

Handoff Handbook: The handbook on Per Capita Experiments.

What's a Handoff handbook?

The beginning of the Story

In 2018 the 224th General Assembly approved an overture that directed that a team be appointed to “review the current Per Capita based system of funding the ministry of councils higher than the session, for financial sustainability into the next ten years. The team will accomplish this by identifying the adaptive and technical challenges of sustainability in funding the ministry of councils higher than the session, consulting and receiving feedback/input from the leadership of the presbyteries, synods, and the Office of General Assembly as well as the Presbyterian Foundation.”

Okay this handbook starts with an overture. Is there more to the story?

Yes, there is more. The Co-Moderators, seeing that this team and another recommended team for Financial sustainability Review had similar requirements, merged the work together and the Per Capita Review and Financial Sustainability team was formed.

What were the responsibilities of the Financial Sustainability Team?

They were tasked to “provide a comprehensive resource projection analysis and summary assessment” of national church assets and income.” And in reference to shared services, “how we can better resource our congregations and mid-council bodies and their work on the ground”.

The two teams were merged together and then what?

The Per Capita Review and Financial Sustainability team were appointed in early 2019. With a long “to do” list they divided into two groups to tackle the work. The Per Capita Working Group focused on the listening sessions and developing the experiments. The Financial Sustainability Team reviewed the financials of the agencies, asked lots and lots of questions and provided a “comprehensive resource projection analysis and summary assessment” by the allotted deadline of December 31, 2019. The two teams met together often as well as working on their own tasks. Information and feedback were shared freely.

Sounds like there was a process for the work but how did you get to a Handoff Handbook?

The work began in February 2019. The listening sessions with the mid council leaders took place over 6 months (more about that later). The financial analysis was comprehensive and the Moving Forward Implementation Commission (MFIC) added the additional task of coordinating with the six agencies of the PCUSA a “collaborative self-study of the per capita model and its ability to adequately fund the Office of the General Assembly and Presbyterian Mission Agency in the immediate and longer-term future and to explore alternative and creative funding resources for both”.

With this additional work, and the team diving deep into their tasks, we concluded in January 2020 that we could not adequately develop the experiments (which are coming up next) in time for the reports to

be submitted. Therefore, we agreed to recommend to the General Assembly an Experiment Implementation Team to pick up the work that has begun and to continue to learn more about ways we can best fund the Church at all levels into the future. Thus, the need for a Handoff Handbook.

Why do Experiments?

Why are you calling for Experiments and not “pilot projects” or “testing” or something like that?

The GA description called for the Per Capita Review Team to recommend experiments. According to Webster's, an experiment is “A test, trial or tentative procedure; an act or operation for the purpose of discovering something unknown or testing a principle or supposition.” The assumption behind that is that we don't really know what will work for a funding model and we need to test out different ideas and hypotheses in small groups before making a decision on what would work for the whole denomination. Jesus did experiments.

WHAT?! What do you mean Jesus did experiments?

Luke 9: 1 -17. Jesus prepared the disciples to send them out in service. He empowered them to cast out demons, cure the sick and preach about the Kingdom of God. He admonished them to carry no bag, staff, bread or money. (v. 1 -3) They were to experience what it is like to be on the receiving end of hospitality and to build relationships from a place of vulnerability and dependence. (v. 4 -6) When they returned they reported what they learned and reflected on those learnings. (v. 10) Then they took what they learned and practiced it. (v 12 -17) After this experiment of trying something, learning, reflecting Jesus then sent out the larger group of 70 to do what they learned from the small group experiment. (Luke 10: 1 -12)

Why do experiments for a funding model? Can't you just “change” the funding model? Wouldn't that be easier?

The Per Capita as a funding model or system has been part of the Presbyterian Church since middle 1800s. Changing to a new model all at once would be difficult and chaotic. Without testing out a new system chances of success are low.

Recommending Per Capita Experiments

According to the Recommendations there are to be some Per Capita Experiments. Got ideas?

The team collected data, information, listened to lots of mid council leaders, talked with Agency heads and PMA and OGA staff. From all this work the team narrowed the ideas, data, and info to two possible experiments – a Percentage Model and Presbyterian Partnership Model (kind of an enhanced communication and financial development program).

Okay. Those sounds like different tracks. Tell more about the models.

The Percentage Model would be based on a percent (%) of the annual income. Many denominations use some type of percentage model. The Presbyterian Partnership Model would work with Per Capita as the funding model and would include training congregations and presbyteries on communication, stewardship, and long-range financial planning, as well as better explaining the use of per capita dollars at all levels.

We heard from our listening sessions with mid council leaders and agency leadership that there were some shared values that any experiment needed to incorporate. We believe that these two models reflect those values.

It's always good to have shared values. What are those values?

We were able to discern from all our conversations the following as shared values for any funding model:

- Connectional in nature
- Focused on Community
- Fair/equitable for all
- Reflects Shared mission
- Clarity of services received
- Flexible in interpretations for contexts
- Based in reformed theology
- Represents God's abundance
- Provides mutual benefit to all mid councils

Why two experiments? Can we do one and then another?

