

# **Executive Board recommends reduced BGCT budget for 2010**

September 30, 2009

DALLAS—For the second consecutive year, the Baptist General Convention of Texas Executive Board approved a budget proposal reduced from the previous year.

Messengers to the BGCT annual meeting in Houston will consider a \$44,029,505 budget for 2010. The total budget calls for \$38,865,000 from Texas Baptist cooperative giving and \$2,135,000 from investment income, with the balance in revenue provided by conference and booth fees, funds from the Southern Baptist North American Mission Board, product sales and other sources.

The proposed budget—a 9.8 percent decrease after adjustments for organizational realignment—includes no cost-of-living increases for BGCT Executive Board staff, and most open positions are not budgeted. One position in the Center for Effective Leadership related to women in ministry has been eliminated.

## **Developing a 'realistic' budget**

“As we went into this process, we wanted a realistic, pretty conservative budget,” BGCT Treasurer and Chief Financial Officer Jill Larsen said.

All parties involved in developing the budget proposal wanted to avoid creating a budget that would require adjustment later, and they wanted to minimize staff reductions, she said. Also, since the amounts BGCT-affiliated institutions receive from the Cooperative Program are based on a percentage of receipts, budget planners wanted to provide a realistic projection of anticipated income.

Over the past 16 months, the budget has been reduced 20 percent, Larsen noted. The total number of BGCT employees—including part-time staff and Baptist Student Ministry personnel—has been cut from 406 in 2006 to 272 in 2009.

The recommended budget also cuts staffs' non-matched employer-provided retirement contribution from 10 percent of salary to 5 percent, resulting in a savings of about \$630,000. It leaves in place the matching-fund benefit whereby the BGCT matches an employee's contribution of 1 percent of salary for every three years of service, up to 5 percent.

The board also authorized in 2010 the use of up to 1 percent of investment earnings from endowment accounts—beyond the amount normally distributed by the Baptist Foundation of Texas—up to \$470,000. Of that total, \$235,000 was included in the recommended budget.

The additional 1 percent added to the foundation's distribution would bring the total draw to 5.5 percent, still below the 7 percent allowed by the Uniform Prudent Management of Institutional Funds Act of 2007, Larsen noted.

### **Worldwide portion of receipts**

She projected income from the church-directed worldwide portion of cooperative giving would provide \$1,518,000, with \$1,143,000 directed to Texas Baptist initiatives and partnerships.

The 2010 proposed budget—with estimated worldwide receipts—would direct 48 percent to evangelism/missions, 27 percent to education/discipleship, 10 percent to advocacy/care and 15 percent to administration.

The 2010 recommended allocation for the worldwide portion of the budget includes continued funding for River Ministry and Mexico missions,

missions mobilization, Texas Partnerships, Baptist World Alliance, Texas Baptist Men's international ministries and international/intercultural missions. It adds ongoing funding for Go Now student missions and promotion of the Texas Baptist Offering for World Hunger.

It also includes limited-time funding for western-heritage churches outside Texas, Baptist University of the Americas, the Hispanic Education Task Force and Texas Hope 2010.

### **Final approval yet to come**

Ed Jackson from First Baptist Church in Garland reminded his fellow board members that neither they nor messengers to the BGCT annual meeting had the final authority over the budget.

"Our churches have the final vote. And in effect, our churches have voted down the last two budgets," he said. He noted about 2,000 churches affiliated with the BGCT gave nothing through the Cooperative Program.

Larsen reported as of July 31, Texas Cooperative Program receipts were at 94.75 percent compared to the same period in 2008 and were at 88.89 percent of budget. Expenses were at 91.2 percent of budget. To cover the overage, the BGCT accessed \$1 million from reserves with board approval.

### **Texas Hope 2010 on track**

BGCT Executive Director Randel Everett, in his report to the board, opened the floor for questions, and he responded to a query about whether Texas Baptists are on schedule or lagging behind in meeting the Texas Hope 2010 challenge. Texas Hope is an emphasis on praying, meeting the needs of hungry people in Texas and sharing the gospel with every person in the state by Easter 2010.

"I feel like we're in the fourth quarter—the time when the game gets

exciting,” Everett said. “It’s crunch time. It’s time for action. We’ve got to call our churches to prayer. ... It’s going to take all of us.”

BGCT President David Lowrie, pastor of First Baptist Church in Canyon, focused on the Texas Hope 2010 goal of making sure every child in Texas has a nutritional meal each day.

“How can someone have hope if their children are hungry?” he asked.

Eliminating hunger in Texas may seem to be an impossible task humanly speaking, but God can multiply resources when they are given to him, Lowrie stressed.

