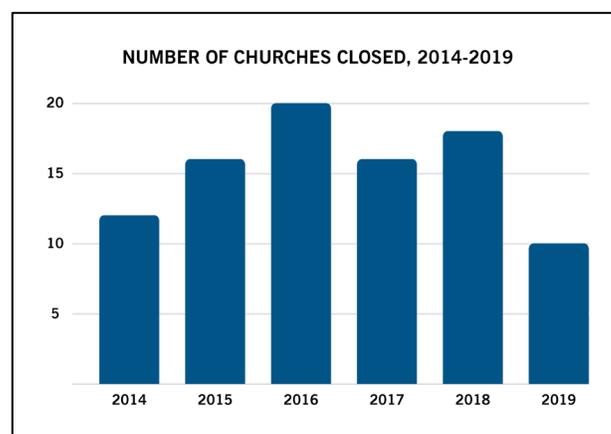


<b>TO:</b>	Mission Council
<b>FROM:</b>	Redistricting Task Force
<b>DATE:</b>	December 17, 2020
<b>RE:</b>	Redistricting Final Report with Proposal

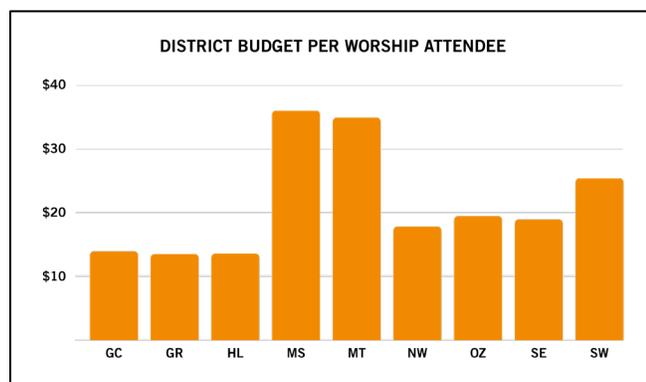
In May 2020, Bishop Farr created a “Redistricting Task Force” to consider reducing the number of districts in the Missouri Conference, in order to leave more money for mission and ministry in local churches; this was announced during Bishop Farr’s “State of the Church” address. Eleven persons, representing every district, were named to this Task Force. The team met eight times, and involved Bishop Farr, Rev. Kim Jenne, Director of Connectional Ministries, and Rev. Nate Berneking, Director of Finance and Administration in conversations.

The Missouri Conference last reworked district lines in 2014 (see number of closed churches chart). At that time there were almost 800 churches in the Missouri Conference and the number of districts was decreased from 12 to nine. As of the writing of this report, there are 709 churches, with an average of 16 churches per year choosing to close. The Task Force learned 35% of our churches worship 25 or less (before the pandemic), making many of those churches vulnerable.



As well, Bishop Farr has discussed denominational decisions with the Task Force, and shared concerns that if an easy exit is adopted by the General Conference, some churches may choose to leave the denomination. For these reasons, the Task Force agreed it was time to consider reducing the number of districts.

In past redistricting efforts, careful attention has been paid to the location of the largest churches so that every district has “enough” large churches to fund their district budgets. The Task Force discovered there is great variance in the amount districts apportion per worship attendee. Comparing district budgets with the number of worship attendees per district, the Task Force learned one district needs \$13.50 per attendee,



while another district needs \$35.98 per worship attendee. Our district superintendents report that churches that move from one district to another are surprised by district apportionments that almost double. Simply put, the district apportionments in our rural districts are higher per worship attendee than apportionments in districts surrounding our larger cities (see bar graph) causing further strain on rural communities already economically stressed. Therefore, the Task Force is proposing a new way to fund district ministries.



**PART A: Direct the Conference Council on Finance & Administration (CFA) to include DISTRICT MINISTRIES as part of the 2023 Conference budget, eliminating district apportionments at the close of 2022.**

District apportionments as we know them would end in December 2022. Beginning January 1, 2023, every church would only have ONE apportionment (from the Conference) and the Conference budget would include the funding of district ministries (e.g., staffing, officing and programming). To facilitate this change, the Task Force offers the following recommendations to Mission Council, CFA and the Cabinet.