First, we are handing it off to you. Certainly, one before another may work for you. There was some discussion of three models. We felt three would be too much to manage.

We need to do experiments now. Many of our presbyteries are at a crisis/crossroads and need assistance now. Others are in a creative place and ready to try something new. Something needs to happen, and time is running out for some.

PANDEMIC UPDATE: During the pandemic year of 2020 the team continued to meet with mid council leaders to ask questions about funding and how the pandemic has changed their financial status, funding model or other issues.

What we learned:

- Pandemic exacerbated the financial slide for congregations and some presbyteries. 2020 the Per Capita giving dropped some, but expenses dropped significantly. Late 2021 it appeared that presbyteries continue to lose ground financially.
- The Presbyteries that were at the crisis/crossroads point pre-Pandemic continue to be so and maybe the pandemic has accelerated the process.

- Presbyteries have or are considering cutting staff, going to virtual offices, using financial reserves and investments, merging with other presbyteries.
- Mission giving has dropped off.
- The time is now to engage decisively into experimenting with and/or developing new models of funding for our presbyteries. We are running out of time.

Sounds interesting. How would they work?

This is the Handoff part. Because it took all our allotted time to collect and review the information and data, we did not believe we had enough time to develop the models in depth. We have some ideas and have had some early conversations. The Implementation team will have the responsibility of developing the details of the experiments.

Handed off. Got it. What did you get done with the requirements of your tasks?

There were several parts of the requirement:

1. Listening to mid council leaders. *Check.*
 - provide a comprehensive resource projection analysis and summary assessment. (See appendix). *Check.*
 - Identify potential Experiments. *Check*
 - Identify adaptive challenges related to Per Capita and potential experiments. (See Appendix). *Check*
 - Recommend experiments to next General Assembly. *Check*

We completed the work that was required and little bit more in the development of the experiments.

Congratulations. However, more information is needed. What are Adaptive challenges?

“Adaptive challenges refer to situations where there are no known solutions to the problem or cases where there are too many solutions but no clear choices. Adaptive challenges are by nature, adaptive, which means they are fluid and change with circumstances. Adaptive challenges are volatile, unpredictable, complex, and ambiguous in nature. Solutions to this type of challenge usually require people to learn new ways of doing things, change their attitudes, values and norms and adopt an experimental mind-set.” (**Definition from Leadership on the Line and The Practice of Adaptive Leadership by Heifetz, Grashaw and Linsky*)

What are the Adaptive and Technical Challenges Identified concerning Per Capita and Mid Councils?

We identified three areas of Adaptive and Technical Challenges. Communication, PMA -OGA perceptions, and Budgeting. Details can be found on Appendix: Adaptive Challenges For Per Capita and Financial Sustainability.

Pandemic Update: Additional Adaptive and Technical Challenges have been identified specifically related to the Pandemic.

- The definition of and meaning of membership

- Pastor and Congregational Leadership Development
- Post Pandemic Church in a Digital Season
- Post Pandemic Financial realities

What ideas have you worked on for setting up experiments?

- Take time to review the data, information, reports that we have included in this report. There is a lot of information to review and digest.
- Plan the experiments, develop hypotheses, set goals and measurable outcomes. Know that you will fail and learn from that failure.
- We highly recommend having conversations with Agency leaders and PMA and OGA staff. We have some creative and financially smart people working for church. They are a great resource.
- Recruit presbyteries to be part of the experiments. This might be a challenge but there are leaders willing to risk and try out something new. We recommend 10 to 15 for each experiment.
- Plan that the experiments will take time, and this is not a linear process. Pandemic Update: This statement is more true than before. The process will not be linear and there will be bumps along the way.

Final Thoughts and Comments

Have you identified what might possibly be challenges or “bumps in the road” for the experiments?

It is impossible to identify all the challenges. That’s part of the fun of doing experiments. Here are a few things that might be “bumps in the road”. Remember nothing is certain or perfect.

- Time – this will take time
- Costs of doing the experiments
- Getting people involved. Important to get the “innovators” and “early adopters” into the experiments first
- Watch out for “nay sayers”; people and systems have difficulties with change.
- Life happens and other things come along. Pace yourselves.

You are not done yet. How about the costs?

We often start with “it’s too expensive” before we ever plan what we going to do. Yes, you do need to pay attention to the cost of doing the experiments. Use technology, video conferencing, software and all those other things that help us communicate and meet without traveling all over and increasing our carbon footprint. These are very effective cost reducing tools.

Setting the logistical costs aside, there are other costs involved. We recognize that there is a perceived cost in “lost” per capita while doing experiments. We are even more certain of the true cost to the denomination, from mid councils to the national agencies, if there is not a change to the current funding model of both.

The OGA and PMA staff have formulas on how to determine the cost of projects. They will have that determined for the General Assembly committee and the budget.

It's overwhelming to think about this.

Keep it simple. Have a plan. Know that you might fail AT FIRST. Learn from those things that didn't go according to the plan. Blessings on your journey. You got this.