASG, and the Presbyterian Foundation (PF) and collaborate with other General Assembly entities as needed or requested.

c. The Funding Model Development Team will develop and implement experiments that will fund councils of the church, above the session, that will be consistent with the identified values and adaptive challenges of the mid councils. (see Appendix A: Hand-off Handbook, and Appendix B: Adaptive and Technical Challenges)

d. The Funding Model Development Team will provide oversight of possible funding model experiments (see Appendix A: Hand-off Handbook).

e. The Funding Model Development Team will report back to the 227th General Assembly(2026) their progress and any recommendations for moving forward.

Rationale

“The General Assembly constitutes the bond of union, community, and mission among all its congregations and councils, to the end that the whole church becomes a community of faith, hope, love, and witness.” G-3.0105

Only one council is given the charge to demonstrate the sacred connection of “union, community, and mission” that binds us together as the PC (USA). The Per Capita and Financial Sustainability Committee (PCFSC), agreeing with the All Agency Review (2010, 2016), the Way Forward Commission (2018), and the Moving Forward Implementation Commission (2020), hereby informs the commissioners of 225th General Assembly, once again, of a hard truth about our national church: our structure is not unified, our work is divided, and our mission is ineffective and unsustainable. Therefore, we strongly urge the General Assembly to take two actions: (1) Form a commission to unify our national church (PMA and OGA) into one agency with a unified mission, purpose, and program. (2) Form a funding development team to experiment with new funding models.

What follows in this rationale, and the many appendices attached, is the description of a full investigation into the financial sustainability of the Presbyterian Church (USA) and per capita as a funding model. Commissioners will find a great deal of data, analysis, and many summaries of reports, but this recommendation and report start and end with this: our denominational structure no longer serves our denomination, and, until that is corrected, no other actions will lead to significant change.

Financial Sustainability

Enough Money, Unevenly Distributed

When typical members and leaders in Presbyterian churches talk about “Louisville”, most often they do not understand there are six different agencies in the denomination. They rarely understand the relationships among the agencies, particularly with regard to funding.

The Presbyterian Foundation, the Board of Pensions, the Presbyterian Investment and Loan Program, Inc., and the Presbyterian Publishing Corporation were found to be sustainable because of access to resources and the autonomy to make changes to ensure sustainability. The other two agencies, the Office of the General Assembly and the Presbyterian Mission Agency are funded quite differently. The Presbyterian Mission Agency gains its income through: (1) fundraising (Basic Mission/Shared Mission [unrestricted], designated giving from congregations, special offerings from congregations, specific appeals primarily from individuals, gifts and bequests), (2) income from investments and endowments, and (3) sales of resources. PMA is also able to engage in mission interpretation and fundraising.

The Office of the General Assembly receives income from: (1) per capita income, (2) endowments, interest, and dividends, and (3) sales of resources and program services, (4) designated contributions from congregations and individuals. The bulk of income is derived from per capita. OGA is limited primarily to the will of the General Assembly—by requesting increases in per capita. This agency houses essential ecclesial functions of the church and the head of communion (see Appendix F: Financial Sustainability Report to the six agencies, ASG, MFIC, and Vision 2020).

While income to the PC(USA) (A Corporation) (the legal corporation of the church that provides business and corporate services and receives all revenue for PMA and OGA) varies based on natural disasters and fundraising, it has been largely stable for the past four years as determined from available audited financials. At the same time, per capita income has been flat, overall, and more than 80 percent of per capita is received at the national level. This does not reflect a crisis at the General Assembly level.

Multiple agencies and multiple boards lead to many (and sometimes competing) directions.

Practically speaking, there are three major program bodies of the national church, each with its own leadership board (or committee).