“If Jesus has ever asked you to do something impossible, it’s because he believes in you,” he said. “What do we have in our hands? We need to turn loose of what we have in our hands and put it in the hands of the Lord.”

### **Future Focus Committee**

Stephen Hatfield, pastor of First Baptist Church in Lewisville and co-chair of the long-range planning Future Focus Committee, told the board his committee would present its report—“Living Hope”—to the BGCT annual meeting in Houston.

The committee determined early “we needed change sooner rather than later,” he said. The report will include seven affirmations about BGCT operations and nine findings and recommendations.

The Executive Board dealt with one recommendation the Future Focus Committee presented to the 2008 BGCT annual meeting—a proposed name change for the state convention.

After exploring several options—a formal name change, a “doing business as” option or a “branding” option—the board voted to recommend that the BGCT adopt the trademark “Texas Baptists” to gradually replace the term

“Baptist General Convention of Texas” in common usage. The convention’s formal and legal name will not change, but the BGCT will use the trademark as its logo and public image.

### **Board nixes schedule change**

The Executive Board rejected a proposal that would have changed its format for at least one meeting in 2010. The board normally meets in Dallas three times a year for two-days meetings—the first day filled with subcommittee and committee meetings and the second day devoted to a meeting of the full board.

Due to overnight lodging and meals, the two-day board meetings cost about \$40,000 each.

The proposal would have changed the May 2010 gathering to a one-day board meeting. All committee meetings were to take place during the month before—electronically if possible.

Bruce Webb, pastor of First Baptist Church of The Woodlands, warned the measure could have the “unintended consequences” of decreasing involvement and discussion in committees. Other board members also voiced concerns about the proposal, pointing to the value of face-to-face interaction in committee meetings. The board rejected the recommended change.

### **Multiple other actions**

In other business, the Executive Board:

- *Elected officers Debbie Ferrier from Tallowood Baptist Church in Houston as chair and Van Christian, pastor of First Baptist Church in Comanche, as vice chair.*
- *Authorized subordinating the BGCT’s lien on the original campus*

*of Baptist University of the Americas to Frost Bank to secure the school's \$2.25 million loan. It will permit refinancing that will allow amortization of the loan over 15 years. The board also authorized the BGCT to obtain a first lien on the unencumbered land of the new campus.*

- *Approved a revised relationship agreement with Valley Baptist Health System, to be presented to the BGCT annual meeting for consideration.*
- *The new agreement calls for the BGCT's primary governance influence to be moved to a subsidiary entity of the health care system—Valley Baptist Hospitals Holdings Inc. At least one-fourth of that board would be Baptist, with the BGCT electing a majority of those individuals. The Valley Baptist Health System board would become self-perpetuating, with one BGCT-elected trustee of the subsidiary board serving as a member.*
- *Approved a recommendation that messengers to the annual meeting approve a merger of Baptist Memorials Ministries and Baptist Memorials Services, both of San Angelo, into a single entity that would become affiliated with Buckner Retirement Services.*
- *Authorized a recommendation to the BGCT annual meeting that would amend the agreement between the BGCT and the Baptist Church Loan Corporation. The proposal provides for financial separation between the Baptist Church Loan Corporation and the BGCT. The change would enable the corporation to borrow and repay its obligations on its own financial capabilities, and it would reduce the potential liability of the BGCT. The Baptist Church Loan Corporation would continue to be run by its board of directors, all of whom must be members of BGCT-affiliated churches. The BGCT would have the right to elect one-third of the board. The Baptist Church Loan Corporation would release the BGCT from any and all guarantees of loans—past, present*

*and future.*

- *Approved a recommendation to the BGCT annual meeting calling for creation of a 12-member commission to work with representatives from the Hispanic Baptist Convention of Texas to review and revise the unification agreement between the two conventions. Commission members would be appointed by BGCT officers elected at the annual meeting in Houston.*
- *Approved a one-time exception to the BGCT annual meeting exhibitor policy for LifeWay Christian Resources. According to policy, prospective exhibitors at the annual meeting must provide a letter affirming support for the BGCT, its mission and its leadership.*
- *LifeWay met all other requirements but declined to provide the letter of affirmation. LifeWay President Tom Rainer informed BGCT officials LifeWay exhibits in a variety of venues, and its policy does not allow for an official endorsement of any entity where it exhibited. The board agreed to a one-year, one-time exemption to allow time for that matter to be resolved.*
- *Authorized the Executive Board chair to appoint a special committee to evaluate the level of institutional funding by the BGCT and to study how those funds are allocated to BGCT-affiliated institutions. A report by the committee will be presented to the May 2010 Executive Board meeting.*