

COVID-19 takes a toll on BGCT operating budget

May 19, 2020

After an encouraging first quarter in Cooperative Program giving, the Baptist General Convention of Texas operating budget took a significant COVID-19-related hit in April, the BGCT Executive Board learned in a May 19 meeting conducted by video conference.

In fact, the board took the unusual step of entering into executive session to discuss the implications of a drop both in Cooperative Program giving and income from investments and other sources.

A statement released by the BGCT communications office later in the day said the board approved a plan to offer a voluntary retirement package to eligible staff. Details of the plan will be available after all eligible staff have been notified.

“As has been said by so many recently, we are experiencing unprecedented times and what is ahead of us all is somewhat uncertain,” BGCT Executive Director David Hardage said. “As a part of our response to these times, the BGCT is providing a positive and proactive offer for many of our longtime, faithful staff to retire if they feel like this is the right thing for them at this time.

“This offer is a generous but completely optional aspect of our plan. We are preparing to reset the BGCT for great days ahead as we emerge from this pandemic and prepare to do even greater missions and ministry work.”

April CP and first quarter investment income down

Ward Hayes, BGCT treasurer and chief financial officer, reported \$7.76 million in Texas Cooperative Program receipts from Jan. 1 to March 31, or 104.4 percent of budget. That represented a \$400,000 increase in Cooperative Program giving compared to the same period last year, Hayes noted.

However, Hayes reported a \$16.5 million market loss in investments—a 9.3 percent decrease—in the first quarter, which will result in lower distributed investment income. And preliminary reports from April—when most Texas Baptist churches were not meeting for in-person worship—show a significant drop in Cooperative Program giving.

The 2020 BGCT operating budget calls for \$27.5 million in Texas Cooperative Program giving, which accounts for 78.4 percent of the budget. Anticipated investment income of \$5.1 million accounts for 14.5 percent of the 2020 BGCT operating budget. The BGCT depends on another \$2.5 million—7.1 percent of the budget—from revenue generated by conferences, events, product sales and other sources.

Texas Cooperative Program gifts in April were 82.7 percent of receipts for the previous year. Year-to-date Texas Cooperative Program giving stands at 98.9 percent of the same period in 2019.

The BGCT applied for a Payroll Protection Program loan from the Small Business Administration and was approved April 15 for a \$4.7 million loan, he reported.

At least \$3.5 million will need to be spent on payroll and related expenses between April 15 and June 10, with no more than \$1.2 million spent on rent and utilities in order for the loan to be forgiven. Any funds not spent on

qualifying expenses will remain as a loan repaid at 1 percent, and \$700,000 is being held in reserve as a contingency for loan repayment, Hayes said.

Hardage reports on Pastor Relief Grants

In his report to the board, Hardage said the BGCT has provided \$1,000 Pastor Relief Grants to about 320 bivocational and small-membership church pastors who have been severely affected economically by the COVID-19 pandemic.

He noted 116 individuals and churches contributed toward the Pastor Relief Grants, and the Executive Board authorized up to \$500,000 in funds from the J.K. Wadley Missions Endowment.

The BGCT also provided funds to River Ministry missionaries who supplied 165 Baptist pastors in Mexico with grocery money for two months and assisted 81 pastors in Peru who are ministering to refugees from Venezuela, Hardage said. Texas Baptists also provided funds to help pastors in Sierra Leone.

Convention leaders are working on “a Plan A, a Plan B and a Plan C” for the BGCT annual meeting, scheduled Nov. 15-17 in Waco, depending on the state of the pandemic at that point and on public health protocols, he said.

Currently, most of Texas Baptists’ staff tentatively are scheduled to return to their offices June 1, with personnel divided into a Monday/Wednesday workforce and a Tuesday/Thursday workforce to allow for social distancing.

Employees age 65 or older and those who have underlying health conditions that place them at risk will not be asked to return to their offices yet, Hardage added. He said to his knowledge, no BGCT employee has tested positive for COVID-19.

In his report to the board, Christian Life Commission Director Gus Reyes introduced Michael Evans Jr. as [public policy director](#). Evans, a graduate of Morehouse College with a degree in political science, is completing his Master of Divinity degree from Princeton Theological Seminary.

Reyes also noted Texas Lottery sales for the week ending May 2 totaled \$146 million, with scratch-off tickets accounting for \$128.8 million in sales, according to CLC consultant Rob Kohler. The past three weeks—when many citizens received government stimulus checks—ranked No. 1, No. 3 and No.4 in all-time sales, he said.

In other business, the board:

- Elected Clint Davis, pastor of First Baptist Church in Mount Pleasant, as vice chair. He succeeds Donna Burney from First Woodway Baptist Church in Waco, who became chair when former chair Hayes was named treasurer and CFO.
- Approved a special project fund to use when occasions arise outside normal budget allocations that require attention. Financing for the fund will come primarily from budget stabilization charges to budget centers that have employee vacancies.