1. The Committee on General Assembly (COGA) is the committee that oversees the work of the General Assembly (GA) and the ministries that are needed to sustain its mission to the whole church and its ecclesial witness internationally. This mission is implemented by the Office of the General Assembly and its staff.
2. The Presbyterian Mission Agency (PMA) is the agency that runs and oversees most of the programmatic work of the national church at the direction of its board (PMAB).
3. The Presbyterian Church (U.S.A.), A Corporation ("A Corporation" or "A Corp") is a corporate entity of the General Assembly. It was originally created in 1799. It holds funds and title to property in accordance with the 1986 Deliverance of the General Assembly, its Articles of Incorporation, and its Bylaws. A Corporation is charged with managing the business affairs of the General Assembly. The staff of the A Corporation is the Administrative Services Group (ASG). ASG provides such services as finance and accounting, human resources, legal services, research services, global language resources, and technology to the Presbyterian Mission Agency and the Office of the General Assembly and to other client partners via service agreements.

Though there exists some coordination among these ministry areas of the national church, a major challenge, highlighted by all the review committees and commissions of the past 14+ years, is the lack of communication, coordination, and vision between the two main mission bodies of the General Assembly: PMA and OGA.

OGA and PMA exist to carry out the work of the General Assembly by hiring and supervising staff to do the work on which the GA has decided. However, they have taken on a life of their own--as if they exist as separate from the GA and from the congregations that make up the denomination.

Uneven Funding

Uneven funding is clearly shown in the way PMA and OGA are funded. On the one hand, PMA is the recipient of most of the unrestricted and restricted funds managed by the Presbyterian Foundation for the mission of the General Assembly, but OGA on the other hand is limited to only those funds collected through the per capita apportionment of presbyteries. Our polity clearly states, however, that there is ONE council, General Assembly, who is responsible for the mission of our national church, and at the very least that means that the two entities who embody that mission should work together as ONE. This is not the case, organizationally, administratively, or financially.

(To put this in congregational terms, this is as if the session of a local church could only receive plate offerings for its Sunday services [and ministry staff], while a separate board of trustees runs the rest of the church's program [and large church staff] through management of the church's multimillion dollar endowment -- without any consultation or collaboration with the church's session.)

We recognize that the ministry of the national church is more complex than a local church and there are some good reasons for division of labor among these agencies, but as every review of

the OGA and PMA has stated -- the ministry of the national church needs these two agencies to be ***aligned in mission, purpose, and the use of resources.***

The last four years have only intensified the need for collaboration between PMA and OGA, however, unfortunately the structure has ossified even more.

A unified church will be a stronger church

We are recommending the national church do what local congregations and mid councils have already done in taking a hard look at their current ministry and adapting it to be more faithful to the challenges of the present and future. It should be noted that this is not a plan to save money but a plan to adequately fund the *whole* church. This proposal for unification is soundly informed and supported by mid council leaders during the listening sessions held over the last 3 years, and concurs with previous assessments and reports including the All Agency Review (2010, 2016), the Way Forward Commission (2018), and the Moving Forward Implementation Commission (2020). It is past time for our national church to be ***unified in vision, mission and funding.***

Experiments for Possible Funding Models

The Tension in our Current System

What the Per Capita team learned came from listening sessions with over 200 mid-council leaders from approximately 108 presbyteries with representation from all 16 synods as well as conversations with agency executives, and staff, and numerous reports regarding per capita trends. While receipts of per capita have been reasonably steady in the past five years, our research made it clear that at the presbytery level, per capita as a funding model has become a burden to many presbyteries over the last several decades for the following reasons:

- Presbyteries are decreasing in size, both in the number of congregations and the number of members in those congregations. Per capita is set by membership figures, but on a two-year delay, because of the way membership is reported. Thus, if a presbytery has had a significant decrease in membership, they still pay per capita on the higher number for two years.
- Many mid council leaders find themselves ill-equipped to explain what the impact of per capita is for our shared mission at the presbytery, synod, and General Assembly levels.
- Some congregations refuse to pay per capita and this simply shifts the financial burden from those congregations to the presbytery who, by our polity, are mandated to pay per capita.
- For at least twenty years, presbyteries have cut staff, programs, mission, office space, and, at the same time, used reserves, mission giving, or investments to make up the difference between collected per capita and per capita sent to the national church. Mid councils are as lean as they can be and still function.

