

TO: SEJ College of Bishops (Bishop Fairley),  
SEJ Committee on Episcopacy (Steve Furr)  
General Council on Finance and Administration (Moses Kumar)  
SEJ Delegates (Anne Travis)  
Presenters at the January 5, 2021 SEJ Delegate meeting

From: David Stotts, Mississippi First elected Lay Delegate  
Conference Treasurer/Benefits Officer

January 23, 2021

RE: Election/Retirement of Bishops

Thank you for the Zoom meeting for the SEJ delegation heads on Monday, January 4, 2021 and the full delegations on Tuesday, January 5, 2021. The information was very informative, and the meeting was well done.

I am very concerned about making this major shift in our episcopal leadership this close to the postponed General and Jurisdictional 2020 conferences. Certainly, I understand the financial challenge we are facing. I understand *The Book of Discipline* rules we are facing.

Here are my concerns:

1. In this time of going forward in the UMC, the pandemic, government unrest, racial equality work that must be done, and the declining budget, we must do everything possible to maintain the trust and confidence in and the accountability to our local churches. After all, *The Book of Discipline* states that the local church is where our work of making Disciples is best equipped to be done. We as the leadership are only to resource the local church.
2. If we reduce the SEJ episcopal leadership to 8 bishops, we are basically cutting their role in the annual conference to half time. We are placing more work to be done by the conference leaders in a time when districts and staffs have already been reduced. I am not sure just how much more work and responsibility these dedicated leaders in the conferences can take on and give to it the proper attention.
3. The churches are the only source of our current revenue. If they believe that we have been over apportioning them in the past and if the job can now be done with half the number of bishops, I worry that they might just hold back apportionments. This could devastate the trust level and put into question our accountability.
4. The question that should be anticipated is: Based on the SEJ and GCFA leadership's facts that were presented to the SEJ delegates, if the SEJ, COB, COE and SEJ Delegations have seen this coming over the years and now in the last days of the UMC as we know it, why are you just now proposing these extreme actions?
5. As I understand from the January 5<sup>th</sup> meeting, we were able to increase Episcopacy Fund reserves by about \$1 million through expense reductions basically because of restrictions on meetings and travel caused by COVID restrictions. If we are utilizing about \$1million out of reserves each year, and if this is the last year that we will be

operating as we are with the postponed 2020 conferences coming this fall, won't we be basically having the same basic reserves we had two years ago?

6. Why is there such an urgency to make this proposed temporary/interim change with much more comprehensive changes coming this year? Would it not be better to have all things aligned in one legislative process?
7. The main response to most financial concerns (in all areas of the general church and local church) has always been to cut first. In almost all occasions, cutting expenses has only served to reduce service to our local churches, which I remind you that *The Book of Discipline* says is best equipped to do the mission of the UMC and Make Disciples.
8. Was the financial study of the reserves only done on the Episcopal Fund? If a complete study of all general fund reserves were done, may we see them before any major proposed changes are decided upon?
9. Now is not the time to change episcopal leadership when an understanding of all our churches and pastors is crucial. As any leader works with their people, they need to fully understand their constituency. This can only be done through relationships where trust is built. An episcopal leader who has been in place the last 5 or 9 years will better understand their people than a newly assigned Episcopal Leader (whether the Bishop is a current sitting Bishop or a newly elected Bishop).
10. This process could not only cause the Bishop's newly assigned area but also their existing area to feel neglected. Either way, this could be a trust killer for, and hindrance to the effectiveness of, the newly assigned Bishop.

With these concerns above, I have looked at many numbers both in my conference and in the denomination. I would suggest that a better financial plan would be as follows.

1. Do not change the assignments of the Bishops until *The Book of Discipline* stated time that is coming this year after the Jurisdictional Conferences. Most likely the reduction will be necessary then. There is no need to take on quick changes. Try to amend *The Book of Discipline* at the Postponed GC2020 when the normal events of our church will require these changes. Since this past July 31 should have been the retirement of 5 of our bishops, I contend they should be allowed to retire as soon as practical if that is their desire. Then immediately reassign them in their retired relationship to their same area if they desire to continue to serve. If not, locate a retired Bishop to fill in until the actual assignments at the upcoming postponed Jurisdictional conference. Do not force anyone to stay beyond their own will or to go at the committee's decision.
2. Compute the salary to come out of the Episcopal Fund as the net amount after reducing the salary level by the Defined Benefits of the retired Bishop. This does not take anything away from the Bishop as you would not be using their own UMPIP Funds. I understand that would save about 45% of the compensation for the 5 potential retiree Bishops. Everyone would be receiving the same salary; the source of funds will be from the Episcopal Fund and the defined benefits funds of the Episcopal plan held at Wespath.
3. Travel and related expenses will continue to be held down because of COVID so we can continue that savings.

4. Stop the Episcopal supplement for housing and require the conferences to pay the full housing cost without the \$10,000 annual supplement.
5. Reduce the stipend for the area office by 50% and allow the conferences to cover the balances.
6. Request from GCFA to determine if there are reserves that could be borrowed from the other General Funds as a last resort should the collection rate continue to deteriorate before the postponed GC 2020.
7. Begin to study the number of needed Bishops in the SEJ and present that along with suggested combined areas. This would be going forward and would allow the SEJ delegations to make the decision with options.

When these savings are studied, I believe you will find we can save much more money, provide the continued leadership as we now have it and keep the reserve levels at a higher level. This will also allow time for the SEJ COB and COE to prepare recommendations for the SEJ conference surrounding Episcopal coverage in the post 2020 GC of the UMC.

Now is not the time to panic. We must maintain a non-anxious presence with steady steps that keep all situations normal as we live into the major problems facing our churches and people today. Then we make changes based on studies for the post GC UMC and not in a “cut costs first” mode.

I would be happy to meet and discuss this with any who would request that of me.

Respectfully submitted,

David Stotts, CPA

NOTE: This concept was endorsed by the Mississippi Conference General and Jurisdictional delegates at their January 22, 2021 meeting.