- Line M in the Conference budget would change from “District Superintendents” to “District Ministries.” This budget item would include four (4) line items – District Superintendents, Staffing, Offices and Programming.
- The “Staffing” line item would include the cost for each district to hire 1.5 administrators (1 full time with benefits and one for 20 hours a week/no benefits). Given the variance in wages across the state, each D.S. would submit a staffing budget to CFA for inclusion in the total request. In addition, the bishop may request additional funding for “assistants” or “circuit elders” to assist D.S.’s with district workload.
- The “Offices” line item would cover the varied expenses for each district to have an office (rent, utilities, insurance, phone, internet, lawn service, snow removal, etc.). Again, given the variance in office space across the state, each D.S. would submit an office budget to CFA for inclusion in the total request.
- The “Programming” line item would be an amount CFA would set that each district would receive. At this writing, the Task Force is suggesting at least \$38,000 per district to cover office expenses, hospitality, scholarship, and programming. (In 2020, districts spent an average of \$31,000 on “programming;” more will be needed with more churches per district.)
- The Conference would send each district office a check, twice a year, for 50% of the staffing, offices, and programming line items so districts can continue paying bills as they have in the past. The Conference will pay the salaries/expenses of District Superintendents as is the current practice.

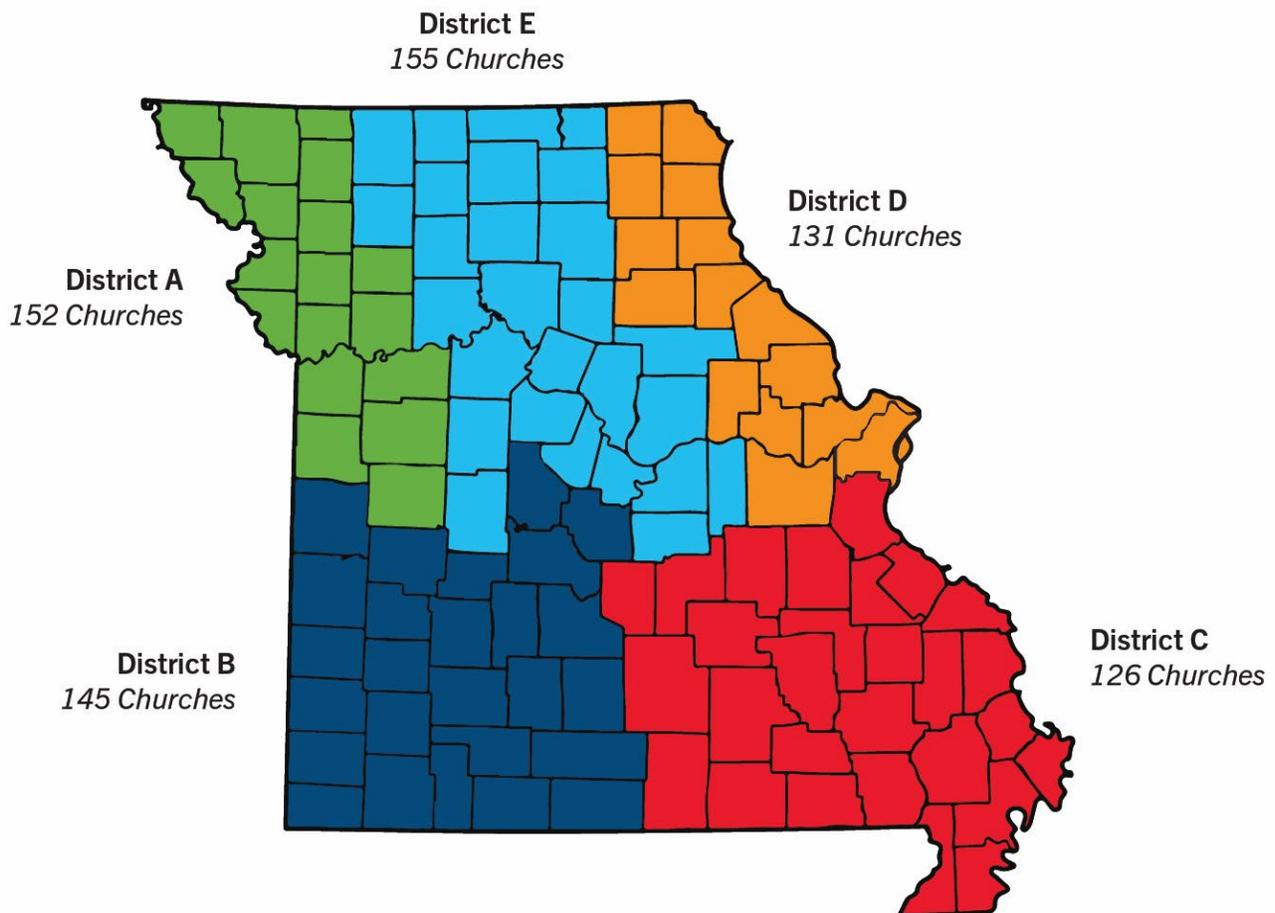
This recommendation, to end the two-tier apportionment system, combined with the reduction in the number of districts which will be addressed next, will save over \$850,000 when comparing the 2020 apportioned district and conference budgets to the 2023 proposed conference budget (see budget comparison below).