- We heard repeatedly that the PC(USA) does not have a unified vision, and that structural changes at the national level are needed before creating a new comprehensive funding strategy.

Sustainability, in whatever form, requires that there be clear guidance, transparency, and vision so that churches, presbyteries, and synods may work together towards a common direction. The funding model experiments are a first step in developing a clear and transparent funding model and rebuilding connections and trust at all council levels.

Pandemic update:

During the pandemic, the per capita team continued to engage in conversations with mid council leaders about how the pandemic has affected their budgets, per capita revenue, and overall financial health. The responses from the first quarter of 2021 indicated that it was still too early to tell. As the year progressed the responses indicated that, overall, presbyteries were stable but extremely concerned about their financial future. The mid council leaders indicated that pastors are fatigued and many leaders in congregations are anxious about the uncertain future of both congregations and presbyteries.

The committee recommends that a task force be named to experiment with funding models that could eventually be utilized by the whole church. Experiments or pilot programs would provide a way to imagine new funding models and experiment with room for trial, error, and learning before recommending or shifting to a new model.

Possible Alternatives

In the listening sessions, many suggested looking at a percentage of revenue or a percentage of budget based model as a system that would be “fairer,” less regressive, and could take the pressure off presbyteries because it removes membership as the key metric. A number of other suggestions were made; however, given the time constraints, the team was unable to fully develop and implement experiments. In order to keep the process moving forward, a handbook has been developed identifying adaptive challenges as well as possible experiments so that a Funding Development Team can pick up where the Per Capita Team left off. Perhaps most importantly, any possible alternatives would depend on what decision the assembly makes on recommendation one.

Timeline/Process

The committee submits the following timeline/process for the commission’s consideration.

It is likely that the commission will not be fully named until late in 2022 and the final reports will have to be submitted by February 2026 which means that the commission will likely only have three years of actual work time.

Three years may seem like a long time, however the commission will need time to meet, build trust, and understand the scope of the charge before embarking on a significant amount of work. The Committee on Per Capita and Financial Sustainability suggests three phases:

Design which recognizes the organizational cultures of both OGA and PMA and provides consideration for how those cultures will meld (The commission might look at values, practices, habits, potential areas of overlap, ways in which the organizations already work together, ways in which the organizations currently work around one another etc...) and, clarifies the national mission and vision.

Implementation which will look at structural change, personnel changes, and policy changes, and lay out a timeline by which these changes can happen with expediency.

Alignment is the final phase in which the Organization for Mission is changed to align with the new mission, vision, structure, and policies as well as any possible changes to the Book of Order.

The commission may need to form task groups to assist with this work that may include persons from the wider church, staff, board members from the agencies, and outside consultants. Additionally, former members of the PC/FS committee may be called upon to consult with the commission.

A Unified Church is a Stronger Church

As this committee is writing the final draft of this report (in January of 2022), the Presbyterian Outlook [is reporting that](#):

“Members of the [Coordinating Table](#) – a group of 15, made up of top leaders and board and staff representatives from each of those entities – acknowledged in a Jan. 13 Zoom meeting (which had the feel of perhaps being the group’s final meeting) that while there has been increased collaboration across agencies, the work has proved difficult because **there’s no shared understanding** of what matters most.”

The committee returns to the place where we started:

Only one council is given the charge to demonstrate the sacred connection of “union, community, and mission” that binds us together as the PC (USA). Having reviewed all the data, the Per Capita and Financial Sustainability Committee (PCFSC), strongly concur with previous commissions and recommendations including: the All Agency Review (2010, 2016), the Way Forward Commission (2018), and the Moving Forward Implementation Commission (2020), that in order for the PC(USA) to thrive and be sustainable for the future, **we must have a unified national church with a unified mission and a unified structure** including funding.

Appendices

Appendix A: Handoff Handbook

Appendix B: Adaptive & Technical Challenges

Appendix C: Timeline of Meetings

Appendix D: Per Capita Questions and Responses

Appendix E: Summary of Agency Responses

Appendix F: Financial Sustainability Report

Appendix G: Per Capita Projections