

Oregon-Idaho Annual Conference

The United Methodist Church
1505 SW 18th Avenue
Portland OR 97201
503.226.7931 • 1.800.593.7539
www.umi.org

MEMORANDUM

Date: August 31, 2016
From: Dan Wilson-Fey, Conference Treasurer and Benefit Officer
To: Local Church Pastors, Treasurers and Finance Chairs
Subject: 2017 Apportionment Notice

Each June at our annual session we covenant together for shared ministry for the following year. Our annual budget is a concrete expression of our covenant, and the support for our shared ministry comes through each congregation's share of the budget. Our office has the responsibility of calculating each congregation's portion, or apportionment. Enclosed please find the Official Notice of Apportionments for your church for the year 2017.

APPROVED BUDGET:

The 2016 Session of the Annual Conference approved a 2017 apportioned budget of \$3,746,156. This is the same apportioned budget amount as 2015 and 2016. Your apportionments are based on this approved budget.

It's important to remember that even though the total amount apportioned remains the same, individual apportionments will change due to the different spending patterns in each local congregation. See below for an explanation of the grade figure and apportionment calculation process.

HOW APPORTIONMENTS ARE CALCULATED:

Apportionments (also known as Shared Ministries Apportionments) are assigned to each church based on a *Grade Figure plus a residual adjustment*.

The calculation of the grade figure is set forth in Conference Rule #5.141:

"The Grade Figure formula shall be calculated as follows: 75% based on the current expenses as reported on the latest year's (2015) Local Church Report to the Annual Conference. These include Pastor's and Associate Pastor's salaries, housing and parsonage allowances and business and professional expenses, other allowances and benefit expenses, staff salaries, program expenses and other current [operating] expenses. 25% based on the average of the last two years' (2014 & 2015) current expenses as indicated above"

The residual adjustment is the amount needed to fulfill the total budget, as adopted by the Annual Conference, after the application of the 15% Rule (CR #5.142):

"All financial shared ministries to the charges shall be based on grade figures. If the total apportionments as calculated by the grade figure would increase more than 15% in any one year, the increase shall be limited to 15%..."

Note that apportionments for churches benefiting from this rule for 2 consecutive years will be brought back to the calculated amount within four years.

Each year, there are a few churches whose calculated apportionments (Grade Figure times the approved budget) would increase by more than 15% of their prior year apportionments. The difference between the actual apportionment and the 15% cap (the residual amount) is spread to all of the other churches in the Conference based on the Grade Figure. In this way, the full amount of the approved budget is apportioned to all of the congregations.

I am enclosing a copy of the final grade figure worksheet for your information. All of the data used in this calculation comes from the Financial Supplement to the annual Local Church Report (Table 2) which is completed by you or your financial personnel. A preliminary grade figure worksheet was mailed to your church in May for you to review these calculations. Thank you to those who contacted us with questions or corrections. At this time no adjustments can be made to the 2017 Apportionments.

ASKINGS:

In addition to the ministries supported through the Shared Ministries Apportionment, the annual conference approved special askings for Campus Ministry, Church Development/Vital Church Project, Hispanic Ministry and the Council on Young People’s Ministry. Your congregation’s fair share is included with your apportionments. These ministries appreciate your support.

A NOTE ABOUT BENEFITS:

The Conference Board of Pensions is continuing to study the way we provide health insurance in light of provisions in The Affordable Care Act. For 2017, we will continue with the Health Flex program and will keep you advised of any changes ahead.

Health Insurance premiums for Active Clergy appointed to the local church, based on the blended rate are billed to the local congregations. The monthly billing amount to the local congregation will be **\$1,250.00 per month** in 2017. This is the same amount we have billed since 2014 and reflects a total increase of only \$50.00 since 2009.

Since 2011, Active HealthFlex participants have had the choice of 2 types of plans – a Consumer Driven Health Plan (CDHP) and a Preferred-Provider Organization plan (PPO). To better reflect the costs incurred by these plans and in the continuing effort to avoid raising benefit costs to local congregations, beginning January 1, 2017 CDHP will be the default plan. For those participants in the **CDHP plan**, we will continue billing **\$25 per month** for each HealthFlex participant who elects single coverage and **\$75 per month** for each HealthFlex participant who elects 2-party or family coverage. *For those participants opting to enroll in the **PPO plan**, beginning January 1, 2017, the billing amounts will increase to **\$125 per month** for single coverage and **\$175 per month** for 2-party or family coverage.*

The monthly billing to the local congregation for **pension** for Active Clergy appointed half time or more will continue to be **13% of total compensation**.

The monthly billing to the local congregation for **CPP** is calculated based on the appointment percentage, appointment status and salary.

Please contact Lisa Pronovost if you have any questions regarding benefits.

RESOURCES:

Information about the General Funds of the Church and interpretation resources, mostly free, can be found on the internet at www.umcsgiving.org.

The Conference Budget can be found in the Financial Section of the *Journal* or on the web at www.umoi.org.

DISTRICT CHURCH EXTENSION

We have included District Church Extension Askings for some Districts at their request. These askings have been prepared by the respective districts. If you have any questions regarding these figures, please call your district office.

Please feel free to contact us if you have any questions.

Contact us by e-mail or by calling 503-226-7931 or 1-800-593-7539 at the extensions listed below:

Dan Wilson-Fey	Conference Treasurer and Benefit Officer	dan@umoi.org	- ext 222
Sandra Reinemer	Assistant Treasurer, Controller	sandra@umoi.org	- ext 223
Lisa Pronovost	Human Resources Manager	lisa@umoi.org	- ext 224
Andrea Cooper	Accounts Receivable	andrea@umoi.org	- ext 217
Jerryn Johnston	Accounts Payable	jerryn@umoi.org	- ext 221