<b>Redistricting Budget Implications, 2020 versus 2023</b>			
<b>2020</b>		<b>2023</b>	
District Superintendents	1,298,160	District Superintendents	725,000
District Budgets	1,298,160	Staffing: Admins	412,000
		Staffing: Episcopal Office/DS Support Team	290,000
<b>TOTAL</b>	<b>2,596,320</b>	Offices	120,000
		Programming	190,000
		<b>TOTAL</b>	<b>1,737,000</b>
		<b>TOTAL SAVINGS</b>	<b>\$859,320</b>

This is significant as it puts more money into local missions and ministry. This proposal will help churches in more rural districts where district apportionments have been higher and will assist every church who has seen their apportionments increase because the closure of churches has meant there are less churches to cover expenses. This savings will not happen all in one year, but gradually over two years, returning money into the hands of local churches.

**PART B: *The Missouri Conference move from nine districts to five districts beginning July 1, 2022.***

The Book of Discipline, paragraph 415.4, states it is the Annual Conference’s responsibility to vote on the NUMBER of districts, while it is the responsibility of the Bishop and Cabinet to set the specific district lines. The Task Force understands the delineation in those responsibilities and wants to offer a possible district map for Bishop and Cabinet considerations. The map delineates the suggested tentative district lines. The Bishop and Cabinet will tweak these lines over the next year, as charges are realigned, as churches close, and as they balance responsibilities. New district lines (and names) will be clearly announced before the 2022 Annual Conference. The Task Force is aware moving to five districts is a radical change as districts will be significantly larger. As of this writing, the image below notes the count of churches per new districts.



The Task Force knows that with 709 churches currently, and the closure of almost 16 churches a year, it is expected the Conference will be under 700 churches by the 2021 Annual Conference, and possibly about 675 churches by the time the move is made to five districts in July 2022. The Task Force understands churches will continue to close in the future, and that the Conference could be smaller if any churches take an offered disaffiliation plan approved by an upcoming General Conference. It makes practical financial sense to make this change in advance of General Conference.



One further note. The Task Force has been in conversation with the Conference United Methodist Women President and understands from her that the UMW will request an exception so that the Conference and District United Methodist Women align to the new five districts in January 2023. This exception will simply be reported to the Annual Conference Session, as the Session does not vote on UMW matters.

Bishop Farr and the Task Force understand these proposed districts are large, and Bishop Farr is considering a variety of ways to provide assistance to the five District Superintendents. Those decisions are appointive, and therefore Bishop decisions to make. It is also the Bishop's decision as to the location of district offices. All these decisions will be shared before the 2022 Annual Conference.

The Task Force then considered the issue of managing district assets in this district realignment. Over the last many years, districts have been solely responsible for staffing, officing, program, scholarships, and until three years ago, providing their D.S. with a parsonage or housing expenses. The responsibility for managing district parsonages and housing expenses is now the Conference's responsibility. In those years, districts have accumulated a variety of assets. Some of those assets have come from special fund drives for projects such as church extension or Hispanic ministries. Some assets have come through the sale of property or the sale of closed churches. Some assets have come through designated gifts or the underspending of apportioned budgets. In a snapshot of district assets in June 2020, there was a total of about \$5.3 million in cash assets plus another \$500,000+ in outstanding loans and buildings. Assets vary by district; some have about \$170,000 while others have over \$900,000.

In the move from 9 districts to 5, district assets will be shuffled. As well, since districts will no longer be fully financially responsible for funding their operation by January 2023 (when district ministry is included in the Conference budget) the Task Force felt there could be some directed slow spending of assets.

***PART C: Affirm that the Conference Council on Finance & Administration (CFA) will work with districts to assign assets appropriately to the new five districts.***

The Task Force formed a series of recommendations for the reporting, re-assignment, and spending of the assets currently held by the nine districts. CFA will consider those recommendations and will incorporate them in a RESOLUTION on DISTRICT ASSETS which they will report to Annual Conference in their written report. This resolution will first be considered by Mission Council in mid-January 2020.

Summarized, these recommendations are to:

- create five new Missouri nonprofit corporations named for each of the new districts by the effective date of the new districts (July 1, 2022), and
- require, by July 15, 2022, the current nine districts to give an accounting of all assets on June 30, 2022, and
- clarify each fund will be transferred to the five new districts in the percentage of churches moving from an old district to a new district, and
- require districts that still hold parsonage accounts or a parsonage to enter into negotiations with the Director of Finance and Administration & Conference Trustees to determine a fair split of those monies/assets, honoring district churches paid for parsonages and recognizing the Missouri Conference now covers housing expenses for D.S.'s, and
- give permission for a district's "undesigned reserves" to be used to supplement the Conference's funding for 1.5 staff persons if a district's Mission Council approves, and



- give permission for the Resident Bishop to request up to 5% of a district’s “undesigned reserves” annually to assist with emergency clergy needs within that district, and
- require districts with designated “congregational development” or “Hispanic ministry” funds to enter an annual strategy meeting around New Places for New People and further requires that up to 5% of that district’s fund shall be made available annually for ministry within that district as strategically determined, and
- set the sharing of assets if one (or both) of the buildings owned by a district are sold, and
- require districts with designated “leadership development” funds to enter an annual strategy meeting around New Missional Leaders and further requires that up to 5% of those funds shall be made available annually ministry within that district as strategically determined, and
- require that any funds restricted for “Urban Ministries” will remain in the new district with an urban area, and further requires that up to 5% of those funds may be requested for that district’s work in an urban area.

**To summarize,** the Annual Conference Session will vote on one matter in three parts:

1. Direct the Conference Council on Finance & Administration (CFA) to include DISTRICT MINISTRIES as part of the 2023 Conference budget, eliminating district apportionments at the close of 2022.
2. The Missouri Conference move from nine districts to five districts beginning July 1, 2022.
3. Affirm that the Conference Council on Finance & Administration (CFA) will work with districts to assign assets appropriately to the new five districts.

Submitted by the Redistricting Task Force on December 17, 2020:

Rev. Lynn Dyke, chairperson  
Rev. Dr. Bruce Baxter  
Randy Biggerstaff  
Rev. Melissa Dodd

Rev. Monica Jefferson  
Brad Kurz  
Mitch Ross  
Tasha Stephens

Mike Sykuta  
Rev. Jon Thompson  
Jai Vaughn